



## Building an Effective Board-Staff Partnership

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## A World of Corporations

- An association of individuals **created by law** or under the authority of law, having continuous existence independent of the existence of its members, and **powers and liabilities distinct from those of its members**
- By law, the **control** of a corporation is ceded to a designated **board of directors**

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## The Board

- **Board:** a collective group of selected individuals **legally** charged with representing the interests of the corporation's "owners"
  - In for-profit corporations: shareholders
  - In nonprofit corporations: stakeholders
- The board is where "the buck stops"
  - Accountable under corporate law
  - State attorneys general enforce accountability
- Board authority is collective, individual



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**"Boards reserve to themselves the organizational oversight and policy setting, and delegate to the chief executive [and staff] responsibility for managing operations and resources."**

*The Source: Twelve Principles that Power Exceptional Boards  
Boardsource*



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## Sounds Easy, Right?



Board-staff issues are some of the most frequent problems mentioned by both board members and staff leaders!

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## Creating the Right Partnership

- Understand your organization
- Understand the difference between "governance" and "management"
- Understand organizational obstacles
- Understand personality obstacles

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## Understand Your Organization

- **Various types of corporations**
  - For profit
  - Nonprofit
    - Grass-roots neighborhood organizations
    - Large national NPO corporations
- **Various stages of organizational development**
- **Varying degrees of capability and knowledge (both board and staff)**



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## Organizations Evolve

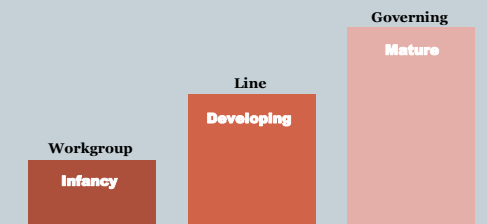
- **Board operate differently at different stages of development**
  - Workgroup Boards
  - Line Boards
  - Governing Boards



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Source: John Curver, *Boards That Make a Difference*.

## Stages of Organizational Development



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## Steps to Creating the Right Partnership

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## Governance and Management

Not the same



Governance

Management

But both essential

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## Governance Versus Management

- **Governance**
  - Strategic direction
  - Policy development
  - Resource allocation
  - Oversight
- **Management**
  - Program planning and execution
  - Organizational administration
  - Resource utilization
  - Board support

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## The Goal

Exceptional boards govern in a **constructive partnership** with the chief executive, recognizing that the effectiveness of the board and the chief executive are interdependent.

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Boardsource



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## Constructive Partnership in Practice

### • Board

- Respect the role of the ED
- Provide clear guidance on goals and policy
- Allow ED freedom to execute within guidance
- Support the ED
- Communicate
- Constructively evaluate the ED
- Motivate
- Treat fairly

### • Executive Director

- Respect the role of the board
- Assist board in every way possible with governance mission
- Carry out policy decision and guidance
- Conduct assigned activities
- Maintain day-to-day external relations
- Manage staff
- Keep the board well informed

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## Things Work Best When ...

Roles are respected



## If You Don't ...



## Not Always Easy!



## Governance or Management?

Function	Board	Staff	Joint
Task A	X		
Task B			X
Task C		X	

Note: board members serving on operational committees are considered staff

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### Determination of Mission & Vision

1. Board
2. CEO/Staff
3. Joint

### Task Staff Members

1. Board
2. CEO/Staff
3. Joint

### Executing the Budget

1. Board
2. CEO/Staff
3. Joint

### Approving Extraordinary Budget items

1. Board
2. CEO/Staff
3. Joint

### Approve Salary Plan

1. Board
2. CEO/Staff
3. Joint

### Execute Contracts Within Budget

1. Board
2. CEO/Staff
3. Joint

### Approve Contracts/Commitments Outside Budget

1. Board
2. CEO/Staff
3. Joint

### Sign Checks

1. Board
2. CEO/Staff
3. Joint

### Implement New Programs

1. Board
2. CEO/Staff
3. Joint

### Approve Strategic Alliances or Mergers

1. Board
2. CEO/Staff
3. Joint

### Plan Methods of Service Delivery

1. Board
2. CEO/Staff
3. Joint

### Monitor Program Effectiveness

1. Board
2. CEO/Staff
3. Joint

### Change Bylaws

1. Board
2. CEO/Staff
3. Joint

### Recommend Policies

1. Board
2. CEO/Staff
3. Joint

### Determine Organization's Goals

1. Board
2. CEO/Staff
3. Joint

### Fundraise for the Organization

1. Board
2. CEO/Staff
3. Joint

### Establish a New Staff Position

1. Board
2. CEO/Staff
3. Joint

### Reprimand Staff

1. Board
2. CEO/Staff
3. Joint

### Monitor Progress Toward Goals

- 1. Board
- 2. CEO/Staff
- 3. Joint

### Recruit New Board Members

- 1. Board
- 2. CEO/Staff
- 3. Joint

### Hire Auditor

- 1. Board
- 2. CEO/Staff
- 3. Joint

### Responsible for Meeting Legal Requirements

- 1. Board
- 2. CEO/Staff
- 3. Joint

### Developing Meeting Agendas

- 1. Board
- 2. CEO/Staff
- 3. Joint

**Are there others we should talk about today?**

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## Organizational Obstacles

- **Small staffs cloud distinction**
  - Multiple hats for board members
  - Different hats, different relationships
- **Undefined roles and responsibilities**
- **Inadequate orientation programs**
  - Both sides
- **Lack of communications**
- **Key personnel transitions**
- **Wrong people in key jobs**
  - Cultural misfits



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## Personality Factors

- **Founder involvement**
- **Personal egos**
- **“Doer” mentality**
- **Fear or distrust**
- **Personal frustrations**
- **Resentment**
- **Personal relationships**



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## Putting the Pieces Together



## Thoughts and Hints

- **Acknowledge the potential for board-staff issues**
- **Recognize the symptoms**
- **Develop defined roles and responsibilities**
  - And review annually

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## Caution

The existence of specific policies on roles and responsibilities is not a guarantee of success, but the absence of such policies will almost always result in problems and conflicts.

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## Thoughts and Hints (Cont.)

- Establish clear organizational goals and expectations
- Monitor progress
- Consider culture in key personnel selections
- Respect lines of communication
- Develop an environment of disclosure and trust
  - Insist on “no surprises” from management
- Mutually agree on board agenda
- Disagree constructively
- Conduct annual assessments
- Demonstrate appreciation for contributions of all
- When issues arise, talk about it!!

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## Elements of a Constructive Partnership

- Delegation of management responsibility
- Clear ceo/staff job descriptions
- Selection of an open and honest chief executive
- Respect for each others’ roles and division of labor
- Establish trust and candor both ways
- Open communications; sharing good news and bad
- Facing and resolving problems early
- Complete and insightful information, analysis and suggestions
- Annual evaluations and corrective actions
- Fair and competitive compensation

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## Questions