

*a national trust publication*

# Starting with Staff

*by Christine Graham*

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A Guide for the Nonprofit Board

# Starting with Staff: A Guide for the Nonprofit Board

By Christine Graham

There is nothing quite as promising as a newly formed organization, flush with a vision and full of energy. And while that exhilarating sense of potential is overwhelming when the first few organizers gather to set on their mission, it recurs at several key moments in the organization's life.

One of those moments is when the first director is hired. Suddenly, everything seems possible. Now there really will be enough time to get everything done. Someone will take care of all the "to do" lists, and will follow up on each possibility. Someone will be there to answer the phone. Someone else will write the grant proposals, set appointments, raise the money. Things will be taken care of.

And then, moments or weeks later, the board members start feeling uneasy. Why can't we just do this the way we used to? Where is our control of our destiny? We don't know every detail of this project ....we have not all met the partners in our next venture. How do we know this project will work? We are taking things on faith. What have we given up?

And the new director, after the thrill of accomplishment of getting this job, gets the jitters. Am I going to have to do this all alone? What were they thinking of? Or, maybe worse, isn't anyone going to trust me?

And then, just a short time into the bright new future, everyone starts to think, what have we done?

## Deciding to Hire

There is probably no transition in an organization's life as overwhelming and complex as the move from an all-volunteer organization to one with staff. In most cases, the transition seems manageable because just one person is hired and the intention is to stay small, flexible, and effective. The only change will be that more work gets done.

But in fact, even the most evolutionary staffing transitions are fraught with the very sort of changes that people find most challenging. This is because staffing a previously volunteer organization is an action deeply rooted in personal issues, personality interactions, human strengths and weaknesses, and fears. Simply the fact that the board hires a director from a sense of need, after being independent for some time, means the group is sensing insecurity. The new director enters a scene where patterns have been formed, opinions and attitudes are known and probably shared, assumptions are implicit rather than explicit, and the history is unspoken. Encountering this wall of unknown issues is unnerving.

It is entirely possible to make the hiring of a first director highly effective, but it requires care. Just when people feel most unsure of the next move, they must take strong, deliberate actions. A similar dynamic arises in the single-staff organization with one long-term employee. No one is truly sure how to bring about good change.

Very little is written about first-directorships and about single-staff organizations that want to stay that way. Human and organizational nature is to grow, and therefore far more is written and studied about larger groups. This booklet offers suggestions for the organization that is small now, and is likely to stay small for some time.

Not surprisingly, the secrets to highly positive transitions in hiring, and then working with a single staff person, are setting clear goals, planning effectively, setting reasonable standards and expectations, and communicating well. While these sound simple, they get right to the root of organizational weaknesses. These are precisely the areas where most organizations need work.

In the best of circumstances, hiring the first director can be the key to reinvigorating an organization. A board that gets bogged down in details, torn by overwork, and that is unable to keep the goals in view, will find that having a director to oversee management frees the board to re-envision its mission. Board members, with some open "thinking space," are able to return to the inspiration that first captured their imaginations. Suddenly, the board can think big thoughts again.

This sense of relief and energy is a reminder of management guru Warren Bennis' definition of board and staff responsibilities: that the staff is expected to do things right. But the board must determine what is the right thing.

## You're ready to hire when:

1. The board is maxed out.
2. Opportunities are being lost.
3. A major opportunity arises.
4. Funding finally comes through.
5. Too many projects are getting farmed out to consultants.

## Asking Hard Questions First

- Why do we want a director?
- Do we want a worker or a leader?
- How will we manage a director?
- How will we pay for a director?
- What will the board's role be after the hiring?
- How will the organization change?
- What can the director learn from us?
- What would we like to learn from the director?
- How will having a director improve our effectiveness?

Keeping those distinctions in mind provides a reliable compass for choices to be made through the hiring process and the ensuing work.

### Identifying the Need

There are many reasons to decide that hiring a director is the right next step. But for too many groups, the hiring itself seems the salve to their difficulties, and they overlook the fact that careful planning, not pure need, will make it work.

The first and most crucial aspect of hiring is to understand your organization's goals. This may be a wise time to take a look at the whole organization: review and clarify the mission, conduct a strategic planning process, set goals for the long and short term. Then, it will be far more clear why you need a staff person, and what the nature of that job will be. The planning process might have one of several different outcomes:

- The vision becomes clearer and specific goals more defined, which helps the board understand exactly what the new director will do and, in turn, what the board will do.

- The initial assumptions are reaffirmed, and the board is ready to write a job description and hire a director.
- The process highlights dissension among the board, which had earlier appeared to be a need for a staff person. The group has to work out its own problems before bringing a new face on the scene.
- The group realizes it has been running amuck and needs to tighten up its operation and be more realistic. This may mean postponing the hiring process.

There is general agreement that organizations evolve through a series of life stages, much as individuals do. While there is infinite variation between groups, these stages usually include a "founder" stage of creativity and vision, the "early operations" stage filled with efficient program development, "stabilization" when systems and more traditional management

takes over, and then "maturity" when institutional consolidation, planning, and reaffirmation of vision are primary.

The single staffer, or first-time director, is usually hired in the creative/ founder stage, or in the early operations stage. In both cases the board may have trouble letting go and really allowing the director to do the job, but feels it is impossible to keep up with the work without paid staff. Conducting a planning process will help to flush out any emotional reasons for and against hiring, and allow the board to focus on concrete reasons and expectations.

In the planning process, whatever outcome evolves, individuals may work through their disagreements or unrealistic expectations, and find themselves far more capable of designing a manageable job description for a single staff person. This will provide the new director with a set of clear expectations and directions.

## How an Organization Gets to the First Hiring Process

- **The Visionary Approach:** one dynamic individual starts the organization, usually with a single-minded mission.
- **The Crisis Mode:** a threat mobilizes a small group, who work to resolve one immediate problem and later discover they could continue to avoid or resolve similar issues in the community.
- **The Grant Motivated Project:** funding is granted to conduct a project, which leads to community or board interest in similar work after the grant is expended.
- **The Spin-off Process:** a secure and functioning organization is anxious to support another project outside their specific mission, and sets up a small committee with initial funding.

## Keep Your Goals Realistic

While a staff person is certainly going to be able to accomplish a good amount of work that the board had been unable to do, it is critical to keep a realistic sense of time and capacity. Some of the things a single staff person will be able to do:

- Devote concentrated time on project development and implementation
- Accommodate other individuals' time
- Compensate for any skill deficiencies
- Drive a project toward completion on a schedule
- Improve continuity in partnerships and projects
- Invest time in developing and implementing new initiatives
- Write grant proposals, find other resources, and assist board in raising funds from individuals
- Serve as a consistent public "face" and spokesperson for the organization
- Run an office, manage records, and be organized
- Oversee project or contract workers and volunteers
- Improve communication among board members and partners

But a staff person is never in the best position to fulfill certain organizational requirements, which are more appropriately board responsibilities. If the board is hoping to discard these tasks, hiring a director is not the solution. These basic board tasks include:

- Setting policy
- Establishing a long-term vision and a strategic plan

- Creating the director's job description
- Hiring and evaluating the director
- Raising money from individuals and corporations
- Providing necessary time and hard work on events and public activities
- Being fully accountable for financial activities, choices, and record keeping.

Hiring the first director is the sort of decision that is usually irreversible. You might be able to change directors, but it is next to impossible for an organization that has moved from all volunteer to staff, to move back to an all-volunteer organization. What seemed reasonable in terms of board work in the past, simply seems outside the possible. Therefore, the decision to hire should be deliberate. The board should invest in serious discussion and analysis of both technical and emotional issues:

### Technical

- What is the mission of this organization?
- What means do we use to achieve our goals?
- What tasks are best handled by a staff member?
- What tasks can be better handled by the board?
- How will we pay for staff?
- How will we house and equip staff?
- Do we understand the ways our board work will change?
- What other growth and management issues may arise through hiring?

### Emotional

- Do we feel ready to share the vision for our future?
- Can each of us let go of our "territory"?
- Are we ready to oversee a staff person and evaluate progress?
- Are we willing and ready to do the fund-raising work necessary?
- Can we commit to the work necessary to sustain staff and salaries?
- How do we feel about organizational growth?

There are often external events that seem to force an organization to hire staff. Some of these situations are:

- Money: a grant provides staff funding
- Work: a project or contribution is dependent upon staffing
- Time: a valued volunteer is no longer willing or able to contribute time

When these situations occur, the same questions should be asked by the board. One additional question must be asked in these circumstances: Are we willing to become a staffed organization because this external situation seems to require it? These are difficult situations and sometimes seem nonnegotiable, but when the board works through all the issues, other solutions sometimes occur.

Even if the board initially decides against hiring, after working through these criteria, eventually most organizations do move to a staffed situation if they want to thrive and grow. Perhaps the first time the issue comes up, the decision is not to hire. Eventually, the time will be right. Then what?

## Taking the Leap

The board has discussed all the issues surrounding the hiring of a director. The mission has been affirmed, and the strategic plan is in place. Several objectives and goals have been identified. The time has come to find the director.

### The Work and the Person

At this point the board needs to look at its needs and design the job. This should include writing a job description. Based on that description, the board can also determine what characteristics, skills, and other assets it is hoping to find in a director. The board will need to consider the following when it designs the job:

1. **The Job:** what the director will do, how the director will interact with the board.
2. **Preparation:** specific requirements such as education, advanced training, or experiential learning.
3. **Characteristics:** personal interests and abilities that the candidate should possess, such as ability to work independently, strong communication skills, collaborative or teamwork approach.
4. **Skills:** experience in non-profit management, financial management, fund raising, strategic planning, and public speaking, strong writing skills, computer skills or knowledge of specific software.
5. Other requirements such as a car, flexibility to work unusual hours or to travel, or fluency in other languages.

The board will have to be realistic in setting these expectations since one person cannot be fully expert in every area. On the other hand, it is wise to list optimum requirements and then see what the candidates offer. Compromises may be necessary: someone with strong financial and fund-raising skills might be preferable to someone with specific project experience, since volunteers, contractors, and partners from other organizations might fill the gaps on projects. For example, a candidate with an advanced preservation degree might not be as valuable at this stage in the organization's life as the strong manager with job experience and personal involvement in preservation. Later in the organization's life the highly trained and specialized preservation professional could be more appropriate.

Simply writing a job description and deciding on requirements and expectations will be an excellent exercise for the board. By the time the first candidates appear for interviews, the board will be more clear about its needs and choices

### Compensation

While designing the job, the board must also determine issues such as compensation and working conditions. For a first-time employee, these matters will be considerable challenges to a board. If possible, invite a human resources professional to meet with the board or review materials to make certain all the necessary decisions are being made. These will include:

- Salary and benefits, both time and money related (health insurance, vacations, etc.).
- Other financial agreements such as mileage reimbursement and travel expenses.

- Job requirements: number of hours, availability for evening and weekend meetings, any travel or unusual expectations such as continuing education or other training.
- Working conditions: where the employee will work, what equipment will be supplied.

