

Organizational Leadership (Board and Executive) Talking Point

Peter F. Drucker described the importance of the nonprofit sector with the following words, “The nonprofit institutions are human-change agents. Their “product” is a cured patient, a child that learns, a young man or woman grown into a self-respecting adult; a changed human life altogether. The nonprofit organization exists to bring about a change in individuals and in society.” Whether its audience is global, a single community, a family, or an individual every nonprofit organization exists to make a significant difference, to have an impact. Making this difference is an organization’s mission – the purpose and reason for its existence.

The Murdock Trust believes that **mission** is the foundation on which flourishing organizations are built. Mission is central to organizational life, and must be kept at the forefront of an organization at all times. As our world becomes increasingly complex, disruptive, and turbulent the subject of organizational **mission** is more important than ever. A clear and compelling mission provides an organization a position from which it can understand those it seeks to serve, analyze current challenges and opportunities, and prepare for the future. It provides guidance regarding what to do and what not to do. Drucker explained it wonderfully, “Nonprofit institutions exist for the sake of their **mission**.”

Given its centrality, the ability to care for, to manage and protect, or to steward an organization’s **mission** is vitally important to its current and future operations. Who is responsible to steward the **mission**? While the responsibility is significant, the answer is quite simple, the responsibility rests with an organization’s board and executive leadership (CEO, president, executive director). These men and women “hold in trust” an organization’s mission for the future. It is a profound responsibility.

Through the years, the Murdock Trust has learned firsthand that “leadership matters.” While a number of factors play a critical role in the flourishing of individual organizations and the nonprofit sector as a whole, few if any are more important than an effective executive leader and board of directors. A fundamental responsibility of that leadership is to articulate the mission and to ensure that others focus on, embrace, understand, and live the mission. The decisive test of a mission statement is not just the clarity of its words, but the effectiveness of its execution.

So what is the board’s basic responsibility as an organization works to fulfill its mission? Board members are often called “trustees” because they are expected to hold the mission and resources of an organization in “Trust” for the future. Stated differently, it is the responsibility of the board and executive leadership to assess the overall execution of the organization in light of its efforts to fulfill its mission. Often referred to as governance, which means to steer, influence, and control, among its many activities the board is responsible to establish mission and direction, ensure that an organization has the proper programs to fulfill its mission and resources and leadership to execute to implement the mission, and provide legal and fiduciary oversight on behalf of the people served, the organization’s members and supporters, and the public (*Board Fundamentals*, Board Source, pg. 9).

Recent surveys and Trust experience suggest that many boards are often not operating at full capacity or exercising their responsibilities in helpful and/or effective ways. At times the specific difficulties and challenges that a board may face are due to confusion or even a lack of understanding of the extent of a board’s roles and responsibilities. For an organization to flourish, board members must be willing to

accept the fundamental role as a “trustee,” as well as embrace the additional roles and responsibilities associated with excellent boardsmanship.

So what are these roles? There are a number of ways in which these roles and responsibilities may be summarized. One frequently used illustration recognizes that board members responsibilities call them to wear “Three Hats” (governance, participant, and volunteer).

GOVERNANCE HAT

The “Governance” hat is typically considered the most basic, yet the foremost of responsibilities. It is the responsibility of the board and executive leadership to assess the overall execution of the organization in light of its efforts to serve its target audience and ultimately to fulfill its mission. Often referred to as governance, the board is responsible to establish mission and direction, ensure that an organization has the proper resources of funds and leadership to execute the mission, and provide legal and fiduciary oversight on behalf of the people served, the organization’s members and supporters, and the public (*Board Fundamentals*, Board Source, pg. 9). Board members wear their “Governance” hats at board meetings.

PARTICIPANT HAT

The “Participant” hat includes those events in a calendar year that board members are expected to attend, which could include a fundraising event, a public relations opportunity, or meeting to network with other organizations. While board members may be introduced, these events are not board meetings where the “Governance” hat is worn. In advance, we may ask for your help in some way at an event and so you might be called upon to also wear your “Volunteer” hat.

VOLUNTEER HAT

When a board member does wear a “Volunteer” hat, the responsibilities are probably similar to those of other volunteers to the organization. It is often wise to refrain from bringing volunteer issues into the board meeting so other board members won’t be tempted to micro-manage staff functions and neglect board functions.

Given the critical importance of board and executive leadership in the life of an organization, the Murdock Trust places a great deal of emphasis on these areas during the review process of each application for Trust support. Therefore board members or executive leaders may be asked a number of questions regarding their roles and responsibilities. It is important to note that the Trust recognizes that there is not a “one-size-fits” all approach to board governance; nor is there one type of personality that makes an excellent board member or executive leader. Questions could include the following:

Organizational Leadership: *What we look for in a board...*

- *Do the board members have a clear sense of the organization’s mission and what it means to “Steward the mission?” Can they articulate how the mission is expressed in the program and services of the organization?*
- *Do the board members have a sense of responsibility of stewarding the CEO and leadership of the organization and put in place “practices” that demonstrate care, such as: 1) regular feedback and goal setting; 2) time away for continuing education, rest and vacation, professional development; and 3) good communication practices?*
- *What role does the board play in strategic planning?*
- *Is the Board Policies Manual current and does it guide the organization’s work, planning, and meetings?*
- *What role does the board play in fund-raising and friend-raising, ensuring that the organization is well resourced?*

- *Has the board identified key “dashboard” indicators to measure success? Does it monitor the health and work of the organization?*
- *Do board members have a demonstrated investment in the life of the organization, such as: 1) attendance at events/activities; 2) giving (sponsorships) as appropriate to the sector in which they work; and 3) introducing or representing the organization to others?*
- *Does the board have practices in place (e.g.: self-evaluation, board attendance, focused agenda, strategic thinking /priorities) to improve their work as a board? Do you have process in place for Cultivation, Recruitment, Orientation, and Engagement of board members?*

Organizational Leadership: What we look for in Executive Leadership...

- *Does the executive work with board and organization leadership in establishing priorities in the organization and share/working on those with leadership of the organization?*
- *Does the executive have systems in place to communicate with board members and involve the board in appropriate ways, healthy communication?*
- *Does the executive work with key stakeholders to advance the organization’s mission?*
- *Does the executive represent the organization in public forums and the community at large?*
- *Does the executive have leadership roles among peer associations or professional groups?*
- *Does the executive have systems in place for feedback from members of the organization?*
- *Is the executive willing to make hard decisions when necessary?*
- *Does the executive have a good grasp and understanding of the basic functions of the organization and what is working well and what areas need improvements?*
- *Does the executive demonstrate a commitment to growth personally; demonstrate outside service and involvement, and model balance. Does he/she encourage leadership to do the same within the organization?*
- *Is there a sense of team and good contingency planning?*
- *Are leaders honoring the contributions of others?*

