Consulting to a Nonprofit Board:
Peeling the Onion

by

Suzanne Feeney

Cases in Nonprofit Governance
CNG No. 15

November 1995

************

Suzanne Feeney is Director of the Institute for Nonprofit Management and assistant professor of Public Administration in the Graduate School of Professional Studies at Lewis & Clark College in Portland, Oregon. Dr. Feeney can be reached by telephone (503-768-7750), FAX (503-768-7736) or e-mail (feeney@clark.edu).

This case was prepared as a basis for discussion rather than to illustrate either effective or ineffective handling of governance issues. It is one of a collection of cases edited by Miriam M. Wood. For teaching purposes, the case may be reproduced in full in multiple copies. However, an extract of more than 100 words requires the author's permission.

************

In the interest of fullest possible circulation of information and ideas, the Program on Non-Profit Organizations and the Institution for Social and Policy Studies reproduce and distribute each Governance Case or Working Paper at the request of the author(s) affiliated with PONPO or ISPS. Papers are not formally reviewed, and the views are those of the author(s).

A list of Case Studies and PONPO Working Papers can be obtained from PONPO, P.O. Box 208253 (88 Trumbull Street), New Haven, CT 06520-8253. A list of ISPS publications is available on request from ISPS, P.O. Box 208209 (77 Prospect Street), New Haven, CT 06520-8209.

Program on Non-Profit Organizations
Institution for Social and Policy Studies
Yale University
Consulting to a Nonprofit Board: Peeling the Onion

by

Suzanne Feeney

Summary

Outside consultants to governing boards are commonly asked to clarify the appropriate roles for the board, executive director, and staff—who does what and who should. The "problem," however, is rarely what it seems to be to participants. Understanding the complex environments in which boards do their work is key to effective consulting and to achieving successful outcomes for a board. In this case the reader is challenged to "see" the agency in its context with a variety of interpretive lenses.

Part I

Hanging up the telephone, Cassandra Fielding leaned back in her chair to ponder her conversation with Lilah Winters. Winters was a member of the governing board of Ball Creek Youth Agency (BCYA) and chair of the committee charged with recruiting a new executive director. Last month she had asked Fielding to recommend a search firm. That request hadn't been surprising, but today's was somewhat unusual.

When nonprofit agencies approached Fielding for consulting assistance, the overture typically came from the chair of the board and the executive director. Lilah Winters was a relatively new member of the BCYA board and not even a member of the executive committee. But her request was a stock one. "We need help with board role clarification. Would you be interested in helping us at our annual retreat next month? We're searching for a new executive director and want to be clear about what the board role is and what the executive role is. As chair of the search committee, I need to be able to develop a job description. Your facilitation of the retreat would really help."
Fielding agreed to meet Winters for a longer conversation and asked for copies of the board roster, bylaws, mission statement, most recent annual report, and other descriptive materials that would help her get to know the agency. She hoped that the request for a retreat focusing on board development was as simple and straightforward as Winters had presented it. There wasn't going to be much time to do an outside assessment.

After fifteen years of consulting to nonprofit boards, Fielding had learned that requests for board development frequently occurred after an overzealous board chair and executive director huddled together and determined how they might "improve" the board. Performing a quick self-diagnosis, they often slapped the wrong labels on the situation; or they misrepresented the board's commitment and enthusiasm, thus ensuring that the retreat became little more than an endurance session for everyone. Now Fielding knew enough to assess each situation for herself by interviewing several board members, reviewing pertinent written materials, and asking lots of questions. This time, however, she was going to have to rely heavily on Winters' viewpoint because the timeline for the retreat was so short. Did the BCYA board really have a handle on both the board and agency issues? Did they realize that these issues are usually different?

Meeting with Winters over breakfast, Fielding found herself conversing with a polished and energetic mid-30s Junior Leaguer, earnest about her role on the BCYA board. Winters reiterated her own eagerness for the retreat and the commitment of the rest of the board to pursuing it--but with provisos. The board definitely did not want to be "trained" and they definitely did not want to go over past history. It was time to move on and get ready for a new executive director.

"What past history does the board not want to revisit?" Fielding asked curiously.
"Well, we've had a rough year... including some issues with a board member and a staff member that became pretty sticky and pretty divisive. Both ended up resigning, and board members are still angry about the board losing a key member who was also the chief fund-raiser. Plus, they're unhappy that two more staff have left in the past few months as a result of this incident. Some are upset with the executive director. Others are unhappy because when our fund-raising board member quit, it became impossible to meet the agency's fund development goal for the year. Also, most of our board are 'can do' types. They're dedicated to children's programming but want to get things done and not spend a lot of time talking about it. And right now they want to put the past behind them and move on."

