



BAYER CENTER FOR  
NONPROFIT MANAGEMENT

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## 7 Key Questions for Board Members Who Own Their Responsibility to Employees

As a responsible board member who cares that my nonprofit fully achieves its mission and delivers quality programs, I further recognize that I am legally and fiscally responsible for the actions of my nonprofit organization. How can I best assure that I am also confident that my full fiduciary responsibility which is beyond fiscal, but means holding the organization in trust, includes appropriate governance attention to the employees of the nonprofit? The following questions provide a framework for honorable board members who intend to govern, not pre-empt the executive's management of the organization, but who extend their concern for equity beyond the people they serve to those the nonprofit employs.

### A Review of Human Resources' Practice & Accountability for the Board

1. **Who is responsible for how our employees are treated?**
  - ✓ Who on the staff is responsible for HR at our agency?
  - ✓ How often are HR concerns discussed at the board level before there is a problem employee?
  - ✓ How does the board address its HR responsibilities?
2. **How is staff performance measured?**
  - ✓ Does everyone on staff receive an annual evaluation?
  - ✓ Are they meaningful?
3. **Do we pay people fairly?\***
  - ✓ Are we paying fairly based on quantifiable benchmarks?
  - ✓ How is compensation tied to performance?
  - ✓ Do we budget for cost-of-living increases?
  - ✓ Do we budget for merit increases?
4. **Could we afford to replace employees with equally competent people?**
  - ✓ When did the staff last receive a raise?
  - ✓ What was the percentage?
  - ✓ What is the percentage in this year's budget?
5. **Does our benefit package reflect the value we place on employees?**
  - ✓ Are we offering a humane benefits package?
  - ✓ How are we addressing our staff's retirement needs?
  - ✓ Do we provide regular opportunities for staff to receive advice?
6. **Are we growing the capability of our staff?**
  - ✓ How do we demonstrate our commitment to our employees' growth and development?
  - ✓ Is there a line item for professional development support in our annual operating budget?
7. **Are we retaining our talent?**
  - ✓ What is the rate of staff turnover?
  - ✓ What is normal for our type of nonprofit?

As more than 90% of nonprofits have ten or fewer employees and no HR Director, few will be able to give complete and satisfying answers to all of these questions. However, they can provide a means for better HR practices to grow. Boards that plan for greater equity will likely find staff will work with them over time. Fairness is the organizing principle of healthy societies and nonprofits work to make the world more fair.

*\*To learn more about using The Bayer Center's Wage and Benefit Survey for Southwestern PA Nonprofit Organizations as a benchmarking tool, visit <http://bcnm.rmu.edu/ProgramsServices/ResearchPublications>*