



Who Does What? ~ Board and staff relationships

The Board of a not-for-profit agency is the highest authority in the organisation. In the last analysis, what the Board says goes.

If the staff can't agree to implement Board policy, it's the staff that has to resign.

The Board has to provide purpose, leadership and overall strategy, and it has the responsibility of assuring the public that the organisation's finances are sound, its operations are legal, and its procedures work.

On the other hand, it's generally the staff that has a deep understanding of the day-to-day working of the organisation. They are closest to the needs and opinions of the clients and supporters, they know what kinds of fundraising initiatives have worked before, they feel the heat when there are staffing pressures and they are on the front line when the photocopier is too old to carry on for another day.

Governance and management

What the Board does is known as governance; what the staff does is management. The functions are separate and different but they should operate as a partnership. If there is any confusion in an organisation about roles and responsibilities, it can lead very quickly to conflict, inefficiency, low morale and irritation. This happens surprisingly often.

Management has to be done by a manager, and no Board member is likely to have the time, the skills or the day-to-day know-how to be able to out-perform the staff.

Similarly, Boards are carefully chosen to provide the right mix of expertise and "hands-off" guidance; staff members are usually far too close to the organisation to provide the clear-headed objectivity required for a governance role.

The partnership

Every large community group will have a CEO* in charge of the management and its Board has a Chair. As these two roles mirror each other it is vital that the individuals in question are able to maintain a good working relationship.

Similarly, the Board as a whole and the organisation's staff must strive to achieve an amicable and productive relationship – with both parties committed to working for the good of the organisation.

Clarifying the roles

The following lists may be useful in helping Board members clarify where their responsibilities begin and end.

Board Responsibilities:

1. Setting long-term goals
2. Having the final say when determining yearly objectives
3. Ensuring the mission of the organisation is adhered to
4. Finalising budgets and allocating funds
5. Approving any changes or additions outside the budget
6. Taking responsibility for the company's financial records
7. Evaluating programs, services, and products
8. Evaluating Board members and their performance
9. Employing the organisation's CEO, setting his/her compensation package and evaluating his/her performance
10. Appointing new Board members and evaluating the Board's performance
11. Taking ultimate responsibility for all legal matters
12. Taking ultimate responsibility for compliance with regulatory requirements (e.g. annual general meeting, annual returns, audit)
13. Appointing auditors and approving the audit of the financial records
14. Managing committees
15. Maintaining and building the organisation's public profile

Staff Responsibilities:

1. Providing information to the Board, including recommendations for action
2. Supporting the Board's planning function
3. Determining community needs
4. Operating programs and reporting on their successes and shortcomings
5. Evaluating performance
6. Organising the organisation's events, fundraising activities, etc. once approved by the Board
7. Managing volunteers and staff (other than the CEO)
8. Implementing Board decisions
9. Conducting day-to-day financial operations
10. Monitoring and managing daily operations

Joint Responsibilities:

1. Discussing ideas and forming long-term goals
2. Planning organisational strategies
3. Designing programs to achieve the group's mission
4. Proposing fundraising ideas

5. Ensuring risk management programs are implemented
6. Ensuring that achievements are recognised and documented
7. Promoting the organisation

The CEO and the Board

The most healthy Board/CEO relationships occur when both parties work closely together with a common aim of furthering the organisation's goals and broadening its financial and membership support base.

While the Board and the CEO are on the same team, they do not have the same roles. The Board's job is to govern, the CEO's is to manage. It is important not to confuse the two.

Defining the Roles and the Relationship

The CEO and the Board share responsibility for leadership within the community group but they fulfill this responsibility in different ways. While the Board has ultimate power and carries most of the legal responsibility for the community group's actions, the CEO's power is more immediate, involving day-to-day influence.

It is important that both the Board and the CEO are fully aware of where their roles begin and end. If there is any confusion in an organisation about roles and responsibilities, it can lead very quickly to conflict, inefficiency and low morale.

A close and trusting partnership between the Board and the CEO is also essential for good governance. Board members need to have enough confidence in the CEO to trust that the operational micro-issues are being looked after. This frees Board members to concentrate on their ultimate role of looking after the "big picture". One of the worst things a Board can be accused of is micro-management – paying too much attention to detail and managing people unnecessarily, while neglecting their governance role.

The CEO's role

Although there is no textbook definition of what a CEO's role should entail, there is clear agreement that the role is critical in developing and maintaining the sustainability and effectiveness of the organisation.

It is up to the CEO to help set the agenda, assemble the information and make recommendations that shape the Board's discussions. Specifically, the CEO's tasks will include:

- **Human resource management**
An effective CEO will know how to attract, retain and motivate talented and enthusiastic staff and volunteers. The CEO is also responsible for managing paid and volunteer staff according to approved personnel policies and procedures that conform with current laws and regulations.
- **Planning**
This involves identifying aims, objectives, strategies, responsibilities,

timelines and the resources required to achieve the organisation's mission. The CEO oversees design, marketing, promotion, delivery and quality of programs, products and services. Responsibility also includes developing evaluation strategies and adjustment of systems, processes and structures in response to evaluation findings.

