

Your Board's Effectiveness May be Related to its Members' Level of Emotional Ownership

(Article for BoardSource by Drs. Fred Laughlin and Bob Andringa.)

Which of the following two quotes from chief executives is more likely to apply to your organization?

1. "I'd like to see our board members more invested in the organization, not just financially, but also personally, even emotionally."
2. "Our board members are too close to the day-to-day operations to simply govern and refrain from meddling."

These statements mark the extremes of board involvement — from the overly *detached* to the overly *attached* board. The risks associated with each extreme are well documented. Just as well known are the benefits of a healthy and balanced board with members who keep themselves current, provide encouragement and quality counsel to the chief executive, and govern from clearly articulated policies.

Face it. We want our board members to feel some ownership of our organization, to be passionate about our mission. And, indeed, most of them are. But, while we appreciate the value of dedicated board members, is there a threshold of emotional ownership above which we risk members violating some basic principles of good nonprofit governance?

What is emotional ownership?

We define "emotional ownership" as a measure of personal involvement of board members, including such factors as these:

- the level of their emotional feelings about the organization's mission
- the specific impact of the organization on their family members or close friends
- the effect of the organization on their community
- their level of monetary donation
- the frequency of their visits to the organization
- the organization's dependence on board members' volunteer help outside the board

The more of these factors that apply, the higher the level of emotional ownership. Although emotional ownership does not lend itself to precise measurement, it's helpful for an organization to reflect on the level of emotional ownership that may reside with its board members. Why? Because this level is a useful predictor

of a board's effectiveness. Being aware of the risks of high emotional ownership can help the board give more attention to the areas of potential weakness.

Let's say that you serve on the board of a local private school. You and several of your fellow board members are parents of students, are frequently at the school, often socialize with other parents as well as faculty members, and are volunteer coaches or leaders of other activities. You discuss board matters whenever and wherever you bump into other board members. If these characteristics apply, then your board has a high degree of emotional ownership and may be vulnerable to the following poor governance practices:

- **Micromanaging.** Your members' school involvement allows them to see and hear things on a day-to-day basis. This level of involvement may lead to concerns that are operational in nature, the rightful purview of the headmaster rather than the board. Your board may fill its agendas with operational issues and spend more time on the trees than the forest.
- **Confusing roles.** Board members have authority as governors only when they are conducting official board business. At all other times, they are simply volunteers or parents. Board members with high emotional ownership tend to have a tougher time knowing when they are wearing their "board hat" and when they are wearing their "volunteer hat."
- **Speaking with multiple voices.** Good governance calls for the board to speak with one voice. Boards with high emotional ownership are prone to develop factions or subgroups. Often these factions find a voice outside the boardroom in attempts to recruit support from other parties. While good boards encourage and accommodate diversity, they also are clear on the policies affecting board communications and confidentiality.

How can boards manage emotional ownership?

Boards experiencing the downsides of excessive emotional ownership may need greater focus on the following good practices to return the board to an appropriate level of emotional ownership:

- **Carefully select board members.** Even if it means that you live with fewer board members, select candidates not simply on their passion for the organization, but on the basis of their skill sets and their willingness and ability to honor good principles of governance and understand their roles so as to avoid the poor practices noted above.

- **Formally orient new members and train the full board.** Once you orient new members, have a training schedule to ensure the board grows in its understanding of best practices, including confidentiality, relying on the chair to speak for the board, and referring questions regarding program to management.
- **Document your policies.** Assemble your board's policies and guidelines in a manual that makes clear what you expect from individual board members as well as the full board. This allows the board chair to depersonalize any required discipline by pointing to policies. And when pressured by friends to divulge information, board members can point to the policies they have agreed to uphold.
- **Discipline uncooperative board members.** Have a practice where board members who do not honor policies and expectations are reminded, then counseled, and, if necessary, removed from the board. In addition to being the fairest way to respect board members who abide by the expectations, it will model professionalism for the rest of the organization.

The most straightforward way for your board to guard against the consequences of overly high emotional ownership is to make its members acutely aware of their responsibilities to respect certain governance principles. Give them the tools suggested above to maintain sound governance principles, ones that establish the base for a culture characterized by open, mature relationships among individual board members and between the board and the organization it serves. Knowing your board's level of emotional ownership will provide a helpful indicator as to the amount of training and follow through an organization must invest to ensure that it enjoys the benefits of good governance principles.

Resources:

Good Governance for Nonprofits: Developing Principles and Policies for an Effective Board by Fred Laughlin and Bob Andringa. American Management Association, 2008.