

The CEO and the Board: Whose Job is It Anyway?

By Brydon M. DeWitt, President

There is delicate balance in the roles of the CEO and the Board in giving effective leadership to a nonprofit. Their functions are distinctive and important, and they need to be understood and respected for effective, productive management of the organization.

The Chief Executive Office

Chief executives of nonprofits are the public embodiment of the mission, vision, and public personae of the organizations they lead. The successful ones understand and accept this fact without hubris. They know that productive results for the total development program depend upon the CEO's ability to exemplify the nature and life style, the hopes and aspirations of all those who comprise their organizations at any given moment. As chief executives, they stand as examples both to the internal constituencies (faculty, staff, medical staff, etc.) and to the external constituencies, most especially to those who are prospects to become major benefactors. Major donors are becoming more discriminating in their selections of organizations to support. They want to know what it is the organization is trying to accomplish and how it expects to achieve its objectives. And, they expect to have their questions answered by the CEO.

As the Boards' (the owners') representatives, chief executives have both management and relationship responsibilities to keep their nonprofits running smoothly. They should always strive to keep their board members informed about the state of their organizations, including the financial status, operational needs and difficulties, public relations challenges, and the joys that occur. Their boards carry the fiduciary, legal, and financial responsibilities for their organizations. CEO's should expect Board members to ask relevant questions, request additional data, and scrutinize budget and program materials.

As the real chief development officer, the chief executive must take the lead in communicating the character and goals of the organization. To do this, they must learn how constituents currently view their organization and then provide them with a message that exudes clarity and confidence in the organization's position and direction.

The CEO sets the tone for the public persona and the day-to-day management of the organization. He or she must provide direction for:

- Working with the Board to keep all programs and activities within the scope of the organization's mission;
- Setting the expectations for the working environment that is welcoming and promotes harmony;
- Creating evaluation methods that include the measurement of client and visitor serve;
- Providing leadership in the marketing and fundraising efforts;
- Insuring accurate recordkeeping and reporting of all funds acquired and used by the organization;

- Making certain that the wishes of the donor are recorded and respected;
- Publishing materials that contain accurate information about the organization's programs and progress;
- Practicing the Hippocratic oath of fundraising – Make no recommendation that would harm the donor or the donor's family in solicitation activities;
- Hiring staff members who bring personal integrity as well as professional skills to the organization.
- Being leaders in creating the attitude and the practice of good stewardship for themselves, their staff and board members.

Most of all, there is no substitute for maintaining high standards and sense of personal honor as an example to staff as well as the public.

The Board of Trustees

A college board chair whom a friend encountered some years ago would begin each board meeting with the same agenda item -- Shall we fire the president today? To his credit, he did not mean this to be a jest. This was his way of forcing the board to think about their support of the CEO they had hired and in whom they had placed chief management responsibility. If they did not feel confidence in the president, then it would have a detrimental effect upon them and the entire school.

As a matter of efficient use of time and expertise, it is a prudent practice for board members to hire the best senior management person possible and give him or her the authority necessary to administer the organization. It would be counterproductive for board members individually to attempt to do the job the board has chosen to delegate to the CEO. Once that important decision has been made -- and board members do not want to fire the president today -- then the executive deserves the support of the board in the decisions that he or she must make within the policy guidelines the board has adopted.

An analogy from the world of sports may underscore the important, but separate, roles played by owner (the board) and manager/coach (the CEO). When a team owner attempts to interfere or "help" the coach manage the team, even the most talented players never seem to produce championships.

In Summary

This understanding and acceptance of leadership roles is especially important with the CEO and the chair of the Board who have, most assuredly, the most significant positions in any nonprofit. Effective nonprofits have the top leadership team understanding the roles each play, support each other, and work together to insure each member of the Board is productively involved.

Millwood Institute provides a venue and program to help CEO's and Board chairs learn together how to be effective leaders of the nonprofit they serve. The next Institute will be held October 1-3 at Carter Hall Conference Center, Millwood, VA. Learn more by going to <http://millwoodinstitute.org>.