When Worlds Collide: Conflict Management in the Boardroom

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Abstract

Nonprofit corporations like for profit corporations are required by law to be under the

governance of a board of directors. Responsibilities of the board of directors include

determining the mission and purpose of an organization. In addition, board members have

fiduciary responsibilities, as well as responsibility for the hiring of the chief executive, ensuring

legal and ethical integrity, and being involved in organizational planning. Because nonprofit

boards typically consist of unpaid volunteers, membership may be more diverse than boards of

for profit corporations. Diversity in skills, background, socioeconomic status, or ethnicity may

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When Worlds Collide: Conflict Management in the Boardroom

Because nonprofit boards typically consist of unpaid volunteers, membership may be more diverse than boards of for-profit corporations. Diversity in skills, background, socioeconomic status, or ethnicity may mean cohesiveness will only come as differences are worked out in the boardroom. The process is subject to the usual dynamics of the relationship building process. Diversity may mean that *Worlds Collide* in the confines of the boardroom requiring leadership skilled in the art of conflict resolution. The allusion to the science fiction novel by Wylie and Balmer (1932) suggests that the consequences of conflict in the boardroom may be destructive unless skilled leaders plan and prepare in advance for managing disagreements. It is the story of two large asteroids on a collision course with the Earth. The scenario of the immovable object meeting an irresistible force is further expanded in the picture of escapism where members of the world community decided to leave planet Earth when it was evident that nothing could stop the ensuing catastrophe. Nothing can damage an organization more than having its members, volunteers, and supporters take flight in times of crisis such as operational difficulties, negative press, or an event that damages the organization's image or reputation.

The role of Boards of Directors

Nonprofit boards are the caretakers of the public trust. Dyer and Williams (1991) define the *local board* as "any active, duly organized and representative body that holds regular meetings, makes decisions on behalf of a membership, and whose members serve without pay" (p. 4). An advisory board offers advice to an organization and governing boards have the broader duties of management and setting policy. Nonprofit boards may vary in size, 10 to 12

persons being a small board or 15 to 20 persons being a larger board (Smith, Bucklin & Associates, 2000, p. 28). The board members are elected and while there are often members with professional backgrounds in a variety of vocations, it is likely that for many nonprofit organizations, elected members lack any training in the intricacies of nonprofit management.

The National Center for Nonprofit Boards (NCNB) reviewed Ingram's (2009) *Ten Basic Responsibilities for Nonprofit Boards* commenting that the most critical function of most boards is to define the mission and purpose of an organization (Getting All Members on Board, 2005, p. 2). The NCNB writes, "Any mission should be up to date and widely shared, with language that details what the institution does, why it does it, and whom it serves. A strong mission and vision statement should also serve as a guide for operations and planning" (p. 2). The ten basic responsibilities of nonprofit boards outlined by Ingram are:

1. Define the mission and purpose of the organization

2. Select the chief executive officer

3. Evaluate the chief executive officer

4. Ensure effective planning

5. Monitor and strengthen programs and services

6. Ensure adequate financial resources

7. Protect assets and provide financial oversight

8. Build a competent board of directors

9. Ensure legal and ethical integrity

10. Enhance the organization's public identity (Ingram, 2009, Knowledge Center).

The NCNB observes that there is a distinction between the responsibilities of the board as a collective entity and the responsibilities of individual board members (p. 2). For example the

collective board has responsibility for defining the mission of an organization, but an individual member may have responsibility for personal fundraising. Each individual member must ensure legal and ethical integrity, and must act responsibly in making public comments that involve the organization's image and reputation. Because there may be turnovers or the adding of new board members, the NCNB suggest,

> Boards must work to orient new members, with a focus on the board's governance powers and background on the institution itself. Member effectiveness can also be enhanced by development and circulation of a "statement of board member responsibilities." Such a document can assist in orientation and aid members in understanding and carrying out their duties. (Getting All Members On Board, 2005, p.3).

The very nature of nonprofit boards, with volunteer members, diverse backgrounds, and varying experience in active board participation means that cohesiveness and effectiveness may take time to develop. The problem is that organizations may have turnover rates that work against developing the effective board of directors. It is important therefore for sitting board members to know how to recruit and develop new board members.

The nature of boards of directors

The responsibilities of a board of directors may depend on the views of individual members of the board.   Some board members may see their role as stewards and focus attention on the fiduciary duties of a board of directors. Other members may see a very limited role for the board of directors. Kruetzer (2009) examines a variety of theories for nonprofit governance and depending on the view of members, these theories could be frames of reference that result in conflicts in the boardroom. Kruetzer explains the *agency theory* wherein "the function of the

board is to ensure managerial compliance" (p. 119). Members operating within this framework

may be given to using the power of the board to exert greater influence over the CEO and staff.

This in turn could create conflict with other board members that are inclined to be laissez-faire in

management style. The board style can create conflict between the board, CEO, and other staff.

