

# STRENGTHENING NONPROFITS

## Board Micromanagement: Problem or Opportunity?

by Michael Davidson

Does your board spend time second-guessing program decisions, reviewing the merits of various copier machines or discussing the color of this year's annual report?

If the answer is yes, the problem is not just a hazy understanding of "governance" vs. "management." It's more complicated than that.

"When Boards micro-manage it is almost always because they have not been given the chance to macro-govern."

Richard Chait  
The Nonprofit Leadership Team

### Governance vs. Management: Is it a true dichotomy?

In theory the difference between "governance" and "management" is clear. Laying out an agency's mission and goals, providing fiduciary oversight and ensuring the availability of necessary resources is "governance." Assigning staff to tasks which will accomplish that mission is "management." Monitoring an agency's overall performance is "governance." Making changes in personnel and operating procedures is "management."

Accusations of "micromanagement" are often based on a serious misconception that a board's proper role is simply to stick with fundraising and, otherwise, stay out of the executive director's way.

The problem here is not a turf war that can be solved by drawing lines in the sand: "You, board, stay over here; you, executive director, stand over there." In reality, such clear lines don't exist. The question is how the board and executive director can exercise shared leadership based on a clear understanding of their respective responsibilities and of how those responsibilities will be shared where they overlap.

For example:

- Strategic Planning cannot be accomplished by either the board or the staff alone. It requires the insight and input of staff as well as analysis and the policy making responsibility of the board. Implementation primarily falls to the staff but requires active monitoring by the board.

- Financial Oversight requires the board to create and monitor internal controls, controls that will be part of the daily life of staff.
- Fundraising requires a development plan, prepared jointly by board and staff; board contributions and outreach; and staff support for board fundraising efforts.
- Budgeting requires that both board and management understand the relationship between the organization's priorities and how resources are being allocated in the budget, and in actuality.
- Board Governance itself is a collaborative effort. Staff help develop board agendas, provide support services to committees and assist in board recruitment and orientation.

Further muddying the waters is the fact that board members are often asked to volunteer managerial skills, such as contract negotiation, development of an investment policy, implementation of marketing plans, or management of fundraising events, to name a few. It would not be unreasonable for a board member who has been asked to help in one of these "managerial" tasks to assume that their expertise would be welcome in other "managerial" matters as well. And for many board members, "management" tasks are their daily work. It's easy to understand why they would be more comfortable with that than with the unfamiliar responsibility of "governance."

### Asking the right question

"How can the board stop micromanaging?" is not the right question. Rather, ask "How can the board and executive director cooperate in leading the organization?"

To the extent that either board or management see its role as being entirely responsible for getting the job done -- the 'buck stops here' school of leadership -- these frustrations will be inevitable. The solution lies in the more complex path of acknowledging that neither can do it alone. The challenge is to ask the questions that will engage board and staff as partners in developing solutions. This concept was framed by Jim Collins in his book, *Good to Great*, as the ability to "Get the right people on the bus" and then let them decide how to take the bus to its destination.

### Boards that work, work!

Executive directors who regard their boards as impediments to management or, as I have heard it said, "More trouble than they are worth," are playing a part in creating boards that are just that. On the other hand, executive directors who view their boards as

"The more effort an executive makes to develop a strong board, the stronger the underlying relationship will be between the board and staff."

Maureen Robinson  
The Nonprofit Leadership Team



Michael Davidson

sincerely supportive, with great potential to help, will create boards that are part of the solution rather than part of the problem.

Many volunteers join boards because:

- The mission is important to them.
- They want to work with others to achieve that mission.
- They want to use their existing skills and to enhance their leadership abilities to achieve that mission.

If these needs aren't satisfied, board members may withdraw or, worse, engage in non-productive activities, such as micromanaging.

This behavior is the canary in the coal mine, a signal to take action.

### What action?

Boards work best that work hardest ... and know why they are working so hard.

It is important to step back and look at the board's work. Does it connect it with the personal values of its members and is it aligned it with the needs of the organization? The board can be reinvigorated by such self-examination which can also strengthen connections among board members by revealing shared values and valuable differences.

This process involves talking with the executive director to understand the organization's short- and long-term challenges and to think together about how to respond in ways that best support the mission. From this shared understanding of external and internal realities, board members can work with the executive director to define their respective roles in implementing the organization's strategies. These roles will change over time. The board must be prepared to adapt and grow to meet evolving and changing needs.

The impetus for this discussion can come in many forms, including:

- Transition to a new executive director. When hiring, the board must define the needs of the organization in order to identify the skills and attributes it will look for in a new executive director. Once hired, the board must continue to work with the executive director to prioritize goals and to delineate the areas for which the board will have primary or joint responsibility.
- The annual evaluation of the executive director, during which the executive director and the board can both review

their accomplishments and the lessons learned as a result of putting plans into practice, and establish mutual expectations for the coming year.

- An annual board planning retreat that includes a board self-assessment.
- Airing dissatisfactions as they emerge through frank conversations between the executive director and the board leadership.

It is important to acknowledge that there are areas in which solutions are to be found not in the relationship between the executive director and the board but in the relationship between the board chair and the board. The responsibility for addressing problems created by board members whose personal agendas or lack of commitment affect the functioning or collegiality of the board, lies primarily with the board chair and/or the executive and governance committees.

Governance Matters has developed a Board Tool Kit, designed to help boards clarify their responsibilities and to re-ignite enthusiasm. To create any of the documents in the Tool Kit, the board has to engage in a frank, perhaps provocative, conversation about the roles and expectations of its members. Something as seemingly mundane as preparing an agenda for the board meeting can open new possibilities for the organization and enable creative, engaged discussion.

The process is as important as the document that is produced. The initiative can come from the Chair, a board member or the executive director.

The Tool Kit is not linear; a board can start by creating any one of the tools. The Tool Kit includes:

- Board Member expectations
- Board assessment protocol
- Recruitment and orientation procedures
- Board meeting agendas
- Elevator speech
- Budget process
- Financial management checklist
- Executive director evaluation

The Board Tool Kit, with sample tools is available at [www.governancematters.org](http://www.governancematters.org).

Take a chance. Grab a tool and work together to build a cooperative, effective team in which leadership is shared among excited, hard-working board members and the executive director.

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