Many organizations hire their first employee on a part-time basis and then later expand the position. If this is the case, it may be wise to include noncompetition and confidentiality agreements in case the employee takes other part-time work with similar organizations.

### Hiring Friends and Insiders

Hiring someone you know often is a wonderful way to ease into the paid-staff world, but it also requires great care. The energetic, devoted volunteer may seem a perfect employee, but all concerned, including the candidate, need to consider whether changing the nature of the arrangement is likely to dampen his or her enthusiasm. Often it is the freedom, occasional nature, and flexibility that helps a volunteer perform so well. When the position becomes a job, with friends as one's boss, the fun drains out of the assignment.

Also, board members may find it difficult to oversee the work of a friend who so recently was a peer. There may be assumptions, misunderstandings, and presumptions that make it very difficult to transition a volunteer or board member to the role of director. The advantage, of course, is that little or no training is needed, the person is immediately available, and everyone knows each other. If the decision is made to hire an insider, ground rules should be carefully spelled

out, and frank conversations held to address the potential dangers of such a hiring.

### Work Environments

Single-staff organizations also often consider home office arrangements with their employees. With computerization and the increase in telecommuting for larger companies, home office arrangements are becoming more and more acceptable. Naturally, it offers the young, struggling non-profit a great cost saving which is particularly valuable at a time when costs are suddenly increasing due to the new payroll. If the employee will provide home office space, the organization will need to consider other issues:

- Will the employee be compensated for use of home office space?
- Will the employee provide equipment, such as computers, fax, etc.?
- Can the organization be assured that a professional atmosphere will be maintained?
- Does the home office limit taking advantage of the organization's newly expanded status by perpetuating a "small shop" image or creating access problems?
- Will the board have access to files and other organizational materials?
- Is there a need to be open to the public?

Without violating any regulations about personal privacy and appropriate questioning of a job candidate, the board still needs to reassure itself that the working conditions will provide a professional atmosphere, an opportunity for concentration and focus,

and real separation between the employee's personal and work lives. Certain requirements should be imposed, such as a separate phone line and off-site storage of back up computer files.

Warnings about intangible issues such as work environment, concentration, quality of attention and distractions, flexibility, compensatory time, and reporting style become a bit harder to legislate when the new employee is a former board member or volunteer, which is sometimes the case with a first-time hire. By establishing the job description and criteria prior to advertising or interviewing for the job, the board gives itself the best possible opportunity to consider all applicants fairly and thoroughly. The pressure to hire a current board member can be extreme, and cause suspicion, sloppiness, or even an enthusiastic blindness to the basic needs of the organization. Care is essential.

Early discussion of the job description also provides the best insurance against falling in love with an inappropriate candidate. Even those organizations that have been planning the first-time hire for years can be swept off their feet with a charismatic individual who may not offer precisely what is needed.

A typical example is the historic preservation organization with a strong volunteer corps that has done several highly visible projects in the community. The organization may have worked well with project managers on a contract basis. The group has evolved, and really needs a director with great systems ability, who can advance its fund-raising work and put some solid professionalism in its budgeting process. But a much-admired preservationist who is a

## Checklist for the Search

### The Board:

1. Ask the hard questions.
2. Determine to hire a director.
3. Appoint the search committee.
4. Establish personnel policies.
5. Set salary and benefit levels.

### The Search Committee:

1. Design the job description.
2. Identify needed characteristics and skills.
3. Design ads.
4. Select advertising outlets.
5. Network: get out word of the job search.
6. Run ads.
7. Review applications and resumes.
8. Interview top candidates and check references.
9. Propose finalists to the board.
10. Negotiate the contract.

great program person applies for the job: this candidate does not have administrative experience, but could run high visibility programs that would be a boon for the organization. Can the group afford to hire this individual?

When money is not a problem, an organization might decide to hire this person plus a systems manager in some combination. But money usually is a problem, and then the agony begins: how to resolve the conflict of needs of the organization and the tempting candidate? If the decision is based on emotions, and the project person hired, the organization will soon have unmanageable administrative problems, as the increased time and investment on programs will simply escalate the administrative needs to a point of crisis. If the candidate is passed over and an administrator hired, there may be great regrets and a sense of lost opportunity.

## Necessities: Laying the Groundwork for Hiring

1. Conduct a strategic planning process and revise or reaffirm your mission.
2. Based on long-term goals, identify the skills you need in a director.
3. Determine how you will pay for a director: have funds available!
4. Have your financial books in order.
5. Create a workplace, or determine how that will happen.
6. Determine the role the board will play once the director is hired.
7. Establish any policies and procedures needed for oversight of a director, payment of salary/benefits, evaluation, etc.
8. Design the job and the salary and benefits.
9. Appoint a subcommittee to oversee the process.
10. Bring recommendations to the board.
11. As a group, interview and rate applicants.
12. Select candidates and offer job.
13. Provide adequate orientation, background, and clear introduction to tasks at hand.
14. Be welcoming and accessible: give the director a chance to excel!

In a case like this, having done the homework in advance and understanding fully the needs of the organization, the board is much more likely to make a decision that will take care of needs. With luck, it may be able to find a compromise solution that provides a bonus, rather than reworking its original intention.

## The Mechanics of Hiring

Oftentimes, board members are unaccustomed to playing the role of employer. Even those with business experience will seldom have been in the position of designing a job and workplace environment. Again, asking for help from professionals can be a great boon, and specialists are often happy to donate their skills and advice for a short-term, specific task. The technical considerations in hiring staff include:

- Developing a contract for the employee.
- Setting up the financial books for payroll, including state, federal, and other withholding taxes.
- Establishing financial controls for accountability and checks and balances.
- Meeting state filing regulations for labor and industry, nondiscrimination requirements, and other employment laws.
- Obtaining insurance for the workplace and employee liability.

This is also a terrific time to make certain all nonprofit status is in order: incorporation, bylaws, the 501(c)(3) status of the organization, and its 990-AR tax filings. As more money is needed and raised, an organization that did not raise much in the past and therefore did not have to file taxes, will begin to submit yearly returns.

No board can expect to include all the necessary expertise among its members. Take this opportunity to ask for help from sympathetic community members. At the same time it is possible to create appropriate separations between board and staff to safeguard the organization's assets.

An accountant might review the record keeping procedures; a human resources director could advise on the employee hunt; a lawyer might look over your evolving employment procedures and the contract with the new employee. This is a wonderful way to draw more community members into your work as helpful and appreciated supporters, and save the organization some angst and money at the same time. There are always great benefits to reaching out.

An organization with an employee will need some policies regarding responsibility:

- **Check signing policies:** most organizations require two signatures for checks over a minimum amount.
- **Evaluation procedures:** it is best to set up employee evaluation criteria and schedules at the point of hiring so it does not disappear in the rush of work, or appear to be a reaction to particular concerns.
- **Board roles:** policy development and overall financial management will always be the role of the board, so policies should be established to assure this.
- **Personnel policies:** guidelines for the everyday working conditions and expectations for the "workforce" should it remain just one employee, or grow.

For some small organizations that have worked well as a volunteer team, establishing these policies may be the first hint of "institutionalization" that they have feared. There is no reason why these policies should change the personality of the organization, or erase the sense of creativity members have treasured. In fact, with the policies written well within the organization's

style, they may be the reassurance that the board will be able to retain the group's character despite the influence of a paid staff person. Policies should not be restrictive guides that force a cookie-cutter approach; rather they can document the style, expectations, and behaviors that have been distinctive to this point.

## Crafting a Relationship

Another important decision to be made at this moment, before the new director is chosen, revolves around the relationship between the board and the director. With one employee or hundreds, the director always is the one employee who reports to the board. If and when additional people are hired, the director or another staff member will oversee the hiring process as well as management and evaluation.

The board sets the tone in the role it plays with the director, which hopefully will reflect the earlier decisions about job design. The role, as the board designs it, denotes the level of independence and control the director will have. The director may be viewed as:

- **Helper for the Board:** an administrative assistant who takes instruction from the board.
- **Team Leader:** an equal among board members, but with more time and more specific skills to invest in the organization's activities.
- **Independent Operator:** an entrepreneur on behalf of the cause, who checks in with the board for basic approvals but initiates new work.
- **Dynamic Inclusive Leader:** a mature or natural leader who

combines characteristics of the Team Leader and the Independent Operator.

Each of these directorship styles has both advantages and disadvantages. Each can evolve into other types over time, but the board sets the standard by stating its expectations. With a first-time hire, the board may not feel ready for the skills of a dynamic leader, as attractive as that candidate may be. Instead the board may feel that it has lost its familiarity with the business at hand. With an Independent Operator, panic may set in and board members will feel they have lost control. On the other hand, hiring a Helper style director may feel comfortable initially but quickly become a disappointment. Once board members get over initial fears of relinquishing control, they will want to see the director take hold and "make things happen."

Through the initial planning for hiring, including the review of mission and strategic planning, the board can do its best to foresee the choices presented by different types of individual candidates. In the best circumstances, a board would like to find a director who combines characteristics of several types: one who actually accomplishes the goals of the board, with a sense of partnership and teamwork, but who also can take initiative, make decisions, and represent the organization professionally and independently. This may take time to evolve, but is a healthy goal for the board.

Whatever role the board hopes its director will play, it should be deliberate in disciplining its own interactions with the new staff person. One member of the board, usually the chair, should be the

liaison with the director. While other members can certainly talk to the director, and may have many opportunities to work and meet with the director, only one person should be passing on instructions and requests for information. Necessary group decisions should be made before instructions are given, not afterward. The director should be included in board meetings—and committee meetings as time allows—to provide information, input, and recommendations, and also to gain an understanding of the board's intentions, concerns, and direction.

One challenge of the board/director relationship is that the board also must be able to take instruction from the director. Members will often have "volunteer" type assignments, particularly in event planning and fund raising, where they are working for the director. A certain graciousness helps in these circumstances. Service on a board is an assignment that stretches individuals, not only in skills, listening, open-mindedness, and governance but also understanding of their different roles. If the board members can be productive at many different levels, and yet retain their wisdom in leadership, the organization will thrive.

## The Hiring Process

Like many other thorny assignments, hiring is much easier when planning has been extensive. With the mission, strategic plan, and job description in place, and some sense of the relationship the board would like to create with a director, selecting a candidate becomes a task of completion, not invention.



## Where first directors come from:

1. The board
2. The volunteer corps
3. A project or activity of the organization
4. A friend of a board member
5. A nearby, similar organization
6. The local community
7. A planned hiring process

The worst temptation at this point might be to jump to hire the “obvious” candidate—a board member, the founder, or an employee of a partner organization. In all but the most unusual circumstances, it is best to follow the disciplined route: advertise the job, select a few finalists, interview, and choose the best candidate. Hiring is for the long term, and regrets have no place in a smoothly running organization.

When there is much work to be done on many different fronts, establishing a search committee is efficient. This committee can do the preparation work and bring final candidates to the board with recommendations. A checklist for assignments will make it easier for the committee members to share the assignments and move quickly. When candidates are applying for jobs it is important to remember their timetables, as well as those of the board, so a fine opportunity is not lost.