A second theory, the *stewardship theory* (Kruetzer, 2009), "starts from the assumption

that the managers want to do a good job; thus the main function of the board is to improve

organizational performance while acting as a partner to the management" (p. 119). Members

with a stewardship frame of reference may be focused on accounting details, fundraising, and

budgeting. There may be a tendency to "control the purse string" or perhaps be naysayers at

every suggesting of a new program. This can create conflict in a boardroom or with organization

managers that are looking at ways of growing an organization.

Kruetzer (2009) states that the *resource dependence theory* is one in which "the board has

a boundary-spanning role in which it maintains good relations with key stakeholders in order to

ensure the flow of resources into and from the organization" (p. 119). Members may be

concerned with the political implications of board decisions. Conflict could develop when an

individual board member is concerned with "ruffling the feathers" of a major contributor. Other

members may marginalize segments of stakeholders and conflict in the boardroom results as

members decide on who is the most important to an organization.

A fourth theory is *the democratic perspective on governance* (Kruetzer, 2009, p. 119).

This theory sees the task of the board as being primarily the advocates of the constituencies

served by the organization. Decisions by the board are always concerned about the effects on the

clientele. While it is important to be concerned with the population being served by an

organization, there is a danger that decision-making can become imbalanced when tough choices

have to be made or if more than one kind of population is being served by the nonprofit. Conflict can develop if an individual board member is always concerned about the popularity of a decision.

The *stakeholder theory* "assumes that organizations should be responsible to many groups in society rather than solely to the organization's owners" (Kruetzer, 2009, p. 119). There is a possibility that members with this frame of reference will have an *agenda* while participating on the board of directors. Conflicts can be political, controversial, and personal as the organizational needs are always relegated to the bottom of the list of priorities to be considered. Members with a stakeholder orientation may have expansive views that go beyond the original mission and conflict can develop as decision-making becomes politicized.

The final theory examined by Kruetzer (2009) is the *managerial hegemony theory* (p. 119), which contends that the role of the board of directors is primarily symbolic. The board has limited authority and "control is ceded to the managing director and his or her staff". Individual members have opposite view from those with the *agency theory* orientation. Conflict with other board members may arise as laissez-faire members look the other way when management problems develop. A member may be inclined to always look for easy solutions to handling problems or worse yet, abdicate board responsibility altogether for functions that should be the board's responsibility.

A board of directors will be made up of different individuals and depending on their personal views can represent one or more of the different theories examined by Kruetzer. It is possible that there may be a majority frame of reference. It would be wise to examine different theories of nonprofit boards in any training and development program for new board members.

Diversity in the boardroom

The theories of board management indicate differences that have the potential to create conflict. However, it is the individual characteristics of board members — their personalities, diversity, different background or skills — that define the board of directors. In a study on boardroom conflict, Ozgur (2008) uses a cast of characters with 10 different traits that create a board dynamic. These characteristics suggest different personalities that can affect the boardroom process. The cast of characters includes board members that are analytical, know-it-alls, entertainers, prima donnas, peacemakers, rulers, rumor-mongers, chronic complainers, flakes, and chameleons (p. 5).

A look at Ozgur's cast of characters reveals traits that can annoy other board members and set up conflict. The analytical character, for example, never feels that there is enough information. Picture the person that is nit-picky and questions every detail of a report. Or the analytical requires more documentation and has a hard time reaching any conclusion. Any decision or vote is made with trepidation.

The know-it-all brings a condescending attitude to other board members. Sometimes such a person must be sure to run every suggestion through his or her all knowing compendium of information and insist that their approval is required before the board can make a decision.

The entertainers can be a source of distraction and the prima-donnas must take up time in every board meeting to draw attention to their own contributions. The chameleon is indecisive or constantly changing their mind while the chronic complainer muddies up the discussion with unrelated details, negative comments, and oppositional defiance that brings discomfort to all.

Each of the cast of characters suggested by Ozgur highlight the human nature potential for a volunteer board of directors. A board of directors may have one or two troublesome

members and as a result conflicts occur. However, such personalities might work for the good as

when an analytical person keeps a board honest or the "know it all" actually has good

suggestions. In time personalities come and go as a board of directors mature.

While Ozgur does not offer these characterizations as a scientific study, he suggests that

diversity and personality are real factors in the make-up of a board of directors. Ozgur posits

that potential conflict can work for the betterment of board decision-making. He quotes James

Suroweicki who writes, "Diversity and independence are important because the best collective

decisions are the product of disagreement and contest, not consensus or compromise" (Ozgur,

2008, p. 7).

Harrington (2006), writing for the Credit Union Director's Newsletter, includes one other

character, *the Devil's Advocate*, and states, "Being able to disagree diplomatically is essential.

Having a conflict-miner – someone whose role is devil's advocate – is especially helpful" (p. 2).

The purpose of conflict according to Harrington is to promote open discussion.

