

10 Questions *for* CEO Candidates to Ask during the Interview

If you're a nonprofit CEO — or want to be one — here's what you need to know about the board.

By Miriam Carver

A good friend recently told me she was applying for the CEO position in a local nonprofit organization. My friend, Charlotte, has had a successful management career in a for-profit company. She wants to change course and use her talents for nonprofit purposes. She feels she has seen the best and worst sides of business. But she hasn't seen the issues and traps awaiting CEOs in the nonprofit world.

With Charlotte in mind, I started wondering about the issues that should be checked out by anyone thinking of working as a CEO for a nonprofit board. This article provides 10 key questions a CEO candidate should ask in her job interview, along with commentary on the need for each question and the answers you'd receive if the board was using the Policy Governance® model.¹

Question 1: If I'm hired, will the board hold me accountable for the organization's performance?

This question goes to the heart of what a CEO is. Many nonprofits don't describe CEO accountability in terms of total organizational performance. CEOs who are told

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that they're responsible only for some aspects of organizational performance (such as budgeting or personnel issues) haven't been given the entire job of running the organization and are CEOs in name only.

A Policy Governance board would be clear on this point. It would describe the CEO position as the connecting point between board and staff, the recipient of board instructions, and the party accountable for organizational compliance with those instructions.

Question 2: If I'm hired, will I be given sufficient authority over the organization to fulfill my accountability for its performance?

It's essential to ascertain the board's attitude toward authority given to the CEO. The board is ultimately accountable for the organization. The main point of having a CEO position is so that the board can be sure its intentions are accomplished. It follows

that it's in the board's interest that the CEO is successful. Withholding authority unnecessarily is self-defeating.

A Policy Governance board would be clear that its focus is on safely giving as much authority as possible to the CEO, not on withholding as much as possible.

Question 3: If I'm hired, will I report only to the board?

At first blush, this looks like a question whose answer is self-evident. But many boards expect (either formally, based on bylaws language, or informally, based on habit) that the CEO will report to more than one entity – for example, to board officers, committees, or to an individual such as the board chair. In such cases, it's inevitable that the accountability linkage to the board is weakened or destroyed.

A Policy Governance board would answer this question by stating that the CEO reports only to the board as a body.

Question 4: If I'm hired, how will I know the board's expectations for organizational performance?

This question seems so obvious, yet it's remarkable how often boards are unclear about their

expectations. The practice of asking boards for approval reflects this lack of clarity. A CEO who knows the board's expectations already knows what's approvable and what isn't. When boards are unclear about the expectations they've agreed on as a body, board members may impose their individual expectations as if they were official board policy.

A Policy Governance board will explain that its expectations for the organization are expressed in two types of policies. The first type — **ends** — describes results to be produced as well as the intended recipients and worth of those results. The second type — **executive limitations** — describes limits placed on the CEO's freedom to choose effective means. A Policy Governance board will further explain that there are no expectations other than those expressed in these two policy types. No surprises!

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Question 5: If I'm hired, how much authority will I have to make decisions?

Traditionally, boards have been unclear about the authority given to the CEO. The usual practice is that the CEO must ask permission to make decisions in areas that are important, controversial, or new. This means that the CEO must request piecemeal authorizations. It also results in the board second-guessing the CEO and failing to draw a distinction between the board's job and that of management.

A Policy Governance board will explain that the ends and executive limitations policies are defined broadly, and then progressively more narrowly, by the board. The board stops defining its policies at the level that allows it to accept any reasonable interpretation of the policies by the CEO. At

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this point, organizational compliance with the policies is delegated to the CEO. Thus, the CEO has authority to make any decisions that accomplish ends policies, within the constraints established by the board's executive limitations policies.

Question 6: Do board committees or officers have authority over some or all aspects of organizational performance?

If bylaws or tradition maintain that the board's finance committee or treasurer makes finance decisions, the human resources (HR) committee or HR expert on the board makes HR decisions, and the program committee makes program decisions, the position being advertised isn't that of CEO. In fact, any board officer or committee given a job which overlaps with the CEO position results in employing a person who may have the CEO title but not the job.

A Policy Governance board will state that it expects the CEO to see to it that the organization accomplishes the board's ends policies while avoiding unacceptable means described in executive limitations policies. It will state that it has deliberately avoided giving the same job, or parts of the same job, to more than one person. It knows that a job delegated twice is a job for which no one is accountable. It will explain that board officers and committees are used to help the board do its job, not to be involved in the CEO's job.

Question 7: If I'm hired, what criteria will be used in the board's evaluation of me?

