

The Board Chair's Dilemma (A)

Case #3

The meeting started as usual, with the board members arriving one by one in the small upstairs room of the Lutheran Church in downtown Pacific City. The first to arrive was Nancy, the executive director and founder of the organization, which was now in its sixth year. She was accompanied by a staff member. Next to arrive was Peter, the longest continuously serving board member, in the middle of his fifth year on the board. He had stepped down as board president four months earlier, after serving for two years.

A large, worn wooden table with 14 chairs barely fit in the small room, and each board member had to side-step around it to the nearest empty chair. The spring sunshine still shone through the only window, painted shut, as the 6:30 p.m. meeting time approached. It was uncomfortably warm in the room, though no one complained. Of the 12 members of the board, eight made it to the meeting. They came from diverse backgrounds: activists and middle-class professionals. About half were from the Latino community that the organization served. Board composition was a nearly equal number of men and women.

The mission of the nonprofit they served, El Dormitorio, was to empower homeless Latinos. The board members shared a deep personal commitment to the mission of the organization, and they were all tired from long days at their regular jobs.

Peter had agreed to chair the meeting that night as a favor to Ted, the new president who said he would not make it because of a "conflict of interest" involving an issue on the agenda. Peter felt like he had grown into his leadership role in the organization. He was comfortable, even confident, as he called the meeting to order, 10 minutes after it was scheduled to start. The last arriving board members had just walked in, bringing the group to 10 in all.

A few minutes into the meeting, anxiety and confusion replaced Peter's confidence as Carrie, the organization's volunteer coordinator, led a handful of people that Peter didn't recognize into the room. Squeezing between the wall and the seated board members, the unexpected entourage made their way to the last empty chairs scattered around the table. One had to remain standing.

Peter knew Carrie from numerous organizational functions over the years. She had always been pleasant to him and had a good sense of humor. Peter did not recognize any of the other new arrivals, though. "Who are these people and what are they doing here?"

This case was prepared by Bruce Lamb, while a candidate for a Masters in Public Administration, at the Evans School of Public Affairs, University of Washington, under the general supervision of Associate Professor Jonathan Brock. This is a fictitious case based on real situations in several non-profit organizations concerning interactions on boards of directors. It is not intended to show effective or ineffective handling of the situation described. All rights reserved to the contributors.

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asked Juanita Moreno, one of the newer and more outspoken board members. Carrie, in a challenging tone that Peter had never heard from her before, responded that they were there to oppose Nancy's decision to eliminate the volunteer coordinator staff position and "testify" about why the position should be retained.

Carrie happened to be the live-in girlfriend of Ted, the new board president, who had purposely, (and wisely, Peter now thought) missed the meeting. He must have known about this walk-in "protest." Peter wondered why Ted had not given him a heads up.

Serving as a Nonprofit Board Member

One year after its start-up, El Dormitorio's executive director Nancy asked Peter to serve on its board of directors. Peter was a litigation lawyer in his mid-thirties working in a private practice who had done pro bono work representing refugees from El Salvador and Guatemala in political asylum cases for another nonprofit. As Nancy told him about El Dormitorio's mission and programs, Peter was moved and wanted to help. He had never served on a nonprofit board, but he believed in the mission of the organization and said yes—not knowing how he was going to be able to help.

At the time, El Dormitorio had a budget of about \$48,000, with a paid staff comprised of one full-time director and a part-time outreach worker. A VISTA volunteer and an Americorps volunteer coordinated its classes and programs. All of its teachers were volunteers. Its programs served over 100 clients.

As a new member of a small board of about seven members, Peter first served as secretary, which helped him to learn names and organizational issues. Realizing he had a valuable role to play, he researched nonprofit law and the duties of board members. He chaired a committee that authored the organization's first personnel manual, and he contributed 1 percent of his own income and did some fundraising. He learned about strategic planning, and helped the director coax the organization to be more intentional about its planning. He helped draft job descriptions for each of the officers on the board, and recruited and helped train new board members.

The Making of a Board President

After two years, Peter was asked to serve as board president. He was primarily concerned with mitigating organizational growing pains by formalizing procedures and policies: He set higher expectations of board members to make the board function more efficiently and effectively. During his five years on the board, the organization grew to have 14 full- and part-time paid staff positions. It had added programs and now served over 1,000 clients per year with a budget of close to half a million dollars.