It is the diversity of people with their personality differences and backgrounds that

contribute to the richness of the nonprofit board of directors. However, the process of

developing board cohesion and eventually board effectiveness is one in which self-identity must

eventually merge with organizational identity. It is during this process that conflicts happen

because it requires adjusting from self to organization. Individuals have to *fit* into an

organization otherwise the experience of working with a board can become negative. Gibelman

(2004) writes,

> A positive CEO and/or board member experience includes some of the same ingredients
>
> entailed in positive human relations. Timing, context, the "fit" of personality, values, and
>
> operating modes (styles and behaviors) affect the experience at any given moment in

time. When one of these ingredients changes, the experience may go from positive to negative, or the reverse. (p. 60).

Cox and Munsinger (1985) write, "The leading criterion for selecting a board nominee is his probable identification with and acceptance of the company's goals and methods of operation" (p. 91). In terms of having a working relationship within the boardroom and in respect to personality, Cox and Munsinger add the following comments:

> Another overriding consideration is that the board nominee's personality should be compatible with that of the current directors. Indeed, the new board member is expected not only to work within the group's collective views of the corporate interest, but also to cooperate with other board members in reaching decisions by group consensus. Individuals who are quarrelsome, disagreeable, or rigid are disfavored: they fail to fit within the desire mold of loyal independence by which management is given the benefit of the doubt. (Cox & Munsinger, 1985, p. 91).

Such compatibility is highly desirable but not always possible. Therefore it is not unrealistic to include conflict resolution as a part of board training and development.

Organizational identity

The organizational identity process is the process whereby individuals eventually become a cohesive and effective board of directors. The reason why conflict may be frequent occurrences as organizational identity is taking place can be contributed to the fact that individual members must go through the "fitting" process. Foreman and Whetten (2002) define organizational identification as "the degree to which a member identifies himself or herself by the same attributes that he or she believes defines the organization" (p. 619). The working

construct that makes it difficult for going from self to organization is the human nature to

compare oneself to another in developing relationships.

One pastor profoundly stated, "Comparison is the mother of discontent". Examples

include the adage of *keeping up with the Jones'* or can be seen in the attitudes of teenagers when

it comes to fashion or the need to keep up with the latest I-phone. Such comparison is at the root

of striving for acceptance, status, or power. Just as telling is this comment from one college

professor who stated, "In this world there are many people who want to blow out another man's

candle to make their own shine brighter". Comparison with others result in strategies that either

brings equilibrium or change to the status quo. Seldom does conflict happen without self-

interest. Much of the time conflict works for the good; other times conflict disrupts and requires

changes to be made.

Foreman and Whetten (2002) explain "cognitive comparisons drives a member's

identification – i.e., identification stems from a member's assessments of the fit between their

categorizations of their organization and their self categorizations" (p. 619). The critical and

initial role of new board members in finding their "place" sets up dissonance between

perceptions of "who I am" and "who we are" (p. 619). Over time dissonance will disappear

providing conflicts in the early stage of becoming a part of the board does not severely disrupt

the process of moving from self-identity to organizational identity.

The importance of organizational identity

The reason why individual board members must endure the crucible of developing

organizational identity is that the mission and vision for the nonprofit organization depend a

great deal on the board of directors. Voss, Cable, and Voss (2006) state, "Organizational identity

is the set of beliefs about what is most core, enduring, and distinctive about an organization" (p. 741). Nonprofits differ from the for-profit organization because most of their image and reputation is not bound up in a tangible product. When the public considers shopping for an automobile, the quality, price, features make up a great deal of the perception about the company. The customer's first question might be "what do they make" rather than "who are they".

Golden-Biddle and Roa (1997) write, "Organizational identity—the shared beliefs of members about the central, enduring, and distinctive characteristics of the organization – constitutes part of the shared meanings held by the members" (p. 594). The importance of organizational identity is that if influences "not only how members define themselves, but their interpretation of issues and roles, responses to problems, and feelings about outcomes" (Golden-Biddle & Roe, 1997, p. 594).

Nonprofit organizations are judged for *who they are* in terms of values, beliefs, and mission. For the board of directors, Voss, Cable, and Voss (2006) write, "a primary goal of leadership is establishing a unified identity that organizational members can understand and follow" (p. 741). The organizational identity can influence stakeholders such as clientele or contributors. What is known about the values and the mission of an organization can determine how much support is received from the community. It also can determine whether individuals want to be associated through membership or participate as board members.

Voss, Cable, and Voss (2006) observe that organizational identity can also be the source of conflict. For the nonprofit, organizational identity is determined by the board of directors and typically the primary leadership, most often the CEO. The authors write, "An organization's top leaders must be able to answer the question 'Who are we?' as an organization because it affects

how thy interpret issues, identify threats, craft strategy, communicate about the organization, and resolve conflicts" (p. 741). But what happens if leadership disagrees about the organizational identity?

One concern in answering that question is whether individual board members have matured enough by making the transition from self-identity to organizational identity. If the organizational identity is about values and mission, board members are also expected to align themselves with the values and mission of the organization. If there are disagreements about which direction the organization should be headed, or what are the core values, this impacts the first of the ten basic responsibilities of the board; defining the mission and purpose of the organization.

