



# The Leadership Letter

## Staffing Your Association: Hiring an Employee or Outsourcing?

In the last edition of the *Leadership Letter* (May 2013), we gave you some insight on developing personnel policies.

As small associations with limited budgets, hiring the right person to manage the "business" of the association is a major task and one that many volunteers feel unsuited to do.

There are basically two avenues available to associations to manage the day-to-day business: a Business Manager/Executive Director or an Association Management Company.

For most of the state associations in the SECA region, a part-time Business Manager (employee) has been the answer to the staffing question. Typically, this person has:

- ◆ Worked out of a home office.
- ◆ Been responsible for member/customer service.
- ◆ Managed the financial processes for the association (writing checks, verifying bills, etc.)
- ◆ Managed contracts for facilities and meetings under the direction of the Board of Directors.
- ◆ Staffed Board meetings and prepared materials for those meetings under the direction of the President.
- ◆ Managed the logistics for conference, including registration, usually in conjunction with the Board and a volunteer conference committee.

In some of those relationships, the Business Manager is expected to fulfill the role of "Executive Director": in others,

the tasks are limited to the "business" of the association. There are a variety of options available to the association to define how this relationship works.

In one case, the Arkansas Early Childhood Association (AECA) has entered into a contract with SECA to provide "association management" services and a SECA staff person is designated to serve as the "Business Manager" for AECA. The SECA office provides all the services previously mentioned for a monthly fee and the contract is negotiated annually.

For an association to grow and enhance the benefits of membership for its constituents, hiring a Business Manager is usually the first step taken. An employee provides relief to volunteers, shoulders much of the day-to-day work, and provides continuity as volunteer leadership transitions. Having someone dedicated to fulfilling the mission and programmatic initiatives designed by the Board of Directors makes the difference between a vital/active organization and one which may stumble as volunteers come and go.

In this newsletter, we'll tackle some of the major issues around the business and personal relationships between the Board of Directors and the Business Manager. Unless it's done well on the front end when the person is hired, this relationship can quickly become strained and challenging for both parties.

**We'll give you some ideas about how to make this a "win-win" for both parties.**

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- **Cindy Ramagos, LA**
- **Maureen O'Brien, KY**
- **Marti Nicholson, OK**
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# Making the Right Hire

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For many of your Board members, an employment interview is something they've participated in but never conducted. Their role in this process will be determined by their position on the Board and who constitutes the Personnel Committee. (We're assuming that you have one! The Executive Committee of SECA also serves as the Personnel Committee.)

Often in small associations, hiring decisions come down to the person that you can convince to do the job for the money that you have to spend or is someone that someone knows. That's obviously not the best way to find your Business Manager and can lead to difficulty, particularly if that person is a friend or relative of someone on the Board.

If you're wanting to establish a "professional" hiring process, here are some tips, particularly for those of you unsure about how to

make a hiring decision. You should ask these questions about any candidate that you're considering:

- Does the candidate understand the unique requirements of working for a non-profit association?
- Will the candidate be able to maintain appropriate board and member relationships, including working effectively with the President?
- Is the candidate compatible with the diverse interests and needs of the Board?
- Does the candidate have the skills that you are seeking and has demonstrated those in other areas?
- Will the candidate be able to maintain objectivity and remain free of any conflict of interest issues?

One of the biggest issues surrounding the hiring of a Business Manager is the **transparency of the process that is used**. As a non-profit organization, you need to be very aware of how the process proceeds, if any potential conflicts of interest are declared, and everyone needs to be on board about the job duties and compensation that is proposed.

A job description is critical and will provide the basis for an employment contract. The contract is particularly important if the person will be housed in an at-home office. It should delineate exactly what is expected of the person who accepts the job.

**It is also the responsibility of the Board to make sure that its expectations match the contractual agreement that's in place. If it's not spelled out, it's not required!**

# Keeping Everyone Happy

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**The key to keeping everyone happy is *COMMUNICATION!***

The **first step** is to clearly delineate the roles and responsibilities of the Board and the Business Manager. Look for an article on page 4 of this newsletter concerning those roles.

The **second step** is to clearly articulate the expectations of the Business Manager. You'll find more info about that issue and how to develop a contract to meet this objective on page 3 of this newsletter.

The **third step** is to communicate

effectively as work progresses. The lines of communication should be clearly spelled out and understood by all parties. Who is the primary contact for the Business Manager and who makes the final business decision? What decisions can the Business Manager make independently and then communicate to the Board?

The **fourth step** is to regularly assess the status of operations and the relationship between the Board and the Business Manager. This includes an *annual self-assessment of the Board*. Are you

working effectively as a group and providing adequate guidance to an employee? Are there changes to be made?

An *annual performance assessment of the Business Manager* should also be performed by the Personnel Committee. Is the Business Manager meeting the stipulations of their employment contract? Are there Board concerns? Is the Business Manager aware of these concerns and what steps are being taken to resolve them?

If the lines of communication work well, problems tend to disappear.

# The Employment Contract: What to Include

You're ready to hire and now you're faced with developing an employment contract. You've developed a job description (at least we hope you had one for the interview phase) and that will form the basis for the contract.

