Tonight’s objectives

- Examine reasons for and underlying principles of trusteeship
- Develop a more nuanced understanding of the roles and responsibilities of boards
- Examine the behavior of boards over the board lifecycle
- Apply theory to practice in the case of Osterburg Community Opera

Why Trustees?

- Responsible for the nonprofit sector—billions of dollars, millions of workers and volunteers
- Why ask trustees to guard this treasure?
  - Trusteeship started in Roman Law
  - Nonprofits were originally devised to:
    - Protect an individual or property
    - Support private action for public good
    - Keep power and property out of the hands of the state
  - Deal
  - Has to be a place the public can go and ask:

Smith, Eleanor: The Ideal Structure of Trusteeship
What the hell is going on?

- What about the owners?
- Why not just rely on the CEO?
- Why not just rely on one board member?

Underlying Principles

- Moral
- Legal
- Functional
- Symbolic

Underlying Principles: Moral

(Smith, Entrusted: The Moral Responsibilities of Trusteeship)

- Fiduciary Principle
- Common Good Principle
- Community of Interpretation Principle
Underlying Principles: Legal
- Duty of Care
- Duty of Loyalty
- Duty of Obedience

Underlying Principles: Functional
- Different models
- Boundary-spanners

Underlying Principles: Symbolic
- Who serves
Responsibilities: Traditional Model

Other Models

- "New work"—Chait
- Carver

Board Passages

Karl Matthiasen
Organizing Board
Small, homogeneous, informal
2 kinds: Following and Leading
Folllowing:
- Cheerleader: Know well and trust founder
- Assigned jobs undone
- Commitment to org purpose and vision of founder
- Not task-oriented
- Little ownership

Then...Growth, then...Strains
- Could be a crisis...
- Or things just aren't working as well as they once did
- Growth:
  - Leading boards:
    - Can't do everything as org grows
    - Look to staff to do more
    - Staff demands authority and expects board members still meddling
      board feels it has nothing to do
  - Following boards:
    - Have to do more than expected as org grows
    - Were thanked to fundraising in the first place
    - Some serious re-negotiation begins
    - Founder or ED needs help and they weren't signed on for this
NEW BOARD MEMBERS!!!

Governing Board Stage:

- Can last 3 years!
- Can be successfully negotiated if:
  - Board chair takes seriously board development
  - Chair begins to develop clear expectations for the board
  - Helps if founders depart
  - Helps if experienced board members who are accustomed to and expect different dynamics come on board
Then…Org. growth continues…Strain…

- Need more people to **raise more money** to fund growth
- Particularly from individuals—peer-to-peer
- Need to delegate to stronger committees to get all the growing work done
- Less painful strain b/c the board has been through a transition before; usually both board and ED want it and the board is not completely reorienting its work

**Conclusion**

- **Change** is a given
- **Board roles** have to be clarified at each stage
- **Institutional boards** face deadwood issues
- **Founders** have to learn to let go
- Organization stage v. board stage
- **Changing membership** is the key to board health
Case: Osterburg Community Opera

- What is (are) the problem(s)?
- What solutions would you suggest?