The potential conflict that can come in the process of developing from self-identity to organizational identity means that extra care should be given in the recruitment and selection of board members. It is detrimental trying to do a complete make-over of a person in order to add a friend or acquaintance to the board or to simply find a volunteer to serve. Board members should at the very least have the majority of core values that align with the organization.

The make-up of nonprofit boards of directors

Nonprofit organizations are in many ways different from for-profit organizations. These differences include the duties of CEOs, managers, and boards of directors. Boardsource (Dec 2007) writes concerning the Sarbanes-Oxley Act and its implications for nonprofit organizations.

In a for-profit company, a positive bottom line is the CEO's responsibility. Business acumen, capacity to interpret financial statements in detail, and skillfulness in convincing the board and shareholders that the corporation is meeting all expectations are obvious

characteristics in a manager. Likewise, a nonprofit chief executive may be handicapped

without adequate financial skills. He or she may be hired, however, primarily for other

qualities. Nonprofit CEOs may excel in fundraising, knowledge of the organization's

field of interest, or a variety of other skills. (Sarbanes-Oxley, 2007, p. 6).

The primary purpose of for-profit organizations is to produce a product or service that will

produce profit for stakeholders. The CEO must be a skilled business manager. Boardsource

notes however that the same business acumen is desirable but not required for the CEO of a

nonprofit organization (p.6).

Boardsource (2007) states that under Sarbanes-Oxley, for the for-profit CEO or CFO,

certification of financial reports carries with it the weight of law. However, nonprofit CEOs and

CFOs signatures on financial statements do not carry the same weight of law (Sarbanes-Oxley,

2007, p.6). As a result of the differences in reporting requirements, nonprofit boards may have a

greater fiduciary duty to oversee the financial reporting, primarily through the use of audits. The

article by Boardsource notes that several states are adopting rules requiring outside audits for

nonprofits based on gross revenue thresholds (Sarbanes-Oxley, 2007, p. 3). More importantly is

the recommendation that "Orientation of board members should include financial literacy

training" (p. 4).

Because for-profits and nonprofits differ in purpose and management responsibility, the

boards of directors differ in make-up. For-profit boards are usually business leaders or

professionals in the world of business that are recruited for their expertise, business ties, and

background. Board members of a nonprofit board may be local interested citizens and

volunteers that are attracted to the mission of the nonprofit or who are affiliated with other

members of the organization. Board members are often professionals in the field being

represented by the mission of the organization. However having high quality professionals on

the board does not always mean having a financial expert available for the treasurer's position or

a communications executive available for a public relations position.

It is important to recruit and develop a board of directors that will enhance the viability of

the nonprofit organization and that can provide effective governance for the organization. The

makeup of the nonprofit board of directors can impact the long-term growth and sustainability of

the nonprofit. Brown (2007) writes, "Board development entails the range of activities related to

building and maintaining a strong board of directors. This includes recruiting and selecting,

training and preparing, monitoring performance, and removing board members" (p. 303). The

downside of volunteerism is that it is hard to turn down free help. The disadvantage may be that

filling up chairs with warm bodies may make it difficult to have a seat empty when a more

competent individual comes along. Smith, Bucklin, and Associates (2000) observe, "As

nonprofit organizations change, so do their governing boards" (p. 27). Therefore the nonprofit

organization must look at the makeup of the board of directors with the issue of *competencies* in

mind.

The reality is that potential problems in the boardroom happen as early as the recruiting

process. The problem may be the very reason that people join boards of directors. An article by

Governance Matters asks the question, "What happens to squelch the creativity and leadership

skills of smart, productive people when they get on a nonprofit board?" (Governance Matters,

Event Summaries, What Happens). People join boards of directors for different reasons and

show up with personal agendas. Dealing with personal agendas can be the first task for the new

board. *Governance Matters* observes, "A vital board is one whose members show up ready to

contribute to the success of the organization" (para. 1). Instead, the article notes some of the following underlying problems that come as the board is being developed.

These include all the wrong reasons for joining a board of directors. Governance Matters notes that some people join for status. Others are high-level executives that agree to serve on the board not realizing that "membership is about individual involvement". They eventually experience the conflict of commitment or time management issues. Other executive types only have hierarchal experience in management, but no experience in peer management styles. Volunteers for the nonprofit board of directors may be unaware that some duties or expectations such as fundraising are common roles, and are not up to the task.

The issue of recruitment and development may begin haphazardly as the new organization begins in the *fly by the seat of the pants* mode, but many organizations begin by hiring a CEO or consultant that understands the recruitment process. The principles that begin a nonprofit organization should do their homework with help from the abundance of resources that are available to beginning nonprofits.