Some search committees decide to bring only one candidate to the board for consideration. If this is going to be the procedure, it should be proposed to the board long before it actually happens. In many cases, the fact that a board does not have “a choice” leads to discontent later on when the going gets rough, for reasons entirely unrelated to the search itself. If the board truly wishes the search committee to make the full selection and recommend one candidate, spell that out in the charge to the committee. Otherwise, the committee should bring two or three finalists, along with the rationale for its selection and its own recommendation if it chooses. This is particularly important in selecting the first director of any organization or the first director after the founder.

## Making It Work

As soon as the director has been hired, the world for your organization changes—a little, or a lot. Sometimes it will seem wonderful, sometimes tough. Remember there are varying points of view. The old board dynamic of internal disputes, discussion, and eventual collaboration now becomes just one world within a more complex universe of activity. The trade off is that far more work and goals can now be accomplished.

Boards do have to control their enthusiasm to a certain degree. While the new director may offer 100 percent more time than the director-less board had, he or she is still just one person. There is not infinite time and skill. Boards need to allow time in the director’s job description for organizational business, internal and external communication, an increase in public demand for the group’s work, and simply keeping business going. It is human nature to forget administrative details after the volunteers no longer are responsible for them.

As difficult as it may be to control the enthusiastic proliferation of ideas and projects, the newly staffed organization will be more effective with a strong, nar-

row focus and very specific goals to accomplish. The new director will have a better opportunity to learn the history and culture of the organization, build strong working relationships with the board, and gain public respect, by zeroing in on a few essential projects. As time creates an easier sense of collaboration, new ideas can take hold.

## The Director’s Responsibilities: The Board’s Point of View

The most common sign of post-hiring discontent, from the mouths of board members, is “I thought that’s what we hired the director to do!” This seems to escape from their innermost thoughts whenever an onerous or feared task arises. Most frequently, board members think the new director will take over all fund-raising responsibilities.

Board members need to be clear and realistic about what the director will do. The tasks, as described earlier, include implementation of programs and policies, organization, management of other staff, contractors or assignments, and assisting board members in their assignments. Crucial board responsibilities can be given more attention, including fund raising, introductions and contacts, and strategic planning.

It is a true disservice to the striving director to pass along responsibilities that should be carried out by the board. A new director will usually try to fill every request, appropriate or not. Eventually, this leads to disgruntlement or worse on all sides.

It is best to find ways that the director can assist the board members in accomplishing their tasks. For instance:

## The Hiring Process

1. Write the job description
2. Select media and place ads
3. Get out the word
4. Review applications based on identified needs
5. Interview top applicants
6. Take at least three finalists to the board

- In asking for contributions, the director can go along on visits and provide background materials.
- If the board is insecure about approving a budget, the director can provide an explanation for unfamiliar items, and can even bring in an accountant or other financial expert to offer a training course in nonprofit budgeting.
- When board members are unsure what policies might be beneficial, the director can gather sample policies from other organizations.
- During planning processes, the director can suggest and research hiring a facilitator who could assist the board in reviewing the mission and setting goals.

The objective here should be for the board to retain its responsibility and carry through effectively on appropriate assignments. The director can foster strong board leadership by providing the information and tools that the board needs to do its work well, but not by doing the work for the board. Together, the board and the new director can work through these issues to make certain each role is clearly defined and each party can effectively fulfill its responsibilities.

Ironically, if the board tries to pass off its assignments, and if the new director tries to oblige by taking on the board's roles, eventually both sides will become frustrated or even disillusioned with the other. The early days are crucial in building a respectful, well-delineated partnership.

## The Director's Responsibilities: The Director's Point of View

To be successful at the job, the new director may find it quite irresistible to take on tasks that might better belong to the board. While it seems obvious that the new director and board should communicate well and carefully about roles and responsibilities, there is a tendency on both sides to assume that the other knows more about what should be done. Each party may wait for the other to set the pace.

The director must be clear in asking the board to set long-range goals, establish policies and priorities, and also to explain the culture and traditions of the organization. Then, the director must be equally clear in handling duties in an efficient, sustainable way.

As a single staff person with a whole board to satisfy, the director will have to manage time wisely. All the traditional staff functions will be rolled into one person: the one who receives direction from the board, the one who decides how to implement programs and complete tasks, and the one who actually does the program and administrative work. The new director will have to find the best ways to invite board members to help on those tasks and program work, as volunteers, without invading the territory of board roles.

At some point the director needs to say "no" to some requests. It may be very useful for the new director and the board to share some readings and even attend a training workshop on board/staff roles and relationships. At this point, it may be wise to clarify the board chair's role, even to the point of designing a new job description for the position, so

## Dangers in Hiring the First Director

**The Yes Director:** hiring someone who will just take orders, but never take the lead.

**The Clone Director:** a paid staff person who is reminiscent of the organization's current leader, close but not quite.

**The Opposites-Attract Director:** a candidate who seems to offer everything that has been missing, but allows the board to neglect the things already going well.

**The Everything Director:** the person who promises to do everything, and lets the board off the hook, which feels like a relief at first and later becomes a relinquishing of control, enthusiasm or responsibility.

**The Great Let-Down:** any person, capable or not, hired to follow a beloved founder or longtime director, who may never be able to live up to expectations.

**The Personal Agenda Director:** who is anxious to reshape the organization in a different mold, and may allow progress to be lost.

### *Dangers can be averted through careful planning!*

- Review and affirm the mission
- Develop a strategic plan
- Identify solid reasons to hire a director
- Develop a job description
- Review and revise the board's role
- Develop personnel policies
- List the needed characteristics and skills
- Appoint a search committee
- Interview candidates
- Check all references
- Establish an evaluation system
- Agree on a firm contract
- Communicate!

that a new staff person is not overwhelmed by directions from many different board members. It is not easy to establish a totally efficient collaboration, and both training and talking can help.

### Creating Collaboration

Before paid staff was hired, the board may have been accustomed to working as a whole and sharing information in a somewhat informal way. Once the director is hired, it may be more effective to work in committees on particular assignments. The essential committees are:

- **Executive** (to make decisions in the absence of the full board and coordinate the work of committees and the whole board).
- **Finance** (to review and be accountable for budgeting, and managing income, and expense).
- **Program** (to recommend and evaluate project work).
- **Nominating** (to assure reliable perpetuation of the board).
- **Fund-raising** (to plan with the director for fund raising of all types: individual, grants, corporate and events and see that fund-raising goals are met).

These committees should not be expected to carry all responsibility in their areas, but rather to conduct initial investigations and planning, then to take information and recommendations to the board.

The director should attend board meetings, but not as a voting member. The director can serve as an information source, and will offer excellent perspective for the board in discussion. Likewise, the director will proba-

bly be an important addition to committee meetings. The danger, of course, is that there will be so many meetings that the director has little time for anything else. Board and director together need to work toward a schedule that encourages open, informative communication, but does not create a schedule solely of meetings. The director should not take minutes at the meetings, or take on a "helpmate" role, as it will interfere with thoughtful communication and also cause a subtle undermining of the director's leadership role.

The exchange of information between board and staff is essential, and the simple fact that one party in the group is paid will make communication a more formal operation. Electronic communication can make this much easier. The board can agree to electronic messages from the director on a regular basis (for instance, weekly) for simple updates. There might also be a list serve, which would allow electronic conversation between board and staff at any time. If all members of the board are comfortable with computers and e-mail, this can be an excellent way to stay in touch. It requires discipline to not discuss every tiny little issue.

When the new director is a former board member, or was the founder of the organization, there is often a tendency to make assumptions that everything will just naturally work out. It is really smarter to agree that some systems should be established for true board/staff communication and collaboration. A small amount of formality, particularly with an old friend, can prove very useful if and when any difficult decisions or situations arise later.

This discussion of formalized communications may feel offensive to a small organization that just recently was all volunteer. Some people may wonder how it could be possible to disagree severely, or drop the ball on communication when you are all working hard toward a shared, passionate belief. Yet, it's the pure passion of that commitment that makes disagreement inevitable. Feelings and emotions will always be more fragile and tender when everyone cares so much. Better to be prepared to resolve issues than to try to believe they won't arise.

### The Public Face

In the early phases of growth, particularly when a director is hired, an organization needs to begin paying more attention to its public image. It is likely that one of the director's assignments will be to enhance public recognition of the group and its work, and to increase publicity.

At this point, the organization should determine who the public spokesperson will be, and adhere to that decision. All-volunteer groups often spread their public announcement assignments among the members, giving an impression that "no one is in charge here." Once staff is hired, it is wise to have a policy that all requests for information be directed to, and handled, by the director. For major organizational announcements, such as the hiring of a director, purchase of a building, launch of a campaign, or establishment of a new program, the board chair would be the appropriate person to make the announcement. In all other circumstances, the board should agree that the director be the primary spokesperson, not the least because the director is more accessible to the press.

An organizational policy stating that the director is the official spokesperson can offset any tendency for individual statements or inadvertent “leaks” to the press. In the early days of the transition to staff, board members may have a hard time remembering to pass information requests over to the director. When a statement from the board chair or a statement on behalf of the board is appropriate, the director should first get the request and then pass it on.

Over time, an active and prominent director may come to be more publicly associated with the organization than board members who have served shorter terms. The director will eventually develop a more continuous understanding of the organization, and in fact, a highly effective director may be more attuned to the media’s underlying curiosity than a board member can be.

If and when difficult issues are under public discussion, the board and director might choose to schedule a meeting to determine a strategic stance and approach to the media, and to prepare the director and a board member to work together on a public response. This approach helps the organization control the media coverage, and clearly illustrates who will handle future inquiries.

## Creating a Good Experience

Hiring a new director, first time or not, is like starting with a clean slate: it’s a fresh, new opportunity with the potential for wonderful outcomes. Like most of us, the board and the director alike will be hoping—even planning—for the best. Success requires work and, in

particular, understanding what everyone needs most. Listening to those who have been in this situation is good insurance toward creating a great experience.

### What directors like best about a one-person shop

- Independence
- Deciding how to achieve goals
- A sense of personal accomplishment
- Being inventive and creative
- Having some control over timelines
- Investing oneself in a passionate commitment
- No time spent on supervision, evaluation, etc.

