

## Drucker on The Nonprofit Board

Adapted from “Lessons for Successful Nonprofit Governance” (*Nonprofit Management & Leadership*, 1990) and *Managing the Nonprofit Organization*, both by Peter F. Drucker

Nonprofits need both an effective board and an effective executive. Practically every nonprofit will accept one or the other half of this assertion. But a good many will not accept that both are needed.

Yet neither the board-dominated nor the executive-dominated nonprofit is likely to work well, let alone succeed in perpetuating itself beyond the tenure of an autocrat, whether that individual be board chairperson or executive officer.

Nonprofits waste uncounted hours debating who is superior and who is subordinate—board or executive officer. The answer is that they must be colleagues. Each has a different part, but together they share the play. Their tasks are complementary. Thus, each has to ask, “What do I owe the other?” not—as board and executive officers still tend to do—“What does the other one owe me?” The two have to work as one team of equals.

What are the respective tasks of the board and the executive officer? The conventional answer is that the board makes policy and the executive officer executes it. The trouble with this elegant answer is that no one knows (or has ever known) what policy is, let alone where its boundaries lie. As a result, there is constant wrangling, constant turf battles, constant friction.

Effective nonprofits do not talk much about policy. They talk about work. They define what work each organ is expected to perform and what results each organ is expected to achieve.

One implication of this is that the performance of the entire board, each board committee and each board member—along with the performance of the executive officer and all key people on staff—is regularly appraised against pre-established performance goals. (This appraisal is best done by a small group of former board members.) Board members and executives whose performance consistently falls below goals and expectations will resign or at least not stand for reelection.

To be effective, a nonprofit needs a strong board, but a board that does the board's work. The board not only helps think through the institution's mission, it is the guardian of that mission, and makes sure the organization lives up to its basic commitment.

Over the door to the nonprofit's boardroom there should be an inscription in big letters that says: *Membership on this board is not power; it is responsibility.* Some nonprofit board members still feel that they are there for the same reasons they used to go on hospital boards in the old days—recognition by the community—rather than because of a commitment to service. Board membership means responsibility not just to the organization but to the board itself, to the staff and to the institution's mission.

At the same time, only two-way relationships work. An effective nonprofit executive starts building this two-way relationship with the board by asking: “What do you have to tell me?” Not, “This is what I am telling you.”