The recruitment and development of the board of directors

Brown (2007) posits, "One of the challenges associated with considering whether a board has been successful in securing highly capable board members is that the competencies of a nonprofit board member are not universally apparent" (p. 305). Research by Brown indicates that performance indicators such as meeting attendance, contribution in meeting discussions, and knowledge and skills to perform the board member role are all important in member evaluations. Evaluating board members is one part of the board development practices that Brown suggests

leads to competent board members. Brown posits three hypotheses for developing competent boards.

The first hypothesis is that "Best practices recruitment strategies will lead to highly capable board members" (Brown, 2007, p. 306). The importance of recruitment is that besides finding a capable board member, recruiting the right individual can bring money, knowledge, skills, and relationships into the organization. Best practices include making an inventory of what skills are needed to fill out the board, knowing the right strategies for developing a pool of candidates, and having a process for engaging with potential board members, as well as a process for screening and nominations.

The second hypothesis according to Brown is "Best practice orientation will lead to highly capable board members" (Brown, 2007, p. 306). Individuals choose to serve on a board. If the orientation is disorganized and slipshod, if there is no motivational appeal, or if there is no perceived benefit in terms of training or development, a candidate may become disincentivized from serving on the board.

The third hypothesis Brown says is "Performance evaluation will lead to highly capable board members" (Brown, 2007, p. 306). Brown writes, "It is widely recognized that member composition contributes to group performance" (p. 306). The best practice of evaluating performance is to ensure the effectiveness of governance. Lack of competence can be one factor that leads to conflict in the boardroom. Performance evaluations of the group and individual members can help identify weaknesses that can be remedied by more training and development. It can also indicate the need for change that will lead to important cohesiveness within the board. If incompetence is allowed to remain, board conflict will eventually develop to the detriment of the nonprofit organization.

Conflict in the Boardroom

There are many reasons that have been suggested as sources of conflict. These include personality differences, personal agendas, differences in management styles, perceptions of the role of the board, and differing view over organizational identity, its mission and purpose. When a couple says they have never had a disagreement, it is easy to be incredulous. It is just as easy to dismiss the idea that there will never be a conflict in the boardroom. Instead, it is more realistic to posit that very little ever gets done without some conflict or a good healthy debate.

Crainer and Deerlove (2007) ask the question, "What happened to real debate among corporate directors?" (p. 27). There are two important assumptions made by Crainer and Deerlove that suggest some conflict is essential for an organization. The first assumption is that "Real power is – or should be – expressed in the world's boardrooms" (p. 28). If an organization is to grow, there must be change. The implication that growth means change also implies that it is the result of controlled management or leadership. If uncontrolled, growth becomes the *bubble that is waiting to burst* that becomes the stuff of news, such as the *dot-com bubble*, or the *housing bubble*. The assertion that real power should be expressed in the world's boardrooms suggests the boardroom should be the place of leadership for growth and change.

The second assumption by Crainer and Deerlove (2007) is "The board exist to govern the corporation. It is first and foremost a political arena" (p. 28). The board exists as a check and balance to the CEO and executive leadership. Crainer and Deerlove compare the board of directors to the Congress of the United States and the Supreme Court, which "exist to prevent excesses of executive authority from the White House" (p. 28). Within the Congress laws are debated before they are passed. Members of Congress are representatives of their constituency. To properly fulfill their roles, no law or policy should ever pass without dissection and

discussion (i.e. debate). To pass laws without reading them or understanding them is simply a failure of responsibility and makes the office holder no less than a *fraudulent representative*; one in name only.

The same must be true within the boardroom. The ten basic responsibilities suggested by Ingram (2009, Knowledge Center) cannot be accomplished without the board operating as having *representative powers* to dissect, discuss, and debate the issues before the board. The very process means that conflicting views are certain. The question is whether conflict is controlled (i.e. managed conflict), or whether conflict becomes uncontrolled and presents a management crisis that could damage relationship in the boardroom, or worse, between the organization and stakeholders. Crainer and Deerlove contend that managing conflict is one of the purposes of the board. In noting the various responsibilities of the board, Crainer and Deerlove (2007) write, "Given this agenda, differences of opinion are the stuff of which board meetings are made, where recognizing that resolving conflicts of interest is integral to what boards do" (p. 28).

The rules of debate

Crainer and Deerlove (2007) note that debate is vital to good decision-making (p. 29) and recount five ideas for successfully managing conflict in the boardroom. These are:

(1) Assess the kind of conflict problem, whether it is task related or relationship related.

(2) Establish trust. Conflicts cannot develop into personal attacks so it is important that trust building should take priority in conflict resolution.

(3) In the absence of trust, use a "qualified consensus rule". This means pre-setting a decision that everyone can live with if agreement cannot be reached by the debate.

(4) Crainer and Deerlove suggest avoiding the majority rule, because "it is associated

with poor performance" and because "it is usually associated with silencing

dissenters" (p. 29). It is better to fall back on the qualified consensus.

(5) If in doubt about the level of trust, discuss it openly.

The rules of debate suggested by Crainer and Deerlove do not encapsulate the full meaning of

conflict resolution but offer structure for the debate process. It is important to look at a more

detailed discussion of conflict in the boardroom.

