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The Dysfunctions of a Board

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Volunteers are integral to an association or chamber of commerce. Members are asked to contribute time, energy and resources on boards and committees.

Every nonprofit organization requires a board of directors. The model have proven for more than a century: **The board GOVERNS and the staff MANAGES.**

The board is intended to be visionary in setting the direction of the organization. Staff and committees are expected to implement decisions of the board, advancing the programs and initiatives to fulfill the vision.

The organization's mission statement and strategic plan communicate the organizations priorities and should frame nearly every discussion of the board.

Governance vs. Management

While volunteers readily accept an offer to join the board, very few have experience with governance. It is an amorphous concept, influenced by state and federal laws, governing documents, culture and established precedents by prior boards.

The most sought after directors are members who are known to be successful in their field of work; owning a business or heading up an organization. Their success is usually based on management duties which they bring to the board table. However, having management skills does always translate to great governance skills.

Management includes hiring and firing, investing, purchasing and marketing, for instance. Governance requires visionary perspective, maintaining relevance, ensuring sustainability and increasing organizational awareness. Governance is the development of strong leaders and the creation of a strategic plan.

At the board table, directors sometimes revert to short term thinking and tactical advice (familiar to management.). However, these are the responsibilities of professional staff and committees --- not the board.

Fiduciary Roles

There are numerous dysfunctions that can affect boards. While all directors should be appreciated for their volunteer work, an organization wants to be cognizant of dysfunctions that may arise.

1. **Over Extended –** Organizations often seek out persons with board experience. That means the volunteers may be serving on other boards simultaneously. Be leery of a volunteer who is over extended, cannot say "no," or may have a conflict of interest by

serving on multiple boards with similar purposes.

2. **Founders Syndrome** – The founders of an organization rightly have great pride; but sometimes they don't want to allow future leaders to take over. It might require some grievance, but founders must release their powers and trust that future leaders will respect their values and purpose.

3. **Engagement** – Once on the board, directors must do more than just attend meetings. They are trustees of a corporation; stakeholders or members expect them to come to meetings prepared. Between meetings directors may have assignments, reports to read or prepare, visits with members or need to help committees.

4. **Valued Contribution** – Directors are expected to contribute to the mission and/or money to the organization. They should continuously evaluate resources, recognizing they are positioned to help raise funds, enroll new members, or personally give their time or resources. In-kind contributions are valued.

5. **Pretty Face** – Some organizations seek to increase their stature by adding persons to the board because they are respected and recognizable. The problem is while the directors may have been added to increase organizational posture, they are trustees who are expected to fulfill fiduciary duties and advance a plan of work.

6. **Dominant Board** – The board or some of the directors don't trust the staff. Directors meddle with programs best managed by staff. Staff should be respected as professionals in their field of work.

7. **Dominant Staff** – The staff babysits the board, not trusting them to develop a strategic plan or to head up committees. It takes a partnership of board and staff trusting each to advance interests together.

8. **Recruitment Failure** – The number one lie of a nominating committee is, "You won't have to do anything when you get on the board." Equally as bad is to advise a member who briefly leaves the room, "Guess what, we've assigned new duties." The nominating process should be taken seriously. Consider it an interview process rather than simply a list of names on a slate.

9. **Personal Agendas** – A volunteer with a personal agenda to promote their interests is a distraction. The IRS expects organizations to identify conflicts of interest, suggesting that everyone on the board is working towards the same mission without personal agendas.

10. **Board Size** – The average size board in the USA is 15 persons. The IRS suggests the board be of a size to allow for meaningful discussions. A large board is more costly to manage and staff, although there is more diversity and input. A smaller board is easy to convene and make nimble decisions.

11. **Term Limits –** The majority of organizations have term limits, suggesting a director must take a year off after serving two 3-year terms or three 2-year terms. This allows for new persons to bring fresh perspectives. No board wants to be characterized as the "good old boys." If term limits exist in the bylaws, be sure they are respected.

12. **Group Think –** Some boards are characterized as moving through the agenda with minimal discussion. "Group think" is characterized by decisions made simply to support the ideas of peers. The board table is not the place to rubber stamp business.

13. **Self-Evaluation –** Directors are expected to evaluate programs and financial performance. Only a few boards are willing to keep a scorecard of whether or not directors are fulfilling expectations. Volunteers should implement a continuous improvement process through a board evaluation and discussion of director engagement.

The greatness of America is reflected in the 1.5 million nonprofit organizations working to improve a community or cause. In every instance, a volunteers are credited with governing the organizations.

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Note: Connie Hanner, M.Ed., a doctoral candidate in Non-Profit Organizational Leadership, is President of the Colleyville Area Chamber of Commerce and Bob Harris, CAE, provides free governance tips and tools at www.nonprofitcenter.com.