A CEO, of course, should expect the board to evaluate her performance, although a more exact way of stating this would be that the board should evaluate the organi-

zation's performance and hold the CEO accountable for it. Sadly, many nonprofit boards have no fair or rigorous way to do this, since they have set no expectations for organizational performance. They often fall back on asking the CEO to share her personal objectives with the board, and evaluate whether she met them. This fails any reasonable test for CEO evaluation. If the CEO meets her personal objectives but the organization falls apart, is this OK? If the organization accomplishes great things but the CEO fails to meet her personal objectives, is this not OK?

A Policy Governance board will explain that the ongoing monitoring of organizational accomplishment of the board's ends policies, and avoidance of executive limitations policies, is in fact the CEO's evaluation. In other words, the evaluation criteria are all the ends

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More on the Policy Governance Model

Books (available from www.josseybass.com, www.amazon.com, or other booksellers)

Carver, John, *Boards that Make a Difference*

Carver, John & Miriam Carver, *Reinventing Your Board: A Step by Step Guide to Implementing Policy Governance*

Articles from Nonprofit World (available at www.snpo.org)

Carver, John, "When Owners Are Customers" (Vol. 10, No. 4)

Carver, John, "Does Your Board Need Its Own Dedicated Support Staff?" (Vol. 18, No. 2)

Carver, Miriam, "The Board's Very Own Peter Principle" (Vol. 16, No. 1)

Carver, Miriam, "Speaking with One Voice" (Vol. 18, No. 4)

Audio Tape (available from www.josseybass.com)

Carver, John, *Empowering Boards for Leadership*

Web Site

Visit www.policygovernance.com.

and executive limitations policies set by the board; no more, no less.

Question 8: How does the board view its own job?

A great deal can be learned from responses to this question. Traditionally a board will answer that it is the “final authority,” accountable for the organization. Board members will answer that they’re on the board to provide help or advice or to represent various constituencies. There will be no unanimity about the board’s role, as the board will commonly have reached no decision that would settle the matter.

A Policy Governance board will explain that it sees itself as the voice of the organization’s ownership, a concept similar to shareholders in corporations. Many nonprofits define their ownership as a geographical community or a community of interest. The Policy Governance board isn’t the final authority; it’s the *initial* authority, as befits its position high in the chain of command. It’s a commander, not an advisor, recognizing that anyone who wants help can ask for it, but that foisting suggestions unasked blurs the distinction between instruction and advice.

Question 9: If I were to be your CEO, and if board members disagree with one another, to whom should I listen?

Boards should be making high-leverage, future-focused decisions, about which people differ. So it’s devoutly to be hoped that board members disagree. There seems little point in having more than one board member if they all have the same opinion. Debating diverse ideas before making decisions is vital for boards, but that debate isn’t helpful to the CEO. What’s instructive to the CEO is the decision itself.

A Policy Governance board will tell CEO candidates that it encourages debate and uses a fair process in which all involved get to have their say. But it also expects its members to respect the decisions the board eventually makes. The board won’t let dissenting members undermine its policies. This is the “one voice” principle. It doesn’t imply that decisions must be unanimous, just that all board members uphold them. The CEO should therefore be told to pay close attention to written board policies, not to any individual board member’s opinion. This principle lets the board maintain the accountability connection between itself and the CEO.

Question 10: Does the board use an organized governance method? Which one? Where can I read about it?

There are many texts offering advice on governance practices. Many are intended to answer specific questions confronted by boards, such as using committees, creating agendas, and evaluating the CEO. To the extent that this advice gives a CEO information about what she may expect from her board, and how she can view her job, they may be useful. The CEO should be familiar with these texts if the board is using them to define its job. There are, however, no universally applicable theory-based governance systems except

the Policy Governance model.

The Policy Governance board will be able to give CEO candidates numerous published descriptions of the Policy Governance model² along with policies it has prepared according to Policy Governance principles. The board will make it clear that candidates should be familiar with these principles, as CEOs of Policy Governance boards have employment conditions different from, more empowered than, and more accountable than CEOs of boards not using this cutting-edge governance method.

When Charlotte goes to her job interview, I hope the board will be as attractive to her as she will undoubtedly be to it. ■

Footnotes

¹Policy Governance is a board model that clearly distinguishes board and staff responsibilities. The board is responsible for defining ends policies (naming the desired results, recipients, and worth of the results to be produced by the organization) as well as the limits it wishes to place on available means. These limiting policies are called executive limitations policies. The staff’s available means are limited only to those that don’t violate the board’s pre-stated standards of prudence and ethics. Thus, a Policy Governance board is far less likely than other boards to meddle in the organization’s day-to-day workings. For more details on Policy Governance, see www.policygovernance.com. Policy Governance is the registered service mark of John Carver.

²For examples of such resources, see “More on the Policy Governance Model” on page 29.

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