

# Executive Director Conflict

## Board/Executive Director Tensions

The board of director's oversight role brings a fundamental tension to the board/executive director relationship. Who is ultimately in charge here? There are no firm guidelines about where board oversight leaves off and executive management begins. In this grey area, struggles for power and authority often emerge.

### Symptoms

#### Board Perspective

- The executive director gets so defensive when I ask her for something.
- The executive director won't let us exercise proper fiscal oversight.
- The first I heard about our funding cuts was in the newspaper.
- The executive director doesn't recognize my authority.
- I'm not sure the executive director is right for the job, but I don't want to say anything that would offend him.
- If Bob doesn't stop sending me those nasty emails I swear I'm going to quit!

#### Executive Director Perspective

- The board is questioning everything I do.
- I can't even order stationery without the board wanting to get involved.
- I don't want the board breathing down my neck when things are so tough right now.
- The board chair doesn't recognize my authority.
- The board doesn't trust me.
- If Judy doesn't stop sending me those nasty emails I swear I'm going to quit!

## Root Causes

### Why Tensions Develop Between Board Members And The Executive Director

#### 1. Lack of information or clarity.

- a. Board members are unclear about the difference between governance and management.** Management issues are more familiar to most people than governance issues. So the concrete tasks of hiring, project management, or editing the newsletter are easier to understand than more conceptual activities such as setting policy, strategies and exercising oversight. Executive directors complain that this leads board members to ask for, or even demand, detailed information that they do not really need in order to fulfill their fiduciary, governing and oversight responsibilities.
- b. Executive directors are unclear about the board's role.** An executive director may interpret requests for information as a lack of trust in his/her competence, a lack of respect, or a lack of appreciation for his/her work. Executive directors do not always understand the board's responsibilities, and can resent board members who ask for information that they legitimately need for oversight.
- c. Board members are unfamiliar with the scope of the organization's work and day to day management concerns.** Often board members do not receive adequate orientation to the organization, its programs and its environment, and they do not take the time to learn about the organization on their own. As a result, they lack the information they need to provide adequate oversight. This does not prevent some board members from "shooting from the hip" and otherwise challenging the executive director without taking time to understand the context in which s/he is operating.

#### 2. Change

- a. Board and executive director roles shift.** Common causes for a change in board and executive director responsibilities include:
  - **A shift from a volunteer-led organization to one with professional management.** Board members who have been used to making day-to-day operational decisions as an all-volunteer organization can have a hard time moving an oversight role. They have an investment in the new executive director continuing to do things they way they were done by the old board, which can stifle a new executive director.
  - **The transition from one executive director to the next.** If there has been a transition period in which board members have had to assume some of the day-to-day management of the organization, it can be difficult for those same board members to step back into their governance roles.

**b. The needs of the organization have changed and/or are unclear.**

The same person who was just right for the last phase of the organization's development may not have the skills needed to take the organization to the next phase. In that case, the executive director feels pressure to do things that were not part of what s/he signed up for however many years ago, and does not feel competent to take on the new roles. Also, new organizational challenges and needs may not be clear at the board level, leaving board members with a feeling of dissatisfaction due to insufficient measures for progress.

**3. Board practices do not support their oversight work.**

**a. Board members lack focus.** If people do not know where to look, they focus on the first thing they see. This is why a board member with no financial training inevitably starts asking about the \$5,000 postage line when the budget to actual report shows a \$100,000 deficit. Also, if board members do not have a clear understanding of what they should be doing, but still want to be involved, they often grab onto something familiar and try to exercise authority in that area, whether or not it is warranted or helpful.

**b. There are no appropriate mechanisms for evaluating the executive director.** In the absence of agreed upon measures and a defined process to evaluate the executive director's performance, board members can only rely on subjective judgments. And if there is no structured way for the board to give feedback to the executive director, concerns about performance may be expressed in any number of counterproductive and even harmful ways.

**c. There is not a way to effectively communicate priorities and decisions from the board to the executive director.** In the absence of established and agreed upon communications protocols, executive directors are likely to feel that they report to twenty-six separate bosses rather than one board of directors. In these situations, every individual board member's request, program idea or personal priority can become a mandate. Board members then feel resentful and unappreciated when the executive director does not respond in accordance with their individual preferences, suggestions or demands.