Fielding wondered what would make a prominent board member resign suddenly--a board member who had been the principal fund-raiser. Why was the staff leaving? The executive director was taking another position out of state, she knew, but she hadn't heard that problems at BCYA might have prompted his move. BCYA was a well-known agency in town, with a reputation for doing great things with young people. Its annual auction and special events were important social occasions that raised lots of money for kids' causes. What was going on behind the scenes here?

"Tell me a little more about your board, Lilah. Who's on it? How long have they served? Can you give me a little history?"

"Well, I'm pretty new. There are a number of us--about six--who've come onto the board in the last three years. Most of the rest of the board have served a long time....some of them since the beginning. BCYA is only 10 years old and even the person who founded the agency and was its first president is still on the board. For that matter, all the prior board presidents are still on the board, all four of them! But what I found interesting when I joined BCYA was that so many of the members were serving on a board for the first time. I was really surprised because these are people who are prominent in the community and I just assumed they
had been on other boards. I'm one of those people who has been on volunteer boards as a younger person. I'm now on three boards. I'm accustomed to boards with a little more structure, with formal policies and procedures. I was really astonished when I found out that two of the board members are husband and wife. And that the wife's brother works for BCYA. Interesting and different...but, you know, this board is terrific! They're passionate and enthusiastic and absolutely dedicated to BCYA. I can't believe how much time they spend on board work and how many new program initiatives they come up with. It truly is pretty amazing."

"You said some of the founding members are still on the board? Don't members ever rotate off the board?" Fielding inquired.

"Well, yes, technically there's a provision for that in the by-laws, but since I've been on the board no one's paid any attention to it. Everyone is just so enthusiastic about BCYA and building programs for kids that they don't want to leave the board. In some ways the board is similar to a community. They like being together; they like working for BCYA. However, some of the newer members are a bit concerned that we're too homogenous. I agree that we need to diversify our membership, especially since we serve such a diverse population of kids, but so far we've not been very effective in doing so. I suppose a new executive director might be able to help with that."

After the breakfast meeting concluded, Fielding promptly began trying to set up interviews with other board members to discuss expectations for the retreat. She especially needed insight into events of the past year that Lilah Winters had been reluctant to discuss. Fielding wondered about other matters, including founding issues: why were four former chairs who were legacies of the organization's early development--the institutional memory of BCYA--still on the board? It was becoming clear that BCYA's needs and interests might not correspond to Lilah Winters' understanding of them. Why was the executive director not part of the organizing team for the retreat? What had really happened to make a prominent and valuable fundraising member of the board quit? And
what was happening to the BCYA staff? What was that story? She needed to find out a whole lot more about BCYA before she designed the board retreat. But there was very little time. Saturday loomed three days away.

**Part I: Questions for Discussion**

1. Who should Fielding interview before the retreat in order to find out answers to some of her questions? Why should she interview these particular people? What information does she need from them in order to design the board retreat?

2. Why would a consultant want copies of the board roster, by-laws, mission statement, and most recent annual report?

3. Given the lateness of the time before the retreat, what other strategies might be available to Fielding? Should she try to cancel or postpone the retreat until she has more information? Provide reasons for your answers.

4. What are the key issues in Part I and why are they critical to this board? What should Fielding focus on and why?
Part II

It was 11:00 PM and Fielding was poring over the notes of her interviews with several BCYA board members and the executive director, still puzzling about the retreat now only one day away. She had toyed with postponing the event until she had interviewed additional board members, but with this group of busy people it had taken a month just to find a date that would work for most members. And of course, given the feelings of some, it hadn't been easy to get their agreement to go forward with the annual retreat in the first place. Canceling or postponing the event would simply sabotage whatever reluctant commitment existed to address important organizational issues.

As Fielding began to reconstruct conversations from notes taken during telephone interviews, she saw patterns emerge, but they didn't give her much hope. Except for Lilah Winters, those she had interviewed seemed frustrated, impatient, perhaps even a little angry. Certainly these were the feelings of the current president of the board. Shelley Black was a can-do lady who owned and operated her own business--a single proprietorship that had given her visibility in the city. She was successful not only because she was smart but also because she could size up situations rapidly and make decisions quickly and incisively. She had agreed to the retreat only reluctantly. "I'm impatient with process," she said, "and I just want to make decisions and be done with it!"

"You know," Black had continued, "I didn't want to be president of this board at all. I begrudgingly took it on because David Bennett was burned out on several of the entrepreneurial ventures the board took on during his term of office. And now, here I am president for the second year in a row. I can hardly wait to turn the gavel over to someone else!"

