**Boards Behaving Badly and Domineering CEOs**

**Introduction**

Fortunately, most boards and CEOs in the charity sector have positive working relationships. However, when things go wrong, they can go badly wrong. During the Covid pandemic, with all its stresses and strains, some relationships were tested. This was a timely reminder that good working relationships should not be taken for granted. This resource document was drawn up in response to two events organised by Carmichael and the Wheel: an online webinar in November 2021 and a facilitated panel discussion at the Wheel Summit in June 2022. Attendees at both events had many questions and observations; and expressed a need for more support and resources on this important topic.

**Working Relationships**

Charities are like a microcosm of life. Some relationships work better than others, and any relationship can go through rocky patches. Good relationships require an investment of time and energy.

Effective Trustees and CEOs understand their own behaviour and how their behaviour affects others. Self-awareness is a key ingredient. People should see their involvement in a charity as an opportunity to enhance their own skills in developing positive working relationships. Trustees should not be afraid of feedback even when it holds an uncomfortable mirror up to their own foibles. Similarly, the CEO should be open to appropriate feedback and should be confident enough to accept fair criticism and to use it as a mechanism to improve their relationship with the board. Board reviews and CEO appraisals are useful tools in helping people to stand back and assess how they can improve their own behaviour.

*CRA Governance Code:*

*3.3 Make sure there are arrangements in place that comply with employment legislation for all paid staff including support, supervision, and appraisal.*

*5.13. Conduct a regular review that includes an assessment of the effectiveness of your board, office holders and individual charity trustees.*

**The Role of the Chair**

An effective Chair is an important asset to the organisation. The Chair must lead the board and make sure board meetings run smoothly. The Chair should also ensure that there is a good working relationship between the board and CEO. A good Chair will understand that they must invest time in developing an effective partnership between themselves, the board and the CEO and will work to nurture these relationships. They do this knowing that positive relationships and effective leadership will help the organisation to meet any challenges with a united front.

*CRA Governance Code:*

*Principle 2: The behaviour of individual charity trustees is very important; they must lead by example.*

**The Roles of the CEO and the Board**

It is vital that the CEO understands their responsibility for operational management of the charity. It is equally important that the Board understands its responsibility for the governance and strategic direction of the charity. Understanding the boundaries of these core responsibilities helps to mitigate against potential conflict. Are the different levels of decision-making clear to everyone? If not, then the lines between governance and management become blurred, leading to confusion about who does what. Similarly, if board sub-committees or working groups are not clear on their remit, tension and conflict can arise. All parties must understand their own roles. This includes Trustees, Sub-committees, and the CEO. All must accept and respect the different roles of others. The board must ensure that the CEO has an up-to-date contract of employment and job description. Sub-committees should have Terms of Reference. New Trustees should undergo an induction process. Some boards even draw up simple role descriptions for Trustees. This can help to set expectations and boundaries from the start.

*CRA Governance Code:*

*3.1. Be clear about the roles of everyone working in and for your charity, both on a voluntary and paid basis.*

*3.5. Make sure to document the roles, legal duties, and delegated responsibility for decision-making.*

*5.6. Recruit suitable new charity trustees as necessary and make sure that they receive an induction.*

**Communication within the board**

Good communication is one of the key skills of any leadership position and boards are no exception. Communication has a direct influence on Trustee performance. [Good communication](https://www.boardeffect.com/blog/top-5-strategies-building-strong-nonprofit-board-communications/) helps to build trust, enhance decision-making, and protect the organisation’s reputation. When communication breaks down, it can lead to serious problems or even a crisis. A bad situation can be made worse by poor communication. When communication issues occur, such as facts being mistaken or misrepresented, make sure to get to the heart of the matter. Otherwise, resentment could build among Trustees. It is important to figure out what happened and why; then to create strategies for avoiding these issues in the future. Over time, this will lead to healthier communication between Trustees.

*CRA Governance Code* *Principle 5: Running a charity well means you need capable charity trustees who work together as an effective team.*

**A good flow of information between the board and CEO**

The relationship between the board and management is critical to an organisation’s long-term success and therefore, to be effective the board and the CEO should strive to work together. A board/CEO relationship that works effectively will ensure that robust reporting structures are in place and there is a two-way flow of information sharing. There will be a commitment to working together to achieve the organisation’s strategic goals and there will be space for constructive debate and discussion. The board/CEO relationship requires respect for the differences in roles, responsibilities, and personal styles. It requires clarity on mutual expectations and regular communication with a focus on common goals and targets.

