

## Habitat for Humanity Affiliates: Influencing Excellence from the Top

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The executive director of a Habitat for Humanity affiliate is working hard to meet the expectations of his board and accomplish the work of the affiliate. The board is filled with well-meaning, capable people who have different beliefs about how the executive director should solve a myriad of problems. Although the executive director is glad that he is surrounded by such capable people, he cannot understand why he feels so overwhelmed. In addition, he is tired of feeling like he never fully meets the expectations of the board, much less fully accomplishes the work of the affiliate. The board does not know it, but the executive director is considering other opportunities.

This scenario is not unique to Habitat for Humanity executive directors, and it is a common situation among organizations across the country. Habitat for Humanity affiliates share several things in common. First, they are associated with Habitat for Humanity International. As such, the international organization provides much of the branding and credentialing, and some of the principals by which the local organization commits to operate. Second, every Habitat for Humanity affiliate operates at least two “businesses,” construction and lending, and sometimes a third, retail. Last, every Habitat for Humanity affiliate depends on volunteers to accomplish the work of the affiliate. The result is a complicated operating environment! No wonder the executive director feels overwhelmed, and why many boards struggle to help the organization succeed.

The solution for the organization is that the board and staff must understand their organizational roles, implement policies that allow each to document and structure their role and discipline themselves to maintain those roles in the long term.

### **Board of Directors Role**

*The role of the board of directors is to direct, protect and enable the affiliate.*

The board *directs* the affiliate by establishing and maintaining the “strategic what” of the organization. The “strategic what” defines the appropriate target at

which the affiliate should aim or the desired outcome that when accomplished, will represent success for the affiliate. This may sound self-evident to many affiliates, but experience shows that this is one of the hardest points to clarify for a board of directors, as they create their governing documents. Prior to determining the “strategic what,” hours are spent in board meetings discussing the merits of single family detached versus single family attached, garages versus carports, and exterior finishes of the homes that the affiliate will build. The challenge is in determining which questions are important enough that the board should provide documented direction, and which decisions should be made by the executive director and staff.

The board *protects* the organization by establishing boundaries that will result in the safe operation of the organization; providing monitoring tools for securing long-term success. At Habitat for Humanity, common boundary statements relate to treatment of family partners, treatment of staff and volunteers, financial planning and management, risk management, compensation and benefits, construction, and family selection and support.

The board *enables* the work of the organization through advocacy, resource development and role discipline. Board members advocate for the affiliate through their own networks of professional, civic, and personal contacts. They become a representative of Habitat for Humanity to every person with which they interact. Thus every conversation is an opportunity to advocate for the needs and mission of the affiliate. Because of board members’ influence, the affiliate is made visible to everyone that they know or knows them. Obviously, this means that the board member must clearly understand the work of the organization. They must prepare themselves for the advocacy role by being prepared to “tell the story” of Habitat for Humanity and dispel myths about Habitat for Humanity.

Each advocacy relationship also becomes a resource development opportunity. This does not mean that each conversation needs to end with an “ask,” but it does mean that the board member should always be listening for possible connections between the needs of the affiliate, and the talents and resources of their contacts. There will be times that an “ask” is appropriate, and it may or may not be the role of the board member to make the request. In some cases, it may be more appropriate for the board member to

refer the contact to the executive director or someone on their staff to make the request.

Role discipline is crucial to enabling the work of the affiliate. As soon as a board member or the board as a whole allow themselves to wander outside of their directing, protecting, and enabling role, they actually risk disabling the affiliate. Occasionally, it may seem necessary for the board to get involved in leading, managing, or accomplishing the work of the affiliate; however, boards and board members should evaluate carefully why they feel the need to do so. If the evaluation surfaces an apparent problem with the way the work of the affiliate is being accomplished, the board should evaluate its current direction and protection policies to better guide the work of the affiliate. If instead, it turns out to be a lack of volunteers or resources, the board should focus on advocacy and resource development efforts to better enable the work of the affiliate. If in the end, the lack of volunteers requires a board member to get involved in accomplishing the work of the affiliate, the board member must be clear that their role in doing so is as a volunteer and not as a board member, which maintains the discipline of their role.

