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From DRG's Virtual Conference Leading Nonprofits: The Next Twenty Years

April 2007 Workshop

Board Chairs and CEOs: A New Paradigm For Sharing the Leading

By Terry Holzman

Non-profit executives and board chairs have long shared the leading of America's non-profit sector. For much of that history, professionals did the lion's share of the work while the volunteers raised money, brought a modicum of status and stature to organizations, and attracted other volunteer leaders. Now, all that has changed.

Today, board chairs and executives share the leading, with increased consultation, substantial, though different responsibilities, and experience both pressure and pleasure from working as teams. Executives and chairs alike are learning to establish clearly defined boundaries, and to respect each other's skills and responsibilities. They also work harder at not treading beyond their assigned territories even as the board chair offers more conscious support to the organization's executive.

The recent high profile resignations of the CEO's of the American Red Cross and NAACP are examples of what happens when agendas or style are not in alignment. In fact, tension between the CEO and board chair is the leading cause of CEO departure from executive positions.

But it can also be an extraordinarily productive relationship, with benefits to both the lay and professional leaders, and to the organization that they are both working to strengthen. Successful sharing of leadership demands a foundation of constant communication and mutual trust. To the extent that those values are nurtured in this relationship, it can produce extraordinarily fruitful results.

Twenty five years ago, while the executive director of a large social service agency and a member of her senior staff were folding chairs and washing coffee cups after a board meeting, the exec turned to her staff member and cautioned, "Never forget, we are working; they are playing."

Whether or not it was an accurate assessment of the lay-professional partnership at the time, the perception was widespread.

But in recent interviews, non-profit CEOs and board chairs from New York to Kansas described a more sophisticated, more trusting relationship as the model today. It is a paradigm in which both the chief professionals and chief volunteers are active, involved and leading some of this country's most successful non-profits.

While the role today is viewed as more collaborative than in an earlier era, in the most successful pairings of lay and professional leadership, roles and responsibilities are more clearly defined. Boundaries are delineated and mutual appreciation and respect are expressed between the staff and volunteer leaders.

Neither party seems to feel unfairly burdened by having to do all the work while the other plays. Ceremonial boards are no more. Leading is acknowledged to be a serious, shared business and board chairs and CEOs alike take their different, but interdependent, roles seriously.

It is a wholly different model of leadership.

In 2001, when Rabbi David Ellenson had just become president of Hebrew Union College-Jewish Institute of Religion, the Reform movement's theological seminary that has campuses in New York, Los Angeles, Cincinnati and Jerusalem, he participated in a meeting of theological school presidents.

"Every single person who spoke credited their success to a very positive relationship with their board chair. And everything I'd read on leadership seemed to indicate that hierarchical models that impose a vision from above, were simply not good leadership models," he says.

Business and philanthropic leader "Leslie Wexner and others informed me that in business and educational institutions, one of the key qualities is to share a vision, have other people invest in that vision and then work with them to see that it is accomplished.

"For me this is a very non-hierarchical vision of leadership," he said. "It's not a matter of one person commanding another."

According to New York-based management consultant Sally Gottesman, who works with non-profits on board and staff development, "When people think of it as a partnership it works far better than when they think of one in being in charge of the other."

Though a more mutual style of sharing leadership, opportunities for tension still abound.

Keeping complex missions fresh, relevant and innovative, recruiting and retaining exemplary staff, and sustaining the interest, engagement and passion of an unpaid board and its chair requires juggling many tasks and working long hours. And it's lonely. In fact, many board chairs agree that among the most important roles they play are as cheerleader, advocate and supportive companion to the top professional.

Neil Moss in Columbus, Ohio, has chaired Hillel: The Foundation for Jewish Campus Life and AFS Intercultural Programs. He feels strongly that the Board Chair should offer the CEO validation, and that the CEO must be able to come to the Board Chair in an environment of mutual respect, without any fear of jeopardizing his or her position. All this, he says, has to happen despite the fact that the Board Chair is the CEO's boss and senior supervisor. He subscribes to the "CEO is lonely at the top" model and holds Board Chairs responsible for remembering it.

The trick seems to be understanding the difference between being supportive and being intrusive, he says. It's a delicate matter, one that remains open to interpretation.

Invisible But Sacred Boundaries

Difficulties arise when either party crosses the invisible but sacred boundaries that define the two positions. Overstepping this line, and then spending time sorting out what went wrong, can be an unfortunate distraction from the critical work of the non-profit. "It's important to remember that the only ego that matters

is the organization's ego," says Dr. Audrey Weiner, President and CEO of the Jewish Home and Hospital Lifecare System in New York.

In an article posted on the website of the Center for Nonprofit Excellence (cnpe.org), management guru Peter Drucker suggests that a board cannot do its job without meddling, "so it had better be organized to meddle constructively." Board leaders must structure their activities around governance rather than management issues, and focus on strategy, oversight and evaluation rather than on the details of program, service delivery and administration, Drucker says.

"A flexible partnership is needed to adapt to the rapidly changing environment most nonprofits live in," states the Center article.

Experts agree that board chairs are not day to day operations chiefs, and that they have no place at the management team table. The CEO works for the board, and everyone else works for the CEO. Though not responsible for daily management, that is precisely the boundary chairs most often cross, leading to micro managing and confusion about reporting and communication.

Setting overarching goals for a non-profit is the work of the board; implementing them is the work of the professionals. Board chairs provide stewardship and evaluate CEOs' performance - but that doesn't include doing their duties for them.

Sometimes tussles can develop over representing the public face of the non-profit.

"A lot of people think you have to put the chair forward as the public face," but sometimes the top staff person is better suited to that task, says management consultant Gottesman, citing as examples Faye Wattleton, the former president of Planned Parenthood Federation of America, and Ruth Messinger, who is currently president of the American Jewish World Service. Both women have significantly raised their organizations', and causes', profiles in the public arena.