The need for conflict resolution training

Conflict is beneficial when it is managed and stimulates the decision making process.

Conflict can be instrumental as it forces members to weigh options, look at different points of

view, or uncover weaknesses. Conflict becomes destructive if it results in personal attacks,

exacerbates frustrations, splits an organization, disrupts meetings, discourages participation, or

damages relationships. When conflict results in anger, disassociation, or communication

breakdown it is important that leadership understands principles of conflict resolution.

Ozgur (2008) notes that a study of over 50 boards in Minnesota "found that most people

join boards to (1) network, (2) make friends, and (3) do something good. The study also reported

that avoiding conflict is the most common reason for members' resignations" (p. 11). Alden

(2002) contends that boardroom conflicts can be difficult to solve because "The boardroom can

be a complicated environment, made even more so when directors' emotions and personal

grudges interfere with their role on the board" (p. 1). Alden quotes John Bermingham, chairman

of Citizensfirst Credit Union, which said, "It also pays to know your board by understanding its

style, its hot buttons, and what's important to directors" (p. 1).

While not every board issue will result in conflict, the *hot button* issues mentioned by

Alden (2002) include controversial topics such as "hiring the CEO, opening or closing branches,

building and expanding projects, and conducting executive compensation reviews" (Alden, 2002,

p. 2). Other conflict producing issues can include staffing issues, resource allocation conflicts,

data collection and reporting conflicts, relationship conflicts (Ozgur, 2008, p. 14). These are

common problems that face boards of directors. Potential conflicts and possibly the hardest to

manage might include removing an executive officer or another director.

Dane (2009) writes, "Conflict arises from poor communication and the occasional grab

for power" (p. 1). Additional conflict sources can include the lack of clarity on roles or even an

ineffectual board chair that doesn't know how to squelch conflict in the boardroom. Whatever

the conflict, it is imperative that boards of directors avail themselves of training and development

in areas of leadership and conflict resolution skills.

The importance of leadership

The key to boardroom development, having an effective board of directors, and the key to

managing boardroom conflict is leadership. The nonprofit board in that regard will not differ

from the for-profit corporation. The organization's CEO will often have great influence on the

board of directors, but leadership within the nonprofit boardroom has many of the same

responsibilities that might be expected in any organization; that is building relationships.

What is leadership? John Maxwell quotes J. Oswald Sanders who states, "Leadership is

influence" (2007, Section: God Has Already Called You to Lead). Robbins and Judge expand

the definition and write, "We define leadership as the ability to influence a group toward the

achievement of a vision or set of goals" (2009, p. 385). Bolman and Deal state that leadership is

distinct from authority and different from management. Bolman and Deal observe in *Reframing Leadership* that leadership is not something that is tangible but that exist only in relationships. It is in the perception of the engaged parties (2008, p.35). Strong leadership includes the ability to create relationships among people.

Kalin (2008) suggest that the role of leadership is to "provide vision, stimulate innovation, uphold integrity, and foster morale" (p. 262). While that does not sound like a difficult task, leading a group of diverse individuals to becoming a single entity that works in unity requires special skills. Kalin notes, "Conventional wisdom says that leadership is an innate skill that can be cultivated and developed, and that leaders can be distinct from administrators or managers" (p. 262). The leadership for the boardroom is indeed distinct because managing the nonprofit organization or providing administrative functions to the nonprofit is not the role of the nonprofit board of directors or its chair. For the nonprofit, the primary focus of leadership is to lead.

The nonprofit organization must have leadership that is committed to the organization. This is the kind of leadership exemplified in the military where self becomes secondary to the unit. Trichinotis and Scheiner (1996) contend that commitment is a part of the ultimate mission of a leader, and write,

> The ultimate mission of the committed leader is not found in personal gold medals. Rather it is rooted in a personal commitment based on one simple philosophy: "Service before self." "Service before self" (better known as the second Air Force core value) is more plainly defined as putting personal agendas aside for the good of the organization and the people within an organization (p. 39).

Leadership does not exist without followers and a true leader can only exist in the context of relationship. The board of directors is a relationship that is a system all its own. It is important to remember that diversity exist in the boardroom and part of the job of the leader will be to understand the system dynamics of the social system knows as the board of directors.

Sales writes, "Effective leadership requires more of us: looking below the surface of everyday events, understanding the impact of system dynamics on individual behavior, and learning to leverage the power and possibility of organizational role and position" (2008, p. 180). Sales notes that every organization differs in some degree but robust organizations have four basic elements (2008, p. 191). These elements are differentiation, homogenization, integration, and individualization and they make up the important elements that leaders must attend to in developing an organization.

Differentiation says that people are different and leaders accept differences in people rather than using them as reasons to create more "them" stereotypes. Everyone is treated fairly and with dignity without respect to differences. Leadership in the boardroom works to create the kind of relationship that leads the board into an organizational identity while recognizing differences among individuals.

