

Leadership Skills for Board Members



GOVERNANCE

A Guidebook for Board Members of Community Development Organizations

Launched in 1982 by Jim and Patty Rouse, The Enterprise Foundation is a national, nonprofit housing and community development organization dedicated to bringing lasting improvements to distressed communities.

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About This Manual

What are leadership skills for board members?

Leadership Skills for Board Members comprises the fundamental traits, roles and skills necessary for building strong, effective leadership within nonprofit community development organizations. Board leadership keeps an organization healthy and on track, and it provides the best defense when times are rough.

Leadership Skills for Board Members is designed for board members of nonprofit community development organizations who want to become more effective leaders within their organization. The information in this manual can help you establish a good leadership process or improve how your organization is currently governed. It covers topics such as:

- Leadership positions on boards
- Five traits of effective leaders
- Conflict resolution
- Problem-solving management
- Troublesome personalities
- Preparing in advance for difficult times

This manual is one of the books within the *Governance* series of The Enterprise Foundation's Community Development Library™. The series provides detailed information on:

- Understanding board basics
- Building and managing a better board
- Evaluating the organization
- Evaluating the executive director

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Introduction

Leadership comes in different forms and can be found throughout any healthy organization. In directing and guiding others, leaders steer the group toward a common goal. Leading the board of a nonprofit organization means guiding board members in their work of achieving the organization's mission, its charitable purpose.

Rather than presenting abstract theories about leadership, this manual focuses on leadership skills as they relate to the board chair (also called the board president), board officers and committee chairs.

At times, this manual tells you what to do and relies on you, as organizational leaders, to decide how. That's because we assume you already have what it takes to lead. *Leadership Skills for Board Members* is not a primer on leadership, but instead offers insights for those who lead a community development organization. It points out issues that other boards may take for granted — the kind that may mean the difference between success and failure for your organization.

DIFFERING BOARD COMPOSITIONS

People are asked to serve on boards because they have something important to contribute. They serve without pay because they believe in the organization's cause. Board members (also called trustees) tend to be thoughtful, motivated and dedicated people — and people with minds of their own.

The boards of community development organizations are often more diverse in their professional backgrounds, previous board service, technical expertise, and racial and ethnic composition than other nonprofit boards may be. Turning this collection of capable individuals into a single intelligent, productive and unified entity takes effective leadership, especially on the part of the board chair.

Leadership Skills for Board Members offers practical ideas to help you do just that. Written primarily for board members, this manual is designed to be a practical guide, offering specifics on how to establish solid board operations and manage the inevitable drama that unfolds when more than one person must make difficult decisions.

Organizational Ownership

The board, as the legal owner of the nonprofit community development organization, plays a role much like that of a parent; ultimate responsibility for the organization rests with it. This means trustees cannot be passive observers any more than parents can afford to let a 3-year-old play in the street. Both amount to negligence and can lead to danger.

It is an unfortunate fact that some volunteer board members are negligent in this way, but most often their neglect is unintentional. Many are recruited and installed without knowing their obligations and responsibilities. They sit on the board for months, even years, without assuming real ownership. They never understand that the organization's life is in their hands, that responsibility for its survival, its success, lies with them.

Before a volunteer board can consistently act in the best interest of its organization, its trustees must understand and accept responsibility for the organization's success or failure — obtaining the needed resources, protecting organizational assets, implementing sound policies and being accountable to outside stakeholders.

To ensure that members understand their duty, they should participate in a detailed orientation describing legal and other obligations that come with board service. Providing each potential board member with a recruitment packet spelling out the expected commitment of time, skill and other resources will give those who cannot commit an opportunity to eliminate themselves from consideration. The result will be a group of trustees who know and accept the responsibilities of ownership.

Board Leadership Roles

Typically, board operations are led by people who fill these positions:

- The chair, or president, of the board
- Board officers
- Committee chairs

THE BOARD CHAIR OR PRESIDENT

The highest leadership position in a nonprofit organization is the board's chief volunteer officer, usually referred to as the chair or the president. For simplicity, this manual uses the term chair.

The chair provides overall leadership by governing the board of directors, which in turn governs the organization. With this leadership role comes power and authority, usually expressed through persuasion rather than command. The chair assumes the greatest responsibility for the organization's operations and finances, and thus its overall well-being and success.

An important function of the board's chief volunteer is to guide the group in developing policies that shape the organization's future. The chair must be able to envision how the board, its committees, the executive director and staff should function and work together to achieve the agency's mission. The art of board leadership is bringing these elements together to form a strong, productive partnership.

BOARD OFFICERS

Officers are responsible for the board's internal administrative functions, having been elected by the board according to the bylaws or operating policies. Typically, volunteer boards include a board chair, a vice chair, a treasurer and a secretary. (Some states require a minimum of three officers — a chief officer, a treasurer and a secretary — through their nonprofit corporation laws.)

The chair is the leader of the board and the organization it serves. The vice chair replaces the chair in that person's absence. The secretary records the minutes, safeguards all corporate records and ensures that the organization's legal filings are complete and accurate. The treasurer plays the very crucial role of financial overseer. An organization may have additional officers, but these four are the minimum for sound board operations, even if one trustee holds more than one post.

THE COMMITTEE CHAIR

Except for very new or very small boards, most boards work through committees. Their smaller size allows members to work together more efficiently. As a subset of the board, each committee has a defined purpose. Some committees, such as the executive committee, exist as long as the board exists and are called *standing committees*. Others, such as a merger committee, exist for a specific short-term purpose and are called *ad hoc* committees.