### What directors don’t like about a one-person shop

- It’s lonely
- No peers to share stress with
- The only one to talk to is your boss (the board)
- There is always too much work to do
- It’s easy to get stuck in a rut
- It’s too easy for things to get personal

### What boards like about not having a director

- No time spent on hiring, supervision, and evaluation
- Communication is easier among peers
- Everything can be freeform and inventive
- There is less responsibility, especially financial
- There is less need for fund raising

### What boards like about having a director

- There’s someone else to do much of the work
- Someone else can share the worrying
- There’s hope for meeting deadlines and goals
- It feels more professional
- The board learns new skills
- The organization can grow
- The product seems more sophisticated

Listening carefully to the messages board and staff give each other will be a clue to levels of satisfaction and success with the situation. There are also concrete ways to make certain all parties experience success:

- Set benchmarks and evaluate progress
- Understand and articulate distinct roles
- Meet frequently enough to stay on track
- Schedule an annual retreat that encourages planning and communication
- Plan for the future
- Show appreciation to and respect for each other
- Encourage staff mentoring

Because the board was there first, it sometimes seems that its members are responsible for creating a productive environment, but the longer the director is in place, the more it becomes a staff job. Some of the ways a director can create a positive atmosphere for board activity are:

## Sometimes the Director Comes First

In rare circumstances, and usually only once in an organization's life, the director may be in place before there is an active board. While legal incorporation requires a board, the number of members required by state laws can be a little as one. Some formal votes at annual meetings are required and official oversight of documentation, but it is possible to have a very "hands off" board for years. In some cases the director is the founder and has operated as a "sole proprietor" type director for some time. Even more rarely, a project director may be hired or appointed for a spin off project that grows into an organization of its own. In these cases the board gathers around the director.

This circumstance is probably the most challenging form for organizational growth although it often appears to produce the fastest, most reliable results. A director operating as an independent agent has no one to report to, no grounding policies, no time spent on communication, and no one to question activities. The independent director can make split second decisions, change directions, and flex as much as the projects require.

On the down side, there is no sustainability and little room for growth in a board-less organization. As long as the director is energetic and productive, it appears to work. When times get tough, there is no back up.

Some independent directors never recruit a board, and therefore, their projects may be limited by the director's own life stages or personal energy and attention. Other directors begin to see the need

for an institutionalization of the mission, and begin to assemble a board around themselves. Often they will not even realize what they are doing until a conflict arises.

For the board and the director, this type of evolving organization presents special challenges and requires great sensitivity. While the suggestions presented here are all important, the director-instigated organization will also need extraordinary communication skills, very clear vision and mission, reliable finances, and an understanding that new board members over time may draw the organization in broader directions.

At some point the founding director will leave the organization. At that point, the strength of the board will be appreciated, as the first hiring after the founder will be a very difficult job, and tends to be more reactive than any other type of hiring. It is common to find that the first director after the founder cannot succeed because of comparisons (both positive and negative) to the past. This can be very painful, not the least because the new director is often someone trained or selected by the founder.

The best insurance with founder-led organizations is to create a strong system of planning as well as incrementally increased board responsibility while the founder is still in place, and to be particularly careful to implement all steps of the hiring process when the time comes, with no shortcuts.

- Be absolutely clear what is needed and what is appropriate board involvement
- Talk over difficulties when they occur, not later
- Show appreciation for the board's efforts
- Understand what board members want from the experience
- Set high expectations for board input
- Encourage participation but be realistic if members must limit their commitment
- Protect appropriate confidentiality
- Communicate

- Provide learning opportunities
- Listen and welcome advice

### Board Job Descriptions

Just as the director needs a job description, board members may welcome a written blueprint for their participation. As the director begins to handle staff assignments, some board members may feel useless and undirected. This is a natural reaction to the director stepping in: it is human nature to feel pushed aside in such a situation, even when we have sought the assistance of professional staff. This is a confusing and challenging moment, and requires care, sensitivity and communication from all.

The board can participate in creating a positive environment by doing the following:

- Encourage mentoring
- Create learning opportunities for staff
- Be clear about expectations
- Follow strategic plan
- Insist on staff work plan
- Uphold contractual obligations
- Learn about traditional board roles and responsibilities
- Concentrate on maximizing appropriate board involvement

## Contracts

While seemingly inconsistent with a discussion on collaboration and understanding, contracts are actually an excellent way to clarify assignments and avoid misunderstandings later. In the organization that encourages mutual respect between board and staff, the contract may work well for both sides: a contract for the director and a contract for board members.

Most people are familiar with contracts for employees and know they should include:

- Work responsibilities
- Supervision: who the director reports to, and who reports to the director
- Expected work products
- Evaluation procedures
- Dispute procedures
- Agreements on hours and weeks worked and time off
- Salary and benefits

It is also excellent to have a contract for board members in addition to the board job description, not simply to clarify the supervision of staff, but to spell out other expectations and requirements:

- Board responsibilities
- Attendance and participation requirements
- Committee assignments
- Fund raising and donation expectations
- Terms of service and re-appointment
- A code of conflict or values statement
- A conflict of interest policy

While this might feel strange at first, board members often find the contract resolves conflicts and makes accepting and declining assignments far less guilt-inducing. When board and director work to intentionally spell out their respective roles, they vastly decrease the likelihood of misunderstandings, serious omissions in work assignments, and duplication of efforts. The contracts make it far easier to accept the opinions and suggestions of others, and to understand and appreciate each individual's input.

## How Soon Can the Director Raise His or Her Salary?

One of the unreasonable stresses to impose on a new director is the obligation to "raise his or her salary" in the first year. Not only is it uncomfortable for an employee who is a novice fund raiser to feel, at heart, that the funds being requested are "personal," but it is also a heavy load for a new staff person to immediately face a significantly increased fund-raising goal. Boards can avert this situation by a number of means:

- Set a long-term goal for hiring, and gradually increase fund raising over a period of years in preparation.
- Establish a cash reserve or line of credit that can be tapped in the first year or two of staffing.
- Make additional board contributions to bridge the short-term gap.
- Find a foundation or agency that might grant a "capacity building" grant for hiring.
- Take on a project that carries staff salary funding which can be incorporated in the director's job description.

However the funds are raised, the key things to remember are that the board should have a plan for funding the director's salary in the first year or two at least, and that its role and responsibility in fund raising continues. In fact, the board will probably find that the percentage of its time on fund raising actually increases as the director takes over administrative work.

The board also must know that the cost of staff is not salary, benefits, and office expense alone. There is also the need for continuing education and networking. Even the most well prepared director will want to attend some conferences in the field, find ways to increase skills, and participate in networking opportunities. These ultimately benefit the organization as well, by identifying partners, raising the level of skill and professionalism, and increasing visibility. The costs of these activities must be added to the budget and considered a part of the expense incurred by having staff. The time and money spent on such involvement must be watched closely, but a certain amount of training and networking is advantageous all around.

## Who Does the Work?

There are different schools of thought on the delineation of board and staff assignments, but the size of the organization is the basic determinant in assignments. The all-volunteer organization often has no delineation among tasks, making a free-for-all. The large, well-staffed organization will find it practical to create very clear delineation of tasks between board and staff since board members can be "saved" for the tasks only they can perform. These boards oftentimes have to learn to refrain from trying to do the staff's work.

It is easier to understand how all-volunteer and highly staffed organizations operate. In between, where the single-staff organization lies, is the tricky spot, where idiosyncratic job descriptions may spring up. The director of a one-person organization will have to be a jack-of-all-trades to a certain extent. As much as the board and the director both will want to allow some specialization, it is just impossible to have a narrow definition of assignments for this position. Occasionally, when specialties are absolutely necessary, the organization may hire consultants, but budget restraints may preclude much of this outsourcing.

Most directors in the one-person shop find they develop new skills very quickly. If they have the personality to remain happy and productive in such a situation, they begin to spread themselves over a vast array of tasks. As much as this is essential, it can also be detrimental. Eventually if the organization begins to grow, the director may find it frustrating to pass over tasks to new staff and, even worse, may lose the capacity to concentrate intensely on single narrow assignments. It is important that in filling a broad range of needs, the director does not lose the capacity to complete complex demanding assignments.

The basic—if simplistic—guideline for delineating board/staff responsibilities is this: The board is responsible for the future. The staff is responsible for today. Any decisions that will have long-term impact on the organization and its sustainability are potentially board matters. Any decisions that will assist in accomplishing immediate tasks, but not necessarily restrict or enhance the organization's activities in the future, are

more likely to be staff decisions. While this is obviously a simplistic approach, it may help in figuring out sticky situations.

The board is responsible for governing the organization, and this includes:

- Reviewing and affirming the mission.
- Setting the goals and values of the organization.
- Setting policies and other guides to decision making and activity.
- Governing the organization.
- Hiring, evaluating, firing and or advancing the director.
- Assuring the financial stability of the organization, including participation in fund raising.

The director, and any other staff, is responsible for:

- Implementing the decisions of the board.
- Conducting the tasks necessary to meet goals and achieve the mission.
- Performing all day-to-day activities of the organization.
- Hiring and supervising staff other than the director.
- Working within the budgetary guidelines and standards established by the board.

The unwritten rule in all organizations is that the board and staff have the capacity to make each other more effective. By collaborating at a high, respectful level, together they can achieve both the short- and long-term goals of the organization.

One of the current management gurus is John Carver, who advocates a strong policy-orientation for boards and has written extensively on the subject in his

book, *Boards that Make Things Work*, and his many instructional materials. He has made discussion of “ends and means” a determinant of nonprofit management today. Carver's theories are clear cut and attractive, particularly to boards with a vast array of issues to consider.

But for the tiny one-staff organization, Carver's model will be too cut-and-dried. The large group of individuals who make up the board will have the smallest “to do” list and the sole staff member will be burdened with a growing, overwhelming list of assignments. For these very small groups, some middle ground must be found between the Carver model and a freeform volunteer-driven organization. Board members are still the work force albeit volunteers, in these small organizations, and therefore they can fill many roles, as fund raisers, event planners and workers, and program advisors. They can even fill staff-like assignments such as publicity, scheduling, and office workers. They must use their judgment so that helping on these tasks does not become a tool for undermining the director, but they also must accept the fact that one person can't do everything.

It is important that board members recognize that they wear both governance and volunteer “hats” and that they remember which one they are wearing at crucial moments.

In the one-person shop, flexibility and communication are absolutely essential. So are respect, confidentiality, and wise use of time.

### **Who Does What?**

Despite the best planning, an organization in transition needs some ability to fill in, be flexible, and respond to new discoveries during the process. For instance, some boards may choose to take the logical step and develop a strategic plan before hiring the new director, but other boards might feel it is more respectful and more practical to hire a good candidate and use that person's skills in helping develop the plan.

Although the director technically reports to the board, on these volunteer assignments, the board members will report to the director. They are really filling in, where a larger organization might have staff. The flexibility necessary for such an arrangement is highly dependent on communication, role clarity, and understanding, plus a willingness to see what will work.

As the organization grows, staff may handle some of these assignments, but the board would probably find that a committee structure provides the oversight and communication it has come to expect. At no point should the board be in the dark about what is happening, but gradually paid staff will handle more and more of the day-to-day assignments. In a more corporate model, the board would simply let the staff know the goals, and the limitations to their work styles and choices. In a very small organization, more hands-on involvement is essential just to get the work done.

In reviewing this scenario, it is clear that the board is learning as it goes. Planning works because the board members know what they want for a vision, and they grasp the "big picture" components. When the board gets down to the tasks necessary to achieve

results, the director can step in and offer suggestions that are practical and will work with his or her skills. For everyday activities, if the board members help out due to individual expertise, the director will oversee their involvement.