Homogenization refers to commonality (Sales, 2008, p. 191). Everyone, including leaders and followers, are alike in their humanness. Leaders must see how "we" are bound together by the common need to belong, to be respected, and to be heard as members of the board.

Integration means that "we" all share in a mission, vision, purpose, and direction. There are no fringe elements that cause some to be classified as "thems". Leadership must become a unifier of board members.

Individuation was true even among the disciples. Peter was fiery while John was caring. Thomas was a doubter. James was a disciple of influence. Like in the body, the differences in each member contributed to its own "position power". Paul wrote, "Nay, much more those members of the body, which seem to be more feeble, are necessary" (I Cor. 12:22, KJV).

Recognizing these system dynamics is important to the leader that must lead a board into relationship. The leadership position is most often known as the board chairman or board chair. The board chair will likely be the one called upon to manage boardroom conflict so it is important to understand the position. Boyce (2008) writes,

In many ways, a foundation board chair serves as coach, captain, and quarterback. As coach, your role is to provide guidance to the foundation, trustees, and staff. As captain, your role is to provide support, encouragement, and leadership, both within the foundation and more publicly in the community. As quarterback, you have a critical role in leading your team – your fellow trustees – on the field, or rather in the boardroom. (p. 2).

Boyce observes that one of the responsibilities of the board chair is to *tame troublesome behavior*. Boyce writes,

An amalgam of personalities and skill sets that meets only occasionally, a board requires strong leadership if the trustees are to effectively work together to achieve the foundation's mission. Many board chairs find that managing group dynamics is one of the most challenging aspects of their jobs. When a trustee displays troublesome behavior, you as board chair must intervene. You may need to speak privately with a trustee who frequently speaks out of turn, dominates discussions, is verbally aggressive, or brings personal issues into the boardroom. Address the behavior, not the person. If not addressed, these

behaviors can create a dysfunctional working environment. As board chair, you are

responsible for maintaining appropriate decorum in the boardroom and for helping develop

good working relationships between trustees. (Boyce, 2008, p. 10-11).

The value of leadership will always be reflected in the quality of those that are led. Hill

(2000) notes that the effective board director requires effective boards. Hill posits,

No director can be effective unless he or she is part of an effective board. Far too many

boards are still made up of impressive people chosen by a CEO, who wants their

reputations rather than their advice. If they are only a group of individuals that have not

coalesced into a working unit, they probably will not be able to persuade their CEO to

listen, and they may not have the will to replace that CEO if he or she refuses to listen.

(Hill, 2000, para. 11).

The effectiveness of leadership will be tested in times of conflict. A minister commented about

the value of love in a relationship. The analogy is particularly appropriate in understanding that

good leadership, like love, must act like the mortar between bricks in a building. The mortar

"keeps the bricks together and it keeps the bricks apart". Love and leadership must have similar

qualities when it comes to developing relationships. It is the ability to create the bond of

relationships that *build* the building known as a nonprofit organization.

Conflict resolution and management

Dane (2009) contends, "Disagreements cannot be avoided among individuals with

differing viewpoints that are striving to advance and are willing to challenge the status quo" (p1).

Dane suggests that to avoid conflicts it is important that an organization establish standards of

behavior for the board (p.1). Guidelines that are sophisticated as the Parliamentary Laws used in

Congress are not necessary, but there should be printed and distributed guidelines that set clear

expectation for conduct, debate, conflict, and policy for the nonprofit board of directors.

There are ten important conflict management *tips* suggested by Alden (2002). The tips

are particularly important while in the board meeting. The ten tips are,

1. Give everyone a say.

2. Communicate clearly.

3. Let people know their opinion is valid.

4. Don't let decisions become personal. It is important that directors perceive decisions are

   fair, even if they disagree with the decision.

5. Keep the conflict at the table.

6. Improve your listening skills.

7. Stay focused on facts, not feelings.

8. Recognize that debating can be healthy and helpful.

9. Do not be quick to judge or make snap decisions.

10. Keep your goals in mind. (Alden, 2002, p. 1, callout).

While these ten tips by Alden seem like common sense suggestions, they should be

reinforced by discussion as well as becoming part of the printed guidelines. For example, *giving*

everyone a say is not only about fairness, it is about building repoire and acceptance among

members. Members should be made aware that all members should feel that their comments will

be received in a safe environment, even if there is disagreement. Board members must be made

to understand that one of the principles of *brainstorming* is to throw ideas out on the table even if

they seem implausible. Sometimes it results in an absurd idea but people trained in

brainstorming realize that the value of the process is in the creativity. The training process for

tip #1 is that there will never be a disagreement with the messenger, while the message might

require a healthy debate. Each of these suggestions by Alden should be discussed, constantly

reinforced, and displayed on the wall of the boardroom.

