



One of the cardinal rules of corporate governance is that the CEO, hired by the board, manages the business. No one on the board should be trying to manage. No one on the board should be too involved in operations.

It's encouraging to see directors who are passionate about the company they steward, but an overinvolved board member can present challenges for a CEO who is trying to do their job. In my experience, as well as that of my fellow board members, the board has two primary jobs: to hire the CEO and to set a strategy.

Accordingly, the CEO manages the entity while the board should abide by the principle: "We are noses in, but fingers out." In reality, it is more nuanced than that; the board has their ongoing arms-length oversight to do. Nevertheless, this is the board's basic role.

In a nonprofit organization, directors have one additional duty that differs from those of a for-profit company: Nonprofit directors are often actively involved in fundraising. This can sometimes lead to an uncomfortable "fuzziness" if a director who fundraises seeks to reach their hand into operational issues. They have clout that a director for a for-profit typically does not have. Fundraising is the lifeblood for most nonprofits—and a single large donor might even "make or break" a nonprofit.

So, how can a CEO or nonprofit executive director make their job tenable in this situation? If the board dynamics work properly, the best course of action would be for the board chair—or another director who is well respected by the board and by the interfering director—to have a private conversation with the overly-active director. If the interfering director is the board chair, the situation may be more challenging. The CEO/executive director could recruit a past board chair or another director the board chair respects to have this conversation.

What might this delicate conversation look like? The board chair might tell the interfering director something like this:

**Board chair to interfering director:** "Director, thanks for taking a few minutes with me. I want to raise with you a challenging situation I have observed relating to your suggestions to the CEO. While well-intentioned, it might seem like these suggestions involve operational areas beyond the scope of our role as board members."

After this conversation takes place, perhaps the nonprofit's executive director could engage with this interfering director on a periodic basis—with the respected director who has delivered this practical advice to the interfering director in attendance—so that the interfering director can present fundraising plans and provide related input to the executive director. Many CEOs schedule a regular meeting to ensure that a key director feels heard.

This arrangement might be a way to get the interfering director realigned to channel their drive in a positive way. Involving the other respected director in this arrangement is key to provide the CEO/executive director with the "safety valve" they may well need, at least for a while.

Finally, stay in close touch with both the director and the CEO/executive director until things settle down. This can be tricky, but it is critical to success in any organization.

## Explore more in

[Corporate Law](#)  
Blog series

## Public Chatter

Public Chatter provides practical guidance—and the latest developments—to those grappling with public company securities law and corporate governance issues, through content developed from an in-house perspective.

[View the blog](#)