

## Resolving Board Conflicts

*By Marion Peters Angelica*

You probably didn't decide to enter the nonprofit sector so that you could settle disputes, but the fact is that the nonprofit workplace is an ideal breeding ground for conflict. According to researchers who study the subject, the key conditions that create conflict in organizations are the very conditions under which nonprofits regularly operate:

**Change** - Changing government administrations, new federal programs, local disasters, harsh economic conditions, and movements in populations are some of the many factors over which nonprofits have no control, but to which they must respond. In addition, internal change is continual for nonprofits. Staff or board turnover, new technologies, and new reporting requirements are a few examples of internal change.

**Diversity** - Increasingly, the people working in nonprofits reflect the people they serve. Work teams consist of people who vary in their ethnic, racial, economic, and cultural backgrounds, their individual world views, professional training, and personal characteristics, as well as their work and thinking styles. Diversity enriches nonprofits' abilities to respond to the people they serve, but it also raises the potential for misunderstandings and conflict.

**Limitations** - Nonprofits are expected (and expect themselves) to provide effective and efficient services that address societal problems or maintain and enhance the community's cultural endowments—and they are expected to do it with limited resources.

**Innovation** - Nonprofits often serve as the research and development laboratory for methods to address society's problems. Nonprofit leaders are sometimes called social entrepreneurs, and for good reason. The challenges and opportunities confronting nonprofits demand entrepreneurial innovation. They also generate constant change and frequent conflict.

A nonprofit's executive, board, staff, volunteers, service recipients, regulators, and funders all shape the character of the organization. Each individual or group brings assets and concerns that differ from the others'. These differences can breed conflicts—turf battles between staff members; power struggles between board members or between board and staff; lack of

communication between funders and grantees; arguments about program implementation or data collection between government contractors and nonprofit service providers. Precisely because decision-making and implementation are scattered among so many different people, we see lots of conflict over what gets done, how it gets done, and who does it.

Besides the many internal and external forces that affect how a nonprofit does its work, two additional characteristics unique to nonprofits have an impact on how conflict is handled. First, leadership is shared between the board and the executive director; and second, there is an expectation that nonprofits are utopian agencies "above" conflict.

Shared leadership easily generates conflict, especially when the board is made up of diverse people with diverse expectations. Board members from other sectors often have goals or methods that differ from those of the nonprofit executive and staff; the lines of authority are often unclear; and board members are part-time volunteers while the executive is a full-time, paid professional.

These are some of the factors contributing to board conflicts:

- In recent years nonprofits and the foundations that fund them have worked hard to find board members who accurately represent the diverse communities the nonprofits serve. Though a multiplicity of viewpoints, experience, and expertise offers great benefits, it also increases the potential for disputes.
- Boards draw their membership from people whose work experience is in other sectors—government and business. Many conflicts on boards and between boards and executives result from the introduction of practices and values that may be appropriate to the way other sectors do business, but which may be incompatible with nonprofits' legal and ethical obligations.
- By law, a board of directors is collectively the "captain" of the nonprofit organization and has the ultimate responsibility for its leadership. It employs the executive director, who reports to it. In fact, however, when something goes wrong in a nonprofit, it is most frequently the executive director and professional staff who handle the problem and whose reputations are on the line. The reason for this lies in the vagueness of board leadership. Though the board is legally chartered to steward the organization on behalf of the community at large, its responsibilities (and those of its members) are largely unclear and accountability for the quality of the board's leadership may be

nonexistent. As a result, the level of stewardship provided by a board can range from lackadaisical to micromanagerial—either one a recipe for conflict.

- Board members are part-time volunteers, which makes it nearly impossible for them to be fully knowledgeable about the organization, its environment, and its services. Though boards have ultimate responsibility for the nonprofit, they steer on a limited and intermittent basis. They must rely heavily on their employee, the executive director, to keep things running smoothly, to educate and advise them, and to oversee the actual workings of the organization.

- The executive is the person who deals with all the daily issues, who is held accountable, and whose career is tarnished if problems hurt the organization. Most boards of nonprofits in trouble remain invisible and unaccountable. The dynamic of a part-time volunteer board managing a full-time professional executive can readily lead to conflict between the board and executive, and among individuals on the board. In addition, as board leadership and composition change, the lines of authority and responsibility are also likely to change. This continual redefinition of leadership roles is built into the structure of nonprofit organizations.