In a sense, this system allows for the checks and balances that are often difficult to achieve in a very small organization. But it also requires a clear understanding of roles on everyone's part. The board members need to remember when they are making decisions in a traditional board mode, and when they are pitching in as volunteers or unpaid employees.

### **The Director's Job**

In the very small organization, the director will have more hats to wear than can be imagined. If work needs to be done, the director is the one to do it or find a volunteer to do so. In the long-term scheme of organizational development, the job will likely evolve in this manner:

1. The director is hired, perhaps even part-time, after the board has run an all-volunteer organization. Chances are good that some members may not even be convinced that a staff person is necessary.
2. In the beginning, the director may occasionally have extra time, and may find it possible to be imaginative in developing new outreach, program, and networking opportunities. Like a fisherman early in the morning, the director may set out many lines.
3. As it becomes clear that the organization is accomplishing far more than previously possible (and the quality of work has improved due to regular time investment and a professional touch), an increasing

## The Lakeside Preservation Organization

The following scenario suggests how boards and their newly-hired staff person might work together to accomplish different tasks.

*The Lakeside Preservation Organization has functioned as an all-volunteer organization for several years, but finally decides to hire a director when a grant is received for a community education program focused on protecting and reinvigorating historic downtowns. The board writes the job description for the new director, advertises, and then selects the first director. The same day it offers the job, the board votes on personnel policies, and decides the executive committee should meet with the director monthly, between full board meetings.*

*Realizing they are a bit disorganized, board members decide to conduct a strategic planning session with the new director on board. At the meeting, the director does a lot of listening, but offers to write up some of the plan for review at the next session. As they get past the loftier, visionary ideas and begin to discuss some of the nitty-gritty work that is necessary to achieve their goals, the director speaks up more often. She is concerned with her time and ability to meet very ambitious expectations.*

*Through heated discussion, all begin to see that while board members can envision the results they want, they really will have to allow the director to do the preliminary work in ways that are effective for her, considering her skills and experience. After all, that's why they hired her. But meanwhile, the board sees that the director does not have the contacts necessary to solicit contributions from community leaders. Board members step up and offer to make introductions, go on fund-raising calls as teams, and solicit the larger contributions.*

*The director then offers to develop a community-wide mail campaign to raise grassroots support. The board and director work together on the budget, and see that the combination of a few major gifts and a wide array of smaller gifts should make success possible.*

*The work to accomplish the community education goals, plus establishing an administrative structure, appears fairly daunting. A few board members offer to continue work they did in the pre-director days: one offers to write press releases if the director will provide the necessary information and give him several days notice of deadlines. Another board member offers to talk with legislators about the project to continue the advocacy work that got the organization the initial grant. The director lets the board know that she has several contacts in the preservation community and will set up a community meeting to create a network.*



## Board/Director Cooperation

### The Board

- Set policy
- Hire director
- Evaluate, promote and dismiss director
- Assure financial stability
- Participate in fund raising
- Advocate for the mission
- Be accountable for financial decisions
- Review and affirm the mission
- Set goals and guidelines for operations
- Conduct long-term planning

### The Director

- Implement policy
- Design and run programs
- Hire and manage staff
- Evaluate, promote and dismiss staff
- Operate financially stable organization
- Adhere to all legal and tax requirements
- Communicate in a timely fashion with board
- Represent the organization to the public

amount of work comes to the organization. Grants may increase, and along with them the burden of more programs. This is precisely what the board had hoped for, but the director now finds it necessary to run programs, answer phones, manage finances, write grant proposals, develop public relations and publicity materials, raise money, learn on the job, and communicate with the board. Things get busy.

4. The director seeks more and more ways to do the job without hiring staff: adding more technology (everything from

fax and copier to palm pilots and voice mail), getting a student intern, contracting with professionals for short-term assignments, and asking for more volunteer help. The board members may have had a vacation since the days when they had no staff, but they now begin to do more volunteer work again.

5. If the escalation of work continues, the contracts begin to add up, the board members feel overworked (again), and the director begins to feel overwhelmed. A decision must be made: more staff, or scale down. Either way, the cycle revolves.

Through this five-step picture of growth, it becomes clear that the one-person shop still has to accomplish the wide array of tasks that any small or large organization must. The director is forced to find ways to do the work or get help. A jack-of-all-trades director will probably do the majority of the following tasks:

1. Program development and implementation
2. Planning
3. Keeping the books
4. Publicity and public relations
5. Fund raising
6. Board management
7. Volunteer recruitment and management
8. Office management
9. Professional networking and communication

This list evolves with the life cycles of the organization. For some directors, doing all this is heaven. For others, it is an impossible frustration. For the board, it is important to be alert

to the conflicting signs of overwork and unhappiness, since often appears that more staff is needed when in fact it is only true that the current director is not well suited to such a multi-phased job description. Before adding more staff, the board must identify the real problems. The minimum requirements for good job performance include program development and implementation, publicity, fund raising, volunteer management, and specific tasks set out by the board in the job description. Other assignments can be implemented in partnership with the board and/or contracted out.

### **Program Development and Implementation**

At first the board will think it wants a director who is an expert in historic preservation. After the director is hired, board members will wish they'd hired someone with administrative skills. In fact, many board members want a director so they can be relieved of the tedious management tasks associated with a busy growing operation. They want to continue working on the project which is where the fun lies.

The director candidate, on the other hand, is probably attracted to the job because of the mission and projects. Someone who has spent years preparing for work in historic preservation, has interned with an organization or two, perhaps studied for a graduate degree, and who may have worked as second-in-command at another organization is not going to be happy if the board members refuse to do the projects and leave the director at home with the phone and the fund raising. This is one of the things the board has to deal with before hiring.

If a director is needed to run the organization, and the job description includes project work, some of that interesting material must be relinquished by the volunteers. In fact, the trouble may be deeper: the new director may believe the work should be done differently than the board was doing it before.

If the board hires a professional with experience and training, that person must be allowed to do the job. Conflicts must be confronted immediately and the roles and responsibilities spelled out. Hopefully the director has strong interpersonal skills and can also understand the complications of relinquishing control by the board. It will help if board meetings can include designated time for discussion of projects, and the director can lay out specific areas of work where board members and volunteers can be useful.

Later, when the work is proliferating, the director will be happy to have help. It may also be useful for the director to provide some training and workshops for board members. These provide means for upgrading and focusing board participation. If there is a great deal to do, the board members can choose to establish teams of volunteers and head these up, creating an additional level of expertise and a new work force.

If the director feels that the job is structured to keep him or her out of the field, that may discourage the director from staying in the position. An organization that can not hold on to a qualified director needs to look carefully at the job description and the actual job as it plays out: are the skills of the director being used, and is the work really reflective of the job description? If not, why not? Discrepancies

between job description, expectations of the board, actual work by the executive, and satisfaction on both sides are most common in first directorships but can be avoided or resolved through communication.

### **Planning**

Every organization and director can be very busy without a plan, but it is difficult to create a mature, sustainable, and productive organization without one. As much as board members enjoy getting "their hands in the dirt" and being involved in the projects and programs of the organization, they need to realize that their true responsibility is to create the framework for that activity. The framework is the plan.

A highly sophisticated planning process is probably not necessary the first time a board creates a long-range plan, but a logical, facilitated process will produce more reliable results than a haphazard listing of activities. Much has been written about organizational planning for nonprofits, and some excellent, simple planning guides are available. The board and the director should review the possible processes and together decide how to proceed.

Basically, the plan must include review and reaffirmation of the vision and mission of the organization, a review or assessment of its current situation and environment, a listing of the needs to be met, short- and long-term goals, and finally the action steps to accomplishing the goals. An evaluation process established during the planning process will assure continuity of the process.

A board will find that the planning process is more successful if some of the work is conducted during a retreat or at a location outside the usual meet-

## Hints for the Strategic Planning Process

- Get a facilitator
- Set goals for outcome and timing
- Start with the mission and work toward tasks
- Be inclusive
- Survey weaknesses and strengths first
- Consider external forces
- Be realistic but courageous
- Keep the Big Picture focus
- Listen to each other

ing environment. The change of scene helps participants stretch in different directions and stay more focussed on the task, while thinking in broader terms. A long-range plan is very much the work of the board, with the director offering facilitation and information. A short-term plan, which may be more of an implementation schedule, is the work of the director (and staff, if there are any others) who then delivers a draft product to the board for review. The smaller and more informal the organization, the more overlap in roles.

It is very tempting for a director to interfere with the board's planning process, and yet that interference can ultimately weaken the plan. Assuming the role of information-provider rather than influencer is wise. If the work plan heads in seriously alarming directions, naturally the director should speak up. But often the process resolves itself and the board finds its way to a strong logical plan despite some bumps in the road. The director can be on the lookout, but try not to interfere.

A written plan provides action steps, which then yield criteria for future evaluation of the director's performance, the board's assessment of itself and organizational success. Planning should be viewed as a continual process of renewal and assessment for the entire organization.

### ***Keeping the Books***

In financial matters, the checks and balances must be clearly defined. The board will find a two-signature checking system reassuring, but may also want to contract with an outside bookkeeper for routine financial matters. It is not wise to have the same individual authorizing expenditures, writing the checks, and reviewing the books. The board finance committee should establish the procedures necessary. If grants have been obtained for program work, an audit (or at least an outside compilation) should be conducted regularly, perhaps in alternate years. As the organization and/or its budget grows, that audit might become an annual activity.

The board treasurer should meet with the director on a regular basis to review both procedures and income and expense items. The finance committee should receive monthly or quarterly reports, and the full board should get a financial report at each meeting. None of these have to be discussions that take up the whole meeting, but the board needs to understand that it is ultimately responsible for the organization's finances and behave accordingly.

Even if the director has check-signing authority, the bookkeeper or board treasurer should make payroll payments. When such arrangements are established as policy for the organiza-

tion, it is no indication of distrust on the part of the board. It also provides good back up when individuals are unavailable.

For fund-raising income, the organization should also have the two-person arrangement. If the director will be processing thank yous and updating the database, it will be important to have the contributions opened and recorded by a different individual. Nearly all nonprofits make copies of checks in order to keep accurate records on donor names and contribution amounts. This is doubly useful in the small shop, where the same person may be handling nearly all the records.

### ***Publicity: Getting the Word Out***

Some small organizations are lucky enough to have a public relations specialist on the board who helps with publicity. More often, the director has, or develops, the skills to write press releases, contact the media, and produce the organization's newsletter. In fact, the typical director of a one-person shop usually needs program knowledge, a bit of public relations and fund-raising experience, and a strong dose of networking skills. Public relations is the first skill to develop after program and mission commitment.

Another aspect of publicity is serving as public spokesperson. The jack-of-all-trades director will probably need to make public appearances and presentations, speak in small gatherings, and communicate with political figures. A board member or two may be able to help on these opportunities, but in many cases it is the director whom people will want to meet.

When an organization is launching a major campaign or project, it may be extremely helpful to contract with a marketing specialist who can design a conceptual approach. This can then be implemented by the staff person in a systematic way, assuring low cost, manageable tasks, and sophisticated planning. This type of project is perfect for pro bono service, and could even lead to a long-term association with a marketing specialist.