Peter felt that the organization's success was due in very large part to Nancy. He thought she was an exceptional executive director who had learned, grown, and evolved along

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with the organization. He admired her leadership and tireless dedication to the organization. He was amazed at how many responsibilities she had and how she seemed to perform at such a high level in all of them: program development, personnel management, grant writing, fundraising, event planning, public relations, external advocacy, and board development and training, to name a few.

Peter had visited all of El Dormitorio's programs at one time or another, but relied on the executive director to keep him informed of the issues and needs of the clients, the organization, and its staff. He occasionally met some of El Dormitorio's volunteers at fundraising events, but knew only one or two on a first name basis. Not being responsible for the day-to-day operations of the organization, Peter had time to think and reflect between meetings. The organization needed someone who would study, learn, and then act with the confidence that the board's actions were consistent with "best practices" and their legal obligations. Though he wished he could spend more time visiting the programs and getting to know the staff, there was only so much time he could devote to his volunteer role on the board, and he didn't want to interfere with the executive director's responsibilities.

At times the importance of the decisions regarding the direction of the rapidly growing organization would cause emotions to run high. Under pressure, Peter was tactful and diplomatic and could act as a detached facilitator. This approach had served him well in the past.

Now Peter was faced with something he had never expected. A staff member who had left on her own to take another job, and who was involved with the present chair of the board, was there to challenge the director's decision not to replace the volunteer coordinator position. She had also brought a group of volunteers and staff to support her in this.

As he listened to Carrie announce the purpose of her appearance at the meeting, Peter began to feel the heat in the room. He was confused. He had noticed the more frequent written reports from Nancy, but thought they were signs of progress toward better communication and documentation in an organization that was outgrowing some of its informal ways of doing things.

In anticipation of chairing this meeting for Ted, whose style he knew was different than his own, Peter had met the week before with Nancy with whom he had developed a close working relationship over the years, but no longer had frequent contact. They had talked about the volunteer coordinator issue over coffee. Nancy had told him that she had decided to eliminate the position to make room in the budget for another paid position.

Carrie, who done her job well, had already accepted a new job in another organization, and this was a good time to make the move. Peter agreed. It involved some re-structuring, and they both agreed that the decision should be run by the full board. There, decisions were normally made by consensus, and Peter anticipated no objection to this decision.

The Board Chair's Dilemma (A)

Several emails went back and forth in the weeks preceding the meeting between Nancy and Carrie debating Nancy's decision. One or both of them had copied the board members on their debate. Carrie and the volunteers were not on the agenda, and no one expected them to show up. Peter had read the emails and remembered Nancy telling him that Carrie disagreed with her decision to eliminate the position. Peter remembered thinking that Carrie's disagreement mattered little, because she was leaving, and he had seen no reason to inquire further.

Although not on the agenda, Carrie was loudly demanding an opportunity to address the board and to allow other volunteers who were with her to do the same. Peter looked at the faces of his fellow board members and realized that most knew even less about what was going on and were looking to him to restore order to the situation.

He wondered if he should let Carrie and the volunteers speak their minds, which would be consistent with what Peter thought was the traditional open nature of the organization's board meetings. Just as he was about to open his mouth, Juanita declared that the staff member and volunteers had no right to be at the meeting at all, let alone interrupt it. They should leave, and would be informed of the board's decision later. Peter's blood pressure rose along with his sense of indecision. Noting how uncomfortable the newest board member, attending his first meeting, looked staring head down at the far end of the table Peter tried to clear his head and decide in the next few seconds, what he would do.

Attachment 1: The El Dormitorio Board of Directors

Board Members Present

- Peter Marks—attorney, longest serving board member, former board president
- Sebastian Ramirez—first generation Mexican immigrant, founder of another Latino nonprofit service organization; currently doing sales work for high-tech communications company
- Juanita Moreno—middle-class professional and activist
- Sebastian Hernandez—first generation Mexican immigrant, team leader at software company
- Elsa Peterson—teacher
- Miguel Sanchez—Costa Rican immigrant, hospital administrator
- John Trabolsi—small business owner
- Jose Dominguez—Carpenters' Union representative, activist

Also Present

- Nancy Burns—co-founder and executive director of El Dormitorio
- Conchita Ramirez—development assistant for El Dormitorio, staff representative at the meeting; also a former client of El Dormitorio; wife of board member Sebastian Moreno

Board Members Absent

- Jose Orosco—co-founder of El Dormitorio
- Marta Hughes—daughter of migrant farmworker parents, second generation Mexican immigrant, manager at high-tech firm
- David Hughes—husband of Marta Hughes, also manager at the same high tech firm
- Ted Guillen—current board president, high tech entrepreneur