Another unique feature of nonprofit organizations is the expectation that they and their employees are above conflict. Nonprofits generally attract creative, dedicated people who work long hours for modest compensation and believe ardently in their organization's mission. They believe that through their work in the nonprofit organization they personally contribute to the good of others. To a degree, they draw their identity from the work and reputation of the nonprofit for which they work. They view themselves as virtuous, at least in part, because of their work in the nonprofit.

Ironically, nonprofit employees' creativity, individuality, and passion make them likely candidates for conflict. Their positive view of their work and themselves as "good people doing good work" leads them to assume that they will be above discord. As a result, many conflicts lay buried until they percolate to the surface as emotion-laden disputes.

In addition to expecting themselves to be above conflict, nonprofit employees often have unrealistic expectations about the administration and management of nonprofits, that they will be "better"—less formal and more inclusive—than their counterparts in other sectors. Many nonprofit workers also expect that the nonprofit sector itself will provide a more flexible, egalitarian environment than other sectors. Though this is sometimes true,

many employees are disappointed to find that nonprofits can be rigid and hierarchical, bound by rules, policy, procedures, and precedent—all of which thwarts the expectation that they will be free to do things their own way.

Whether you serve your nonprofit as a volunteer or professional leader, you assume many roles, some of which are contradictory. You may find yourself acting as a steward and advocate for your organization; a guide, problem solver, and advocate for the staff of your organization; and an advocate for the community and the special needs your nonprofit addresses. Conflict management by a leader working in this context has limits, pressures, and responsibilities that differ greatly from those of external conflict mediators, who appear on the scene for a short time to help with a particular issue and who have no ongoing relationships with the people in the organization.

### **Conflict Among Board Members**

A recent study of more than 50 boards in Minnesota found that most members had joined in order to "network, make friends, and do good." The study also reported that avoiding conflict is the most common reason for a member's resignation.

It is not unusual for half the membership of a board to resign or drift away from a board as a significant conflict unfolds. This loss of leadership and talent drains the nonprofit's resources. Time and money must be expended to solicit and orient new board members, and to bring them up to speed. In addition, resigning board members may cost the organization in contributions and reputation. For these reasons, it's important that you both manage the conflict to a resolution and keep as many board members as possible committed to your organization.

Facilitating a conflict among board members holds real danger for an executive director. He or she frequently ends up caught in the choppy waters between warring bosses--likely to sink no matter what the outcome. In a board conflict, it is nearly impossible for an executive to maintain each board member's belief in his or her impartiality. Some board members will inevitably believe that the executive is somehow manipulating the situation or come to view him or her as an ally of the opposing party. True or not, these beliefs will erode the board's trust and confidence in the executive—the key factors for a successful working relationship between an executive and board.

Even if you have strong ideas about the issues dividing a board, it is wise to let the board chair take the lead in resolving conflicts within the board. After all, managing the board is the chair's job. Unfortunately, many chairs do not understand or accept the full scope of their responsibilities. And many would rather not deal with conflict even when they understand that it is their role.

One factor that adds to the challenge of handling board conflicts is the emotional rancor that often develops. A discussion that begins as a difference in members' views on a business issue can quickly become intense and personal. Some board members make personal attacks or embarrass others as they argue their points. The negative feelings created by public embarrassment perpetuate the dispute even when the conflict can be settled easily.

When exchanges get negative and personal, it becomes increasingly difficult for the opposing board members to communicate constructively, and uninvolved board members grow increasingly uncomfortable as they observe the bitter exchanges. A skilled chair will encourage the parties to resolve their issues away from the boardroom. On boards, as in other group settings, small conflicts left unresolved tend to simmer into a stew of resentment. Early intervention by the board chair can help prevent this.

One of the most frequently used strategies is to set up a private meeting. This is not done to keep the conflict a secret but to preserve a certain level for the disputing parties and the uninvolved board members. To conduct a private meeting, the board chair can use shuttle diplomacy, speaking privately with individual board members. Also, he or she can bring a limited number of disagreeing members together privately for a facilitated discussion outside of the boardroom. This can be especially helpful when a board conflict is among only a few of the board members.

The number of members a chair may convene without turning the meeting into an official board meeting depends on the organization's quorum stipulations. If the number of people actually in the conflict constitutes a quorum, it is a formal meeting of the board and all members should be invited to attend. If uninvolved members know the meeting topic, they can choose whether to attend, but they should not be excluded.