The bylaws or board operating policies should spell out the details of committee appointments. A committee member may be appointed by the chair, elected by the board or automatically designated to a committee by virtue of his position as a board officer. For example, the board treasurer may automatically be the finance committee chair or the vice chair may head the nominating committee. Most committee members are also board members, but nonboard committee members can add expertise without creating an unwieldy governing board.

Because committees do the work of the board, committee chairs must have strong leadership skills. They must develop work plans and move committee members steadily toward their completion. Like the board chair, the committee chair must guide the committee through difficult decisions and must sometimes settle interpersonal conflicts.

The mark of a successful committee is that it adds value to the board by saving time and energy. It mobilizes the expertise needed to achieve the organization's mission. The mark of a successful chair is a productive committee, and a successful committee chair is often a good candidate for board chair.

What Makes an Effective Leader?

A board's effectiveness depends largely on the capabilities of its individual trustees, so prospective members should be chosen carefully. Selecting good leaders is not an exact science, but there are some key qualities to look for, in terms of both personal characteristics and skill.

LEADERSHIP TRAITS

Effective leaders share many of the same personal characteristics. Some — like charisma — are difficult to define and even harder to teach. Other traits are easier to observe, and board members who exhibit them may be ideal candidates for positions of leadership. Look for trustees who are:

- Mission focused
- Visionary
- Motivating and inspirational
- Analytical
- Objective

One way to determine if these traits are present is to give trustees one-time leadership assignments and watch for these qualities to show themselves.

Mission Focused

The effective leader keeps the organization focused on its primary goals. This person is constantly asking the board the right questions: “Is what we are doing helping us fulfill our mission?” “Does each decision, each action, move us toward our goals?” The leader constantly communicates the organization's mission, both internally and externally, and keeps the board and the staff on target.

Visionary

A leader envisions the organization's present role, as well as its role in the future. For community development organizations especially, an effective leader envisions what the community's future can be and how the organization can help achieve that vision. The leader visualizes this potential by understanding the “big picture,” for both the organization and the community it serves.

Motivating and Inspirational

The leader must activate others, not only to participate on the board and be interested in the mission, but also inspire them to commit their time, energy and other resources. A leader should look for and highlight every trustee's contributions and the value they add to the mission of the organization. Volunteer board members need to know they are appreciated, and each needs motivation to give of their particular gifts — whether it is their expertise, time, contacts or finances.

Analytical

Leaders must direct the board's attention to how the organization can benefit from new opportunities or avoid possible pitfalls and then help trustees weigh their choices. They lead the way by asking searching questions: “What will we gain if we take this opportunity? What will we lose if we pass it up?” “How can we avert this potential crisis?” They welcome — even encourage — opportunities to discuss the pros and cons, recognizing that hard choices often involve considerable risk.

Objective

A leader — especially the board chair — must be objective and impartial. This person must have an open mind in all discussions and a willingness to listen to sometimes intensely different viewpoints. The chair should be able to express both sides of a debate to help the board reach an informed decision.

Leadership Skills

Leadership skills complement the strong personal traits of good leaders, whether they are leading the board or a committee. Unlike personal characteristics, skills can be learned and sharpened through education and experience. An effective board leader should be able to:

- Conduct meetings
- Build participation
- Gather and communicate information
- Evaluate and assess progress
- Resolve conflict
- Manage the problem-solving, decision-making process

The last two skills are covered in more detail because they address issues that can be particularly challenging for less experienced board leaders.

CONDUCT MEETINGS

Leaders should be skilled in planning and conducting meetings. What does it mean to conduct a well-run meeting? Here are some important steps:

- Develop a well-thought-out agenda clearly identifying issues to be discussed and actions to be taken; be sure everyone has an advance copy.
- Begin each meeting by stating its purpose (and perhaps how it relates to the board's or committee's larger goals), and end by summarizing how this purpose was accomplished.
- Encourage and facilitate participation by committee members.
- Keep the group focused on its task and time frame.
- If tasks are assigned, secure that person's commitment to complete the task by its deadline and press for follow-through.

BUILD PARTICIPATION

Trustee participation is essential to meaningful board discussions and decision making. Effective board leaders learn to build and sustain a high level of participation, at both the board level and the committee level. Those who lead the board and its committees can use several techniques to encourage sustained participation:

- Ensure that all trustees have agendas and supporting materials several days before the meeting. This is crucial for meetings where members discuss and vote on policy issues. Whenever possible, alert them to the issues that may require hard decisions so they have time to prepare for the discussion.
- Establish and enforce communication protocols — standard rules of order that ensure orderly, courteous conversation during meetings. But just as important, send the message that the board *wants* to hear from all trustees, no matter what their point of view. Ridicule, dismissal and interruption should never be tolerated. After all, it takes only one embarrassing experience to warn others not to say too much.
- Ask for help or advice. Board leaders do not know it all and should assume that the board (or committee) as a team is smarter than each individual member. Let the trustees know their contributions enrich the work of the board.

GATHER AND COMMUNICATE INFORMATION

Information is a critical business tool, and the effective leader must learn to use it well. Information processing is the essence of most board and committee assignments. Committees, which do the work for the board, typically search for information, distill and analyze it, and make recommendations to the board for official action.

The committee chair must first be able to identify the kinds of information the committee should gather. For example, the resource development committee might research fund-raising strategies with high yields and low costs. The nominating committee may gather the names of experienced professionals and motivated community residents as potential nominations to the board. The real estate development committee might research projected property values for its target area over the next three years.