### **Executive Director and Staff Roles**

*The role of the Executive Director and Staff is to lead, manage, and accomplish the work of the affiliate.*

If the board defines the “strategic what” of the organization, then the executive director and staff define the “tactical how” needed to accomplish the “strategic what”. This does not mean that the executive director is relegated to the mundane; rather they are empowered to accomplish the work of the organization in any way they see fit within the board’s boundaries.

Leadership and management are often confused. Both are important, and often an executive director is stronger in one area than the other; however, they must focus on both to be successful. Leadership is future-focused, and considers the changes needed to accomplish the work of the organization within shifting challenges and opportunities. Management is focused on the present, and relates to how the work of the organization must be structured to ensure it is accomplished on time, on budget, and with excellence. The executive director must be clear about their strengths and weaknesses in each area, and surround themselves with staff and volunteers that can help bolster their areas of weakness.

The board provides strategic direction and operational boundaries which the executive director uses to create tactical plans and operational policies that ensure the affiliate accomplishes its work and maintains integrity. The executive director’s role does not conflict with the board’s role, but complements it.

Executive directors and staff operate the affiliate, accomplish the work established by the board, and provide the board with monitoring information. Executive directors operate the organization within the context of the board’s governing policies by establishing operational policies, structuring resource development efforts, hiring and managing personnel, and establishing processes and procedures by which products or services will be delivered consistently. They structure the organization internally so the day-to-day tasks of keeping the organization moving forward are established and well-managed.

### **Maturing Leadership of Affiliates**

*So how does an affiliate begin the work of maturing the leadership of their organization?*

It begins with the board and the executive director both acknowledging room for improving the organization. While the affiliate may be accomplishing a great deal of work, most find it difficult to envision the affiliate’s potential without inviting an outside perspective to help them pinpoint opportunities. This may be in the form of a consultant, self-study of external resources, or a combination of both. The board and the executive director must cultivate a culture of constant improvement.

Second, the affiliate needs to review and/or establish policies that allow the board and executive director to accomplish their work. Bylaws are the first of these documents and are created when the affiliate is established. Governing documents are created by the board to capture and communicate the “strategic what” and operational boundaries they use to direct and protect the organization. Operational policies are created by the executive director and staff to ensure the work of the affiliate is accomplished. All three of these documents have specific roles: to establish, to govern, and to operate, respectively.

Third, the chairperson of the board and the executive director must commit themselves to leading their board and staff to operate in the context of the new structure. This step is critical for a successful transformation. The

board must discipline itself to stay out of operational issues. When the board is tempted to get involved in such issues, they should ask themselves whether something is missing from their governing policies or if the issue is an operational issue that the staff should deal with. Likewise, the staff must respect the board's directing and protecting statements. If the staff is consistently tempted to stray from the stated direction or compromise one of the boundaries, a policy review may be needed to determine if adjustments are necessary.

Fourth, the board of directors should create a method for reviewing their organization's "strategic what" statements within the governing policies. Well-developed governing documents identify to whom the board is responsible for governing. This is a critical step and, in my experience, the hardest question for most affiliates. Is the board governing the affiliate on behalf of Habitat for Humanity International? Is it on behalf of the family partners it serves? Is it on behalf of the community in which it operates? Whatever your affiliate's answer, it is important to clearly understand to whom the board is responsible. Without answering that question, many boards give direction as though they are responsible only to themselves which is dangerous and limiting for the organization.

The final way in which an affiliate matures its leadership is by creating a system that manages board responsibilities. The board should create a calendar that schedules monitoring of each protective boundary so that each is reviewed at least once per year. Some boundaries will only be monitored internally, while others may be monitored by an external resource. The calendar should schedule other board responsibilities such as reviewing and signing of Habitat for Humanity International affiliate agreements, evaluating the executive director, creating or reviewing the "strategic what" statements, reviewing annual tactical plans from the executive director and the budget that supports those plans, and reviewing progress-to-date on existing tactical plans. The calendar becomes the annual plan of activities for the board and can be refined over time so that the board knows in advance what its agenda will include each time it meets.

The professionals at Aligned Influence, LLC are very familiar with the work and challenges of Habitat for Humanity affiliates. We are passionate about the mission and about helping you serve your constituents. If you would like further information about our consulting services, please visit us at [www.alignedinfluence.com](http://www.alignedinfluence.com) or contact us at 303-257-1794.