

THE EVOLUTION OF BOARDS OF DIRECTORS

Boards of Directors typically follow an evolutionary path as the organization matures. This tool lays out three stages of Board evolution and identifies the characteristic behaviors of each stage. This tool can apply to public agencies, city councils, non-profits, and co-ops. Board members can use this tool to help clarify their role and adapt the Board’s focus accordingly.



Stage 1: The Doing Board

In the early stages, Boards and Board members typically handle a lot of responsibilities because there’s a lack of staff to do so. They raise money, handle projects, coordinate publicity, advocate with officials, set the strategic direction, gather volunteers, answer telephones, and develop web sites. In short, they do anything – and everything – the organization requires.

During this time, there is a giddy feeling of creating something special. Board members feel invigorated, challenged, and entrepreneurial. Typically, a small number of founding Board members devote countless hours of volunteer time to the effort. They become the “core” Board. During this time, Board meetings are typically action oriented. There’s little time to work on the Board’s fiduciary or governance role.

Positive behaviors	Negative behaviors
<ul style="list-style-type: none"> ▪ Board members’ sense of commitment is high ▪ Board volunteer hours result in low expenses ▪ High sense of personal reward and achievement for “core” Board members 	<ul style="list-style-type: none"> ▪ Board lacks attention to overall direction ▪ Board lacks formal policies and procedures ▪ Board lacks formal mechanism for selecting/replacing/refreshing Board members

Stage 2: The Transitioning Board

As the organization stabilizes and becomes successful, its Board makes key moves to stabilize its operations. It hires an executive director and other staff. The Board undertakes a more disciplined approach to its role, focusing on overseeing the organization rather than directly managing it. The Board begins to distinguish between the role of the Board and the role of Board members. A key governance principle is established – that the Board can only make decisions as a Board; individual Board members lack decision-making authority.

As this new sense of discipline is taking root, the Board's "core" founding members experience a sense of relief that the pressure is off; at the same time, there's a feeling of loss of control for some of them. Certain Board members may not make the transition successfully and may become impediments to success.

Positive behaviors	Negative behaviors
<ul style="list-style-type: none"> ▪ Board members invest in hiring talented staff ▪ Board begins developing formal policies and procedures ▪ Board assumes oversight role ▪ Board establishes key governance principles 	<ul style="list-style-type: none"> ▪ Board members experience conflict in role between actively running the organization and governing ▪ Conflicts occur between Board members and between Board members and staff ▪ Board lacks effective means to manage conflicts

Stage 3: The Governing Board

As the non-profit grows and becomes more successful, the Board defines its governance role and responsibilities with even more precision and discipline. The Board articulates policies stating that its role is to: a) set the strategic direction, b) hire and fire the chief executive, c) perform fiduciary oversight, d) establish long-term goals, and e) monitor success.

Once these specific roles are defined by the Board, it focuses on only those things prescribed for the Board to do. The Board sets measurable goals and performance targets, allowing the Board to monitor performance of staff. This helps align the organization and increases its effectiveness.

Positive behaviors	Negative behaviors
<ul style="list-style-type: none"> ▪ Board develops strong sense of governance focus and discipline ▪ Board sets performance measures and monitors results ▪ Board continues to function actively in certain areas, i.e. fund-raising 	<ul style="list-style-type: none"> ▪ Some people may push the Board to perform roles that lie outside its prescribed jurisdiction ▪ Board members lack internal discipline and oversight to adhere to the Board's own policies