The advantages of an employment contract are several:

- a) "A contract serves as a **quality control mechanism** for association programs and policies by clearly placing responsibility for them with the Chief Executive/Business Manager.
- b) Contracts establish criteria, procedures, and timetables for reviewing and evaluating the **performance** of the association executive.
- c) Contracts **minimize misunderstandings** that may arise from unwritten agreements.
- d) Contracts enhance the images of associations by demonstrating their commitment to **professionalism**.
- e) Contracts help associations attract and retain the most **qualified executives**."

The following components are typically included in an employment contract:

- ⇒ **Names of both contracting parties** (the association and the employee)
- ⇒ A statement that the agreement is based on **mutual consideration** and that both parties acknowledge receipt of consideration.
- ⇒ An indication of the **type of association** involved (for ex-

ample, "an association of early childhood professionals)

- ⇒ The **title** of the position for which the employee is being hired.
- ⇒ The **term** of the agreement.
- ⇒ The **general/specific duties** of the employee.
- ⇒ Any **employee benefits**.
- ⇒ Provision for **termination** of the employee/employer relationship. (This should come from your personnel policies.)
- ⇒ **Renewal** provision (when or if?).
- ⇒ Specification of which **state's laws govern interpretation** of the agreement (This would be your state.)
- ⇒ **Signatures** of all parties and dates of signing.

In many cases, the more specific you are in the contract concerning expectations, particularly in the case of a part-time Business Manager who works from home, the more conflict free the relationship will be. **For example, you may wish to specify this type of expectation.**

- ◆ "Office hours" will normally be from \_\_\_ to \_\_\_ on \_\_\_ days? This information should be published and on the Association's website and this is the time that members should expect to be able to talk to the employee.
- ◆ Phone messages that are left on an answering machine will be responded to within \_\_\_ hours/days.

- ◆ The mail will be collected (usually from a post office box) on \_\_\_ and will be processed within \_\_\_ days.
- ◆ Memberships received in the association office will be processed and remitted to the appropriate organization within \_\_\_ days of receipt. (*SECA requires that non-dual affiliate Business Managers send us information on new and renewed members on a monthly schedule to allow for membership card mailings.*)

We could go on, but these are some of the "specific" things that we frequently hear have not been articulated well but are expected. **If the Board does not clearly spell out what the Business Manager is expected to do, they can't complain when it doesn't happen. For all of us, our major goal is to provide member value and have an association that is responsive to member needs.**

The level at which we can maintain a responsive organization is dependent upon the financial resources that are available. The Board must have realistic expectations about what those resources can "buy", including how much time and structure can be built into an employee contract.

With good planning and thoughtful consideration of the needs of the Association, this relationship can lead to member, Board and employee satisfaction. *Source: Training Module 4: Association Personnel—The Executive Director, Southern Early Childhood Association, [www.southernearlychildhood.org](http://www.southernearlychildhood.org)*

## *Did You Know?*



### **SOUTHERN EARLY CHILDHOOD ASSOCIATION**

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*Promoting Quality Care and Education for  
Young Children and Their Families*

[www.southernearlychildhood.org](http://www.southernearlychildhood.org)

*SECA has a series of nine Board orientation/ training modules that are available on-line on the Leadership page.*

The modules include a background paper, a PowerPoint presentation (and questions) for Board training, and information about resources. Module #4 provides more background on topics in this newsletter.

#### **Module 4:**

#### *Association Personnel: The Executive Director*

All materials can be downloaded from the website at <http://www.southernearlychildhood.org/leadership.php>.

**Click on Leadership Resources and scroll down to the bottom of the page.**

*The Leadership Letter is written and produced bi-monthly by Glenda Bean, Executive Director of SECA, under the auspices of the SECA Leadership Commission. Interested persons may sign up for free access to the newsletter at [www.southernearlychildhood.org](http://www.southernearlychildhood.org).*

## **Roles & Responsibilities: Start Out Right!**

The easiest way to develop a challenging relationship between the Board and the Business Manager is failure to begin the relationship on the right foot. When expectations don't match with reality, no one's feeling good and you'll begin to hear the rumblings and gripes (usually behind the scenes) about "who's not getting what done."

If the Board assumes its correct position in this relationship, the lines are clearly marked.

The **Board's role** is to set policy, assure the financial stability of the organization, and develop initiatives/programs that are to be carried out by the staff. The Board directs the staff and makes funding decisions, including the operational budget.

The **Business Manager** is responsible for day-to-day management of the association's "business" and takes his/her direction from the Board. Because the Business Manager is usually the member contact, they also reflect and share member issues and concerns with the Board.

In order for a Board to work most effectively, these things should be in place:

1) A **comprehensive strategic plan** that guides Board decisions and helps to guide an annual work plan. This work plan should be developed in conjunction with the Business Manager and in concert with the reality of personnel and financial resources.

2) **Functioning financial, personnel and nominating committees** that help the Board to understand the issues that are before it and assumes the role of identifying and engaging "emerging leaders". The Business Manager should serve as a resource for these committees and assist as needed.

3) A **clearly delineated communication plan** that outlines how problems will be solved, how the Board will be "kept in the loop" about day-to-day operations, and how Board requests for support will be transmitted to the Business Manager.

**Just remember:  
start out right!**