Having defined the information needed, the chair must then decide how to mobilize members to gather that information and bring it back to the committee for analysis. This can be as simple as assigning tasks to committee members and setting dates for their reports. A clear and manageable process is an absolute must, as is holding members responsible for completing their assignments well and on time. Without structure, committees tend to meander, accomplishing little of substance and frustrating volunteer board members whose lives are busy enough already.

Full participation from committee members is also key. Overworking the most enthusiastic members will probably shorten their participation on the committee, and perhaps even on the board. That loss may diminish the committee's ability to achieve its goals in the short term and the board's in the long run. Ask for help from or assign tasks to committee members who volunteer infrequently; some people simply need more encouragement.

The leader's next duty is to analyze the information and present recommendations to the board. This process must be defined up front and can be delegated. The process does not have to be difficult; it can be as simple as this:

1. Call a meeting specifically to analyze the information and develop recommendations. This may require subcommittee work before that meeting. Also, the discussion will usually be richer if members get advance copies of supporting data.
2. Assign someone to verbally summarize the committee's findings and how these findings shape pending recommendations.
3. Hold an open discussion on the issue, keeping in mind the meeting's purpose.
4. End the meeting with a summary of what was decided, the wording of the recommendations to the board and any subsequent actions.

Finally, the committee chair must be a conduit for information to the board. The effective committee chair learns who in the organization needs what information and when they need it. The chair stays informed and keeps others informed with accurate and timely data that supports both policy and operations.

EVALUATE AND ASSESS PROGRESS

Committees exist to help the board do its work. Accordingly, committee chairs should periodically review the quality and effectiveness of their committees' work and determine if the work is helping the organization fulfill its mission. They should routinely monitor performance and keep their committees moving toward their goals.

This assumes that each committee has a well-defined purpose. Each committee chair must ensure that it does and that there are at least a few objective measures of its success. Periodically, the committee chair should evaluate the committee's accomplishments against its goals and submit a written progress report to the board. This practice helps keep the committee on target and highlights potential trouble while it is still manageable, serving as a request for help.

RESOLVE CONFLICT

Conflict is a natural part of life. Many conflicts are minor and easily resolved, but occasionally they become more serious and threaten the board's ability to do its work. Conflict, if left unchecked, gives rise to competition, distrust, hostility and a host of other destructive attitudes and behaviors. In extreme cases, unchecked conflict will destroy an organization.

Overworking the most enthusiastic members will probably shorten their participation on the committee, and perhaps even on the board.

Once a serious conflict is evident to everyone on the board, trustees may mistakenly try one of two possible solutions — fight or flight. The first approach assumes that the combatants need to fight out their problems so operations can get back to normal. The second seeks to avoid the problem by announcing that it no longer exists. Both approaches tend to backfire. There is a better alternative — conflict resolution.

Conflict resolution helps people deal with their differences in ways that are neither adversarial nor confrontational. Some conflicts require third-party mediation, especially if your board is small or has a high percentage of friends or relatives, factors that reduce everyone's ability to remain objective. But you may wish to try conflict resolution on your own before you turn to outside help.

Whether you handle the problem internally or contract a third party, the facilitator of the conflict resolution exercise must have insight on how to intervene when conflict appears. The steps a board leader or neutral mediator would use to resolve group conflict are:

STEP 1

SEPARATE THE PROBLEM FROM THE PERSON

Conflict is rooted in a *problem*. Two or more individuals hold different opinions about that problem, and their disagreement becomes hostile. Though the hostility takes center stage, the *problem* is the real issue and is legitimate board business (unless it is just a personal dispute, and that kind needs to be settled on the combatants' own time). The mediator must refocus the board on the problem, and away from the disputing parties — without trampling their right to be heard. Then he can call a halt to the heated discussion by announcing a 10-minute break and encourage everyone to return for the next part of the discussion with a calmer attitude.

STEP 2

IDENTIFY THE PROBLEM

Identify the heart of the problem. Listen carefully for objective information, separating the real issues from the speaker's feelings about the issue — or about those who disagree. This is not to suggest that people's feelings are unimportant, but the board's job is to solve organizational problems and make decisions. Keep everyone focused on the real issue.

STEP 3

IDENTIFY EACH DISPUTING PARTY'S POSITION AND CONCERN

Review the situation that led to the conflict, specify the problem and clarify the major concerns about it. Determine each combatant's position and what they wish to gain. Is each willing to negotiate? What do the parties believe they will lose? What does each one think about the other's point of view? What would help them move closer to resolution?

STEP 4

EXPLORE OPTIONS THAT WILL ADDRESS EACH PERSON'S CONCERN

What positive options could address both parties' top concerns? What would one party want the other party to do? What concessions is each party willing to make? What changes could be made to improve the situation? A table of options measured against desired outcomes can be useful to help find common ground.

STEP 5

AGREE TO ACT ON A JOINT RESOLUTION

Identify options both (or all) parties can agree on, even minor ones. Address each combatant's needs. Record the options and secure the formal agreement of the disputing parties to consider the matter resolved once the options have been implemented.

STEP 6

IMPLEMENT THE AGREED-UPON ACTION

Depending on the complexity of the solution, draft an implementation plan, or simply assign tasks to board members. Include deadlines for accomplishing your objectives.

STEP 7

EVALUATE THE SUCCESS OF THE SOLUTION

The former competitors should meet to discuss whether the solution is working as everyone hoped it would. If they do not think it is, the group should consider repeating these problem-solving steps.