#### 4. Incompatible assumptions and styles.

- a. Some executive directors do not want to be held accountable by the board.** An executive director has to manage staff, figure out how to achieve program goals, raise money, balance the budget and represent the organization to the outside world, and those are just the formal roles! It is an enormous responsibility. As organizational leaders, executives need freedom and flexibility to make decisions based on their professional experience and judgment, and can be resentful of a board that wants to supervise them.
- To ensure their independence, some executive directors can try to control the board by “stacking” the membership with allies, or by controlling the flow of information. These executive directors essentially wish that the board would just leave them alone and go raise money and, as a result, they cannot understand why their board is unresponsive or inactive.
- b. Board members behave in ways that make collaboration difficult.** We see behaviors in and out of the board room that would never be tolerated in another setting. For example, some board members take advantage of their oversight role and use it as an excuse to “be the boss.” This can translate into a range of bullying behaviors such as demanding inappropriate or unnecessary information and in unreasonable timeframes, or presenting frequent criticism of the executive director. Other board members may require extensive hand holding, requesting frequent phone or in-person meetings with the executive director.
- c. Personalities clash.** Underneath all of the accusations, it sometimes comes down to the fact that the executive director and one or more board members just cannot get along – their styles or values are too different. Often one or the other will feel slighted or insulted, and s/he will lash out as a result.

## What You Can Do

### How Boards Manage Conflicts with the Executive Director

As with any conflict, the solution is to get people talking and listening to one another. Doing so requires the board and executive director to come to an understanding of the issues at hand, and to design a series of conversations around the real issues. Depending on the nature of the root cause, one of the following approaches is likely to be helpful in resolving conflict.

#### 1. Clarify board oversight roles and develop mechanisms that allow board members to fulfill those responsibilities.

- a. Board self-assessment.** One way to clarify roles and responsibilities, and develop oversight mechanisms is to engage the board in a self-assessment. Usually self-assessment is done with a questionnaire that asks board members to rate the board on how well it fulfills governing functions. In this way the questionnaire is an effective tool to educate board members about the functions they should be performing. The executive director also completes the tool, and the board's self-assessment can then be compared with the executive director's assessment of the board. Typically those who complete the survey are also asked to identify the most important areas for improvement.
  - Once the results are compiled, the board and executive director meet to discuss what the board does well and where they need to improve. From this point of view they can then discuss what support they need from the executive director in order to improve the way they are going about their governance duties.
  - Outside professionals are often called on to help the board create an action plan based on the findings from the self-assessment.
- b. Make time to discuss vision, strategy and policy.** Too often, board meetings are made up of reports from the executive director and discussions center on the details of implementation. It's no wonder that board members start to focus on matters that belong with management – that's all they hear about! To change the focus, the executive director and board chair (or executive committee) need to work together to identify strategic issues and questions facing the organization.
  - Important governing questions for board consideration include:
    - 1) What are the emerging trends in the environment (demographic, economic, political, etc.) that will affect the future operations of the organization?
    - 2) What target group/s will the organization be serving five years from now, and what will that mean for programs?
    - 3) What relationships should the organization be cultivating now?
    - 4) How can the board continue to grow and develop to support the organization's success
  - Once one of these questions is discussed, the board then should outline how members can best focus their skills, networks and resources to help the organization and ensure adequate oversight.

- Many of the effective boards in our study cited the importance of regular strategic planning as a way to create time for these discussions. The strategic planning processes helped the board refocus, built a vision and set of priorities that was shared by board and staff. Beyond a more formal planning process, organizations found that it is important to incorporate strategy sessions into ongoing board and committee meetings. These discussions allow leadership to keep up with a rapidly changing environment.

**c. Make time for explicit discussions about board roles, especially during times of transition.** When a new executive is hired, for example, it is important for the board and executive director to negotiate the roles that each will play going forward to achieve organizational goals. If the board has had to assume operational roles to fill in between executive directors, these board members will have to formally hand the reins back to the new executive director and consciously turn their attention back to policy and governance matters.

## 2. Talk together about where the organization is headed and the type of leadership required to move to the next phase.

This is especially important when there is conflict about whether or not the executive director has the skills needed to move the organization to the next phase of its development. The only way to determine if the executive director is the right person to lead is to be clear about the organization's goals and the skills required to accomplish them. The board and the executive director, often with the help of outside guidance, can think together about the future of the organization, and how that future shapes the work of the executive director.

**a. Based on those discussions, the board establishes new expectations that form the basis of the next executive director evaluation.** Achieving the expectations may require the executive director to develop new competencies. If so, part of the board's discussion with the executive director should focus on how s/he will get the help s/he needs to master the new skills.

