The role of the board

Although the board has specific roles, which are outlined in the rest of this section, we should always remember that its key role is to serve the organisation.

BIBLE STUDY

Servant leadership

It is tempting for leaders to abuse their responsibility. The worldly view of leadership is that leaders should be served by the people they lead. However, a God-centred view of leadership turns this idea upside-down.

- Read Matthew 20:25-28. Jesus knows he is about to die. He has spent the last few years teaching his disciples in order to equip them to make followers of Jesus after he has died and gone to heaven.
  - *How should the disciples be different from other leaders?*
  - *What should be their motivation (verse 28)?*
  - *Think of some real local examples of each type of leadership.*
  - *How can we become better servant leaders?*
  - *How can we encourage each other to be servant leaders?*
- Read John 13:1-17.
  - *What is remarkable about Jesus' leadership style?*
  - *How would we feel if we were one of the disciples? The disciples would probably have felt quite overwhelmed because washing other people's feet is not a pleasant job, and Jesus was their Teacher and Lord (verse 13).*
  - *What does Jesus command?*
  - *Is serving others always a pleasant job? Notice that Jesus washed all his disciples' feet, including those of Judas, who was about to betray him.*
  - *In what ways can we lead by example?*
- Read Galatians 1:10.
  - *It is tempting to do things that will encourage other people to like us. We may do this without thinking of the consequences for other people. Our motivation is selfish. Think of times when we have been like this.*
  - *What is the danger of trying to win the approval of other people (see end of verse 10)?*
  - *How often do we do things in order to please God? What will help us to do this more?*

If an organisation is to function well, it is important that all stakeholders understand their roles. Stakeholders include the board, committees, members, donors, staff members and the CEO. If roles are not clearly stated, the following problems could arise:

- There may be conflict between people who want to take responsibility for the same thing.
- Some important aspects of the organisation's work may be ignored.

- Effectiveness could be lost, because people take on too much responsibility and become overburdened and unable to carry out any of their tasks well.
- Efficiency could be lost because some people are better equipped to take on certain roles than others.

CASE STUDY
Misunderstanding of roles

Help and Hope's development work suffered because there was confusion within the organisation about people's roles. The CEO did not understand the role of the board. He viewed the board only as a legal requirement, so he ignored the board's suggestions and made all the decisions about the organisation's work himself. The board members therefore felt that they had no influence, and three of them resigned in the same month. The chairperson had many meetings with the CEO in order to resolve the situation. This used up time that should otherwise have been spent writing Help and Hope's strategy. The chairperson found the situation very stressful and became ill.

The board employs staff for the organisation because board members have limited availability to carry out the work of the organisation themselves. A key issue that affects the well-being of organisations is the confusion surrounding the role of the board and the role of the CEO and staff. The key difference is that the board is responsible for the **governance** of the organisation and the CEO and staff are responsible for the **management**.

The board thinks about the wider issues while the CEO and staff are concerned with designing and implementing projects that help to fulfil the organisation's mission.

The difference between governance and management can be explained if the organisation is viewed as a car:

BOARD – governance responsibility	CEO / STAFF – management responsibility
Identify the car's destination – board ensures that vision and mission are identified.	Identify the route the car will take to get to the destination – CEO and staff use their development knowledge, experience and skills to fulfil the mission.
Identify the type of car that will enable the destination to be reached – board agrees on values and organisational structure.	Look after the car and maintain it to ensure that it can reach its destination – CEO and staff manage the systems and processes that help the mission to be achieved.
Identify the driver – board recruits the CEO.	Driver steers the car and identifies the passengers – CEO recruits appropriate staff.
Provide the fuel – board ensures there are adequate funds to fulfil the mission and perhaps identifies potential donors.	Get fuel during the journey and ensure that it is used efficiently – staff submit proposals for funding and ensure that the funds are used efficiently and wisely.
Regularly assess progress and travel conditions – board ensures that the organisation's work is staying on track and remains aware of external influences.	Provide regular reports on the car's progress – CEO tells the board what is being achieved and identifies problems.
Check that the driver is driving safely – board regularly reviews the CEO's performance and ensures the CEO has adequate paid leave.	Attend training about how to drive the car safely, and rest regularly – CEO and staff include training and time for rest in their schedules.

While staff are paid for their time, board members work for the organisation on a voluntary basis. As board members are not paid by the organisation, they are more likely to be impartial. They can be more confident to think radically and be vision-focused. If they were paid, they may be tempted to make decisions in their own interests (such as being promoted and earning more money), rather than in the interests of the organisation.

