



The Special Relationship: Nurturing the CEO-Board Chair Bond

Here are tips to assure the best possible partnership between the board chair and CEO.

By Eugene Fram

Keeping boards focused on strategic issues is a major challenge for nonprofit leaders. One problem is that nonprofit CEOs are leaving their jobs in droves, partly because they're reaching retirement age and partly due to the increased stresses of the position.¹ This leadership crisis is intensified by the fact that board chairs tend to have short terms (according to Board Source, 83% stay in office only one or two years).

Thus, nonprofit CEOs and board chairs need to bond quickly. For the good of the organization, they must come together swiftly and create a partnership that works. Here are golden rules for the CEO and board chair to follow:

1. Be sure the CEO and board chair **share strategic issues** with each other—negative as well as positive ones. A failure by either the chair or CEO to share information, such as a tightening of their bank's credit policy, can have serious fiscal consequences.

2. It's useful for the CEO to **conduct orientation sessions** with a new chair, explaining the challenges facing the nonprofit. The CEO can help the chair keep the board focused on strategic issues, whether they're programmatic or financial.

3. Make sure staff know **who has**

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the final say. Some employees mistakenly view the board chair as the ultimate authority, even when the organizational table lists the CEO as holding that position. As a result, they may try an end run around the CEO, asking the board to overturn the CEO's decision about salaries, promotions, or programs, for example. Both the CEO and board chair must emphasize the fact that the CEO is the final authority. If they make this message clear enough, they can probably keep staff from attempting any end runs. If an end run still occurs, the board chair must refer the issue to the CEO for resolution.

4. The CEO should arrange for **individual board members to meet with management staff** now and then so that the board can gather information about how the organization is operated. The Sarbanes-Oxley act (a federal statute relating to public corporation boards) recommends this strategy for corporate boards, and it's also a good process for nonprofit directors.²

5. Give staff members opportunities to participate in **strategic planning** and to support board commit-

tees. The board chair and CEO should work together to arrange such board-staff interactions, including joint celebrations of organizational success.

6. The CEO and board chair need to agree on the **use of ad hoc board committees** and their relationship to standing committees. For example, should the personnel committee be a standing one or only an ad hoc one to address major personnel policies?

7. The board chair and CEO should be the active leaders in **fundraising efforts**, with the CEO as administrative leader. The board chair and other board members must provide the CEO **entrée to funding sources**. They often need to accompany the CEO on fundraising visits. The CEO should keep the board chair informed of all entrepreneurial development activities being explored.

8. The board has only one major employment decision to make – to recruit and hire the CEO. It's usually a long and exhausting process. But once it's completed, the **employment of all other staff personnel** is the responsibility of the CEO and the CEO's management team. For senior positions, most CEOs ask their chairs and a few other board members to meet with senior candidates, but the ultimate responsibility remains with the CEO.

9. When hiring a CEO, or soon after employment, the board chair and

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CEO must face a stark reality—the need for **emergency leadership** should the CEO become temporarily incapacitated. These plans can either be established informally by the chair-CEO partnership or more formally via board resolution. The following are possible interim CEOs: a senior manager in the organization, a semi-retired experienced CEO living near headquarters, a consultant living in a neighboring city. CEO succession planning is an important issue for the partnership should the CEO decide to leave or retire.

10. The CEO can be helpful to the board chair in **recruiting new board members** by suggesting possible volunteer candidates or other contacts who have demonstrated an interest in the organization's mission, vision, and values. Board candidates will want to meet with the CEO as part of the interview process. As a result, the two partners must agree on how to present the organization to board candidates.

11. The chair and CEO need to lead in **establishing meeting agendas**. The two partners must work together to assure there's sufficient meeting time to discuss and resolve strategic issues.

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Footnotes

¹While many nonprofits call their top exec the "executive director," the term CEO or president/CEO is a more leader-focused title and will be used in this article. See: Eugene Fram's "What's in a Name? Benefits of the President/CEO Title," *Alliance E-News*, Alliance for Children & Families, May 25, 2010.

²Most of the Sarbanes-Oxley regulations, while not mandated for nonprofits, make good governance sense. See "The Sarbanes-Oxley Act & Nonprofits: But I Thought That Didn't Apply to Us," *Nonprofit World*, Vol. 22, No. 5, www.snpo.com/members.

The Next Step

Follow through on the advice in this article with these *Nonprofit World* articles at www.snpo.org/members:

- **Can Standing Committees Contribute to High-Impact Governing?** (Vol. 25, No. 2)
- **How to Create a Strong Board-CEO Partnership** (Vol. 27, No. 1)
- **Planning for Leadership Succession** (Vol. 22, No. 4)
- **Reciprocal Board Agreements** (Vol. 28, No. 1)
- **What Makes Your Board Members Tick?** (Vol. 28, No. 6)

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Working Together

Use the following guidelines to solidify the chair-CEO partnership, create a high-impact board, and empower your organization to be the best it can be:

- **Avoid** providing the board with surprise information.
- **Schedule** orientation sessions for the board and CEO whenever there are changes in either the CEO or board positions.
- **Clarify** reporting channels when board members work on staff projects.
- **Make certain** that board and staff personnel work together on strategic plans.
- **Create** a board team to support fund development that's CEO-driven.
- **Recognize** that the CEO is responsible for recruiting and evaluating staff.
- **Note** the value of the CEO in recruiting board members.
- **Develop** temporary leadership plans should the CEO be incapacitated.
- **Work together** to have effective board meetings.
- **Recognize** that board members have a variety of personal agendas for serving.
- **Maintain** mutual trust via an inclusive CEO evaluation.
- **Most important**, be sure board members focus on strategic issues.