**b. Once these conversations take place** one of three things is likely to happen:

- The executive director will recognize that the organization's future depends on his or her ability to develop skills that are outside his or her interest area or competency, and s/he will choose to leave. For example, as fundraising becomes more of the executive director's job, some individuals will choose not to do that work and prefer to find an organization with other needs.
- The executive director will rise to the challenge, surprising board critics by improving in certain areas and delivering on what was expected.
- The executive director will be unable to meet expectations and will be asked to leave. Organizations get in trouble at this point by avoiding hard decisions, preferring to give people second, third and fourth chances. In a competitive climate, organizations often cannot afford to be that generous.

### 3. Agree on what the executive director will be held accountable for and how s/he will be evaluated.

**a. Establish annual goals.** It is impossible to evaluate someone's performance in a vacuum. The board and the executive director have to work together to agree on what the organization is trying to accomplish in a given year, and what their respective roles are in achieving those results.

- Setting goals as partners is an important part of the process. It creates a forum to give important feedback about mutual expectations, and ensures that the established goals are reasonable. This allows board members to understand what it takes to get things done and gives them a better basis for evaluating progress. It also provides the ED with the opportunity to let board members know what (and how) help will be needed to accomplish the goals. At the same time, it alerts the executive director that the board intends to hold him or her accountable for the stated accomplishments.
- The goal setting process often starts with the executive director, who reviews what was accomplished in the prior year and proposes objectives for the coming year. Board members then have time to review the proposed goals and give feedback about those these aspirations.

**b. Agree on who will evaluate the executive director's performance.**

Board members need to understand that feedback about performance has to come from a designated individual (usually the board chair) or committee (usually the executive committee or personnel committee.) Individual board members should certainly give the executive director general feedback – offered respectfully – about ways to improve their specific working relationship, but are not authorized to give the executive director specific observations about how well s/he is fulfilling the role of executive director. Such comments should more appropriately be directed to the board chair or committee formally responsible for the executive director's evaluation.

**c. Offer informal feedback during the year.** Especially when there are tensions, it is a good idea to raise them sooner rather than later. For this reason, it makes sense to find ways for the people responsible for evaluating the executive director to sit down with him or her when issues arise. The purpose of the conversation is to get the executive director's point of view on what is (and is not) happening, as well as to alert the him/her that concerns have been raised. The board chair and/or committee members who are responsible for evaluation can then work with the executive director to develop a plan for how to address the concerns before they get out of hand.

**d. Create opportunities for board members to have input into the executive director's evaluation.** If board members do have concerns about the executive director's performance, they need to feel that their concerns will be heard and addressed. On the flip side, we have seen situations in which a poorly skilled, passive-aggressive, or vindictive board chair uses the evaluation as a way to advance a personal agenda, exercise unnecessary displays of power or simply do nothing.

- It is important to have an evaluation process that incorporates input from the full board about past performance and future expectations. A simple questionnaire that refers to the goals established at the beginning of the year is useful for gathering input, and then a discussion at the executive committee or personnel committee ensures that the review will be reasonably balanced.

#### **4. Manage interpersonal differences and conflicts.**

## Roles In Moving Forward

As always, how you proceed will depend on the root cause of the tension(s) that exist(s). What follows are some alternatives based on those root causes:

### 1. If you are the board chair.

- a. **If you are part of the conflict with the executive director**, assign another board member to take the lead on the situation and be willing to follow his/her leadership.
- b. **If you think that the conflict is rooted in a poor understanding** by board members of their role(s), propose a board self-assessment process.
- c. **If you think that the conflict is due to personalities**, meet individually with the people involved to mirror your observations, and help to broker a relationship between the executive director and the board member(s) involved.
- d. **Get more information about executive director evaluation** from outside sources, and propose a process back to the executive director and the board.
- e. **Initiate a strategic planning process** to clarify where the organization is headed and what kind of leadership is needed to move it there.
- f. **Get help from a knowledgeable nonprofit professional** or board member of another organization that has gone through something similar.

### 2. If you are on the executive or personnel committee.

- a. **Talk to the board chair** and work with him or her to develop a solution.
- b. **Report your observations** in executive session and work with other committee members to plan a way of addressing the issue.
- c. **Get help from a knowledgeable nonprofit professional** or board member of another organization that has gone through something similar.
- d. **Get more information about executive director evaluation** and propose a process back to the executive director and the board.

### 3. If you are a board member.

- a. **Talk to the board chair** and work with him or her to develop a solution.
- b. **If you are not part of the conflict**, talk to the executive director to see how s/he is experiencing the situation and develop a game plan for addressing what is going on.
- c. **Name what you are seeing at a board meeting** to get people to acknowledge the tensions and start to find a way to work on them.
- d. **Get help from a knowledgeable nonprofit professional** or board member of another organization that has gone through something similar.