More routine assignments such as press releases and newsletters can be handled by a staff person with a modest exposure to public relations work and objectives. As Richard Beamish writes in his primer on grassroots publicity "good communications tend to come naturally if you put yourself in the place of the 'audience' you wish to reach." The director selected to run a one-person shop will probably have this ability to understand the audience's interests, simply through the board's diverse criteria for the job, and therefore publicity may be one of the easiest tasks to incorporate with directorship.

With basic software it is possible to produce an in-house newsletter easily and at low cost. In addition, many organizations are finding that an e-mail newsletter is read by those people who are most interested in the work of the organization. If the newsletter is seen as a marketing device, a membership enhancement, or preliminary to expanding the fund-raising base, the e-mail option is less likely to work. On those people who are already captured as enthusiasts will open and read the message.

## **Fund Raising**

Raising the money needed for the organization's projects and operations will undoubtedly be one of the director's major assignments. In fact, the very reason to hire the first director often revolves around fund raising: the organization needs more money, the board members are tired of raising it, new ideas are needed, and the skills of the amateurs on board simply are not sophisticated enough to produce sufficient funds.

Again, the common board complaint when fund-raising issues arise is, "I thought that was what we hired the director for!" If the comment is made seriously, the time is right for a discussion of roles and responsibilities. It is essential that board members understand that hiring a director does not relieve them of fund-raising responsibilities entirely, but rather allows them to concentrate their efforts in the most appropriate and promising areas, while a staff person does the other parts of the work.

Most fund raising for small and moderate-sized nonprofits centers on four activities: asking individuals and businesses for gifts, conducting a mail campaign, writing grant proposals, and sponsoring events. Among a board of 10-15 individuals and a director, it is likely that skills necessary for all these activities will be represented: the challenge is to make certain the right people do the right jobs based on their skills and relationships.

### **Asking Individuals and Businesses**

While this is the most feared of all fund-raising tasks, it is also the most promising. There is no better way to elicit a maximum gift from an enthusiastic supporter

than to ask personally for a specific amount. The "ask" is always more effective if a friend asks a friend, and that is where the board members' qualifications excel. Some people are experienced with personal solicitation. They can be a tremendous asset to the board by conducting some of the solicitations, by accompanying less experienced solicitors on calls, and even by offering informal training sessions for their fellow board members.

In the absence of experienced board members, the director must make it his or her business to learn about solicitation and then train the board. When everyone is a novice, an excellent approach is to invite a well-known fund-raising volunteer in the community to speak to the board: someone who has learned the skills and had success with solicitation and who can speak to the very issues that concern the board. It is also helpful to invite a philanthropist to talk with the board about the motivations and rewards of giving, as so many people think fund raising is uncomfortable because it feels self-serving. When a donor talks about his or her personal sense of joy in helping a project succeed, the board members will get the message and feel much more at ease in asking for a gift. In helping them understand why people give, it also may change their attitudes about fund raising for the organization.

In all such training moments, it is important to recognize that information delivered by an outsider is often a lot more palatable than information delivered by a fellow board member or, worse, the director. Remember to thank an outside speaker or coach: this can be difficult in the midst of board members learning some-

thing new and uncomfortable, and the director feeling like a novice when he or she is used to being the professional. It's easy to bog down in the social and emotional confusion of the session and neglect the trainer. Pay attention: the gift of teaching fund-raising concepts and skills may be the greatest contribution received.

The director carries a lot of clout and can be an effective part of the solicitation, but a volunteer/donor/board member always has more emotional impact on a prospect. The director, on the other hand, can provide the reassuring accountability and programmatic detail that donors, especially at higher levels, want to hear. Board members will do well to accept this fact and not try to continually push the director to do the asking alone. Often board members have been selected because of their connections, professions, work, or family associations. They should accept the fact that these connections are part of the valuable personal assets they can offer the organization, and in accepting a place on the board, be willing to use them.

### **Mail Campaigns**

There is hardly a nonprofit today that does not conduct some sort of mail-based fund-raising campaigns. Oftentimes, the first mailing or two is targeted to raise funds for a specific project, to avert a crisis, or to achieve one narrowly-defined goal. But as the organization matures, mail campaigns will probably form the basis of annual fund raising. When the director is hired, that annual source of funds becomes essential as it provides operations support and continuity that payroll requires.

Before the director is hired, the board will probably find a mail campaign fairly simple and straightforward. In fact, it looks particularly attractive because it takes the pressure off more “scary” assignments like personal solicitation. Boards typically develop mailing lists, keep a modest database, record gifts, and send out thank-you notes. With luck they raise their goal and see some incremental increase every year as their projects and organization gain more visibility.

If the organization has a membership or is seeking to develop one, the mail campaign will prove essential. However, boards without directors tend to lump membership appeals and traditional annual fund appeals together in a single request for funds. This will work for some time, but will eventually level off at a fund-raising yield that is far below the amount that could be raised by separate membership and annual appeal efforts. The guideline to remember is that memberships serve the members first, the organization’s mission second; annual appeals serve the organization and its mission first, with the donor receiving only appreciation in return. Because this is complex and fund-raising is among the least favorite board activities, the director-less organization will often have a primitive, single-message mail campaign. The new director can separate the mailings, make a more sophisticated membership program and a more productive annual appeal effort.

When the director is hired, all this fund-raising, membership raising and prospect acquisition is a natural task to pass along. It requires systematic improvements and far less personal input than direct solicitation. The staff

person will easily take care of all mechanical aspects of the campaign: establishing and maintaining a good database, drafting and printing materials, ordering supplies, scheduling tasks, and generating acknowledgments.

The board can inject its own work at various points in the process, and can improve the mail campaign dramatically through small but very meaningful input:

Most effective uses of the board’s time and abilities in a mail campaign include:

- Expanding the mailing list through brainstorming and contributing personal lists.
- Drafting or editing the fund-raising letter.
- Writing personal notes at the bottom of letters to friends.
- Following up letters with phone calls.
- Writing thank-you notes or making thank-you phone calls.

The key criteria here is that board members do the tasks that benefit most from their personal associations and emotional involvement in the mission. The director does the tasks that require systems, research, materials development, working with printers, and other technical, time-consuming assignments. While a board member who offers to help on these tasks would probably be much appreciated, such an offer should not be a replacement for more personal board input.

Whereas the board may have found a simple database system easiest for storing information on gifts, a staff director will find that fund-raising software is very useful in keeping effective records. The director will be managing a somewhat more complex fund-

raising process, and will have to keep track of board members’ assignments as well as income; fund-raising software makes this possible. It also provides a guaranteed way to continue accurate record keeping as staff individuals come and go, the staff grows, and other maturational changes occur in the organization. Rarely does a board want to use fund-raising software before it hires a director, and rarely does a director not soon feel the need for flexible management of fund-raising data.

### **Grant seeking**

The one fund-raising assignment that is nearly 100 percent staff-appropriate is grant writing and seeking, along with the preliminary research that makes the application process more powerful. Any director in a small shop who does not have grant proposal writing experience or training should get it, either through workshops, mentoring, or by reading. It is a simple, straightforward process that relies on good planning, decent efficient writing, and systematic approaches. A director can learn this and put it in practice quickly.

Like the division of labor between board and director in mail campaigns, grant seeking can be sorted into administrative work and personal clout. Here, the balance is about 95 percent administrative. Board members should be asked if they have connections with any foundation board members, and if they can make introductions or write letters of endorsement, but for the most part, foundations will consider proposals based on the written request. In the highly personal realm of fund raising, government grants are the most imper-

sonal form of grant seeking. While connections can help, proposals can also do very well without them.

The danger here is that board members will be swept away with the thrill of potential grants and assume that sufficient funds can be raised in this way and personal solicitations and mail campaigns are secondary. This is entirely untrue. The board should view grant seeking as an enhancement of other fund-raising efforts. The fact is that strong local support will be a positive factor in many foundations' decisions to support a project.

When organizations face hard financial times, the board often will step up its demands for the director to "write more grants." This is detrimental in many ways. For one, grant seeking is a long process and unpredictable, so hoping for a grant to save the day is dreaming. For another, such instructions to the director give a subliminal message that resolving the financial stress is the responsibility of the director. Directors are not hired to get the board off the hook: they are hired to implement the mission through the wise guidance of the board. Financial pressure is one of the aspects of nonprofit management that most strenuously underlines the need for partnership between board and staff.

### Events

If grant writing is a fund-raising task best left to the staff, running special events is the task best left to the board and volunteers. Generating really significant funds for an organization through a special event of any sort is a huge amount of work. It is almost always cost-efficient *only* if volunteers carry out the bulk of planning and implementation.

As the first director is hired, boards often will see special event planning as one more onerous task to be passed along, but this is a terrible decision from a budget point of view.

For any organization thinking of asking the director or staff to manage a special event, try this exercise: ask volunteers from the previous year's event to tally the number of hours they spent on the tasks now being asked of the director. Figure the director's hourly salary plus benefits. Multiply the two. Ask whether the event is still as valuable to the organization if that expense is deducted from the ultimate profit. In some cases, organizations will find that events become money losers, or at least a wash, when paid staff take over management.

If the board is unwilling to continue running an event as an all-volunteer activity, and if other volunteers in the community do not step forward to help, the organization should consider eliminating the event. Some new directors find their jobs, which originally were project- and mission-oriented, more than half occupied with event management. This is financially unwise, and discourages the new employee's interest in the work.

In sum, board and staff cooperation can drastically increase fund raising for an organization in a short period of time. The delineation of tasks is this:

- **Personal, high level solicitation: board, with some staff assistance**
- **Mail campaign: staff, with some board assistance**
- **Grant seeking: staff**
- **Events: board with volunteers**

### Board Management

While it might seem inconsistent to say that the director has board management responsibilities, it is true. The director will never truly "manage" the board—that is the board chair's job—but the director is a valuable source of professional information for the board, providing the means for board evolution and maturation. In an organization that has been all volunteer at first, the board may look to the director for advice and information on board responsibilities, governance models, and delineation of roles. The board must be clear in what it asks for, while the director must draw the line between offering information and giving instructions or directions. This balancing of roles is tricky, but can be a collaborative effort toward building a stronger organization.

An odd twist on this balancing act is that the director will sometimes have far more experience than a board chair, and can offer on the job training for the novice. This requires great diplomacy and care from the director, but often can result in a strong team and a highly productive chair.

In the course of the job, a director running a nonprofit office will receive information about many management and growth opportunities. Typically, the enthusiastic director will absorb this sort of material, learn what options exist, and observe the growth and change of other organizations. Board members will have far less exposure to these learning opportunities. A director can provide this sort of material to the board. For instance, when the board questions its role, or considers strategic planning, or wonders aloud how involved it should be in

designing policy or plans, the director can suggest external models, reading and training opportunities, or other approaches. The director can provide newsletters, workshops, and videos. Hopefully, the director will offer an unbiased selection of choices, and the board members themselves will choose their paths.