"What made you accept the presidency for a second year?" Fielding asked.
"Well, I will tell you, but first I need to ask what Lilah Winters has already said about the sticky situation that arose on the board this past year."

"Lilah told me there was some kind of involvement--close relationship--between a board member and a staff member that resulted in some management issues between the executive director and staff as well as the executive director and board members, " Fielding replied.

"It's a little juicier than that, but those are the basics. So I walk into the presidency in the midst of this tension. Some board members are mad at the executive director, and he is mad at the board for not supporting him by letting him do what he thinks is his job--supervising staff. Meantime, this one staff member is going straight to a board member with grievances about agency management, and the board isn't sure what is going on. All of this gets so heated that the board member quits in frustration and disgust. The problem is, this board member is not only prominent in the community, but she's been the principal fundraiser for the organization for three years! We've counted on her help to connect us with the community and find support for our various fundraising initiatives. In fact, this organization has risen to prominence because of the linkages of this board member to the community and her untiring dedication to the agency. Now, we're not only faced with that loss, which has resulted in our experiencing a shortfall this year, but we have now lost three key staff members. No wonder morale on the board and on the staff is at an all time low! Fortunately, the community is unaware of all of this. We're still held in high regard as a model for the kind of children's work we do. And we would like to keep it that way, particularly as we go into this executive search process."

Fielding probed delicately, "I'm curious, Shelley, about the executive director. No one has really told me about him. Usually the executive director and the president of the board approach me about doing these board development retreats. Yet I'm only just now talking to you as
president of the board, and even this interview was my idea and by my request. And I haven't heard from or about the executive director at all. Can you tell me something about that? Did you fire the executive director?"

"No, we did not fire the executive director. He's been frustrated for some time about the board and staff issue I mentioned. He felt their relationship undermined his ability to manage the organization, particularly with the staff member running to the board member when she had disagreements about the management of the organization. The executive director has been here since the beginning, after all, and he has been responsible for developing a model program recognized all over the country. When an offer came from another state to design a new program there, it represented the opportunity to move on. And at some level I'm sure he saw it as a good way to get out from under this very difficult situation. On his behalf I must say he really is first and foremost dedicated to the programmatic mission of the agency. It was just time to leave. And I think the board sees that too. And perhaps we are just a little relieved. It makes it easier for us to put the past behind, not dwell on it, and start fresh with a new executive director."

"You probably need to know," Black continued, "that the executive director has not been involved with this year's retreat for some of the morale reasons I have alluded to. Board members who are still upset by the resignation of our fund-raiser member would probably not have agreed to the retreat at all if they thought the executive director had anything to do with it. And even though he's not been involved, some members think this year's retreat is the executive director's parting shot to the board, a way of whipping us into line about who should do what in the agency. Many feel that the executive director wants to flog us about how we screwed up by what he sees as interference with his administrative responsibilities. I think you probably should talk to him and find out his side of the story."
"Well, Shelley, under the circumstances, what would you like to accomplish at this board retreat?" Fielding asked.

"Cassandra--if I may--we are in an important transition now. Our first and only executive director is leaving. He carries with him the founding legacy and he is the expert on program. In fact, the board has pretty much left him alone on matters of program and we are largely clueless about that. That is worrisome. He is just so good at it. Now we are feeling a bit exposed because we know so little. So, I would hope that the retreat could do a couple of things. One would be to help us get ready for the transition to a new executive director. Another is board composition. We have a very homogeneous board yet we serve a very diverse client population. I have made it my chief priority to recruit a board that's more diverse ethnically and socio-economically. We haven't had much luck so far. So maybe we could address board composition in the retreat. But probably most important of all is that we simply are not sure who we are, what we are, where we are, and how we act as a board. I think that some of the problems that came up in this recent fiasco resulted from the board not being very clear what our role is."

Pressing for a more specific reply to her question, Fielding observed, "When I spoke with Lilah about the retreat, she was very anxious that it deal with a job description for the new executive director. Is that what you mean when you talk about role clarification?"

Interrupting, Black stated categorically, "No, we don't need to spend this retreat on the qualities and job description of a new executive director! We've been clear about that. In fact, I'm frustrated with the lack of progress by the search committee. We appointed the committee two months ago and they still haven't come up with a job description. What have they been doing anyhow? And now they've come to the board and asked to hire a search firm which we're paying way too much to help us find a new executive director. No, we've already wasted too much time on search preparations. We don't need to spend the retreat on a job description for a new executive director! I want the retreat to address the
strengths and weaknesses of the board--a board assessment, so to speak. And then maybe get some clarity about what our job is. And not revisit the past. It's time to move on. I don't have much patience left for all of these processes!” At that moment Black was interrupted by a long distance phone call, and the conversation ended.

