

What Kind of Board Are You?

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Non-profit organizations, government agencies and many businesses operate with boards of directors or trustees.¹ Different terms are often used to describe or capture the basic work or role of such boards. They may be accurately used or not. In the non-profit context board members are expected to serve in a voluntary capacity. Recognizing that some boards operate as “hybrids”, here are the main kinds of boards:

Advisory Board

An advisory board is a body that exists primarily to provide advice or counsel to an organization or to study a situation and make recommendations for action. Typically advisory board members have no legal responsibilities, are usually appointed rather than elected, and sometimes serve at the pleasure of a higher authority. Advisory boards may give direction to staff but typically have no formal authority over them.

Occasionally one sees non-profit organizations with governing boards that meet regularly and advisory boards or councils to the governing board that meet less often.

Governing Board

A governing board is a group of people who are legally accountable for providing the leadership and oversight of an incorporated organization. The founding members usually make up the first board of directors. A governing board is usually elected at the organization’s annual general meeting from a larger group of members or shareholders. The board’s officers typically include a chair or president, a treasurer and a secretary.

The term governing board usually refers to organizations large enough to employ executive or administrative staff. Usually the term governing board is synonymous with a policy or policy-making board.

Policy (Making) Board

This is probably the term that most non-profit boards of directors would use to describe themselves. The basic notion here is that the board of directors that set “policy” intended to

direct and control how the organization operates. A policy is a set of directions or guidelines formally adopted by the board.²

Frequently the notion is that the board sets policy and staff members implement it. The directors of many “policy making boards” though, have some “work” responsibilities that require them to “roll up their sleeves”. Fundraising is often one, even if it is done with staff. A key issue for policy boards is how deep or detailed do they need to be in specifying how they want the organization to operate? Usually the executive director or CEO has responsibility for most day-to-day decisions.

Policy Governance Board

The term Policy GovernanceSM refers to the specific model of board governance developed by U.S. author and consultant John Carver.³ This model provides a template for governance that focuses the board’s attention on organizational outcomes (ends) and external relationships (linkage with members or owners). Board oversight of staff activity is accomplished solely through the determination and monitoring of “executive limitations” (a specific kind of policy). A distinguishing feature of a policy governance board is the absence of board committees (nominating or board recruitment committee excepted).

The term “policy governance”, because it uses the terms “policy” and “governance”, is sometimes used to refer to any board attempting to govern by setting policy. Use of the term “policy governance” when the more general term “policy board” is the intended meaning, can result in some misunderstanding.

Management Board

The term “management board” is often used to describe a body charged with running an organization or implementing a plan. Management boards are frequently set up to oversee the protection of a species of wildlife or a natural resource. In cases like these legislation often provides clear direction.

Non-profits that lose their executive director might well appoint a management board, which includes members of their governing board, to operate the organization for an interim period. In effect a management board it is a board that operates at a lower tier level than a governing board.

Working Board

People use this term when describing boards of directors that are involved in setting policy and the day-to-day running of their organizations. Another term that could be used is a “hands on” board. Organizations that do not employ staff are generally considered “working boards.” They not only provide high-level leadership but also often are the “hands and legs” of the organization. The connotation associated with the term “working board” is that the board’s role is more than a deliberative or decision-making one.

When a group starts to talk about becoming less of a working board and more of a governing board, what it probably means is that the organization wants to change the focus of the work of the leadership team from doing direct program or service delivery work to overseeing that work, and from doing day-to-day administrative work to the oversight of finance and administration. It is at this point that an organization will look at hiring an executive director or CEO.

¹ In the non-profit world the terms “directors”, “trustees” are sometimes used interchangeably. They probably should not be as in some jurisdictions the words have particular legal connotations. The term “board of directors” or “board members” is the generally accepted in when it comes to incorporated non-profit organizations, associations and societies. The term “board of governors” is commonly used in Canada in referring to university and college boards.

² The following would constitute some of the policies that a non-profit organization might have in place: by-laws, mission statement, board chair role description, executive director job description, conflict of interest policy, fundraising policy, human resource management policy, and a financial management policy.

³ The term Policy Governance enjoys the “service mark” (SM) of John Carver, which is akin to a trademark. See John Carver Boards That Make A Difference: A New Design for Leadership in Nonprofit and Public Organizations, Third Edition, San Francisco: Jossey Bass/Wiley Publishers, 2006