When a conflict that includes loss of face (the result of being belittled or shamed) erupts in a board meeting and is then resolved privately, be sure that the noninvolved members who witnessed the confrontation know that it has been resolved. Otherwise, they may be confused or believe that important

decisions are being made behind their backs. The board chair can simply state that the problems between the disagreeing members have been cleared up.

Don't be surprised to find board leaders uncomfortable with conflict and its management. Remember, few people enjoy or expect to have to resolve conflict as their contribution to the work of your organization. The power relationship between an executive and the board, as well as the impossibility of the executive being perceived as neutral, argue strongly against the executive serving as the conflict manager.

If you have a board chair who will accept the conflict manager role, willingly or reluctantly, thank your lucky stars. Support the chair by coaching him or her on conflict analysis, process design, and other skills. No matter how much analysis or coaching you provide, however, the board chair must take the lead in managing the conflict.

If your board chair, even with your support and coaching, is unwilling or unable to manage the conflict, you might seek another leader. A vice chair might fill this role, although members may ask why the chair is not managing the conflict. This can undermine the chair's authority, which you want to avoid. A highly respected past board chair or board member can be a good choice. Whoever you choose, the person should have conflict management skills, be well regarded by all the parties, be viewed as impartial toward the parties and be objective about the issues. If neither current nor past board leaders are willing or able to manage the conflict, consider using a skilled outside mediator.

## **Conflict Between Board and Staff**

Conflicts between the executive or other staff and the board are extremely delicate. A significant power imbalance exists, since the board is the executive's employer. The executive is the bridge between the board and staff and must understand and represent these groups' differing viewpoints to each other.

An executive can wind up in conflict with the board in three ways—when staff conflict is brought to the board; when direct conflict exists between the executive and some or all of the board members; and when a staff person makes an end run, bypassing the executive and bringing an issue directly to the board.

*When staff conflict is brought to the board:*

A staff conflict brought before the board can ensnare the executive, causing him or her to lose the board's confidence. To the board, the executive represents staff leadership—responsible for maintaining staff productivity and harmony. That's why board members may see staff conflicts as indicating a deficiency in the executive's management skills. Board members often resent having to manage staff conflicts. After all, they did not donate their time to resolve staff battles.

Even so, the board should step in when efforts to resolve a conflict at the staff level have not succeeded. When you bring a staff conflict to the board, outline the nature of the problem and explain the process you want the board to use. If the issue requires confidentiality, explain the organization's obligation to maintain confidentiality.

Often the board chair or personnel committee assume the role of hearing and resolving staff conflicts that come before the board. If your organization's bylaws or the charters of your subcommittees authorize the personnel or executive committee to handle conflicts, activate one of these committees. If not, encourage the board to delegate the task to one of these two committees.

There are three reasons for this. First, the use of a subcommittee gives the organization two chances for internal conflict resolution before turning to an outside agency—initially through the subcommittee, and then through the full board if necessary. Second, the use of a subcommittee contains the information about the conflict, keeping it more confidential. Finally, the use of a subcommittee frees the rest of the board to attend to the organization's other important business.

The subcommittee hears from all the parties and helps devise and test potential solutions. The subcommittee also serves as arbitrator, developing a resolution it believes is best for the organization and the parties involved. Depending on the bylaws or charter of the subcommittee, the decision can either stand as decided or be ratified by the entire board. If the parties to the conflict remain dissatisfied, they can turn to the full board for a hearing before moving on to external assistance.

One caveat: If a conflict is brought to the board and delegated to a subcommittee, all board members must understand the benefits of having a subcommittee handle the conflict. If uninvolved board members don't fully

understand why it is prudent that only a few board members know the full details of the conflict, they can feel excluded. Also, the full board should be told the outcome of the conflict (not the details) and its implications for the organization.

*When board and executive are in direct conflict:*

When an executive director is in serious direct conflict with the board, the board usually prevails, and the executive may resign or be fired. Occasionally the whole board resigns and the executive recruits a new board that supports him or her. In either case, the organization loses momentum, continuity, expertise, and leadership. A conflict resolved in this way is likely to cost the organization time and money, the confidence of its staff, and its good name—perhaps its most valuable asset.

Few such conflicts erupt suddenly. Usually they are preceded by smaller conflicts that, if handled badly, erode the trust between the board and the executive. Dealing with small conflicts when they occur is important because once a direct conflict breaks out between board and executive, it is extremely difficult to resolve.