#### 4. If you are the executive director.

- a. **Talk to the board chair**, particularly if s/he is not involved in the conflict, and ask him or her to speak with the board member(s) involved.
- b. **Give the board chair and other board leaders information** about board roles, board self-evaluation, the difference between management and governance, conflict resolution and other materials that might help diffuse the tension.
- c. **Be sure to acknowledge positive board member activities** and contributions publicly. Sometimes all people want is to be stroked a little.
- d. **Talk to a peer to see how they have handled a similar situation.**
- e. **Talk to the board members involved from an objective**, task-oriented perspective rather than a personalized, confrontational perspective, to see if a workable solution can be reached between you.
- f. **Make sure that you are giving people what they legitimately need** to fulfill their governance responsibilities, including financial information, program performance information, and policies for internal controls and personnel.

## How Outside Expertise Can Help

### The Lessons from Exemplary Nonprofits: Resolving Board Staff Tension

This section illustrates a number of ways that consultants or other outsiders (including funders) can help to resolve a conflict situation. These outside professionals can:

- 1. Assess the situation** and have frank conversations with those involved about the role they have played in creating the conflict, and the role they must play in resolving the conflict.
- 2. Coach the parties** involved to help them develop a new perspective about (and a more effective response to) the situation.
- 3. Act as neutral mediators** who work with the parties involved to sort through the issues until the real cause of the tension is identified, and to then help those involved come up with a plan to address those issues.
- 4. Offer alternatives** for addressing the issues and help people get past their “either or” thinking.
- 5. Defuse some of the tension** by letting people vent and give their concerns a full airing.
- 6. Change the nature of the conversation** from accusations into productive questions about the needs of the organization.
- 7. Facilitate meetings** of the people involved to help them come to agreements.
- 8. Educate the board** about appropriate governance roles.
- 9. Educate the executive director** about how to work with the board.

Getting professional help to work through conflict usually takes money. While organizations are often reluctant to let their funders know that there are internal problems, many groups find that a long-term funder is willing to help a grantee secure the expertise they need to work through the situation. Funders feel that they have made an investment in the success of the organization and will sometimes step up in a crisis. In fact, sometimes it is the funders themselves who call on the board and executive director to address underlying issues that they see as a threat to the future stability of the organization.

## Success from the Start

To ensure a collaborative engagement between the board and the executive director the following keys to success need to be in place:

### 1. A strong partnership between the board chair and executive director.

The relationship between the board chair and the executive director often sets the tone for all other board/executive director interactions. While specific styles differ, leaders from our exemplary organizations describe similar characteristics of an effective partnership:

- a. Communication.** Board chairs want to know what is going on, even if the news is bad. Executive directors are willing to tell them the bad along with the good because they know that the board chair will not use the information as a way of undermining their leadership or authority. Communication between the two is usually frequent. The executive director usually adjusts to the board chair's preferred style of communication (e.g. when and how much to use email, phone, and in-person.)
- b. Ability to disagree constructively.** One of the groups interviewed believes that board members are willing to voice different opinions because they also see that the executive director and the board chair feel comfortable communicating differing points of view, and raise/debate these differences in a respectful manner. In some situations, the ED and chair discuss issues privately and arrive at a shared understanding, with the belief that their unified agreement is important, especially when in front of the full board or community.
- c. Trust and respect.** As an outgrowth of communication and the ability to disagree constructively, the board chair and executive director develop confidence that each will help the other be successful.
- d. Willingness to learn.** An executive director may depend on the board chair's experience in a particular area, and board chairs are interested in understanding quirky norms of the nonprofit environment. Ideally the two will have complementary skills and knowledge that can be combined to propose creative solutions.

- e. Clear roles.** Just as good fences make for good neighbors, clear boundaries (role) support the executive director/board chair partnership. It helps to be very explicit when new issues come up about where the executive director's authority ends and where board oversight begins, and what falls in the grey area for discussion between the two. Once those lines have been clearly articulated and agreed upon, it is easier to decide how to determine what issues to bring to the board for overall decision-making.
- It is typically the role of the board chair to be part of the executive director's annual evaluation. If that task is not handled very carefully, it can make the rest of the working relationship very difficult to navigate. In fact, one board chair we spoke with prefers to have the chair of the governance committee responsible for the executive director's review so that he can function as more of a partner.

