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Comment

## Board and confused

The government wants charities to help run public services but first they need to improve the way they run themselves, says Ken Burnett

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"The trouble with most trustee boards is that they appoint the charity's chief executive officer (CEO) and senior management, rather than the other way around." My friend saying this is CEO of a medium-sized childcare charity. He'd been bending my ear that evening about the problems he has with his board of trustees, and particularly his chairman.

It's a familiar topic in the watering holes and conference halls where Britain's charity employees gather. In voicing this view my friend speaks for many working in the burgeoning and ever-more significant voluntary sector. "Our trustees just don't understand," he went on, describing some conflict or other, "but feel that because they're there, they have to interfere."

My pal and I had been debating the relative merits and shortcomings of managing a charity as opposed to running a more conventional commercial enterprise. "One thing that's noticeably different," he complained - and he speaks with knowledge, having joined the sector after many years in a senior role with one of Britain's top companies - "is the presence of that strange extra layer of unpaid part-time directors, the board of trustees." (I paraphrase him considerably here. I think his language was a bit stronger.)

He described the overlap and frequent misunderstandings that arise between his trustee board and his own full-time team of paid senior managers, which he considers the "real" board of directors of the charity.

### A historical oddity

While almost all aspects of charity management have professionalised in recent years, he claimed, to a point where the old image of well-meaning, soppy amateurs has been all but banished, his organisation's topmost management layer, the board of trustees, still all too often functions just like its familiar stereotype, or worse. "They're well-intentioned, good people giving their time to a cause they believe in," he emphasised, with a mixture of appreciation and exasperation. "But where do they add value? More likely, they cause more problems than they resolve."

I pondered his various observations and concluded he had some rather good points. Trustee boards are a strange construct, something of an anachronism, a curious historical oddity. I confess that at this point I merely encouraged him by quoting my favourite aphorism on the subject - charity boards of trustees, as often as not, are "an incompetent group of highly competent people".

I've said this often enough, and it may sometimes be a justifiable description. But I well know it's not always. It's often plain wrong and does scant justice to the potential contribution of a truly effective trustee board.

Thankfully, this realisation is rapidly gaining ground among senior managers in charities, and trustee boards nowadays are less likely to be seen as barriers or irrelevant, to be kept in the dark and fed only what staff assume will keep them docile. These days they're more likely to be recognised as a potentially useful, highly valuable group with a unique contribution that needs to be made.

With this growing realisation has come appreciation that good boards don't just happen, that to ensure the optimum structure, balance, composition and conduct of the board requires planning, understanding and investment as well as careful development. It matters because, however worthwhile its aims, a bad board can stifle, frustrate and hold back any voluntary organisation, whereas a truly effective board can make a good organisation great.

## Fresh eyes

Britain should celebrate its long and proud tradition of charities governed by volunteers. They represent a spirit of giving and commitment seldom found elsewhere. A voluntary board is low-cost, so when it works it delivers great value. It brings in a range of outside professional expertise, people the charity couldn't otherwise hope to attract, afford, or properly use.

Voluntary, part-time trustees bring fresh eyes, energy and experience to the charity's distinctive range of issues and problems. They are ambassadors and, often, generous donors. At their best they will be challenging, provocative, stretching. They reassure the public, other donors and even the staff. Mostly, they're nice people, interesting and capable as well as impressive.

Their unique governance role - utterly distinct from management, which is usually the province of appropriate, professional, paid staff - means trustees have to be simultaneously watchdog, guardian, counsellor, mentor, custodian and friend, for all the charity's stakeholders. It's not a job everyone can do.

But it is a job of some importance. According to the Charity Commission there are 167,466 main registered charities in Britain with a combined annual income just short of £38bn. The commission holds details of just over 739,000 individuals who serve as trustees.

Properly equipping this many people and ensuring they are right for the important role they discharge is no small or insignificant task. To achieve its full potential the sector has to do everything in its power to make sure boards become enablers not blockers, adding real, measurable value to the organisations they serve.

Good governance demands it. And for charities in the first years of the twenty-first century, good governance has just moved to the top of their agendas.

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