

No Higher Calling

By Michael G. Daigneault

CEO of Quantum Governance, L3C

It never fails... when I'm with a group of Board members (which is very, very often) and I ask "What are your core responsibilities as a Board member?" someone will always say, "to hire and fire the ED." And yes, I suppose at a very basic level this is true. Perhaps there is no more important decision a typical nonprofit Board makes than in the hiring of an Executive Director (ED) or CEO¹.

There is, of course, so much more to developing a successful relationship with a nonprofit's ED than in his or her hiring and firing. But, if you were to think back over your career and consider the best mentors that you ever had -- the ones that were able to elicit from you your finest moments as an employee, certainly you would likely consider their contributions to your career far beyond the moment that they hired (or even fired) you.



At Quantum Governance, we identify seven core responsibilities of a nonprofit Board, and they are:

- 1) Governance & Leadership
- 2) ED Support & Oversight
- 3) Performance & Results
- 4) Strategic Thinking, Learning & Planning
- 5) Budget & Resources
- 6) Membership & Community Outreach
- 7) Stewardship, Ethics & Financial Integrity

Nonprofit Boards are often keenly focused on fiduciary oversight. You are careful stewards of donors' funds, financial management, balancing budget and precious resources against staff demands, constituent needs and program results. On the whole, my colleagues and I sometimes worry that you and your colleagues spend a bit too much time focusing on fiduciary and operational-related matters. Ideally, we would like to see you talk a bit more at the strategic level in the Boardroom.

¹ For the purposes of this article, I will use ED to signify a nonprofit's chief staff officer.

But one area where we do see a great deal of variability and perhaps a greater need to focus at the fiduciary level is in the assessment process of the ED.

What does an effective or “constructive partnership” between the Board and your nonprofit’s ED look like? That is, what kind of relationship do you have - and will you forge in the future - with your ED? What are the appropriate operational and strategic boundaries? How, in the big picture, can you help your ED be even more effective? What type of goals should you set for your ED? Should your ED’s goals be the same as the nonprofit as a whole – or should there be goals unique to him or her? Ultimately, what type of process is appropriate to provide an effective ED assessment?

There are real challenges in the answers to these vital questions. In Quantum Governance’s work, we assess nonprofit Boards nationally, and less than 30 percent of Board members that we have surveyed think that they effectively establish performance goals for their ED. A key part of an overall effective, cooperative, constructive partnership between your Board and your ED is an effective assessment process of the ED.

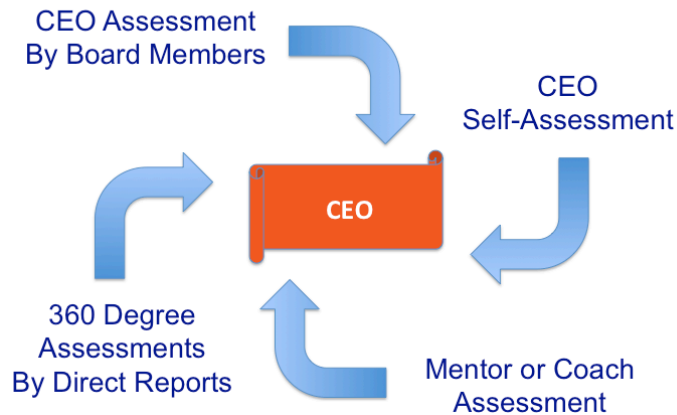
To maintain a truly effective constructive partnership with your ED, a Board must thoughtfully and collectively work to build, foster, maintain and improve the relationship. A regular and genuinely valuable assessment process of the ED is vital. It can provide:

- A more objective and comprehensive analysis of your ED’s performance
- A higher degree of focus on key nonprofit goals, efforts and initiatives
- An in-depth look at important leadership strengths – as well as challenges
- A means for your nonprofit’s leadership to get “un-stuck”
- A way to reframe key governance, leadership and strategy issues
- Baseline data to measure future efforts and progress
- New ideas, insights and ways to move the nonprofit forward

And yet, sadly our surveys have found that more than 40 percent of nonprofit Board members feel that they are doing an “ineffective” or only “adequate job” of using a quality process that allows all Board members to provide input on the ED’s evaluation. Such a process is a vital element in maintaining a good relationship with your ED over time.

In addition to ensuring that all Board members have an opportunity to provide input into the ED’s assessment process, there are other options to seriously consider.

Potential Sources for CEO Assessment Feedback



For example: (1) you could also ask your ED to complete a self-assessment tool aligned with the question set Board members use to provide feedback; (2) you could ask for 360 degree assessments by his or her direct reports; and in appropriate instances; (3) you could ask for mentor or coach assessments of the ED.

The immediate goal is to provide valuable feedback to the ED that accurately assesses his or her efforts and gives them genuinely helpful guidance to improve their overall performance. The ultimate aim is to build an effective partnership that will help your ED, and through his or her efforts, actively assist the nonprofit and its Board, staff and, ultimately, its constituents, to succeed.

In many respects, there really is no higher calling before you as a Board.

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Michael Daigneault serves as Chief Executive Officer at Quantum Governance, L3C and has more than 30 years of experience in the field of governance, management, strategy, planning and facilitation. With more than 70 percent of Quantum Governance's representing the nonprofit sector, the organization fields more engagements in that sector than in any other.

Quantum Governance provides nonprofits, corporations, credit unions, associations and governmental entities with strategic, cost-effective governance, ethics and management consulting, facilitation and evaluation. We are home to more strategic governance experience than any other practice in the country. The firm is a unique L3C organization that integrates the best elements of both the non- and for-profit communities into one practice. It is a low-profit, limited-liability service organization dedicated to the public good and one of the very first such legal hybrid organizations in the United States.