Board Governance Models

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According to the National Study of Board Governance Practices in the Non-Profit and Voluntary Sector 2006 (Strategic Leverage Partners), not for profits are responding to an Increased demand for efficiency and effectiveness by seeking to develop effective board models and shifting to a more strategic focus . This involves effective policies and processes, an effective board culture and improved board meetings. Developing a board model and processes that support their desired models and achieving the appropriate balance of power between the chair, the CEO, and the board is a work in progress, as is maintaining good relationships between the board and staff.

Traditional committee structure based on a board "mirroring" and guiding operational and management functions can encourage board interference in decisions that more properly belong to management, who is held accountable for operations generally. It is difficult for the committee to truly 'add value' in this way and sometimes the complaint is heard amongst staff that they do all the work and it is a masquerade that the Committee is leading. The traditional governance model with delegated management and board committees structured to parallel management functions are thus giving way to hybrid approaches. Many organizations are drawing on distrinctions made in John Carver's Policy Governance model to help clarify the respective roles of board and staff -- usually fuzzy in the traditional model.

Every organization is unique and and different factors must be considered in designing the "best" governing system for an organization. Factors can be the age and stage of an organization, its size and complexity, and its values and culture. Typically at a certain stage of maturity there is a need to separate the functions of governance (with an outward perspective and oversight obligation) from management. This however requires new governance practices to allow the Board to get assurance that all is on track and for directors to have sufficient information and insight to govern well. Overcoming that new distance between the board and staff requires the board to identify proxy measures of organizational performance rather than relying on direct observation.

Board members may unintentionally undermine the CEO with their own authority volunteering as Board members in the operational sphere. There are different hats, and personal agendas and interests may affect objectivity and influence management unduly. It is difficult to confront a board member who is trying to help but who is bringing a personal agenda to the table. The board chair, not Executive Director, is responsible for managing the board's members' conduct but the Executive Diurector is responsible for managing a volunteer's conduct. So hence the challenge.
Working on a policy level requires effort to understand and implement.

Peter Drucker, one of this century's foremost management gurus, suggested that a board cannot do its job without meddling, "so it had better be organized to meddle constructively." Boards that structure their activities around governance issues rather than management responsibilities focus on oversight and evaluation instead of how services are delivered and other administrative tasks.

Communication must be regular, in person, and focused on the larger issues of the organization. According to the Center for Nonprofit Excellence, “the CEO may need to bring other concerns and management dilemmas to the board chair from time to time, but primarily addressing the strategic issues and anticipating next steps for the organization appears to enhance the board/CEO relationship and keeps the organization moving ahead together. Clarification of expectations, and the joint responsibilities of the board chair and CEO to develop the board and manage their effectiveness, and hold each other accountable are critical areas for conversation.”

CEOs can help the board to govern more and manage less by following the strategic plan and providing regular reports on progress; providing relevant (not redundant) materials before board meetings so that members can prepare and use their time efficiently; and facilitating discussions that are focused on the larger issues.

According to this group, ten “commandments” can strengthen the board/CEO partnership: 1. Mind your own business; 2. Play by the rules; 3. Keep no secrets, tell no lies; 4. Keep your eye on the ball (mission); 5. Don’t judge a book by its cover; 6. Lend a hand; 7. Look in the mirror; 8. Take a chance; 9. Take care of each other; 10. Have some fun.

Trust, mutual respect, honest communications and collaborative relationships are essential ingredients of effective board/CEO partnerships, regardless of the structures and policies in which they are lodged.