

What Nonprofit CEOs Really Think of Their Boards

A survey of CEOs reveals what their ideal board would look like, how this vision differs from reality, and what to do about it.



By Eugene Fram

What do CEOs say about their boards when they have the chance to be completely honest and anonymous? An article in the *Harvard Business Review* (<https://hbr.org/2013/04/what-ceos-really-think-of-their-boards>) reveals some harsh truths. Here's a rundown of what CEOs have to say about what makes great boards – and how their boards often fail to measure up:

The most essential – and hard to obtain – ingredient is a solid partnership between the CEO and the board. Such a relationship is characterized by (1) mutual respect, (2) energetic commitment to the organization's success, and (3) strong bonds of trust. Unfortunately, however, too many nonprofit boards, because of long traditions, see the CEO-board relationship as a “parent-child” one. This leads to mistrust, board focus on operation rather than strategy, and missed opportunities for growth. It often takes hard work on the part of the CEO – such as meeting one-on-one with board members and getting to know them, especially the board president – to cement these indispensable bonds.

Many nonprofit boards are too careful when making risk-related decisions. The best boards aren't afraid to assume reasonable risks to keep the organization growing and succeeding. Keeping proper risk management in the minds of board members is often a matter of shrewdly and regularly supplying them with resources on the subject (see, for instance, “How to Make Your Board Great,” below).

A common weakness of nonprofit boards is that they can become easily distracted from policy issues and overly concerned with operational topics. Good boards look continuously to the future, plan strategically, and focus on policy rather than becoming inordinately involved with detailed reports. In practice, CEOs often find they must remind board members, tactfully but firmly (backed up by resources and workshops on the matter), that their role is governance, not management.

Directors can be helpful to the CEO only if they complete their required due diligence. In the for-profit environment, directors rely on consultants to help with major decisions. In the nonprofit environment, directors often rely only on the information management offers. It's important for board members to understand that seeking more information, while time-consuming, can be crucial. A good idea, suggested in the Sarbanes-Oxley Act, is for board members to visit occasionally with staff below the CEO level to enlarge their perspective.

Not all board members perform adequately. Perhaps they joined the board for the wrong reasons, don't understand their roles, or lack the necessary commitment to do the job. It helps to provide all board members with good orientation and training, and be sure they sign reciprocal board agreements at the beginning of their terms. But sometimes it's necessary to ask board members to resign. One board member, for example, made a substantial donation each year to the organization but didn't attend board meetings. He was

quite a frustration to the CEO and jeopardized the organization by setting a precedent that violated the bylaws. The board needs to have a policy for dealing with such situations and must be diligent in dealing with disruptive personalities.

Nonprofit board members are busy people with full-time occupations. Consequently, directors and CEOs rarely communicate with each other between board meetings. It's vital to bridge these gaps with regular, informal meetings that don't require extensive preparations or have specific outcomes. Weekly e-mails, social media, and board portals have been very helpful for nonprofits that use them. 

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How to Make Your Board Great

To counter the problems laid out in this article, see these resources at www.NonprofitWorld.org/members:

How to Prepare Board Members to Govern Effectively (Vol. 25, No. 6)

Using Board Portals to Keep Directors Connected (Vol. 29, No. 3)

How to Create a Strong Board-CEO Partnership (Vol. 27, No. 1)

Reciprocal Board Agreements: What Do Board Members Give? What Do They Receive in Return? (Vol. 28, No. 1)

How to Build a Framework for Strategic Alliances: A Framework of Trust (Vol. 26, No. 6)

Free Webinar Recording for Members: Four Lessons an Olympian Can Teach Us about Communicating Expectations that Raise the Bar for the Board of Directors. Learn practical techniques that raise the bar for your board members.