When a significant conflict does develop between the executive and the board, rapid action and professional help are called for. Clearly an executive cannot manage a significant conflict in which he or she is a party. Neither can the board chair. In this case an external resource is the best option. Choices include

- A mediator
- An organizational consultant with conflict management skills
- The organization's previous board chair, executive, or similar leader with conflict management skills.

When considering these resources, be sure that they will be viewed as unbiased by all parties.

Unfortunately, it's hard to be optimistic about resolving conflicts between the executive and board. More often than not, neither the executive nor board leader is eager to use a conflict resolution process. Instead the conflict becomes a battle of wills and wiles. One reason that board leaders hesitate to use conflict resolution processes in board-executive conflicts is that people's

identities are threatened and so much is at stake. The executive's livelihood, career, and professional reputation are jeopardized, and board members' identities as stewards with the ultimate authority in the organization are at risk.

This is precisely the type of situation where a neutral outsider can help, but nonprofit leaders need to have enough understanding of the conflict resolution process—in advance of needing it—to know that the process will help, not hurt, their situation.

If the board and executive know about conflict resolution processes and, for the sake of the organization, are willing to try to mediate their conflict, they must first work together to select a mediator. The person must be viewed as neutral—someone whom all the parties already know and trust equally, or someone previously unknown to the board and executive.

*When staff makes an end run:*

One organization with which I had direct experience had a loose sick leave policy, with no limits on the number of sick leave hours an employee could use. The director granted sick leave at her own discretion, a policy that she originally recommended and liked. Then a newer staff member began taking excessive numbers of sick days. Morale plummeted among the other staff, who had to cover for their "sick" colleague. The director asked the board's personnel committee to develop a clearer leave policy. They did this and brought their recommendation to the full board for approval.

In the meantime, the staff person who overused sick leave did an end run. She knew two board members and talked them into disapproving the policy. When the board reviewed the personnel committee's work, the two members objected, arguing that the proposed policy was punitive toward the staff person who had contacted them. The members of the personnel committee were frustrated, since neither of these board members had offered any input while the new policy was being written. Things got personal and harsh words flew around the board table. After trying to deal with the issue at several meetings, the board—now sharply divided—tabled the question and never picked it up again.

The executive director felt betrayed by her board, the board had conflicts over other issues, and staff became increasingly unhappy about covering for the "sick" employee. The issue and the conflicts it generated contributed to high staff turnover and, eventually, the director's resignation.

What could the organization have done differently? Both new employees and board members needed to be told during orientation that the executive director is the point person for the board of directors. In some larger organizations, staff are not allowed to communicate with board members. In smaller and more informal organizations, no such restriction may exist. But in all cases, the policy should be to keep the executive director informed of any interactions with board members.

When an end run occurs, the executive needs to talk with the board members and the staff involved about the board-staff communications policy. An inexperienced staff person may be educated, but someone who stubbornly refuses to follow protocol is another matter. Staff who understand the way executives work with the board generally make end runs when they believe the executive isn't supporting them and feel convinced that all other avenues are closed. Because end runs are risky and put them in direct conflict with the executive, a staff person usually has to be very desperate or very angry to take the chance. In general, this means the staff person and the executive are probably involved in an unresolved conflict. It's imperative to work through the conflict that motivated the staff member to risk an end run. Such a conflict will likely require the assistance of a mediator for resolution.

It is also important to remind the staff person about expectations that he or she follow the organization's communication policy—and to discuss the consequences of disregarding the policy. Such a discussion should always be documented. Disciplinary action (based on the written personnel policy) may be required, but it should be used sparingly because the goal is to set a positive tone for settling the dispute, not to fuel the fire.

It is equally important to talk immediately with the board members who were involved in the end run. Discuss the substance of the concern raised by the staff member, how you are handling the conflict, and the problems created when existing communication policies are ignored. Don't be surprised if they are unaware of those policies or the reasons they exist.

Your first goal is to get the issue off the board table until you and the staff person have made every effort to work through the conflict. Depending on your board's policies (and the board's involvement in the conflict), you may then have to bring the resolution before the board for approval.

Your second goal is to regain the trust of the board members involved. Honest communication is the best route to reestablishing their confidence. If your

efforts to resolve the conflict fail, you should be the person to bring the conflict to the board.

Given the inevitability of conflict in nonprofits, your board members need to know how to have constructive conflicts. The executive director can help them better understand conflict and develop ways to disagree constructively—before serious conflicts erupt. Healthy conflict on a board stimulates creativity and strengthens the organization. That's why training your board in the processes of healthy conflict is a worthwhile investment of the organization's resources.

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