The tips listed by Alden are proactive strategies that minimize the potential for conflict,

but what about managing the conflict when it has developed? The important skills that are

needed in conflict resolution are unfortunately seldom taught in the home. This is especially true

of the parent that uses the "because I said so" mantra. When disagreements develop, behaviors

become unacceptable, or communication deteriorates, leadership in the boardroom must know

how to reach into a toolbox of strategies to restore order, break down walls, reduce defense

mechanisms, reopen lines of communication, and more importantly mend strained relationships.

The majority of conflicts can easily be managed by learning simple communication

strategies. The response to conflict requires leaders to maintain a cool head, calm composure,

and to effectively take charge of the disagreement. Karahan (2009) noted some important

communication process skills that can be used in resolving conflicts. Although the research was

developed for use with individuals with sociotropic features, it is applicable to conflict

resolution. Karahan (2009) first explains Sociotropy noting,

> Sociotropy is a personality trait associated with high levels of dependence and excessive
>
> need to please others with the need to establish secure and positive interpersonal
>
> communication with other people. The person who is having high sociotropic features, is
>
> very sensitive for the negative thoughts or behaviors from the individuals they
>
> communicate. (Karahan, 2009, p. 788).

In the context of conflict, while a Sociotropic personality is not necessarily the case for board

members in conflict, no doubt, negative thoughts and behaviors are being experienced in the

communication process. The importance of the study is the communication techniques

suggested for reducing the conflict.

Karahan (2009) summarizes the communication techniques that are used in the

communication intervention (p. 792). Communication techniques include,

1. The use of "I" statements instead of "you" statements. This takes away the blame game

that often appears in conflicts.

2. To produce alternative offers. Here board leadership must use the skill of making

suggestions to create alternatives as a way of redirecting the conversation from the

offending topic that created the conflict.

3. To start and continue a conversation or argument by asking a question. Leadership

should lead by example in the communication intervention that is a part of conflict

resolution.

4. The ability to perform empathetic confrontation or responses. Such comments as "I

understand your point" or "I understand how a person can feel that way" are important

communication strategies used in conflict resolution.

The value of knowing how to communicate in a crisis is firmly rooted in scripture. While

research into communication and conflict resolution seeks to develop strategies for the toolbox

of those who need it, there are several scriptures that provide a greater understanding of how to

manage a conflict.

A Biblical perspective of conflict resolution

The Biblical perspective of conflict resolution is rarely shared in conflict resolution literature, but the richness of what the Bible has to say contributes to the development of the best interpersonal skills. The following scriptures can easily be incorporated into training and development programs, especially in a faith based nonprofit organization. These Biblical conflict resolution tips are worth considering.

1. Remember the *Golden Rule*. "As you would that men should do to you, do ye also to them likewise" (Luke 6:31, KJV). Nothing could be plainer or simpler.

2. "A soft answer turneth away wrath, but grevious words stir up anger" (Proverbs 15:1, KJV). This should be communication rule #1. It is the first and most powerful step that needs to be taken to diffuse a conflict. One technique that could be used in a board meeting is to have members take a break when tempers begin to flare. Have members write out objections and have them read them after the break. Teach board members that when feeling angry, ask if there is anyone that supports his or her view to take over the discussion and let them move it forward while composure is being regained.

3. "I said, I will take heed to my ways that I sin not with my tongue; I will keep my mouth with a bridle, while the wicked is before me" (Psalms 39:1, KJV). There are two important lessons. The first is there is no excuse for sinful, ugly, or harsh words during a conflict. The second is that sometimes it is better just to say nothing. Rev. E.L. Holley, the president of Texas Bible College made a profound comment when he said, "A man persuaded against his will is of the same opinion still".

4. "Be ye angry and sin not: let not the sun go down upon your wrath" (Ephesians 4:26, KJV). Every person should learn that anger is an emotion that is not always wrong. It

can even be constructive at times to let others know you are angry. This scripture shows

the importance of resolving conflict rather than harboring anger. Sometimes it is more

important to deal with the anger first and the issue second. Be sure that board meetings

do not end with lingering anger. The issue can be addressed on another day, but it is

important that people be reconciled before they go home.

5. "Iron sharpeneth iron; so a man sharpeneth the countenance of his friend" (Proverbs

27:17, KJV). Every board member should be trained in the virtues of a healthy

disagreement, the positive role that conflict can play in advancing a policy or program.

The Bible includes a multitude of scriptures that can be used for conflict resolution training. If

need be, they can be paraphrased for the secular organization.

Conclusion

A nonprofit board made of diverse people with different backgrounds and social skills

means, that conflict resolution skills, particularly communication skills, should be the subject for

extra training and development. The value of ongoing development is not only about managing

the board process, but will likely be considered benefits in the eyes of board members. New

members should be welcomed with open arms but forewarned that the boardroom is a place

where different people with different views, and certainly different personalities, are needed in

order to achieve the most creativity for growing the organization. It should be explained that the

quickest way to stifle growth, diminish innovation, and lose momentum is for the boardroom to

be full of *cookie cutter* personalities. Unity is about harmony; it is not about monotony.

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