Governance Practices That Could Protect Your Job

Claire Louder, IOM, CAE, MPP

There has been a considerable uptick in Chamber executive turnover across the country, and many who are still here are facing board management challenges. Often CEO-Board conflicts are governance issues, so here are a few ideas that could literally save your job. Here are five key practices I've identified over the years that can help.

Key #1: Strong Bylaws

Bylaws govern the internal management of the organization and include topics such as membership eligibility, board elections, meeting conduct, committees, and responsibilities (both CEO and Board).

Ideally (and no one's are ideal) your bylaws should include the following:

- Board hires/supervises the CEO; CEO hires/supervises staff
- Board vote required for CEO/ED removal (not just Chair or Executive Committee)
- Term limits for board members and officers
- Roles and responsibilities of officers
- Role of the Executive Committee (which must report actions back to the full board, not act unilaterally)
- CEO is ex officio on Executive Committee, Board, and Nominating Committee
- Annual Performance Review for the CEO
- Limits on who can speak for the organization (generally the CEO and Board Chair)
- Process for removing a board member for cause (including non-attendance)

A few red flags to watch out for include:

- Chair acting independently of the Board
- Board not being kept apprised of Executive Committee decisions (even worse if the Executive Committee is intentionally taking independent action to avoid Board consultation)
- Overuse of Executive Sessions
- Board involved in staff supervision and hiring (other than the CEO)

These all offer opportunities for a small number of Board members to interfere with the role of the CEO – including removing them – and operation of the Chamber.

Key #2: Board Orientations

An annual board orientation – preferably by someone from outside the organization who can say "the bad parts out loud" – encourages everyone to stay in their lane and ensures Board members understand the limitations of their role. Key elements to cover include board member expectations (also provided in a Board Commitment they sign each year), difference between board role and staff role (governing vs. managing respectively), fiduciary duties, risk avoidance measures (policies for conflict of interest, apparent authority, antitrust, and more), and the Board's role in developing, overseeing, and implementing the strategic plan.

Key #3: Board Chair Orientation

Many new Board Chairs don't understand their role, which can result in boundary crossing. This conversation needs to be handled peer-to-peer, ideally by the most recent past Chair (assuming they were good at that role).

Specific topics that should be covered include:

- Chair's role is leading the Board, not managing the Chamber
- Importance of understanding and respecting the difference between their role and yours
- Importance of working with the CEO as an integral team, not as a direct report
- Responsibility to advance the Chamber's goals, not personal initiatives ("legacy building")
- Identifying and developing future leaders
- Remember it's all about the members!

While none of us needs extra work, teaming with a successful Past Chair to create an orientation document that can be provided to successive incoming Chairs can ensure the appropriate guidance is shared.

Key #4: Consistent, Respectful Board Chair-CEO Communications

Every new Chair has a preferred method of communication: you don't want to be texting a Chair who prefers email, or vice versa. Timing can also vary – I had one Chair who liked to catch up on his long commute home, another who I knew multitasked if we weren't meeting in person, so we established a weekly Friday afternoon meeting. An advance agreement between the incoming Chair and the CEO to have open dialogues, inform each other promptly when problems arise, talk through conflicts before escalating them to the Executive Committee, and respecting each other's role in the Chamber can prevent many problems.

Key #5: Board Succession Planning

Board members have the responsibility to identify and recruit future leaders, but it is also important to ensure, as CEO, that the right people, driven by the best interests of the Chamber, are asked (and that the nominating process is being followed, so Board members don't offer board seats without authority). Because you as CEO likely work more closely with volunteers, a good source for future Board members, your insights are critical to the Nominating Committee making good choices. And as you and your Board are recruiting, always keep an eye out for the next possible officers – you don't want the Chamber to find itself with no one willing to step up as the next Chair.

A bonus tip: while none of us like them, performance evaluations are your friend. Having strong ones on file – and an Executive Committee willing to step in - can discourage a rogue Chair from firing a CEO unilaterally and without justification. Or at least provide recourse should it happen. (One of my past clients actually won a wrongful termination suit in "employment-at-will" South Carolina!)

Hopefully with these practices in place, you'll be in the Chamber industry for years to come!

Louder NonProfit Strategies, LLC
3369 Westphal Drive ◆ Johns Island, SC 29455
Phone: 410-271-8503 ◆ Email: claire@loudernonprofitstrategies.com
Website: www.loudernonprofitstrategies.com