

# **The CompassPoint Board Model for Governance & Support**

This article by Jan Masaoka from *The Best of Board Café*, Wilder Press

Responsibilities of nonprofit boards are of two fundamental types: governance and support. On one hand, the board, acting as the formal representative of the public, governs and provides oversight to the organization's affairs. At the same time, board members as individuals support the organization by volunteering, raising money, and advising.

Let's look first at how the board acts to GOVERN the organization, that is, to ensure that the community's interests are represented within the organization. These governing responsibilities include:

- Determining mission and purpose, and overall strategies, policies and priorities
- Monitoring program performance and impact
- Overseeing compliance with laws and regulations and fulfillment of contractual obligations
- Safeguarding assets from misuse, and ensuring maximum use of resources
- Financial oversight
- Selecting/monitoring/evaluating/terminating the executive director
- Approving a fundraising strategy and monitoring its effectiveness

These governing responsibilities are performed by the board as a body or group: for example, while the board hires and evaluates the executive director, the board president does not have the same authority as a supervisor has over a subordinate. Instead, the board president acts as a convener and facilitator for the board, which as a group provides feedback and direction to the executive director.

Next, how board members—acting as individuals—work to SUPPORT the organization:

- Contributing to the organization's fundraising success as appropriate to the individual (such as making a financial contribution, volunteering at fundraising events, making business contacts for the organization, soliciting cash and non-cash contributions, etc.
- Assisting staff in raising funds
- Acting as ambassadors to the community on behalf of the organization and its clients
- Volunteering and volunteer recruitment
- Advising staff in areas of expertise, act as a sounding board for executive director and other executive staff
- Lending names and personal credibility to the organization

These supporting activities are performed by board members acting as individuals. As a result, there are two types of role-switching that go on. On one hand, the board acting as a group is "the boss in charge" when determining overall organizational strategy, but as individuals, board members act to support staff in the implementation of that strategy, for example, by calling a list of donors given to them by staff.

## **On the outside looking in, or on the inside looking out?**

When acting in its governing role, the board represents the interests of the community. It asks: Is this organization using public and private resources to benefit the community and the public? In a sense, the board stands *in* the community, looking through the door into the organization. But at the same time, board members also represent the organization's interests to the community—acting as ambassadors to the community.

## **Who's in charge? Who's in charge now?**

In organizations with paid staff, there are times when the board acts in its governing role—"the boss and in charge"—and other times when individual board members act to support the staff. Boards and staff often get confused over these differences. For example, in many boards there is tension over whether and how the board should be involved with fundraising. This tension can be cleared up through the CompassPoint Board Model: In its governing role, the board—acting as a body—is responsible for seeing that there is a realistic plan for bringing in the funds the organization will need, and for monitoring progress on the plan. This plan might include fundraised (contributed) dollars, but could also include fees, interest income from investments, foundation grants, the sale of books, and so forth. What's important is that ensuring the existence of the plan is a governance responsibility—one in which the board acts as the "boss" and oversight to the staff-developed plan.

But in the support role, board members as individuals also help carry out that plan. In this role, they often act with direction from staff. For example, staff might generate a list of people who need to be called for an upcoming event, and distribute those names among the board members who have volunteered to do so. In this kind of work, the staff organizes and is responsible for the work, and delegates it to board members acting as individual volunteers.

Try distinguishing between the board's governing role and board members' supporting role in discussions. This simple approach—based on a complex understanding of governance—can often clear up confusing and frustrating discussions.

## **Who's responsible for the board doing its job?**

Executive directors are often frustrated with boards that are inactive and passive. These executive directors cry out, "My board doesn't do anything!" But the frustration comes from more than the lack of board activity. It also comes from a sense of helplessness, a sense that there is nothing the executive can—or *should*—do to get the board going. In many instances, both board members and executives believe that it would be inappropriate for the executive to play a leadership role with the board. Many strong executives draw back from appearing to provide too much direction to their "bosses."

This approach comes from the conventional wisdom that "the board sets policy, and the staff implements it." This statement fails to distinguish between the governing and supporting roles of the board, and often devolves into arguments over what's policy and what's not.

In fact, telling an inactive board—or even an inactive board telling itself—that it *should* be active is seldom an effective strategy. Even if one or two board members insist that all board members *must* be active, little is likely to change. In short, an approach that makes the board solely responsible for its own functioning is an approach that succeeds with strong boards, but simply doesn't work with weak boards.

The approach we advocate in the CompassPoint Board Model may at first seem surprising, but in fact is common practice by many seasoned executive directors: *the executive director must be largely responsible for the board fulfilling its governance role.*

In some ways, this framework presents a paradox similar to the role-switching between board and the executive. The truth is that the executive director is in the best position for ensuring the effective functioning of the board. He is the primary staff support to the board, attends meetings, and is usually more in touch with board members than anyone else. Moreover, she is responsible for the organization's performance, and, since effective board governance and support are both needed for high performance, she must develop an effective board for the sake of organizational performance.

Perhaps more importantly, this approach *works*.

The executive director cannot ensure the board's effectiveness by ordering board members to perform various tasks or to adopt certain attitudes. The executive *can* work more closely with individual board members, take an active role in the recruitment and orientation of effective board members, and develop processes that she and the board can use to work together for better governance.

The very great advantage to this approach is that it works. It works when there is a strong executive and a strong board, when there is a weak executive and a strong board, and when there is a strong executive and a weak board.

Management expert Peter Drucker has long said that the effective functioning of the corporate board is the responsibility of the chief staffperson. This responsibility can be written into the executive director's job description, and should be one of the responsibilities for which the board holds the executive director accountable.

As paradoxical as it may seem at first, it makes complete sense for the board to evaluate the executive director's performance on how well he or she has elicited board effectiveness. And the wise executive director willingly accepts the responsibility, knowing that with a strong board there will be a working partnership, and knowing that in the absence of a strong board, he or she must be a prime mover in developing one.

Many veteran board members and executive directors find that the CompassPoint Board Model articulates principles that they have practiced for years. Less experienced board members and executive directors will find that it can act as a decoder—decoding the puzzling ways that boards act at times.