Ten Tips for Resolving Conflict

- Use fair practices.
- See conflict as normal and managing conflict as a process, not a goal.
- Separate personal issues from the problem; attack the problem, not the people.
- Clarify interests, capitalizing on joint interests and reconciling differing interests as much as possible.
- Make proposals consistent with organizational values.
- Facilitate two-way communication.
- Advocate specific options, respecting the options suggested by others.
- Keep an open mind.
- Be sensitive to underlying issues and emotions; do not push when others are reluctant to expose their feelings.
- Think carefully before speaking, taking into account diverse interests and approaches of the others.

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MANAGE THE PROBLEM-SOLVING AND DECISION-MAKING PROCESS

Individuals make decisions and solve problems in their own way. Some are intuitive in their approach, while others are more deliberate and spend more time gathering facts. Successfully leading these individuals through problem solving and decision making requires know-how and practical experience.

Here are a few steps board leaders can use to help bring their groups to consensus. Although these steps focus on problem solving, you can use a similar process to make decisions that do not necessarily involve problems.

STEP 1

DEFINE THE PROBLEM

When a problem is clearly present but not so clearly defined, continue to ask questions until the heart of the matter emerges. This may take some time. It will surely take patience if the answers are not immediately apparent to the group. Here is a sample set of questions you may want to ask:

- What do you think the problem is? Why?
- What is happening that should not be happening?
- What should be happening that is not?
- Who suffers as a result of this problem?
- Where and when does the problem seem to arise? Any idea why?
- How extensive (widespread or severe) is the problem? Is it growing worse?

Using a flip chart, record the answer to each question. Next, review the responses to determine if there are recurring themes, especially contributing factors. The result should be a valid working theory about the nature, extent and cause of the problem. Identifying the real problem is the first step in solving it.

STEP 2

LIST ALL POSSIBLE SOLUTIONS

Use a brainstorming exercise to encourage breakthrough thinking and generate a large number of possible solutions. Set the ground rules at the beginning and ensure that the group abides by them. Every suggestion makes it to the flip chart without evaluation or even comment. No idea is too far-fetched. Encourage risk taking and full participation. Help the group build on one another's thoughts. Keep everyone's attention on the task, squelching any side discussions that arise.

STEP 5

ASSESS THE RESULTS

The plan should contain a built-in quality assessment to ensure satisfactory progress throughout the implementation period. If, at any time, the solution appears to be not working, then the group should consider modifying the solution or revisiting some or all of the problem-solving steps. If you cannot solve the problem on your own, consider bringing in expert help.

STEP 3

EVALUATE AND CHOOSE THE BEST OPTION

Record the possible consequences, good and bad, of each idea presented during brainstorming. (Keep the evaluation focused on the merits of each idea, rather than on the person who suggested it.) Then rate each solution based on the board's ability to implement it, considering the internal and external resources required. Choose the best option or options. The group should verify access to the resources needed to solve the problem and perhaps revisit this step if their assumptions prove to have been overly optimistic.

STEP 4

IMPLEMENT THE BEST OPTION

An individual or subcommittee should be assigned to decide upon an implementation plan for the board's or committee's approval. The level of detail should be sufficient to move the solution quickly forward. It should also include benchmarks and time frames. The appropriate people or organizations should be assigned implementation tasks and given the necessary authority or other resources to carry them out.

Group Dynamics

The board is led by committed trustees with solid leadership skills. However, even very capable leaders can be blindsided by the difficulties that often surface when different kinds of people try to work together. Generally, the problem can be traced to a breakdown in communications, something board activities depend on.

Although numerous factors play a role in communicating, or the lack thereof, two stand out: cultural differences and “troublesome” personalities. Here are some points for board leaders to think about as they work to keep the lines of communication open.

THE DIVERSITY FACTOR

Diversity has been a buzzword in corporate America for several years now. But what does it really mean for a board? Community development organizations often work in communities that are home to people from various nations, cultural traditions and races, often increasing the diversity of the board of trustees and the staff.

At times, these differences spark trouble, even when everyone has the best intentions. This is especially true when board leaders fail to recognize differences in the way people communicate or simply fail to respect those differences as legitimate. When people are kept “outside,” they know it and resent it. Resentment and unity do not mix and will hinder the board’s ability to do its job.

Here are a few tips to help everyone feel at home on your board:

- Acknowledge differences and *really* learn to appreciate them.
- Take time to learn about the different cultures represented on the board and in the community, especially what is considered polite, rude, offensive and inappropriate. For example, if public disagreement is considered rude in one trustee’s culture, this will affect his ability to contribute to problem-solving exercises.

- Remember, “it has always been done this way” is not necessarily an endorsement. Be open to other possibilities.
- Just as men and women often communicate in different ways, expect people from different backgrounds to express themselves differently from you. Learn their customs and approaches, and help others in the group to learn them.
- Group process usually requires some compromise on everyone’s part. As your understanding of everyone’s differences grows, you can lead the group in finding common ground, with everyone giving a little in favor of smooth board relations.

TROUBLESOME PERSONALITIES

Sometimes, expert group facilitation skills alone will not disarm disruptive people. These troublesome types, while often assets to the organization, can bring a meeting to a standstill, ruffle everyone’s feathers and send the group’s collective blood pressure through the roof! Although there are many types of group-process saboteurs, here are seven of the most common ones, with ideas to help board leaders deal with them.

These saboteurs are the Attacker, the Derailer, the Interrupter, the Know-It-All, the Monopolizer, the Naysayer and the Whisperer.

The Attacker

This is the member who likes to launch personal attacks on other trustees — even the chair. This person may have trouble separating the contentious issue from the people involved in the disagreement.

