



Nested at the Heart: A New Approach to Nonprofit Leadership

A new leadership paradigm – the nucleus model – puts the board-CEO relationship at the center of everything.

By Andrei Duta

Two key players—the executive director and board chair—drive the leadership process in nonprofit organizations. Most serious organizational problems can be traced to misunderstandings and differing opinions between these two players, and much of this friction is caused by ambiguity about their roles.

Attempts to clear up this role confusion have led to two major schools of thought. Let's look at these two views before we propose a new model.

The Board-Centered Model: The Board Leads, the Executive Manages

The first model posits that the board has the ultimate power while the executive is hired to serve the board's purposes. This model is based on the five assumptions of "managed system" theory:

1. Organizations have goals.
2. Each part of the organization

Most serious organizational problems relate to CEO-board chair role ambiguity.

- operates as an individual, rational actor.
3. Hierarchical control leads to rational unity of action.
4. The top of the hierarchy is responsible for managing the operations that will lead to achieving goals.
5. Effective management is characterized by information gathering, scheduling tasks for optimal goal attainment, and monitoring performance toward goals.¹

This theory (especially its fourth proposition) has led nonprofit practitioners and consultants like John and Miriam Carver² to advance the "policy governance model." Under this model, the board provides vision, defines the ends (the goals or human needs that need to be met), defines the means (sets the limits or

boundaries for the executive and staff), clarifies the relationship with the executive (how the board delegates authority to the executive), and determines its own philosophy, accountability, and specifics of the board's job. The board is viewed as the actual leader. The executive is under the board's authority, works for the board, and operates as an instrument of the board.

In this model, the board's roles are summed up as inspiring, leading, governing, fundraising, reporting, accounting, conducting public relations, monitoring activities, and rewarding and motivating the executive. According to John Carver, these are not just the roles but the very duties of the board. The board leads, and the executive manages.

The Executive-Centered Model: The Executive Has the Power

Another group of experts puts the executive at the top of the leadership hierarchy and the board at its periphery. They point to the paradox inherent in the board-centered model, which implies that the board's

continued on page 12

continued from page 11

authority belongs to the collective rather than individual members. Giving power to a group diffuses control. Thus, the board's dominance is scattered and ineffective, and the executive's independence and power are actually enhanced.³

This conclusion is echoed in Melissa Middleton's review of the empirical literature, which reveals that in board-centered organizations, three conditions tend to exist: (1) Boards often fail to do their job. (2) The board-executive relationship is an ambiguous boss-employee interaction. (3) The executive sometimes surfaces as the actual leader.⁴

Robert Herman and Richard Heimovics are two influential voices who have challenged the board-dominant model while proposing an executive-centered alternative. They've led several studies in which they asked executive directors to describe how they reacted to recent critical events in the life of their organizations. When board chairs and senior staff reviewed these summaries, they agreed with the executive's decisions, leading Herman and Heimovics to conclude that the board de-

In board-centered organizations, boards often fail to do their job.

pends on (and defers to) the executive's leadership.⁵

Moreover, Herman and Heimovics contend that executive directors are considered responsible for the success of the nonprofit while boards see themselves as of little influence with regard to organizational outcomes. Executives are more influential than board members because they have access to information and expertise which the board lacks. Board members often fail to assume their obligations, and it becomes the executive's duty to help them meet their responsibilities.

The Nucleus Model: The Board and Executive Share Leadership

While the board-dominant leadership model is too broad, the executive-centered model can be too narrow. Both models, while valuable and foundational, are unrealistic. They don't fully account for the fact that relationships between the board, board chair, and executive are fraught with tensions, paradoxes, and ambivalence which undermine any form of hierarchy.

That's why a third alternative is more likely to be effective. This third

option, the nucleus model of leadership, isn't hierarchical but relational.

This model asserts that the board and executive must create a finely-poised balance of power. This balance is eloquently captured by Richard Chait, Thomas Holland, and Barbara Taylor, who note:

[The executive director and board chair must] learn how to dance together...If board meetings are orchestrated, then the chair might be viewed as the conductor and the CEO or president as the featured soloist. Neither can stray far from each other's gaze nor proceed independently.⁶

This view of nonprofit leadership as a tangled web of relationships and interactions is at the center of the nucleus model. This model is suggestive of Henry Mintzberg's "strategic apex," which points to the board chair and CEO as a partnership at the top of the organizational chart.⁷

The problem with Mintzberg's theory is that positioning the board chair and executive at the top of a hierarchy is artificial and rigid. The nucleus model, in contrast, sees nonprofit leadership as fluid, unable to be pinned down on a hierarchical chart.

Using the nucleus as a metaphor for leadership in nonprofit organizations makes a great deal of sense. The nucleus isn't at the top but rath-

The nucleus model sees nonprofit leadership as fluid.

Moving? Let Us Know!

