

C.6 Signs a Board May Be in Trouble

excerpted from:

Governance DO'S & DON'TS
Lessons from Case Studies On Twenty
Canadian Non-profits, Final Report
Mel Gill, April 23, 2001
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www.iog.ca

Human Resources:

- Rapid turnover of CEO's (this was an unmistakable sign in four cases)
- Major turnover of board members
- Difficulty recruiting or retaining credible board members

Financial and Organizational Performance:

- Chronic unplanned and/or unmanaged deficits
- Rapid depletion of reserve funds
- Call for outside audit or operational review by funders or other key stakeholders
- Persistent failure to meet individual or organizational performance targets

Meetings:

- Poor attendance at board and committee meetings
- Low level of participation in discussions at meetings
- Meetings poorly managed; lack of focus, agendas circulated late, members unprepared

Board Culture:

- Underground communications. Lots of 'corridor talk' and political maneuvering outside the meetings
- Distrust among board members or between the board and CEO not being addressed
- Poor communication between the CEO and board chair or the full board
- Unresolved conflicts within the board
- Conflict of interest issues not being confronted
- Board members feeling too far removed from 'what's going on in the organization'
- Insiders and outsiders; board dividing into factions
- Growing minority of disaffected board members

Decision-Making:

- Regular 'rubber-stamping' of CEO recommendations without meaningful debate
- Preoccupation with operational detail rather than 'big picture' issues
- Board interference in operational detail...particularly personnel and collective bargaining
- Poor communication with key stakeholders
- Decision deadlock or paralysis
- Board members ignoring or circumventing Board policies and decisions
- CEO ignoring or circumventing Board policies and decisions