Here are tips for handling the Attacker:

- When you, as board or committee chair, receive the attack, resist the instinct to deny the charges and defend yourself. Step back and take a moment to collect yourself. When it is appropriate, thank the attacker for the observation (if not the delivery) and ask others in the group for their opinion. Chances are fellow trustees will rush to your defense, given the opportunity.
- Turn the issue back to the Attacker for a more useful response, one related to the substance of the discussion. For example: “You believe I want the executive director to have a salary increase only because I worked with him 10 years ago. His accomplishments and comparative salaries are listed in the subcommittee’s report. What conclusion do you draw from this information?”
- Refocus the discussion on ideas rather than individuals. For example: “Dr. Raymond, surely Mrs. Copperman isn’t the only member with a dissenting opinion in this matter. Let’s write the pros and cons of the matter on a flip chart and have an open discussion. We may not resolve the issue today, but we will hear everyone’s viewpoint without interruption or judgment. Are we all in agreement?”

The Derailer

This person has a particular skill for taking nearly any discussion off the main point to one either remotely relevant or not relevant at all. A clear sign this person’s roaming has struck a nerve is angry looks from fellow board members.

Here are a few tips for getting the Derailer back on track:

- Hit the brakes quickly. Once it becomes obvious the Derailer is at it again, interrupt and ask this trustee to explain the connection between his point and the current topic. For example, “How does your point relate to a potential hike in our service fees?” If the trustee does not get back on topic right away, try the next technique.
- Refer the group — but mainly the Derailer — back to the agenda, reminding them all of points yet to cover and decisions yet to be made. Encourage everyone to remain focused so the meeting will end on time, having met its goals.
- Suggest that this “new” topic be addressed under New Business, discussed at the end of the meeting, or even added to the agenda of the next meeting. (If you agree to any of these, be sure you follow through.) If other trustees have issues that are somewhat related, encourage them to make a list and present it to the board. The group then can agree on a way to address the issues so everyone is heard.

The Interrupter

The Interrupter starts talking before others have finished. Often the Interrupter does not intend to be rude, but simply grows impatient or overly excited. The Interrupter is afraid that his latest, red-hot idea or observation will be lost if not shared immediately.

Here are a few tips for calming the Interrupter:

- Remember that one of your most important roles is to see that everyone is heard. This cannot happen if no one can finish a thought; so deal with the Interrupter firmly every time — no matter that person's rank or stature. Remind the group regularly of meeting protocols, chief of which is that one person at a time has the floor.
- Interrupt the Interrupter immediately with something like this: "Hold on, Tony; let Mary finish what she was saying."
- Between meetings, point out to the chronic Interrupter how disruptive and disrespectful his behavior is to other members. Suggest that he bring a pad of paper to write down ideas and express them at an appropriate point in the meeting.
- Consider making the Interrupter the recorder to exercise his listening skills.

The Know-It-All

The Know-It-All uses credentials, age, tenure, wealth, status — or maybe just a double dose of hubris — to solve every dispute in her favor. "Well, I do have a Ph.D. in urban planning. I know it will not work the way you people seem to think it will."

Here are tips for bringing the Know-It-All back to reality:

- Acknowledge the Know-It-All's expertise once, but emphasize that the issue is being considered by the *group* because the board as a *body* must understand the issues before it can develop sound policy.

- Express the fact that you value maximum group participation and the creativity and innovation it can generate. "Yes, we know this is your specialty and you may be right, but one reason we are tackling the problem as a group is to come up with some new insights and solutions. Your experience may actually keep you from considering new ways to attack the problem." "We appreciate your opinion; now let's hear from someone with a contrasting view; someone may have ideas we have not yet considered."

The Monopolizer

These are the talkers; they seem compelled to chatter on incessantly, even when they have put the entire room to sleep.

Here are a few tips for quieting the Monopolizer:

- Set time limits for each discussion item in the agenda and remind the group, and especially the Monopolizer, that time is limited. Stipulate that everyone make their point briefly and then concede the floor to others.
- Interrupt tactfully. Step in when the Monopolizer takes a breath — you have to be quick! — summarize the point and invite other opinions.
- If you have to stop the Monopolizer while he or she is in high gear, try this useful device. Choose a phrase that the Monopolizer has just uttered. The phrase itself does not matter very much; it simply acts as an excuse for cutting in and taking back the meeting. For example: "An inevitable decline ... that's very interesting, Edna. Robert, do you agree that decline is inevitable in this situation?" Hand the question to a more restrained talker, and you will get back on track more easily.

The Naysayer

This is the negative member, the one who brings the rain to every parade and still manages to empty that glass the optimists call half full. You can recognize the Naysayer by commonly uttered, if not cherished, phrases. For example, “That will *never* work,” or “That’s a terrible plan,” or even “I don’t see why we keep talking about this.” Every Naysayer has personal favorites.

Here are tips for lightening up the Naysayer:

- Using your meeting protocols, encourage everyone at the start to suspend judgment of all ideas until they have been fully explored. Have the group agree to abide by this standard. Use it to correct the Naysayer.
- Validate the Naysayer’s feelings: “I can see you don’t think this idea will work...” Then ask for other points of view from the group.
- Ask the Naysayer for positive, helpful suggestions — ones he thinks *will* work or *are not* ridiculous. Stress the need for ideas that *solve* problems.

The Whisperer

Cousin to the Interrupter, this trustee is constantly found whispering to a neighbor during meetings. Too often, you have two Whisperers. This is one of the most distracting and irritating types of meeting sabotage.