Depending on local legislation, board members may be held personally liable for the organisation. Therefore, if the organisation fails and owes money, board members themselves will have to repay the debt. This benefits the organisation because the 'duty of care' increases. For example, it motivates board members to consider issues more thoroughly before making decisions because they have a lot to lose if bad decisions are made.

The diagram on page 12 shows some key differences between the board and manager of an organisation.

Board members should avoid attempting to manage the organisation. The CEO and staff should ensure that their work contributes to the fulfilment of the organisation's mission. However, the two bodies should work well together. Two important issues enable this to happen:

COMMUNICATION Good communication is essential. The board and the CEO should keep each other up-to-date on what is happening. Methods of communication include reports, verbal communication between the chairperson and the CEO, CEO attendance at board meetings and board member visits to staff.

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Key differences between board and manager

BOARD	CEO
Group / continuous	Individual / temporary
Develops policy and plans	Implements plans
Focus on long-term	Focus on short-term
No staff	Access to all staff
Ultimate responsibility	Limited responsibility
Volunteers	Paid
Overview of organisation	Intimate knowledge of organisation

TRUST When someone is given responsibility for something, there needs to be a degree of trust that they will carry out their responsibility well. If there is little trust, it becomes easy to interfere, and the advantage of handing over responsibility is lost. It is therefore important that the board directly recruits the Chief Executive Officer (CEO) to manage the organisation and recruit other staff. Being directly recruited by the board means that the CEO has confidence that he or she is trusted to carry out the work in the way they think best. However, a high degree of trust is not an alternative to setting up accountability systems (see section 2).

Governance is like being a parent

Good parents who give as much freedom to their children as they can handle, but always within clear limits, and always with expectations, will see them thrive. Parents who 'manage' their children's activities will have children who under-perform without ever learning and growing from their mistakes …

… It's normal for newer, smaller organisations to have managing boards, particularly before they are large enough to hire a chief executive officer. However, every managing board should seek to move towards governance as the organisation grows and becomes more complex. Sadly, the managing board remains the most common type of board today. Even boards that have adopted a governance model … often drift back into managing. Becoming an effective governing board requires a [new way of thinking]. The best way I know to describe that … is *'Think parenting, not managing.'*

Adapted from Stahlke (2003) *Governance matters* p140

When an organisation is started, it may be necessary for board members to be involved in managing the organisation. However, as the organisation develops and the board becomes better established, the board should start to stand back from the operations of the organisation and focus only on governance. The box below shows how governance can develop.

Growing governance

As organisations develop, the form of governance develops:

- To start with, the founder may invite some friends to provide support and encouragement. The founder has space to establish and develop the ministry and acts as a board member and CEO. The organisation may rely on volunteers as it does not have funds with which to pay staff. Board members may therefore be directly involved in operations. Their role is to provide advice and management expertise rather than to govern.
- As the organisation grows, the board becomes more formal. Board members are less involved in its operations, although they may continue to raise funds and provide technical support where appropriate. This stage may be a difficult time for the founder, who has to let go if the organisation is to grow. The founder should either become a board member and let go of the operations, or become the CEO of the organisation and let go of governance responsibilities. Often the founder does not make the choice and continues in both roles. This is a major factor contributing to weak governance. It may be necessary to find new board members to replace or complement the people who have been board members since the beginning. The original members probably started on the board because they had confidence in the founder. If the founder becomes a board member, the original board members, who are inspired by the founder, are likely to be biased in discussions. If the founder becomes the CEO, original board members might find it difficult to govern the founder. Often the founder is a visionary, and may choose to leave the organisation once he or she is satisfied that both governance and management are in safe hands.
- As the organisation matures, the board becomes more professional. The roles of the board and the CEO are clearly defined and practised. The policies set by the board have been tried and tested. Lines of responsibility and delegated authority are understood by all concerned. Board members are no longer involved in any operational activities because there is good staff capacity and enough funds if consultants are needed.
- After the organisation has become more professional, the only time that the board should take on a management role is if the organisation goes through a time of crisis. For example, if the CEO fails to carry out their role effectively, the board may need to step in to manage the organisation while a new CEO is recruited.

Terminology

Board members are sometimes called ‘directors’. However, this can be confusing if senior members of staff are also referred to as directors. It blurs the difference between the board, which is responsible for governance, and staff, who are responsible for management. It may therefore be helpful to use other terms instead.

REFLECTION

- Is there confusion in our organisation between governance and management?
- Why does this confusion exist?
- What could be done to improve the situation?
- How well-developed is our organisation? Are the current systems of governance and management appropriate? How should these change as our organisation develops?