The board chair and president or CEO "have to align their interests and not be resentful," says Gottesman, who is experienced on both sides of the relationship. In addition to working as a management consultant, she is also co-founder and chair of the non-profit organization Moving Traditions. "It's best if both people think about best using each other's skills and remember that there's more work to do than either can accomplish alone," she says.

Sometimes the relationship is so comfortable that a CEO and board chair become good friends, which can also be problematic. If they forget their positions and become too chummy, boundaries blur and lines of authority can disappear. When this happens, organizations can suffer.

Darrell Friedman, who for nearly two decades served as CEO of The Associated: Jewish Community Federation of Baltimore, says he never forgot that "the board chair could always fire me." Regardless of playing golf together, or socializing with their spouses, he routinely cautions future generations of executives, "I was always mindful of the delineation of our roles. There was always an imaginary line neither of us crossed. It was a partnership in which I always remembered who I was. Some of my colleagues didn't, and as a result, got into trouble."

The sage advice around establishing clear lines of responsibility and authority is that it should be done early. Don't wait until there's a problem. Beyond fundraising, cheerleading, and being good-will ambassadors in the community, board chairs are responsible for overall policies, direction, and monitoring of the organization's adherence to its mission.

Deferring to Professional Expertise

Morris Offit, who has chaired several large non-profit boards, including Johns Hopkins University and UJA-Federation of New York, cautions about trespassing on a CEO's territory.

"The relationship requires healthy checks and balances", he says, "in which there is mutual respect and sensitivity to each other's role."

Offit respects a good CEO's capacity to re-energize an organization, to reinvent and refine its mission to stay relevant, exciting and infused with new ideas. The CEO's ability to enlist the chair's interest in those new ideas, to encourage the Chair to consider the risk of change, and to help the Chair introduce those ideas to the board's deliberations are skills that are critical to the CEO and organization's success.

Offit speaks about how much he appreciates "the privilege of serving," and about the responsibility of using the term in office to work with the CEO to leave the organization in a better condition. He hopes upcoming board leaders will feel and behave the same way.

Michael Bohnen, having been board chair of four non-profits in Boston, including its Combined Jewish Philanthropies, as well as a national organization, the Jewish Council for Public Affairs, also considers himself lucky.

"The people I've worked with have all been outstanding leaders," he says, adding, "It's important to respect a good CEO and show deference to the professional's position."

But Bohnen is quick to note that respecting a superb professional never means being afraid to ask the tough questions. "You need to know when it's time to provide support and when it's time to criticize," he says, acknowledging his good partnerships with five CEOs, "I've never had to figure out what to do if things got ugly."

CEOs Turning to Trustees for Help

Exactly what 'things getting ugly' means may be hard to anticipate, but it probably includes having to reprimand, if not fire, a CEO.

In Newton, Kansas, Jim Robinson has been involved with three CEO turnovers. He says the most difficult aspect of the CEO-board chair relationship is the definition of the CEO's role, which must be made clear before assuming that position. Before becoming its Chair, Robinson served for 21 years on the board of the United Methodist Youthville, a large children's social service agency.

He sees his primary role as establishing limits on the CEO's authority and monitoring the chief executive's compliance with mutually agreed upon objectives and directions for the agency. While the board, he says, must understand not to micro-manage an agency, he also warns against a board turning into a rubber stamp. "The board chair must be continuously challenging, not taking everything at its face value," he says.

There are few published research studies about the CEO-chair relationship. One charted the correlation between trust and the generation of social capital -- funds, prestige and new leadership -- for the organization. Where there was less trust, there was more meddling in management and administration and less production of social capital. Pairs that showed the strength of trust and positive working patterns, created the most social capital for their organizations.

With trust has come greater comfort turning to the trustees for help finding answers, a considerable change in the CEO- chair relationship over the years. "We're now able to admit we don't always know everything," says Dr. Weiner. She remembers when boards were "a group we reported to and had to keep happy, but not people we could turn to to discuss a challenge."

She has invested considerable time and energy developing a smooth transition to new volunteer leadership in order to avoid the potentially problematic issues inherent in having a new chair every two years. Most chairs, in fact, serve on committees both before and after leading the board. They are rarely, if ever, new to the board or unfamiliar with its challenges. Dr. Weiner appreciates her board and praises them for giving her huge organization "far more talent than we could ever afford to purchase."

Benefits to the Organization: Priceless

When the CEO and chair work well together as a team, there is greater engagement between the staff and the board, says Gottesman, and that leads to greater productivity.

"When people like working with one another, the organization has greater effectiveness," she says. "People are less afraid to go out on a limb when they're secure in the relationship, and that creativity can really help the organization grow."

One of the great advantages of this more collaborative form of leadership is that it means articulating precisely what the mission of the institution is, and requires that everyone try to play a role in the fulfillment of that vision. It creates a much more engaged enterprise," she says.

According to Rabbi Ellenson, a successful partnership between the chair and the ceo "allows everyone to understand that there are a common set of challenges. It allows everyone to feel a sense of responsibility for the direction in which the institution moves."

Dr. John Seffrin became CEO of the American Cancer Society 15 years ago, after serving on its board, so he has also analyzed the CEO-board chair relationship from both perspectives.

New challenges require that both CEOs and board chairs stay clear on who does what, yet remain flexible, open, mutually respectful and willing to transform a mission that is no longer relevant into what it needs to become, he says.

Leadership and vision, he insists, are the critical skills.

"It's important to have talented people in both positions. You need the intelligence of both. The non-profit sector is more important now than ever before," he says, which is why the quality of their leaders is so critical. "When they do their jobs right," he says, "it can change the world."

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