Nonprofit Board Governance: The Relationship Model
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This paper presentation is based on a book manuscript in development. The paper describes the emergence of a new governance model that challenges the traditional and policy governance models that have been popularized in the professional literature and in the world of consultation and practice. In its place, an alternative nonprofit governance model is introduced. It is known as the Relationship Model.

For approximately two decades, the nonprofit governance literature has grown to include serious inquiry about the reasonableness of the traditional (Houle, 1962, 1989) and policy governance models (Carver, 1997). In general, the challenge to the traditional and policy governance models is whether effective governing capacity is a by-product of collegiality between board and staff and not of positional and leadership hierarchy with the board in the dominant position.

The purpose of this paper is to introduce a nonprofit governance model which has been evolving over twenty years. It, too, directly contradicts the principles of Traditional approaches and the Carver Policy Governance model. The emerging model is relationship-based.

Some aspects of the Relationship Model will be familiar to those who have a background in human behavior theory and organizational behavior. The main elements of the Relationship Model focus on the processes of using knowledge and information for solving complex, diversified and dynamic problems. It is based on interactional human behavior and pragmatic communication. In practice, the model requires the executive director to play a key role in developing working relationships with board members.

The Foundation of the Relationship Model: An Historical Perspective

In a 1985 article entitled “Conjoint Directorship: Clarifying Management Roles between the Board of Directors and the Executive Director,” Leduc and Block challenged the central ideas of hierarchical models of board governance. The authors state,

. . . . board/staff relations can, from its outset, reflect a positive team approach. One might call this approach ‘conjoint directorship,’ the goal of which is to maximize the management capacity of the organization while simultaneously fulfilling the board’s legal responsibility to control its mission and allow the executive director the range of management prerogatives necessary for proper operations. The premise of ‘conjoint directorship’ is based on the idea that important management roles can be thoughtfully and intentionally ascribed to board members or staff.

The article also describes ten managerial roles advanced by Henry Mintzberg (1973), and discusses how the executive director can play each role or certain tasks can purposefully be assigned to board members based on their individual talents and skills. Leduc and Block further state that by understanding managerial roles, we can see, “. . . how role identification in the nonprofit organization is possible, and how the division of management functions can be a consciously stated process rather than an unguided behavioral course.”

Leduc and Block were not alone in challenging the premise of those nonprofit governance models that depicted the board in a dominant role over the executive director. Beginning in the early 1980’s, Robert Herman and Richard Heimovics along with other of their colleagues Tulipana, Jurkiweiz and Renz were on a stunning course of research and prolific writing on nonprofit board effectiveness (see for example, Herman & Tulipana, 1985; Herman & Heimovics, 1989, 1990,1991; Herman, Renz, & Heimovics, 1997; Herman & Renz, 1998, 2000, 2004; Heimovics & Herman,1989; Heimovics, Herman, & Jurkiewicz Coughlin,1993, 1995). Among their critical findings, they identified the executive director as central to advancing the work of the board. Executive leadership became a dominant theme in understanding the effectiveness of nonprofit boards and organizations.

In 1998, Block’s conjoint directorship concept evolved, as represented by his emphatic belief and statement that the executive director is “fundamental to the success of the board and its organization.” (p. ix). Block
suggested that the role of an effective executive director is not just board-centered (Herman & Heimovics, 1991), it requires active and concerted leadership (that is, "executive director-concerted leadership"). In essence, Block suggests that it is not enough to identify and assign roles, (as he stated in 1985); instead, the executive director “...must have the knowledge and capability to shape the tasks, assignments, and involvement of individual board members.” (p. x). Specifically, the executive director must learn how “to construct and apply theoretical frameworks for improving board member involvement.” Without the effort of the executive director, there is less assurance that board members will be active and follow through on assignments. In Perfect Nonprofit Boards, Block claims that constructing and applying motivational and organizational behavior theories into practice can be used “…for many governance situations, such as motivating board members, recruiting and retaining board members, as well as being able to recognize, utilize, and orchestrate the skills and talents of Board members.” More recently, the application of these ideas were exemplified in a series of case studies (Block, 2004).

The Alternative: Relationship-Based Governance

Traditional and Policy Governance Models shift the natural balance of human relationship and collegiality toward an artificial structure based on hierarchy, power and control. In contrast, the Relationship-based model suggests that effective governance is a result of a continuous process of interaction between individuals, whether that is the executive director and board members or board members to board members. The natural division of labor between board and staff and the sharing of organizational oversight responsibilities are all part of a relationship-building process.

Additionally, the model recognizes the characteristics of a modern and continuously growing complex society caused by social, technological and scientific developments, and recognizes natural interdependencies. No single person has the ability to dominate unilaterally in this relationship-based nonprofit governance model, although the executive director may have a great deal of personal influence.

A significant difference in the Relationship Model is the role of organizational values in helping to establish governance controls. As board members and the executive director are able to identify and share organizational values, they develop congruent images about the vision and direction of the organization. While image theory can help explain how such shared values can become internalized, the important point is that internalized sets of values provide the basis for unwritten rules, or in other words, natural enforcement and controls of behavior.

References


