

Taking Action to Manage Change

Follow these six steps to avoid the pitfalls of change.

By Bart Wendell



Recognizing the signs that something's wrong is your first line of defense.

Although organizational change is normal, managing it isn't easy for nonprofits. While for-profit CEOs usually have the leverage to address issues as they occur, it's different for nonprofit executives. Because the board is involved, decision-making takes longer. In addition, board members often shun open conflict and discussion, which is needed during challenging times. Although an involved board generally signals a healthy organization, too much board involvement without the right structures in place can impede innovation.

You can become an effective change agent by preparing yourself and your organization before difficult times occur. Learn to speak openly and help board members become comfortable with issues of authority and conflict.

Being nice inevitably leads to chaos.

Be sure you understand the difference between being a good executive and a nice one. *Nice* executive directors try not to step on anyone's toes. They mistake passivity for consensus, and they rarely take charge of a situation. *Good* executives take authority, understand the need for push and pull between board and executive, and avoid false consensus and groupthink.

During times of change, being nice inevitably leads to chaos. Being good lets you take action and address the tough issues. To use

change to your advantage rather than letting it control you, follow these steps:

Step One: Set the Right Tone at the Beginning

Take charge from the very start—before you're even hired. When applying for an executive director position, take advantage of the interview process. Asking the right questions during the interview will help you understand how the organization functions. Some questions that will tell you a great deal:

- **What percentage** of the strategic plan is written and led by the executive director? What percentage is written and led by the board?
- **How much** of the agenda for board meetings is decided by the executive director and how much by the board chair?
- **How many hours a month** and in what capacities does each board member contribute to the organization?

In addition, ask members of the interviewing committee why they joined the board and how these reasons relate to the organization's mission. Board members' receptiveness to such dialogue is telling about the level of governance at which the board operates.

Use the interviewing process to find out what your responsibilities will be when the organization faces hard times, as well as what role board members intend to play. Understanding what's expected is critical to your ability to manage a difficult situation; waiting until one occurs is too late. Ask to see bylaws or other materials that address the issue of board-executive roles; inquire if this subject has been raised

at a board meeting; and, if so, ask to see that meeting's minutes. If you believe there's any confusion regarding responsibilities, request that work be conducted after you're hired to ensure the following:

- **The roles** of the executive director and board are clearly defined.
- **The necessary bylaws** are developed and approved.
- **Board members** are educated about their obligations.

Defining responsibilities for troubled times before taking a professional position will help you avoid future misunderstandings and obstacles to managing change.

Step Two: Build a Strong Board

Immediately after you're hired, work with the board chair to develop a board that functions well as a team. An annual retreat is one of the best ways to maintain an effective board. Don't avoid retreats for fear they'll take up too much time. Many organizations, such as the American Red Cross, have board retreats every year, because they understand that strategic planning sessions are an excellent use of everyone's time. Retreats are so critical to establishing a high-impact board that you need to push for them even if the board chair is reluctant to hold one.

Why are retreats so important? A focused, annual, strategic planning session will result in a board that's more informed, involved, and com-

mitted. You can neither foster true commitment nor gain a real understanding of board members' expertise without spending an extended period of time with them.

Retreats also forge bonds among board members. These connections will smooth the decision-making process and build trust.

Board retreats with the best outcomes usually begin in the late afternoon, continue with a dinner, and pick up the next morning so that everyone has time to reflect overnight on the issues. Unproductive board retreats are usually disorganized, don't allow enough time for people to share their thoughts, or ignore the tougher issues facing the organization.

Step Three: Notice the Warning Signs

Recognizing signs of trouble is your first line of defense. Changes in board or staff members' behavior are usually the strongest indicators that something's wrong. For example, board members may suddenly become unavailable, stop attending meetings, show up unprepared, try to take over meetings, become overly critical, or change decisions mid-stream. Similarly, staff may skip work, arrive late, or miss deadlines.

The very asking of the question can be an act of change in itself.

It's not unusual for executive directors to ignore these signals or think the problem lies with one individual. Unfortunately, such changes in behavior typically reflect problems that permeate the entire organization.

Step Four: Communicate

It's crucial to communicate regularly with the board chair. Without open lines of communication, you won't have the leverage needed to manage a difficult situation.

As soon as you observe warning signs, set up a meeting with the board chair. Choose a venue that's comfortable for you both. A private

meeting over lunch or dinner is usually a safe setting and will allow enough time to share observations. The board chair's insights will be critical to determining root causes and deciding how to move forward with the rest of the board.

Step Five: Include the Board

Be sure to involve the board early in the change process. Since this group has the ability to either help or hinder your efforts, don't let them feel excluded.

When the situation is serious, urge the board to call a special meeting rather than wait for a regular board meeting. After the meeting, be certain that minutes are sent out quickly to inform those board members who couldn't attend. In circumstances that require extensive review, urge the board to hold weekly meetings until the problem is solved.

Step Six: Consider Using a Consultant

Explore with the board chair and management team the issue of outside assistance. Ask key staff and board members, "How will we know when we could benefit from some outside help?" This question introduces subjects—such as conflict, board composition, commitment, transition, and management team functioning—that otherwise might be difficult to broach. The very asking of the question can be an act of change in itself.

When it comes to consultants, most organizations make one of two mistakes. They either move too fast and over-rely on an advisor, or they move too slowly and under-utilize outside help. The best approach is to involve consultants on an occasional but consistent basis. Such involvement will result in better advice in general, as well as useful help during critical times.

Consultants are most effective when they have a working knowledge of the organization, familiarity with the culture, and strong relationships with the executive director and board chair. If consultants are brought in at the last minute, their unfamiliarity with the organization can lead to confusion, poor advice, and an extended decision-

making process, delaying resolution of the problem.

Regular meetings with a facilitator or other advisor will help you take a step back from day-to-day operations and look critically at how the board is functioning and how well the organization is fulfilling its mission. A professional can address burn-out and other issues that executive directors face, bring objectivity to a board retreat, and provide fresh insights. ■

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Spring into Action

Tough issues are a given in the nonprofit world. You can solve most problems if you speak frankly and foster true commitment among board members.

Use the following *Nonprofit World* resources (available at www.snpo.org/members) to put the six steps into action:

- **How to Present Information to Your Board** (Vol. 21, No. 1)
- **The Promise and Pitfalls of Organizational Change** (Vol. 28, No. 4)
- **Seven Creative Ways to Energize Your Board** (Vol. 16, No. 3)
- **Building a Strong Board-Exec Relationship** (Vol. 21, No. 4)
- **Secrets to Finding the Perfect Consultant** (Vol. 28, No. 3)
- **Five Golden Rules for Board-Executive Retreats** (Vol. 26, No. 1)
- **Board Members Beware! Warning Signs of a Dysfunctional Organization** (Vol. 16, No. 2)
- **Learning Institute programs on-line: Board Governance** (www.snpo.org/lino)