Empowerment versus Codependency?
Exploring the Board-Executive Director Relationship and its Connection to Good Governance

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Abstract:

The connection between good governance and the board-executive director relationship first became a question for me more than a decade ago, when, as a board member, I watched this highly effective nonprofit board fall apart after the departure of its much-beloved CEO. Today, as a leadership consultant whose work falls primarily under the category of nonprofit governance and strategy development, it is an issue that is foremost in my mind. Specifically, most of my practice is focused on how to maximize this board-executive relationship such that there is greater mission achievement. All too often, the challenge is moving boards from a model of dependence on the executive director to one of acknowledged interdependence and strategic oversight.

The paper being proposed here explores the relationship between the board and the CEO and its connection to good governance.

What constitutes effective nonprofit governance is much explored and much debated … see any issue of the sector’s professional publications or the ever-expanding list of titles from various publishers! It is often understood as boards (and board members) who meet their fiduciary obligations, i.e., fulfilling their legal duties of care and loyalty (Axelrod, 2005; www.boardsource.org). For Carver (1997), this means that a board practices a clear “policy level” function that is focused on outcomes or, more specifically, indicators of those outcomes. For Pointer and Orlikoff (2002), it means having the right systems and structures in place. On the other hand, Sonnenfeld (2002) says it is less about rules and regulations and more about how people work together. Holland and Jackson (1998) articulate good governance as effectively functioning along six different dimensions: contextual, educational, interpersonal, analytical, political and strategic. Chait, Taylor and Holland capture a bit of all of these by articulating 3 types of governance and defining effective governance as those boards who are able to move beyond fiduciary and strategic modes and engage in a generative
process. Or maybe good governance is (simply) a social construction – a la Herman and Renz (1999) – occurring when we (or some group) say it does.

From the above array of perspectives, good governance appears to be something that is less specifically defined and more “we know it when we see it.” And, in fact, “good governance” may be situational …. i.e., it occurs when a board effectively handles its duties in the particular contexts of time, place and (specific) organizational needs. As such, good governance may be a bit like mercury – too fluid to harness – and only captured by measuring those indicators that might lead to effective decision-making if and when board-level decisions and engagement are needed.

The challenges of defining effective governance notwithstanding, everyone would agree that the sector needs stronger boards of directors. The sector faces too many (internal) opportunities and challenges and too many (external) threats not to invite and aspire to strengthened governance. And there are numerous resources – on the web, in printed form, via training, consulting and coaching – available to those organizations who want to improve their practice of governance.

A gap in both our understanding of effective governance as well as in the plethora of resources, however, is a deeper level of understanding of the how the board-executive relationship affects good governance. In the 1990s, Herman and Heimovics published a number of articles and a book that explored the critical role of the executive director’s role in effective governance. This interaction between the Board and CEO has been less evident in recent years as the literature seems more focused on the structural elements that lead to effective governance or the internal dynamics within the Board itself.¹

This conceptual paper will explore this topic from the perspective of someone who works in the field in partnership with nonprofit executives and boards of directors in pursuit of greater mission achievement. The paper will be informed by current literature, case examples and input from a dozen nonprofit executives in organizations of various sizes and fields. Issues to be explored include, but not limited to, the following:

- Board size and structure
- Board member involvement in various governance and operational tasks (e.g., fundraising, policy, volunteering, etc.)
- Budget size and staff complexity

¹ With the notable exception of the relationship between a Founder and the Board of Directors.
• Staff involvement in various tasks and functions identified as board responsibilities  
• The executive director’s interaction with board members

The anticipated outcomes of this exploration are three-fold:

1. A better understanding of the range of roles and functions that executive directors play in relating to the board of directors
2. A better understanding of how executive directors define effective governance
3. A better – albeit preliminary – understanding of how effective governance is shaped by an executive director’s interactions with and relationship to the board