Beyond this informative role, the director must learn to step back and let the board manage itself, under the leadership of the chair. The real job of the director is to run the organization, implement board decisions, and assure achievement of the mission. The job of the board is to plan for the future, determine what should be accomplished, and what the parameters of behavior should be in completing assignments. While the board oversees and evaluates the director, it cannot expect the director to do the same in return: the board must evaluate itself. In fact, the board is where "the buck stops." The director can do a lot, but not save the board from itself.

When the new director is hired, the best insurance that this balance can be maintained is in creating respectful, thoughtful communication. Game playing is detrimental in any organization, but in one with a single-staff member, it can be disastrous. The board needs to spell out its expectations and its needs as well. It should be understood all around that the maturing organization would naturally have a board that could well use advice and support for its own growth and development. The director needs to establish a working relationship that allows him or her to lay out options, pros and cons, for the board, without manipulating its decisions or behavior.

### ***Volunteer Recruitment and Management***

Before hiring a director, board members may have considered themselves to be the primary volunteer corps of the organization. While additional volunteers might be useful, boards without staff often do not have time to recruit them, or the knowledge and skill to train them. With the addition of a paid staff member, the organization positions itself to add many more volunteers. The director's job may mushroom quickly to more than one person can handle, and added volunteers will be the answer to accomplishing many tasks.

Volunteers do take considerable "care and tending." Sometimes it is hard to determine if they are worth it because the flexibility they enjoy can create many frustrations for the board and director. But with a good organization system, and a firm effort to keep the job work-oriented and not personality-directed, volunteers can vastly expand the level of accomplishments. In fact, a director who is trying to accomplish more than is humanly possible for one person will find the triumvirate of effort created by board, volunteers, and director to be highly productive.

Another benefit of fostering volunteers is in building the future of the board. The greatest testing ground for potential board members is in the volunteer corps. By offering diverse assignments to helpers who are committed to the mission and reliable in carrying out commitments, the organization can uncover talent, provide the knowledge base and training that will develop future leaders for the organization, and expand programmatic reach at the same time.

Like board members, volunteers will do a better job when the parameters of their work are clearly drawn. Job descriptions, timelines, expectations, and even evaluations may be very useful in maximizing their potential.

Some volunteers will be very focused on their specific assignments and will demonstrate early on that they are not interested in the broader vision of the organization. These volunteers often stick with a group for years and years, even a lifetime, and provide irreplaceable hours and skills. They create a reliable core and hold much of the memory of the organization. It is up to the director to recognize these long-time advocates and workers, and treasure them for all they bring, even if they do not want to move into leadership positions. The director, with assistance from the board, should develop good ways to show appreciation.

There are other volunteers who quickly demonstrate a curiosity about the entire organization, and an ability (and appetite) for many different tasks. These are the individuals who may grow into board members. They can be assigned to nonboard slots on committees, to advocacy roles, to leadership of volunteer teams, and to challenging, open-ended assignments. Occasionally one of these volunteers becomes the next staff person. The director is the person who will have the best opportunity to observe the quality of these volunteers' work, and should be thinking creatively about their future.

A strong director looks for all the ways to draw additional human time, energy, skills, and judgment into the organization. Developing a volunteer system will present challenges but will

also be the key to accomplishing far more than is possible with just one staff person. It is time and effort invested wisely.

### **Office Management**

The one-person staff will constantly face too much to do, too little time. Every possible convenience will help. Keeping things simple will pay off, as the director should concentrate on actions that will make significant positive, forward movement. This takes discipline.

It is all too easy to get bogged down with day-to-day management and routine. Answering the phone, sending out routine information, organizing files, and other administrative tasks are essential at some level, but the sole director will be wise to lump these activities together to avoid dilution of effort which creates a lack of determined action. If routine office tasks are piling up, some possibilities exist besides working nights and weekends to keep order:

- Use technology to save time: answering machines, voice mail, fax, computers, organizers. Providing the director is comfortable with these, the time savings are significant.
- Contact a local college or historical society to find a young intern who might like to learn on the job and get some hands-on experience with the organization.
- Recruit a mature volunteer in the community, through the American Association of Retired Persons (AARP), American Association of University Women (AAUW), Service Corps of Retired Executives (SCORE), or the Retired Senior Volunteer Program (RSVP).

- Call senior citizen centers to find help on mailings, materials preparation, etc.
- Contact local service clubs to find retired members who might like involvement with your organization.
- Include a request for volunteers in any press releases about your projects.
- Contact corporations that provide employee volunteer support programs.

It's easy to imagine that, as the sole employee, the director is expected to do everything alone. That's not the case, and recruiting help is not only a time-saver for the director but builds public visibility and enthusiasm for the organization. Getting more people involved is always a healthy move.

### **Professional and Community Networking**

Sole directors will quickly say that isolation is the worst aspect of their job. It takes an unusually extroverted individual to identify this problem and then not only get out to meet others, but find a way to incorporate that networking in the job. In fact, many times the applicants for sole directorships are people who feel more comfortable in a quiet role: they need to recognize and combat that personality characteristic, since visibility is a tremendous need for small organizations.

The director should contact local and nearby training centers, community foundations, technical assistance programs, and college level management programs to find opportunities to enhance his or her skills, and also to meet other small-shop directors. Also reach out to other preservation organizations at the local, state, and national level. Look for men-

toring opportunities. This outreach is in addition to the constant networking that is important to keep up-to-date on preservation issues, fund-raising and grant opportunities, and community history and building projects.

The savvy director makes many complex links within the community and sees the way other organizations will have an impact on the preservation community, and vice versa. Community organizing, planning and zoning, education, even health care all have impacts on the preservation issues in a town or locale. The director must keep his or her antenna working constantly to be informed about everything going on.

It is difficult to measure the effectiveness of networking and yet the director who does not do it will find success comes very slowly. As a group makes the transition from all-volunteer to staffed, the community needs to perceive the organization's work in a different light. The director's visibility, communication with groups, and simple "showing up," will demonstrate the organizational decision to take leadership in community issues.

### **Challenging Issues**

As much as the board is anxious to hire a director, it still will not be easy. It is a huge transition from all volunteers to staff-and-volunteers. Making it more complicated, the founder of the organization is often still involved at the time the first director is hired—in fact, sometimes the founder is the first director. The complicated layers of emotion, expectation, fear of failure, sense of loss, anticipation, uncertainty, and the plain dynamics of change, make this a most challenging time in the life of the



## Danger Signs in the One-Person Shop

1. The board members keep saying "that's what we hired a director for!"
2. Just keeping the ship afloat....answering phone, ordering supplies, setting appointments....takes all the time and no REAL work gets done.
3. Things aren't happening....Working alone may be de-motivating.
4. Certain things are not done well . . . after all, no one is perfect!
5. The director never asks for help.
6. The organization seems to take on the personality of the director.
7. People in the community refer to the organization by the director's name!

organization. Even with solid planning, communication, and reassurance, there are likely to be bumps in the road toward efficiency and success. These bumpy patches usually pop up unannounced, at the most inopportune times, such as the founder trying to regain control just as a great success is celebrated. The organization should prepare for this simply by doing as much right as possible and communicating well.

### **Authority**

While the experts all say the board hires the director, and the director implements the board decisions, it probably will not fall into place that easily. As the person who is in the office regularly, the director will appear to have more authority than the board. Outsiders may go to the director for decisions and actions that would more appropriately come from the board; in these cases, the director has to defer, even if it might be easier to "do it one-

self." Only the board and director together can make certain that confusion, overlap, and misunderstanding do not occur, by working through written job descriptions, communicating concerns, and spelling out concrete action steps whenever a project arises.

In particular, the chair of the board and the director should meet regularly, even once a week, to inform each other of progress and activities. The executive committee should meet with the director between regular board meetings, and the board should maintain its pre-director meeting schedule or even increase it. Hiring a director does not mean it is suddenly possible to cut back on meetings: if anything, more are needed at first.

### **Trust**

Trust can not be legislated or administered, but the groundwork for it can be laid through simple planning methods. Expecting clear, written documents of agreement such as contracts and policies is a way of ensuring trust while spelling out the criteria for trustworthy behavior. The irony of trust is that if the board and director take all the precautions needed as if there were no trust, they will be able to let go and trust each other implicitly.

Although not specifically, or solely, a trust issue, the director may be faced with unusual and upsetting conflicts among the board, between the director and board, among volunteers, and in other combinations. When the board is involved, it is best for the director to allow and encourage the board chair to handle the conflict. That is part of the chair's job. If the conflict involves individuals who operate under the leadership of the director, such as staff, program or office volun-

teers or contractors, the director should manage the conflict. If the issue appears to be unresolved, or may have any public impact, the director should inform the chair of the problem and the actions taken to resolve it.

### **Possessiveness and Sharing**

The organization in its early stages is a fragile and treasured entity. Many individuals will have their hopes and dreams tied up with the outcomes of all the projects and activities of the group, and will be looking for success in their mission as a validation of their own aspirations. This is a very tough scenario for the new director who perhaps has no emotional baggage, just an ambition to make positive change.

The board needs to understand that letting go and allowing the director to do the job is a crucial aspect of protecting the best interests of the organization. The director has to be sensitive to the pride and hopes held by the board. Even if the board says in the interviews, "we are exhausted and just need to put this on to a capable individual and get a rest ourselves," it will have a hard time letting go. Passions run high in young organizations, and it takes tremendous care to avoid hurt feelings, accusations, and even emotional blowups. The reassuring aspect of this is that the level of emotional attachment is an indication of potential hard work and determination: if everyone involved is able to get through the initial challenges, the passionate organization has the greatest chance of success.

## **Knowledge**

The new director may have many skills not held by the board, but in most cases he or she will not have the history of the organization or knowledge of the community that has allowed the board to accomplish projects to this point. To be successful, the director needs to obtain all that knowledge and a sense of how to use it.

An excellent first stage for any new director is to meet for informal interviews with each board member, each top donor, and perhaps other key individuals in the organization: a previous staff person, the bookkeeper or accountant, the mayor, or other community leaders. These information-gathering meetings will fill many bills: provide the necessary information for the new director, spell out in better detail what the expectations for performance are, and begin to create strong working relationships between all the parties.

Whatever the director learns, this is the opportunity to develop a sense of the organization's history and better point to the vision of the future. Ultimately the director has to set his or her own personal mission in the job, and this information and the relationships that evolve from it, will determine the potential and means for creating that mission.

As everyone knows, it is entirely possible for one organization to have two, three, or many versions of its history. The director may hear all of these things, and will begin to assimilate the stories while building a personal understanding of the organization. This is the beginning of "keeping one's counsel," which is so crucial in a one-person staff. Not to belittle the vital role of communication, but the director must also develop the capacity to

think his or her own thoughts and opinions, weigh them before speaking, understand the personalities involved, and make personal choices that are, hopefully, best for the organization.

## **Conflicts of Interest**

The likelihood of a conflict of interest does not decrease with the smallness of an organization, town, or locale. In fact, there may be evidence that smallness enhances the likelihood of conflicts of interest. Where certain individuals wear several hats and when a small number of individuals provide leadership in many arenas, inevitably questions will arise about appropriate choices, influence, and behavior.