Fielding tried to balance what she had been told by Shelley Black with Lilah Winters' request to generate job description criteria for the search firm's use in the recruiting a new executive director. Winters saw the need for the BCYA board to formalize and differentiate its role from that of the executive director. So she had requested that the retreat address both board role clarification and the development of criteria for the role of the new executive director. And Fielding remembered Winters' admonition that the board was averse to "training." The challenge, she thought to herself, is how to construct a retreat for a board that's in transition, leaderless, has low staff morale, is experiencing financial difficulty, and apparently isn't clear about who does what and who should.

Fielding turned to her notes from another interview, hoping they would provide some clues. Helen Armacost. Shelley Black had said that Armacost was the voice of reason, and in the telephone interview Armacost had mentioned serving on many boards and seemed to understand governing board processes reasonably well. She was a prior BCYA board chair and totally dedicated to the agency. But her sense of what should happen at the retreat was different from that of both Winters and Black. She agreed about the need to reconcile the roles of the executive director, board, and staff, but she was more concerned with identifying and prioritizing the key challenges facing the board in the next year. "We need to know how it is that we're going to go forward in the next year," she had offered. "And we need to identify the top three things we want in an executive. And we need to work out the relationship between the board and the staff. That's all. That's where we need to spend our energy....focused on the future!"
Fielding had only two more sets of notes to review, and she turned first to those from her conversation with David Bennett, the board president who had preceded Shelley Black. The burned out David. The prominent entrepreneurial board member who had helped launch some of the most successful projects for BCYA.

Bennett had started his interview with Fielding somewhat cautiously. He was discouraged about the retreat and felt the timing was all wrong. "I just don't think that this retreat is going to help us move forward," he said. "I've lived through all of these transgressions, and I can't believe a training will correct the behaviors we've seen on the board. I know the board is not interested in a retrospective conversation--that won't change anything. It would just bring to the surface more bad feelings and confirm that what this retreat is really about is the executive director's agenda. We ought to cancel the retreat until after the new executive director is appointed. Then people won't feel they are being flogged by the outgoing executive. Really, this is not a very patient board. And they're carrying a good deal of baggage from events of the past few years."

Nodding to acknowledge Bennett's pessimism, Fielding asked him, "Supposing a retreat is held, what would a successful outcome look like from your perspective?"

"I have little hope that there can be a successful outcome, but if I could fantasize, I guess I would say a reinvigorated board with a clear idea about how to support the organization and how to achieve that through the executive director and the staff. Operational issues are stressful to the board. They just don't know how to play an effective role in operations. So I guess we've probably made a few mistakes. And as I think about it, the board has not ever really been trained for its role. So there's a lot of ambiguity about what roles we ought to play as a board. Maybe we need to institute some kind of board orientation to avoid this in the future."
It was midnight and Fielding knew she would need one more cup of coffee to make it through the last set of notes and begin the design of the retreat. The espresso machine whirred as she fumbled through the pages of her interview with the executive director. He was a surprise. With all of the comments of board members about "parting shots" and "flogging the board," Fielding was not prepared for the quiet, almost introverted, manner of the executive director.

She had met Kevin Roche after work. He had filled her in on the history of BCYA and its board and provided a description of each of the board's past presidents. Michelle Strander had founded BCYA and in its early days served as its volunteer executive director as well as its board chair. When Roche came aboard, he had been principally a volunteer but received a partial salary as program director. After several years, when the agency could afford to pay him a full-time salary as executive director, Strander was able to focus all of her attention on her role as chair of the board. And she was still on the board.

Roche was able to explain a bit about tensions Fielding had picked up in her interviews. He described the board as a dual board consisting of both long-term founding members who did everything all the time as well as newer members who subscribed to models of board governance that required a more formal and structured approach to roles and responsibilities. This difference had already led to divisiveness on the board about how to get its work done.

"The board really does seem to understand that it is in transition, and my departure makes it hard not to acknowledge that they need to change. I'm just concerned that they won't be able to let go of being involved with everything. It's been difficult these past few years to have the board micro-managing some of the operations of the agency on the one hand and completely ignoring other aspects of the agency's business. On the other hand, from the beginning we've all done everything, with little distinction between board and staff--except in program, where I'm the one with the expertise and they have trusted me. The way we've worked
together, you could say, is a habit carried over from the early days. But now I think this 'habit' is having some unintended consequences because I'm leaving, and there's no staff person or board person who really understands the heart of what we are--programs for kids!"