- **Financial and physical resources management**
It is the CEO's responsibility to present the yearly budget for Board approval and to manage the organisation's resources within those budget guidelines according to current laws and regulations. This includes undertaking regular risk management analyses and implementing strategies to prevent and deal with perceived risks. The Board is ultimately responsible for ensuring that these tasks are carried out to its satisfaction.
- **Fundraising**
The CEO of a community group also oversees fundraising planning and implementation, including identifying resource requirements, researching funding sources, establishing strategies to approach funders, submitting proposals and administering fundraising records and documentation. Again, the Board must have systems in place to ensure these things are done in a timely and effective manner.
- **Providing a link between the staff and the Board**
It is the CEO's role to manage the staff – not the Board's. The Board should never undermine the authority of the CEO by instructing a staff member. The Board can give an order to the CEO, but not the receptionist.
- **Representing the organisation**
The CEO needs to consistently present the organisation and its mission, programs, products and services in strong, positive images to relevant stakeholders and the general public. Board members, particularly the Chair, may also need to carry out this role occasionally, but this should generally be left up to the CEO where possible.
- **Setting standards**
The Board and the CEO have a dual role in setting the standards for the organisation. This includes setting a good example when it comes to ethical behaviour, loyalty, commitment, efficiency, and so on.
- **Articulating the vision**
The CEO is responsible for creating the right internal climate for the organisation. This is something that cannot be done by the Board. An effective CEO is able to articulate the organisation's vision to staff and volunteers so that they know exactly why they do what they do – and feel great doing it.
- **Board meeting roles**
The CEO is responsible for ensuring that the Board is presented with clear and logical recommendations for action, preferably well before every Board meeting to allow time for clarification and proper consideration. Most often the Board will follow the advice of the CEO and the staff, not because the Board is simply a rubber stamp but because the staff is being paid to get it right and most of the time they do. However, the CEO should not run the show; this means that the Board should be

given options where there are options, not simply presented with a single decision to approve.

The Board's Role in Overseeing the CEO

One of the most important roles of a not-for-profit organisation Board is the selection and monitoring of the CEO. The ability of the organisation to survive and thrive may well depend upon this choice.

- **Selection.** It is up to the Board to ensure that it recruits the best CEO possible.
- **Setting the CEO's pay.** An important part of the recruitment process involves setting the CEO's pay – the package the Board offers must be capable of attracting a suitable candidate but must not demand so large a proportion of the organisation's resources that it compromises its ability to realise its plans and programs. Setting the pay must be a Board matter; you cannot allow the CEO to set their own salary or give the job to any of his or her subordinates.
- **Monitoring & Reviewing the CEO.** The Board, in partnership with the CEO, should decide the process, time and form of the CEO's performance reviews. Reviews must be based on the CEO's job description and the objectives that should have been included in with it. The CEO's salary package will also need to be reviewed on a regular basis.

When things go wrong

A successful relationship between Board members and staff comes from:

1. Suitable processes and procedures
2. Clearly defined management roles
3. Defined boundaries
4. Clear limits to the authority of the staff
5. A CEO whose performance is adequately monitored by the Board.
6. Some friction is normal. The staff will always gripe about some of the things the Board does or says, and the Board will always feel that there are things that they would do differently if they were running things. In moderation, this is neither unusual nor undesirable.

Regular managed discussions on issues with representation from both sides can be very productive for an organisation. However, if there are issues that aren't being resolved, the first thing to do is to invite those involved to have a coffee together and see if they can work it out. If the troubles go on, the problems are going a lot deeper and some further steps will obviously need to be taken.

A few questions to ask yourself:

- Is there a clear vision and sense of purpose in the organisation? If not, it should not be surprising if different parties start to pull in opposite directions.
- Are the organisation's goals and values clearly stated in its mission?
- Is there a long-term strategy to achieve the organisation's purposes?
- Has the Board signed off on it?

If you think your goals are clear and that everybody knows what they are and agrees with them, then the problem lies in the implementation of your strategies. Check your processes, procedures, your materials and your management structures.

- What are the links between the staff, the CEO and the Board? Are there regular systems to have frequent and full reports presented at Board meetings, or do Board members feel inadequately briefed on activities while the staff feels resentful about the increased workload involved in reporting?
- Is there a staff representative on the Board? Is the CEO a member, or at least permitted to attend the meetings?
- Does the Board allow the staff to do their jobs? Staff members should be able to use their expertise and experience to carry out Board decisions, without having to keep dashing back to the Board to change minor points.
- Does the Board allow the CEO to manage the staff? The Board should never undermine the authority of the CEO by instructing a staff member. If the Board trusts the CEO, all business should be conducted through him/her; if this is not the case then they must take steps to replace the CEO with someone they do trust.
- Do Board members know, understand and support the division of responsibility? If Board members put up motions that wander too far into operational territory, the Chair should steer them back. If this happens often, the Board may have to set aside a session to go through its proper roles and functions until all members are clear.
- Do staff members know, understand and support the division of responsibility? The Board must authorise all important policies and all important changes in policy. These decisions, and the reasons for them, must be documented and made available to the staff. While recommendations for action may be made by staff, they should not run the show; this means that the Board should be given options where there are options, not simply presented with a single decision to sign off on.

Effective functioning of a not-for-profit organisation requires the commitment and perspectives of both the staff and the Board. A productive partnership will smooth the path to clear and solidly grounded decisions that everybody can fall in behind.

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