Here are some tips for quieting the Whisperer’s buzzing:

- If you are standing, walk over to the Whisperers and glance at them, but continue to listen to the group’s discussion if not continuing to talk yourself. This low-key intervention often gets immediate results.
- If the Whisperer becomes contagious and others around the room begin to whisper, call them back to order: “Everyone, let’s keep a single focus here. We won’t get anything done if small groups go off in all directions.”
- For the hardened Whisperer, try a school-teacher’s old trick. Stop the meeting and ask, “You two seem really interested in something. Do you want to share your thoughts with the rest of the group?” If they decline, ask them to rejoin the larger group discussion and remain focused.
- If these techniques fail to stop a couple of chronic Whisperers, talk with them after the meeting and ask them to sit apart at the next meeting to avoid temptation.

Group dynamics always bring the unexpected. It is highly possible that even after you have used every technique you know, unruly types may remain unruly. Unfortunately, every board, sooner or later, runs into one of these types. When this happens, remember there is no substitute for decisive action. When a trustee continuously refuses to cooperate with existing protocols after being warned, that trustee must be removed from the board. Follow the dismissal procedure outlined in your bylaws. One person cannot be allowed to keep the board from doing its job.

Leading Through Difficult Times

Now that the board has dedicated trustees, capable leaders and a structure that facilitates sound communications, the organization should be running smoothly. This is the ideal time for the board to prepare for trouble. The best preparation takes place long before trouble arrives.

Although trouble can come from many sources, here are four different kinds of organizational trouble, followed by suggestions on how the board can prepare for each one:

- Financial adversity
- Legal violations
- The public relations nightmare
- Leadership crisis

FINANCIAL ADVERSITY

There are two main types of financial adversity, one caused by malfeasance and the other by economic shifts.

Malfeasance

Malfeasance occurs when a trustee self-deals or a staff member embezzles funds or defrauds an organizational stakeholder. This can cause a crisis of confidence within the nonprofit's group of supporters and leave the organization on shaky financial ground. Any violation that jeopardizes your 501(c)(3) Internal Revenue Service (IRS) status and your state nonprofit corporation status creates a crisis.

While a clever enough person can maneuver around even the best safeguards, the board can take steps to effectively reduce the likelihood of malfeasance. Here are some tips that will help:

- Institute a conflict-of-interest and disclosure policy that every trustee must sign. Require each trustee to identify all organizational affiliations. Define unacceptable behavior — especially self-dealing — and its penalties. Take swift, decisive action when a violation is uncovered, no matter how important the violator.

- Adopt a financial management policy manual that ensures everyone who can spend the organization's money comes under review by someone else in the organization. Follow those policies faithfully. Have a firm other than the one that provides accounting services to your organization conduct an annual audit. Be careful of using firms headed by friends or relatives of board or staff members who have a hand in financial transactions.
- Develop a contracting and procurement policy that prevents self-dealing, as well as wasteful spending.
- Ensure that the board reviews standard financial statements regularly, asks tough questions when warranted and insists on the correct answers. Never hesitate to have an objective certified public accountant examine the books if something seems amiss.

Economic Shifts

Used loosely, this term refers to the changing financial fortunes that affect most community development nonprofits from time to time. Federal, state and local governments and private foundations provide most of the program funds for these nonprofits. If their funding priorities shift, the nonprofits are left scrambling for new money. Here are some tips to help you avoid the red ink:

- Expect these shifts and prepare for them by diversifying your funding sources as much as is practical.
- Examine worst-case scenarios long before you are in one. If your primary program funds evaporate, will you dissolve the corporation, merge with another agency, cut back on services, reduce your staff size?
- Look for ways to improve the results of your program while containing costs. This can give you the edge in the fierce competition for charitable dollars.
- Think of ways to use new technology to accomplish your work. You may be able to free staff time for more substantive work, delaying or even avoiding the need to hire new staff.

LEGAL VIOLATIONS

Trustees or staff can be guilty of violating the law, and some violations lead to big trouble. Be especially alert for fraud, discrimination, sexual harassment of staff or customers and failure to file employee tax withholdings. Here are some helpful tips:

- Develop a personnel policy manual for your staff and operating protocols for the board that describe and prohibit various kinds of unlawful behavior. Set severe penalties for serious offenses, and implement your policy quickly when the need arises.

Develop a communications plan that alerts every trustee, member of management and staff — in that order — about any potential public-relations problem.

- Adopt a contracting and procurement policy that contains safeguards against intentional misuse or squandering of funds by either trustees or staff. Be sure you know where your money is going. Many would-be thieves have tried to siphon funds by appearing to engage a contractor, sending payments to the dummy corporation's account and pocketing the cash. Develop thorough checks and balances, and use them without fail.
- Train every staff member who works directly with customers, the public and vendors, and provide clear standards of conduct.
- For staff members in sensitive positions, you may require a successful criminal background check as a condition for initial and continued employment. This type of policy can be tricky, so ask for your legal counsel's advice. Take special care to protect potentially vulnerable populations such as children, the infirm and the elderly.

THE PUBLIC RELATIONS NIGHTMARE

You should have a crisis management plan that tells your board and staff how to respond to a public relations nightmare because bad publicity can come your way regardless of whether it is justified. Developing such a plan is a job for a professional, so bring in a communications expert early in the planning stage. Here are a few tips to help keep your reputation intact:

- The board should be prepared to represent the organization in a crisis. The spokesperson is generally the board chair. No one else, other than the appointed spokesperson, should speak to the press or anyone else about the matter, either by telephone or in person, except to refer them to the authorized spokesperson.
- Develop a communications plan that alerts every trustee, member of management and staff — in that order — about any potential public-relations problem. Make every effort to ensure these internal audiences are not blindsided by front-page news.
- Use press appearances to reassure your stakeholders and to preserve the integrity of the organization. Do not let the press maneuver you into admissions, blame or premature pronouncements. Use the interview to your advantage.
- Remain poised in all public appearances. You can enhance your abilities by practicing.
- Establish and cultivate relationships with local reporters so that your organization is more likely to receive fair treatment from the press.