*CRA Governance Code:*

*3.1. Be clear about the roles of everyone working in and for your charity, both on a*

*voluntary and paid basis.*

**Mutual Respect, Bullying**

It is important to understand that other people have different points of view. In fact, this is vital for the board and the CEO. If everybody has the same perspective all the time, then something is wrong. A healthy board has a good mix of ideas and perspectives. Problems will arise if some people are unable or unwilling to accept that others can see things differently. Active listening is necessary. There is nothing wrong with robust exchanges at board meetings. These can be necessary before consensus is reached. However, if this spills over into negative conflict, and attempts to bully others into submission, then it needs to be called out. The obvious one to do this is the Chair, unless the Chair is the cause of the problem. This presents a particularly difficult challenge for the board, when the board needs to call out the Chair’s behaviour and deal with it appropriately. Other potentially serious scenarios that must be nipped in the bud are when: there is a breakdown of trust among Trustees; there is a breakdown of trust between the board and CEO; the CEO attempts to manipulate or bully the board; the board or Trustees attempt to manipulate or bully the CEO.

Having a Code of Conduct ensures that standards of behaviour expected of Trustees are defined. It also ensures that working relationships between Trustees and volunteers or employees is productive and supportive.

*CRA Governance Code:*

*2.3. Have a code of conduct for your board that is signed by all charity trustees. It must make clear the standard of behaviour expected.*

*Principal 3: Trustees should promote a culture of respect.*

**Policies and Procedures**

It is important to have the right policies, procedures, and protocols in place. They are an important mechanism to ensure consistency in how your charity carries out its work. They also help to ensure that you are compliant with relevant legal and regulatory requirements. Trustees should address the following questions in consultation with the CEO: What policies do we have in place? Do they need to be updated? Do we need new ones? Make sure that polices are adhered to by the relevant people in the charity. You also need to strike the right balance between having too many, or too few policies. If you don’t have them in place already, make sure to implement the following policies/procedures:

* Bullying and Harassment (should apply to the board as well as the staff).
* Delegated Authority and Matters Reserved for the Board.

*CRA Governance Code:*

*3.7. Decide how you will develop operational policy in your charity. You also need to decide how your charity trustees will make sure that the policy is put in place and kept up to date.*

*4.2. Find out the laws and regulatory requirements that are relevant to your charity and comply with them.*

**Learning and Development**

Trustees and CEOs must understand that they can always learn more, even if they have been involved with the organisation for a long time. Occasionally an “old hand” may not be open to new ideas or solutions. This needs to be challenged as sensitively as possible, as the person involved may have given a huge amount of time and energy over the years. A culture of continuous learning across the organisation helps to keep people open to possibilities and innovation. Opportunities to access appropriate training and development should be discussed as part of the board review and staff appraisal processes.

*CRA Governance Code:*

*3.3 Make sure there are arrangements in place for staff training and development.*

*5.9. From time to time, review how your board operates and make any necessary improvements.*

**Emotional Intelligence**

Many Trustees and CEOs feel passionate about their charity and its mission. Passion is important. It keeps people motivated, even when the going gets tough. However, this needs to be balanced with the need to carry out the work of the charity in an objective manner. Sometimes this is really hard, especially when conflict arises about how best to achieve the aims of the charity. This is where emotional intelligence comes into play: the ability to stand back and assess the situation objectively when feelings may be high. It is about balancing the head and the heart; and maintaining focus on the need to work together to resolve issues and reach consensus. Effective teamwork involves the maintenance of objectivity and positive working relationships on the board, as well as between the board and the CEO.

*CRA Governance Code:*

*Principle 5: Working Effectively: Running a charity well means you need capable charity trustees who work together as an effective team.*

*5.8. Commit to resolving problems and emerging issues as quickly as possible and in the best interests of your charity.*

**Early intervention**

It would be difficult to find a Trustee or CEO who sets out to deliberately cause trouble in the organisation, but good people can sometimes behave badly. So, when they do, dealing with problems and behaviours may be difficult and challenging, but letting bad behaviour go unchecked will almost certainly lead to even greater problems and disagreements. When a Trustee or CEO behaves badly, it's always best to be brave and deal with it swiftly and fairly.

