The duty of obedience is the third of the three legal duties of directors. Obedience sounds outdated; it’s training meant for our dogs. It implies that someone else is the “master.” We’d rather be flexible, nimble, strategic – obedient isn’t a word that fits with our perception of a leader. But rules facilitate the management of a society. We need stop lights, speed limits, and lane directions to allow the traffic to flow for everyone. The board is not only bound by the same rules as everyone else, it sets the example for others to follow. When it comes to the duty of obedience, actions speak louder than words and hypocrisy inflicts severe damage.

The board actually has many masters, starting with the laws under which the association was created by filing certain documents and receiving certain privileges. For example, a charitable organization agrees to behave in a certain way for the good of society, and society grants it the ability for its contributors to deduct their contributions from their taxes. The board must comply with all legal requirements, or risk losing these important benefits.

One of the most important aspects of the creation of an organization is defining its mission. The mission is yet another master, as it defines the activities of the organization. Boards are bound to keep the organization’s mission as the primary beacon when engaging in activity on behalf of the organization. The board is duty-bound to keep the organization acting in concert with its stated mission and purpose, and not engage in any harmful (or legally prohibited) activity.

The next master is the stakeholders, members whose connection is nothing more than a membership card, or those who are practicing in a particular field and are actively involved in the association. The former type of participation seldom comes with the right to have any voice in determining the direction of the organization. However, trade associations, professional associations, and unions (to name a few) do have members who are the backbone of the organization, providing the professional content, certification standards, and public face of a profession. The directives from the stakeholders are contained in the bylaws, the foundational member-owned document that governs the structure and flow of authority for the organization. The rules in the bylaws cannot be suspended unless an exception is placed within the bylaws itself. Boards that ignore or violate their bylaws risk harm to the organization from legal, moral, and ethical perspectives. Once that trust is broken it is very hard to regain.

Another master for boards is the public. Some organizations (many of which have made nasty headlines) have broken the public trust by engaging in extravagant spending on things not related to the mission – a popular one being pricey board retreats and perks. Others have been found to have so many excessive administrative costs that little of the donations are actually making it to fulfill the mission.

Last, the board is accountable to itself and all previous and future boards. Board policies must be in line with all of the other rules that govern the association. Such policies are important to help keep the association on track toward its mission by regulating board behavior, such as conflicts of interest, ethics, and whistleblowing. When rules are bent, trust is broken.