For more information on effective media techniques, see *Media Relations: Publicizing Your Efforts* in the *Communication* series of the Community Development Library.

LEADERSHIP CRISIS

A leadership crisis comes from the board or from the chief executive. Here are some of the more damaging problems these leaders may cause.

Board Troubles

There are three troublesome qualities that you must address if you want to maintain a strong board:

Absenteeism. Consider asking each trustee to sign a form at the start of his or her tenure that includes a commitment to attend regular and called meetings. Most board policies permit a few unexcused absences, but regardless of whether the absences are excused, the board must do its work. If a trustee's attendance is too sporadic, that trustee adds little value to the board. Consider asking that trustee to become an "advisory council" member, remaining involved with the organization with fewer demands on his or her time. (Of course, you will have to create an advisory council if you do not already have one, but the advisory council can be a great tool for tapping the expertise of busy people.)

Disloyalty. Every trustee must be loyal to the board and its organization, even when that loyalty costs the trustee the chance for personal gain. Trustees may have access to confidential or privileged information, or perhaps influence and prestige, by virtue of board membership. Using either for personal gain is a reason to consider termination from the board. An organization that uses public funds and receives tax exemptions is open to more criticism than for-profits in some ways; your trustees must be people of integrity.

Indolence. Unless you have figureheads on your board, every trustee must be willing to work on behalf of the organization. This may mean accepting committee assignments, representing the organization in public, helping with fundraising activities or just keeping abreast of what is happening in the organization and its industry. Inactive trustees are dead weight. If you can find ways to energize them, do it. If not, ask them privately to rise to the task or step down from the board. If they refuse, exercise the dismissal provision in your bylaws and find a committed and energetic replacement.

Trouble With the Chief Executive

The board recruits, hires, supervises and fires the corporation's chief executive. Dismissing this executive involves one of the toughest duties most boards will face, but when it must be done, the board must know how to do it correctly.

Before taking this drastic step, the board members should have made every reasonable effort to solve their problems with the chief executive. The basis for their interaction should be the personnel policy and the due process it outlines as well as any contract between the executive and the board.

Here are some early interventions that may eliminate the need to talk about dismissal:

- Conduct informal assessments, offering constructive feedback to the executive to help prevent the escalation of existing problems. Simply letting the executive know how the board views the executive's performance can have a positive effect. Often employees adjust their performance when they see their shortcomings. The board must point out these shortcomings clearly and firmly as soon as they become evident, but avoid intentional personal attacks.
- Coach the executive to help her improve her job performance, especially when the difficulty stems from a lack of specific knowledge or information that is peculiar to your organization. You may see quick results if trustees take the time to teach, guide and share. After all, supporting the chief executive is one of the duties of the board.

- Conduct formal assessments through specific, comprehensive reviews at intervals agreed to by both the board and the chief executive. Following criteria established at the outset by both parties, these assessments are usually based on annual organizational goals and objectives. The primary purpose of such an evaluation is to help the executive perform more effectively. Neither the board nor the executive should expect success without the other's support.
- Remember that federal, state and local regulations govern specific policies, procedures and actions related to personnel matters. These include the Americans with Disabilities Act, drug-free workplace rules, anti-discrimination laws and others.
- Learn about and understand regulations that require you to allow employees to obtain counseling through an employee assistance program or some other counseling resource before you can terminate employment. The counseling may be for job-related matters or for personal problems that affect job performance. Substance abuse, stress, depression and mental illness fall into this category.
- Investigate. Dig deeply into all the facts whenever an apparent problem arises concerning your chief executive. Your decisions must be fair and objective, and they must be made quickly when the situation warrants.
- Listen very carefully. Allow the executive ample opportunity to explain what happened and why. Listen without pre-judging. The board must give everyone involved a fair hearing and collect all the facts before rendering judgment.
- Keep records. Documentation during the problem-resolution stage is important, because you must be able to demonstrate fair, equitable and reasonable treatment when dismissal is inevitable. The record of the board's interaction with the executive may help the board reach critical decisions about the chief executive's future.
- Match corrective action to the offense, taking the executive director's record into consideration. A series of minor offenses may accumulate and justify discipline that the director's last act alone would not justify. On the other hand, a long history of good performance may justify less severe treatment when the executive commits an offense.

When dismissal is your only option, be sure to follow your organization's policies to avoid an immediate lawsuit. (It may not prevent one, but ignoring your own policies is an open invitation to litigation.) If you must dismiss, be fair, but be quick about it; the problem will only fester when left unresolved. A similar option is to request the chief executive's resignation. This may be the preferred option when the board and the executive simply do not see eye to eye.

Documentation during the problem-resolution stage is important, because you must be able to demonstrate fair, equitable and reasonable treatment when dismissal is inevitable.

If dismissal is inevitable, take steps to control public relations. Do not risk being put on the defensive after a disgruntled former executive begins to spread ugly rumors. Identify *your* message and get it communicated to the right audiences.

While community improvement earns your board many accolades, less appreciated tasks come with the territory. Working to correct job performance problems or dismissing your chief executive when necessary may make the board feel like the bad guy, but your first loyalty is to the organization and its mission. You must make tough choices when that mission is at stake.