*CRA Governance Code*

*5.8 Commit to resolving problems and emerging issues as quickly as possible and in the best interests of the charity*

**Organisational Culture**

The board needs to set the values and culture of the organisation. A culture of openness and transparency will go a long way to ensuring an organisation’s success. Adherence to the six principles of the Charities Governance Code helps to ensure a positive culture for the board and organisation. The Governance Code provides opportunities to ask questions that might not be asked otherwise. It can be a catalyst for action. Behaviour at board meetings should also be reflective of the organisation’s values and culture. This includes listening to and respecting other people’s contributions.

*CRA Governance Code: Principles:*

1. *Advancing Charitable Purpose*
2. *Behaving with Integrity*
3. *Leading People*
4. *Exercising Control*
5. *Working Effectively*
6. *Transparency and Accountability*

**Personal Attributes**

No Trustee or CEO will have all the personal attributes below. But knowing what they are and working towards them can help to mitigate against bad behaviour and to improve the effectiveness and efficiency of the whole organisation. The list is not exhaustive!

* Motivated
* Committed
* Enthusiastic
* Sense of Humour
* Focused
* Reflective
* Open
* Confident
* Competent
* Flexible
* Calm
* Creative
* Empowering

**Top Tips**

* Use the Charities Governance Code. It can help you to review how you do things and to identify and deal with poor behaviour.
* Use the resources and templates in the Charities Governance Code Toolkit.
* Deal with issues before they go out of control
* Use external help if you cannot resolve problems internally. An outsider can bring a fresh perspective and potential solutions to ongoing problems.
* Recruit new Trustees who can challenge the status quo.
* Make sure there is a proper induction for new Trustees, including clarity on what is expected of them and the length of their term of office.
* Think about your own habits and behaviours. If you change what you do, it can lead to change in other people.
* Avoid acquiescing too easily to other people’s demands. Call out inappropriate behaviour.
* If issues arise with the Chair, there should be another go-to person such as a Vice-Chair who can help to resolve problems.
* Look after yourself! Don’t suffer in silence!

**Access external supports**

Click on the links below for some useful resources and supports:

[Advice & Guidance: Best Practice for nonprofits | The Wheel](https://www.wheel.ie/advice-guidance)

[Board Chairs Network | Carmichael Ireland](https://www.carmichaelireland.ie/what-we-do/supports/board-chairs-network/)

[Charities Governance Code (charitiesregulator.ie)](https://www.charitiesregulator.ie/en/information-for-charities/charities-governance-code)

[Dóchas | Shared Knowledge (dochas.ie)](https://www.dochas.ie/resources/)

[Guidance for Charities (charitiesregulator.ie)](https://www.charitiesregulator.ie/en/information-for-charities/guidance-for-charities)

[HOME | Charities Institute Ireland](https://www.charitiesinstituteireland.ie/)

[Mediators' Institute of Ireland (themii.ie)](https://www.themii.ie/)

[Mentoring | Carmichael Ireland](https://www.carmichaelireland.ie/what-we-do/supports/mentoring/)

[Organisational Development & Change | Sport Ireland](https://www.sportireland.ie/organisational-development-change)

[Organisation Resources | Volunteer Ireland](https://www.volunteer.ie/resource_library_cat/organisation-resources/)

[Resources | Carmichael Ireland](https://www.carmichaelireland.ie/resources/)

[Resources - Pobal](https://www.pobal.ie/resources/)

[Stronger Not-for-Profit & Charity Boards | Boardmatch](https://www.boardmatch.ie/)

[The Good Governance Awards](https://goodgovernanceawards.ie/)

[Trustees' Quandary Mailing List (office.com)](https://forms.office.com/Pages/ResponsePage.aspx?id=aYqBqr-CxEiwnY4SCtH6Cac-1ksWhh5OsiDglcv1ntVUNzVCVEo4UlFCNDcwQ0ZYTUJMS0lKSE0zUy4u)

Derek O’Reilly

Training Manager, Carmichael

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