"It sounds to me like the board is uneven in the way it gets involved in the work of BCYA," Fielding observed. "What I'm hearing is that they leave program alone but get inappropriately involved in other aspects of operations. Is that right? Can you explain a little more about that?"

"Well, the board stays out of program but they want to hire and fire personnel and in fact have done so without my involvement. Moreover, they want loads of detail about the implementation strategies related to the strategic plan. When it comes to community outreach like connecting BCYA with donors or corporate leaders--something I think they should be involved in--they're confused about their role. And they're not quite sure about their responsibility for fundraising. It feels a little like a see-saw in terms of their teetering back and forth between an internal operations involvement and their external activities. But I have to say that this board is absolutely dedicated to BCYA and that they individually and collectively put in an extraordinary amount of time and energy to help build the organization. And they love projects!"

Fielding then asked Roche, as she had asked others, "What outcomes would you like to see result from the board retreat?"

"Awareness, understanding, and ownership!" Roche had exclaimed with some energy. "Let me say a little more about that. I think they need to have more uniformity of understanding about what their shared role is as board members. They are unclear and divided on that issue. And part of the problem is that their role must change because of this transition that we are in. They have to be more informed about program and less involved in day-to-day administration. And the issue of board leadership as well as agency leadership is critical. The board is still doing projects and creating more all of the time. There is no
visionary leadership on the board. Sometimes it just feels like a board of people who are committed to what we are about and who just like being together, having fun, and creating projects. I think we need a board that governs more in the larger sense and is less involved in projects and events."

Putting down the last of her interview notes, Fielding drained her coffee cup, looked up at the clock, and saw the glare of the moon through the window blinds. It looked like a long night ahead....

**Part II: Questions for Discussion**

1. Cassandra Fielding sees patterns emerge from her interviews with board members and the executive director. What patterns do you see in these interviews and how are they important in understanding the attitudes and behavior of the BCYA governing board?

2. What are the important transition issues for this board and agency and to what extent do they pose dilemmas? How can the board prepare for and deal with these elements of transition?

3. According to the executive director, the board is divided in its approach to boardsmanship. Based on your understanding of the role of a governing boards and the issues facing the BCYA board in particular, how would you resolve this division on the board? What responsibilities should the board of BCYA undertake?

4. With the executive director leaving, and three managers already gone, the board might well be lured back into operations. What strategies would you use to deal with that possibility? Under what circumstances, if any, might the BCYA board's continuing involvement in operations be justified?
Annotated Bibliography


Most recent and comprehensive treatment of the policy responsibilities of boards. Food for thought about shifting boards out of the administrative arena and into the policy arena. Presents step-by-step suggestions for developing board and agency policies.


Describes the multiple interest groups in organizations and the value of understanding that their stakes in and assessments of the organization often differ and may conflict.


Good but traditional overview of duties and responsibilities of nonprofit boards. See especially chapter 8 on creating formats for job descriptions for board members and developing committee structures. Also explains preparation of agency bylaws and policies.


A short booklet with implications for board and staff containing incisive and practical advice about the board's role in establishing approaches and procedures for replacing the chief administrator.


In contrast to traditional top-down hierarchical models of governance, defines the separate roles of executive director and the board as a partnership. Explores the ambiguity of the policy-administration continuum and advocates negotiation of roles
between board and executive director. Based on analysis of 100 "effective" nonprofit agencies.


Captures the notion of boards as independent constituencies and communities with their own norms, values, and priorities that exist apart from governance role. Describes the devastating results of trying to fix the board and increase its effectiveness through traditional management strategies without taking into consideration the board as a community in its own right.


Conceives of nonprofit organizations as embedded in their communities and suggests that they are better understood--and would be more effectively managed--if seen as instrumentalities of community forces.


Approaches the understanding of organizations through metaphors. Provides historical review of the meaning of culture, including the origins of its application to organizations and its shortcomings as an analytical tool.


A classic treatment of power in organizations and how it is exercised to obtain resources or other kinds of preferred outcomes in situations of confusion or uncertainty about roles and choices.


A summary and analysis of life cycle research which results in the identification of the distinctive characteristics of organizations in various stages of their life cycles. Focuses on characteristics that
are particularly important for organizational effectiveness in their respective phases.


Particularly insightful article applying the Kubler-Ross grief cycle to organizations in transition. Integrates personal and organizational responses to change.


Training manual for consultants and boards that addresses the most frequent board problems. Contains worksheets and exercises for training board members. Exercise 15 in Section III useful for role clarification.


A life cycle model of board behavior holding that following a non-recurring founding period, a board progresses through a sequence of three distinct operating phases and then experiences a crisis that initiates the sequence over again. Describes board's behavior in each phase.