For more detailed information and guidance on the board's responsibility for the executive director, see *Evaluating Your Executive Director*, another book in the *Governance* series of the Community Development Library.

Leaving a Legacy

The board of trustees is like a living organism — it grows and changes over time. Typically, trustees serve for a period of years and then end their board service, being replaced by the next members. Through this continuous change in board composition, the organization must remain stable. The board has at least two ways to leave a valuable legacy: adopt organizational policies and groom others to lead.

ORGANIZATIONAL POLICIES

Policies can be assembled into one or more manuals to keep board and staff informed of the corporation's policies and procedures and of any changes to those policies and procedures. They also explain how the organization functions. In addition, policies help protect the board and staff by ensuring fair and predictable treatment. The board has its own operating manual. There may be one or more manuals that address staff and day-to-day operations.

The Board Manual

Compiled for the trustees, this manual is a comprehensive source of information about the organization and its governance. It contains background and history along with important organizational documents. Because trustees of community development organizations are usually volunteers who meet only periodically, the board manual helps keep them organized and informed. The board manual also serves as an important orientation tool for new trustees.

Often organized in a three-ring binder, the board manual may include some or all of these documents:

- Articles of incorporation
- Bylaws
- IRS letter of determination (of tax-exempt status)
- Mission statement
- Copies of formal organizational plans, such as the strategic, business and fund-raising plans

- Formal financial statements and audit reports
- Current operating and program budgets and budget-to-actual reports

Operations Manuals

An organization may have one or more manuals to describe the flow of daily life in the organization. They include financial management policies, personnel policies and standard operating procedures.

A financial management policy is one of the most important documents an organization has because it delineates many of the ways the board meets its duty to safeguard organizational assets. Accounting policies detailing the process for spending and reporting the organization's funds are the backbone of the document. An experienced certified public accountant is a valuable ally in developing these policies.

The board should play an important role in their implementation.

Other policies that address daily organizational life are usually crafted by management or by hired consultants. The most common are personnel policies and standard operating procedures.

Personnel policies describe the benefits provided by the organization to the employees, the standards they are expected to uphold and how to file a grievance if the employee believes he or she has been mistreated. The provisions in this manual often impact hiring and firing decisions and should be carefully crafted. Legal advice during policy development is critical since federal and state laws govern personnel matters.

Standard operating procedures detail routine organizational activities — from internal communications and dress codes to safety measures and attendance reporting. As the number of staff increases, an organization's standard procedures grow in importance because they minimize the impact of turnover on operations and improve overall communication and efficiency.

GROOMING OTHERS FOR LEADERSHIP

Effective leaders see the importance of grooming others for leadership. The strategic infusion of capable new leaders gives an organization the vitality it needs to survive for many years. An organization benefits from the wisdom and experience of seasoned board leaders joined with the passion and creativity of new ones. The search for the right balance is an ongoing process that helps keep the board from settling into stale ways of thinking and acting.

One way to ensure strong organizational leadership for the coming years is to create a leadership recruitment plan, perhaps through the nominating committee. Identify candidates from among the organization's primary stakeholders, especially the target community and other service organizations. Consider inviting them to take part in committee work or one-time organizational projects, building the relationship between them and the organization.

Another option is to offer formal leadership training sessions to anyone interested in community leadership, either with your organization or another one. This can be an effective tool for mobilizing young adults in the community who are looking to develop and use their leadership skills. It also offers retired persons the chance to use their time and talent for a worthwhile cause.

The exercise of leadership development may produce new leaders for your board, but it also helps existing leaders grow in their ability to serve the organization — a classic win-win situation.

STEPPING ASIDE GRACEFULLY

Is there an optimum tenure for board officers and committee chairs? Some serve very competently over a period of years, while others lose interest or burn out from the stress of serving long terms. While there is no rule for optimum terms, here are several ideas for consideration. (Although this information can refer to officers or committee chairs, the term “officer” is used here.)

- In the first year of the term, an officer is just beginning to grasp the position's roles and responsibilities, even if this person has been on the board for years. Accordingly, a two-year term is better than a shorter one, and a three-year term may be even better.
- Each board must decide whether to permit successive terms. But even if they are permitted, an officer should serve a second term only when he or she can offer benefits another candidate cannot. A second term that is used as a reward for faithful service may not be the best choice for the organization and its mission.
- The board should be aware of certain warning signs that signal the need to end an officer's term. These include a lack of interest in board matters, indications that board business is no longer a key priority and the use of personal influence or control that blocks or sabotages new ideas.

No doubt there are leaders with vision, ingenuity and character who provide tremendous direction for many years. But when a leader begins to damage the organization, the board should consider a new role for that officer. When that time comes, the officer should step aside gracefully, with public recognition by the board and its community of the immense contribution this officer has made to the organization over the years.

In the ideal world, capable leaders would serve their terms, leave the board when the time comes and remain friends of the organization, passing along their wisdom, skill and enthusiasm to others for as long as they can.

Notes

Notes

THE ENTERPRISE FOUNDATION

The Foundation's mission is to see that all low-income people in the United States have access to fit and affordable housing and an opportunity to move out of poverty and into the mainstream of American life. To achieve that mission, we strive to:

- Build a national community revitalization movement.
- Demonstrate what is possible in low-income communities.
- Communicate and advocate what works in community development.

As the nation's leader in community development, Enterprise cultivates, collects and disseminates expertise and resources to help communities across America successfully improve the quality of life for low-income people.

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