## **2. A good working relationship between the executive director and each board member.**

- a. It is important for the executive director to know each of the board members well enough to know who to go to for help in a specific area, and who to alert when a topic of particular interest is going to be discussed.

## **3. A thoughtful process by which the board evaluates the executive director annually based on mutually agreed goals.**

## **4. An annual board self-evaluation process that keeps the board's focus on what is most important.**

- a. This self-evaluation process tests the board's governance practices and helps to refocus the board on the priorities established in the plan.
- b. Ideally there is a strategic plan that describes the organization's goals and provides a context in which meaningful work for the board is identified.

## **5. Board members are informed about programs, finance and fundraising, image, legal and other matters important to their governance role.**

## **6. Use outside expertise when necessary and appropriate.**

## Vision of an Effective Board/Executive Director Partnership

While tensions can arise in any number of areas, they are most commonly found in areas of overlap. Ideally, the tensions are healthy, acknowledged, creatively resolved and lead to dynamic partnerships.

| Responsibility Area         | Role of the Board   | Role of the Executive Director and Staff   | Joint/Overlapping  |
|-----------------------------|---|--|--|
| <b>Mission and Planning</b> | <p>Approve mission, vision and values and strategic plan.</p> <p>Approve annual implementation plan – ensure consistency with strategic plan.</p>   | <p>Develop annual implementation plan consistent with strategic plan.</p>  | <p>Develop mission, vision, values and strategic plan.</p> <p>Implementation plan for board initiatives.</p> |
| <b>Programs</b>             | <p>Ensure that programs are achieving established objectives.</p> <p>Approve new program areas.</p>   | <p>Develop and implement programs.</p> <p>Provide evidence of program accomplishments.</p>   | <p>Establish program objectives.</p> <p>Determine when to eliminate programs.</p>                            |
| <b>Fundraising</b>          | <p>Ensure that organizational resources are consistent with organizational activities.</p> <p>Support fundraising activities.</p>   | <p>Execute fundraising strategy, with support from the board.</p>  | <p>Develop a fundraising strategy.</p>   |
| <b>Personnel</b>            | <p>Hire and evaluate the executive director.</p> <p>Establish executive director compensation.</p> <p>Approve personnel policies.</p> <p>Review other salary information (personnel committee).</p> <p>Approve whistleblower policy.</p> <p>Ensure that an appropriate grievance policy is in effect.</p> | <p>Hire all staff other than the executive director.</p> <p>Staff supervision.</p> <p>Set compensation and benefits for individual employees within organizational policies.</p> | <p>Establish a whistleblower policy.</p> <p>Establish a grievance policy.</p>                                |

| Responsibility Area | Role of the Board   | Role of the Executive Director and Staff  | Joint/Overlapping   |
|---------------------|---|---|---|
| <b>Marketing</b>    | <p>Ensure that messaging is consistent with mission and values.</p> <p>Be effective ambassadors for the organization.</p>   | <p>Develop marketing materials.</p> <p>Create and execute marketing strategy.</p> <p>Effectively represent the organization externally.</p>   | <p>Shape the message of the nonprofit.</p>  |
| <b>Finance</b>      | <p>Approve the budget.</p> <p>Understand the budget to actual report, and ensure that appropriate strategies are implemented in response to changes.</p> <p>Understand the cash flow budget and ensure that cash is managed responsibly.</p> <p>Hire the auditor.</p> <p>Understand the audit and the management letter, and ensure that management responds to auditor comments.</p> <p>Review financial indicators and ensure that needed adjustments are made.</p> <p>Approve internal controls policies.</p> <p>Approve investment policies and ensure they are followed.</p> <p>Ensure compliance with reporting requirements.</p> | <p>Develop an annual budget.</p> <p>Determine specific expenditures within approved budget lines.</p> <p>Develop and distribute cash flow, budget to actual and other reports for managing the organization's finances.</p> <p>Respond to auditor findings.</p> <p>Comply with financial policies approved by board and reporting requirements.</p> | <p>Develop financial policies and internal controls.</p> <p>Establish overall income and expense parameters for the budget.</p> <p>Modify the budget as needed in response to actual results.</p> |

## Resources: Where Can I Learn More?

**Mintz, Joshua and Pierson, Jane** (2005), *Assessment of the Chief Executive, Revised*. Washington, D.C.:BoardSource.

**Butler, Lawrence M.** (2007), *The Nonprofit Dashboard: A Tool for Tracking Progress*. Washington, D.C.:BoardSource

**BoardSource** (1999), *Self-Assessment for Nonprofit Governing Boards*. Washington, D.C.:BoardSource