Send old AND new address, with mailing label if possible, to:

The Society for Nonprofit Organizations
P.O. Box 510354
Livonia, MI 48151

The post office WILL NOT forward copies of *Nonprofit World*. So let us know BEFORE you move so that you won't miss any issues.



er nested in the heart of the organization. Expanding the biology metaphor, the nucleus is the center around which other parts are grouped. Even though most cells have only one nucleus, it's possible for some to have two or more. Likewise, organizations can share two or more leadership nuclei, including the board, executive director, board chair, and many combinations of all three.

The nucleus contains a cell's genetic material and governs a cell's activities, such as growth, development, metabolism, and reproduction. Likewise, the board chair-executive pair contributes to the fundamental nature of the nonprofit through policy-setting, vision-casting, leadership succession planning, fundraising, and managing operational processes. The executive represents the operations, staff, and sometimes the organizational clients, while the board chair represents the board, the moral owners, and other stakeholders. The executive-board leadership nucleus bridges the various parts of the nonprofit system, both reflecting and influencing the organization's "genetic" essence.

The board chair and CEO are much like married couples who help each other whenever needed.

A nucleus has a porous membrane that lets molecules and particles pass in and out. Similarly, the executive-board chair partnership is a dynamic relationship that's subject to change as people and conditions come and go.

The board chair, as an extension of the board, acts as the executive's mentor, nurturer, supporter, evaluator, and friend. Legally, the board is responsible for the organization's success. In practice, however, the executive is ultimately held accountable if the organization fails to perform or meet its goals. Just as each shares responsibility, each must share power and leadership.

Positioning the board chair and executive at the top of a hierarchy is artificial and rigid.

Thus, the nucleus model is a fitting metaphor for the dynamic, ever-changing, and amorphous nature of leadership in nonprofits. By taking the CEO and board chair off the pedestals where they are sometimes placed, we allow them to become true partners and expansive leaders.

Footnotes

¹Richard Elmore, "Organizational Models of Social Program Implementation," *Public Policy*, 26, 185-228.

²See, for example, "Ten Questions to Ask when Invited to Join a Board" by Miriam Carver, *Nonprofit World*, 26(5), www.snpo.org/members.

³Ming-sum Tsui, Fernando Cheng, and Zvi Gellis, "In Search of an Optimal Model for Board-Executive Relationships in Voluntary Human Service Organizations," *International Social Work*, 47(2), 169-186.

⁴Melissa Middleton, "Nonprofit Boards of Directors: Beyond the Governance Function," *The Nonprofit Sector: A Research Handbook*, Yale University Press, www.yale.edu/yup.

⁵Robert D. Herman and Richard D. Heilmovics, *Executive Leadership in Nonprofit Organizations*, Jossey-Bass, www.josseybass.com.

⁶From *Improving the Performance of Governing Boards* by Richard Chait, Thomas Holland, and Barbara Taylor. Also see *Governance as Leadership: Reframing the Work on NPO Boards* by the same authors, John Wiley & Sons, www.wiley.com.

⁷See Mintzberg on *Management: Inside Our Strange World of Organizations*, Free Press, www.freepress.net.

Andrei Duta (andreiduta@gmail.com, andrei.duta@pepperdine.edu) is an assistant professor of organizational behavior and management at Pepperdine University. Dr. Duta offers special thanks to Dr. Roy Adler for his encouragement and support

The nucleus isn't at the top but rather nested in the heart of the organization.

Put the Nucleus Model to Work

Here are a few basics to help you nest the nucleus of leadership at the heart of your organization:

- **Understand** that the board chair and CEO team is the single most important relationship within a nonprofit. Put time, energy, and attention into nurturing this connection.

- **Be flexible** in the roles performed by staff and board. Rather than clearly separating board and CEO duties, allow a fluid give-and-take among the board, board chair, staff, and CEO.

- Let the board chair and executive work together to build the board while the chair operates as a bridge between the board and executive.

- **Do away** with hierarchies, organizational charts, and power differentiations.

- **Consider** the board chair and CEO as partners, much like married couples who help each other whenever needed. The staff can help the board make policy, while the board can help the staff carry it out. Both the board chair and CEO can take on roles of nurturer, leader, and manager as situations warrant.

More on the Heart of Leadership

For inspiration and guidance, take a look at these *Nonprofit World* articles at www.snpo.org/members:

- **Building a Rock-Solid Board-CEO Partnership** (Vol. 27, No. 3)

- **How to Assess and Improve Your Board's Performance** (Vol. 24, No. 1)

- **The Board-Savvy CEO** (Vol. 26, No. 2)

- **I've Been Thinking about Board Governance** (Vol. 26, No. 2)

- **Building a Strong Board-Exec Relationship** (Vol. 21, No. 4)

Also see Learning Institute programs on-line: Board Governance (www.snpo.org/lino).