Once again, preventive medicine is best. A conflict of interest policy, developed and approved by the board, will not only help in assessing potential conflicts, but will actually help in avoiding the conflicts at all. Much conflict of interest is perceptual, and the closer people get to the situation the more difficult it is for them to see things clearly. Therefore, basic conflicts should be described, and the circumstances leading to conflicts also be spelled out. For instance:

- Board members should not accept paying assignments with the organization in nearly all situations, and if such an assignment is offered and accepted (as it sometimes must be in a small community), it must be very carefully reviewed and the greater benefits should accrue to the organization, not the individual.
- Board members may not vote on issues where they have personal or financial connections or benefits.

- Board members should not use organizational knowledge or information to benefit in other work or personal circumstances.
- The director may not accept paying assignments with any competing or similar organizations.
- All specific information about donors, fund raising, and contributions is confidential and donors' choices to remain anonymous are always respected.
- Issues about employees, contracts, and payments are only discussed in closed meetings and are kept confidential afterward.

## **Communication**

Strong communication is a recurring theme throughout this booklet. There are no substitutes for discussing the issues of the organization and in developing a healthy, collaborative and productive relationship between the director and the board. Communication can and should take many forms:

- Regular written, informational memos from director to board members.
- Attendance by director at the board meetings with regular verbal reports from director to board.
- Regular verbal communication between the chair and the director.
- Annual evaluations of the director by the board, with results reported in a timely fashion to the director.
- Informational memos or alerts from the director to the board members as needed, with assurance in crisis situations that the information has been received and reviewed.

- Copies of letters containing essential information sent to the chair, relevant board members, or others.
- Participation by board and staff in any public or fund-raising activities.
- Board observation of organizational projects on an agreed-upon regular schedule.

### Top problems of organizations with just one staff person:

1. Not enough money, and not enough fund raising.
2. Too much work for the director to do.
3. Board/director conflicts on roles and responsibilities.
4. Isolation between the director and the board.

With these forms of communication spelled out, and with board members being involved in activities on both a volunteer and observer's basis, it should be possible to control any misunderstandings. But when members sense any confusion or discomfort in the board/director interactions, it is always best to discuss them sooner rather than later.

### Consequences

With careful attention, the transition from an all-volunteer organization to a single-staffed organization can be highly successful. As this booklet details, the road will not be smooth and effortless under any circumstances. The challenge—and the adventure—is to utilize every opportunity to create positive outcomes.

As described earlier, the challenge lies in the fact that people have to make changes in ways

they do not anticipate. Hiring the organization's first staff person is not simply a handing-off of responsibilities, a straightforward role creation, or an unemotional, business decision. Board members and the new director will have to consider new issues, make compromises, and stretch themselves in unanticipated ways.

### Financial Growth and Need

Despite careful planning, the financial implications of a paid staffer can be overwhelming and even unnerving to the board. Along with the salary, benefits, and office costs come the opportunities to expand programs, now that the expertise, time, and management capacity are available. While the board may start out with a hard line on adding program initiatives, the director will often feel new program choices are the correct way to move and advance the organization, and the board will be tempted. As current programs become more effective, directors will have to struggle with these choices, weighing potential community benefits, despite their interest in controlling cost and risk.

The board must determine, even before the director is hired, how frequently the long-range plan can and should be revisited. Care must be taken to keep the board involved in that long-range planning, as it is the basis of everything that happens in the organization. Along with determining the director's role in the long-range planning process, the board must consider basic governing roles: How much freedom should the director have in selecting *methods* to meet mission goals? Should the board dictate choices, or should the director decide how to invest his or her

time? Will the director exert leadership in broad organizational terms? Will the board lead and the director implement? The basic questions are "what is the goal?" "what will be done?" and "how will it be done?" Sorting out who makes these decisions is the real work of the group as it integrates paid staff into its voluntary organization.

### Governance

This is the root of the decision-making process. The board always has the option to govern the organization, set policy, oversee financial accountability and set the long-term vision, values, and standards. Some boards choose to relinquish this powerful role. Some never grasp it often because the founder of the organization is the director. Yet in order to mature and sustain productivity, the organization must have a board that governs and sets the vision. A director that sets up conflict with the board over governing capacity, or competes with the board in this area, may appear to be making things run smoothly but is ultimately undermining the strength of the organization.

It takes strong board members with true commitment to the mission and vision of the organization to keep hold of the reins and govern the organization. In hiring a director, it is important to recognize the challenges that will arise in the basic areas of governance, policy, mission, and direction. The board will want to hire a strong and powerful director, but should avoid one whose idea of power is to wrest the governing role from the board.

### **Board Recruitment**

The most significant work the board can do in building sustainability of the organization for the long term is the selection of new board members. Each seat on the board is a crucial piece in the puzzle of the future. The director can facilitate the work of the board by suggesting methods for board analysis and recruitment, but should not control the nomination process. After a few years of "helping" the board too much with nominations, the director ends up building a team of friends and colleagues who may serve the director's needs more than the organization's.

The board nominating committee should be appointed by the chairperson and should meet regularly. With new board members brought on annually, orienting them to their work, reassessing the needs of the board as a working team, and assessing the demands any projects and long-range plans may place on the knowledge and skill base of the board, there is plenty to keep the committee busy. The nominating committee that simply gathers once a year to name new candidates is a committee losing control of the future. Acknowledging this, many boards are moving away from traditional nominating committee structures to a Board Development or Governance Committee.

The director can gather names to suggest as candidates, provide a list of skills and connections needed for upcoming projects, such as planning and fund raising, offer suggestions for interviewing techniques, take candidates on tours of projects, and otherwise introduce candidates to the work of the organization. But the director should not select or nominate candidates.

### **Is Growth Inevitable?**

Most people think that hiring the first director is an inevitable step toward an ever-increasing staff and bureaucracy. This need not be true. Many organizations stay small and nimble for many, many years. Some never expand beyond the first staff member. In fact, the primary reason small organizations grow despite themselves is that the board and staff find it impossible to control their desire to take on more and more work. If the desire to stay small is sincere, real determination will be necessary to make it happen.

To stay small, the board and director together must work hard to focus energy and goal setting. As time passes, it will be harder and harder for the board members to remember the many details that go into a project, and therefore to understand what the director is spending time on.

Misunderstandings or gaps in understanding can be avoided and the board involvement strengthened at the same time, by scheduling some hands-on or on-site experiences at each meeting. When a project is underway, the board can learn more about the work involved, the goals, and the time necessary to accomplish success by traveling to the site, talking with volunteers, meeting with partners, and observing progress first hand. This also helps in keeping meetings interesting and mission-driven.

It is also valuable to have each board member involved as a volunteer in some parts of project work (providing they understand when they are wearing the "volunteer hat" and don't confuse it with board behavior). Those who have relevant professional backgrounds might serve on an advisory council for the project, such as an architect serving on

the planning committee for a restoration project. Typically, such volunteer work could be outside the pure board assignments. But if each person is asked to get involved at the project level from time to time, it will be much easier to control the proliferation of projects and far easier to keep the organizational goals in mind.

Even if growth in the organization is anticipated, there is wisdom in spacing the early hirings. The new director will have plenty to do in establishing a staffed environment, without also overseeing an employee. With the exception of grant-funded projects, where several employees must be hired at once, most organizations will do best with evolutionary growth and learning on all sides.

An organization can postpone additional hirings, provide a more evolutionary growth cycle, and at the same time explore new ways of doing things, planning options, and stylistic variations, by hiring specialists as consultants for particular tasks. There are always individuals available, either as independent consultants or as loaned executives from businesses, to offer advice and counsel on strategic planning, fund raising, major campaigns, board relations, human resources, and even specific project counsel. Before adding another staff person and the accompanying long-term financial commitments, the organization can progress tremendously with these short-term infusions of knowledge and skill.

## Acknowledgment

Christine Graham is a consultant to nonprofit organizations and has worked with scores of small, start-up, and evolving groups over the years. She is the author of several books on fund raising including "Keep the Money Coming," "Blueprint for a Capital Campaign," and "Asking;" a newsletter for Vermont nonprofits, and the Directories of Foundations for Vermont and for New Hampshire. Her work is described at [www.cpgfundraising.com](http://www.cpgfundraising.com).

## Resources

Some of these books will be more appropriate for larger organizations, but were mentioned in the text. They are marked \*. Those marked # are provocative, but not "skill-oriented." The remainder can be used as reference, how-to, and training books.

*Boards that Make a Difference: A New Design for Leadership in Nonprofit and Public Organizations*, by John Carver, Jossey Bass Publishers. \*

*The Complete Guide to Nonprofit Management*, Second Edition, by Smith, Bucklin and Associates, published by Wiley Nonprofit Press, available from [www.josseybass.com](http://www.josseybass.com).\*

*Creating Strong Board-Staff Partnerships*, by Karen Simmons and Gary J. Stern, 1999, and the related booklets in the Governance Series of the National Center for Nonprofit Boards.

*Getting the Word Out in the Fight to Save the Earth*, by Richard Beamish, Johns Hopkins Press, 2715 North Charles Street, Baltimore, MD 21218.

*Hiring the Chief Executive*, by Sheila Albert, and other related booklets produced by the National Center for Nonprofit Boards, 2000 Edition. For more information: [www.ncnb.org](http://www.ncnb.org), [service@ncnb.org](mailto:service@ncnb.org), or (800) 883-6262; fax (202) 452-6299.

*Leadership and The New Science: Learning about Organization from an Orderly Universe*, by Margaret Wheatley, Berrett-Kohler Press.#

*Leadership is an Art*, by Max DuPree, Jossey-Bass Publishers.#

*Nonprofit Board Answer Book*, by Robert C. Andriga and Ted W. Engstrom, 1998, published by the National Center for Nonprofit Boards.

*Nonprofit Compensation, Benefits and Employment Law*, by David G. Samuels and Howard Pianko. Available from [www.josseybass.com](http://www.josseybass.com).\*

*Nonprofit Governance: The Executive's Guide*, edited by Victor Futter and George W. Overton, published by the American Bar Association, PO Box 10892, Chicago, IL 60610. [www.abanet.org](http://www.abanet.org). \*

*Resolving Conflict in Nonprofit Organizations*, by Marion Peters Angelica, Amherst H. Wilder Foundation publications for nonprofits. 919 Lafond Avenue, Saint Paul, MN 55104, [www.wilder.org](http://www.wilder.org)

*Skills for Effective Management of Nonprofit Organizations*, Edited by Richard L. Edwards and John A. Yankey, and Mary A. Altpeter. Published by the National Association of Social Workers Press, PO Box 431, Annapolis Junction, MD 20702. [www.naswpress.org](http://www.naswpress.org).\*

*Welcome to the Board: Your Guide to Effective Participation*, by Fisher Howe, Jossey-Bass Publishers, 350 Sansome Street, San Francisco, CA 94104. [www.josseybass.com](http://www.josseybass.com).

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