When Directors Go Rogue

By Bob Harris, The NonProfit Center

The reputation of an organization can be tarnished by a director who acts without authority or in defiance. For example, a person who openly criticizes the leadership or complicates with staff relations.

Most Boards simply tolerate the behavior. Very few remove or censure a volunteer. Because Boards are composed of peers, cordiality supersedes conflict resolution.

Further, there is seldom a consequence for bad behavior set in the bylaws or policies. A discussion of the problem, remedies, and a private meeting with the offender is the frequent process.

The bylaws may call for the resignation of a Director missing two or more unexcused meetings. But even this is overlooked for fear that a replacement will not be found, or an awkward situation will occur.

Grievances
When a Director accepts a Board seat, they agree to advance the mission, protect the assets, and fulfill a fiduciary role, framed by the duties of care, loyalty, and obedience.

Infractions take many forms. It may be problematic until there are leaks, resignations, or political damage.

- Abuse of power.
- Disrespect for others, including staff.
- Divulgence of confidential information.
- Desire for personal gain; conflict of interest.
- Speaking without authority.
- Missed meetings.
- Ignoring commitments or assignments.
- Lack of leadership.
- Misuse of resources or position.
- Illegal or inappropriate behavior.

Remedies
Good governance begins with the Nominating Committee communicating expectations. A thorough orientation and access to the governing documents follows. Access to legal counsel and CPA bolsters Board understanding.

The Board should know its options when bad behavior arises. Solutions are guided by the bylaws, policies, and corporate law. They range from ignoring the conduct (at the risk of harming Board performance and organizational outcomes) to removal of a Director.

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About The Author
Bob Harris, CAE, provides governance tips and templates at www.nonprofitcenter.com.

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rectors may ignore the problem in hopes it will self-remedy or the Board can work around it.

**Discussion** — The Board recognizes a problem and discusses an approach. The volunteer may not have been aware of the issue. Maybe they would be better suited in a different volunteer role. It is the responsibility of the Board, not the staff, to resolve behavioral issues.

**Vote Of No Confidence** — Seldom do bylaws address a vote of no confidence though it is an option. By a motion the problem could be identified, discussed, and agreement reached that confidence has been lost in an individual or committee. A vote of no confidence is largely symbolic.

**Censure** — Defined as the act of sternly reprimanding, documented in writing. Generally used by governmental bodies to express severe disapproval, followed by an action such as removal.

**Resignation** — The Board may seek a Director’s resignation because it believes the person cannot continue to serve effectively in that capacity.

**Summary**
Trustees of the corporation are expected to fulfill their duties. If governing documents and responsibilities are understood, there should be no problems. If bad behavior arises, it may give the Board opportunity for an evaluation of its own guidelines and performance.

Wrongful actions of the Board could be cause for a legal claim of defamation for injuring one’s reputation, or a case for antitrust. Be sure removal from the Board does not deny access to membership benefits. Rely on legal counsel in carrying out remedies.

**6. Consider All Types of Measurements**
- Finances and programs are the metrics most people think of for dashboards, but there are several other types as well. Common measurements fall into several broad categories including:
  - Fundraising — Cost/money raised, new donors, donor retention.
  - HR/Internal — Employee satisfaction, timely evaluations, turnover rate.
  - Governance — Attendance, number of Board members.
  - Programs — Wishes granted, cost/wish, in-kind ratio.
  - Finances — Budget to actual, quick ratio, reserves, growth.
  - Technology/Marketing/Communications — Website hits, newsletter subscribers, Facebook friends.
  - Volunteer Management — Number of volunteers, hours, retention.

The best list of metrics I have come across on the web can be found at: [http://www.compasspoint.org/sites/default/files/docs/560_libraryofindicatorsjune09.pdf](http://www.compasspoint.org/sites/default/files/docs/560_libraryofindicatorsjune09.pdf).

**7. Carefully Select Triggers** — For each metric, you need to determine what triggers the “traffic light” to change. The triggers you choose mean the difference between the current status being tremendous or trouble, so choose these triggers carefully.

**8. Consider Cost/Benefit**
Some information might be interesting to know, but at what cost? As you are thinking about metrics, ask the staff about the availability and reliability of the data needed.

**9. Give Comparative Info**
It is helpful to have something to compare the current results to. What was the metric last month or last year? What is the budget variance? Providing the trend information or goal helps the Board to interpret the results.

Our Board gets excited when a light goes from red to yellow, or yellow to green. We have a column next to the traffic light to show this comparative information and a comment column to explain the metric and results.

**10. Review Periodically**
It had been several years since we had last reviewed our dashboard, and most of our metrics were still applicable. However, we have recently made changes in our fundraising focus, and new metrics are necessary to determine if the investments we made in the fundraising function are paying off. We also needed to revisit the triggers to ensure they still make sense as we continue to grow the number of wishes we grant each year. The time we spent on this project wasn’t a time consuming process, and all involved agree it was a great exercise to help us all think critically about what matters most. I highly recommend that your organization consider making this an annual event too.

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