
GOVERNANCE MATTERS

Governance Matters
Brown Bag Lunch Roundtable

Board Development as
Professional Development

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November 30, 2005
United Way of New York

AGENDA

- Welcome & Introduction
- Organizational Life Cycle Stages
- Board Life Stages
- Nonprofit Governance Indicator Guide
- Professional Development
- Discussion & Questions

ORGANIZATIONAL LIFE CYCLE

■ Start-up

- **Management** is founder-driven, staff is small and non-hierarchical, communication is often informal
- **Board** is ED selected, small, homogenous, emotionally tied to mission & involved in operations

■ Adolescent

- **Management**: strategic division of labor begins; org chart grows and deepens
- **Board** members add professional expertise and begin to focus on planning and oversight

Source: Klein & Connolly, in NY Nonprofits, NPCC, 1997

ORGANIZATIONAL LIFE CYCLE

■ Mature

- **Management:** even larger staff, professional management, hierarchy, authority, accountability
- **Board:** increased size, heterogeneity, focus on planning, oversight and fundraising; committees

■ Stagnant

- **Management:** focus on programs, not org goals; staff fiefdoms, low morale and high turnover
- **Board:** low board turnover, sluggish, less involved

■ Defunct

Source: Klein & Connolly, in NY Nonprofits, NPCC, 1997

ORGANIZATIONAL EVOLUTION / BOARD EVOLUTION

- Organizations change, develop & grow
- As organizations mature, so do board/staff relationships
- The board is responsible for building institutional strength
- The board affects the livelihood of the organization by what it does as well as by what it does not do
- The board should be the stable, continuing element of the agency

FORM FOLLOWS FUNCTION: BOARD LIFE STAGES



- Three distinct life stages
- Various permutations
- Board maturing process not an inevitability

Source: Mathiasen, Board Passages: Three Key Stages in a Nonprofit Board's Life Cycle

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ORGANIZING BOARD



- Small
- Homogenous
- Informal meetings
- Few distinctions between board and staff
- Strong commitment to mission
- Minor role in fundraising
- Following vs. Leading Boards

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ORGANIZING BOARD: TWO FORMS

FOLLOWING BOARDS

- Founding ED invites to join – knows them well
- Plays supportive role
- Responsibility & authority reside primarily with ED
- Strong commitment to vision of leader
- Lacks strength & commitment for guiding organization
- Not task oriented
- No strong sense of ownership

LEADING BOARDS

- Group of people who form organization together
- They raise funds and hire ED
- Agency clearly belongs to board
- Actively involved
- Passionate commitment to the cause
- Task oriented
- Strong sense of ownership
- Staff leadership and empowerment may be limited

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TRANSITION #1: ORGANIZING BOARD TO GOVERNING BOARD



- Board taking on more and more tasks
- Struggle with this role: Board doesn't have time and staff starting to resent board involvement
- Delineation between governance and management starts to emerge
- New board members essential but integration is challenging

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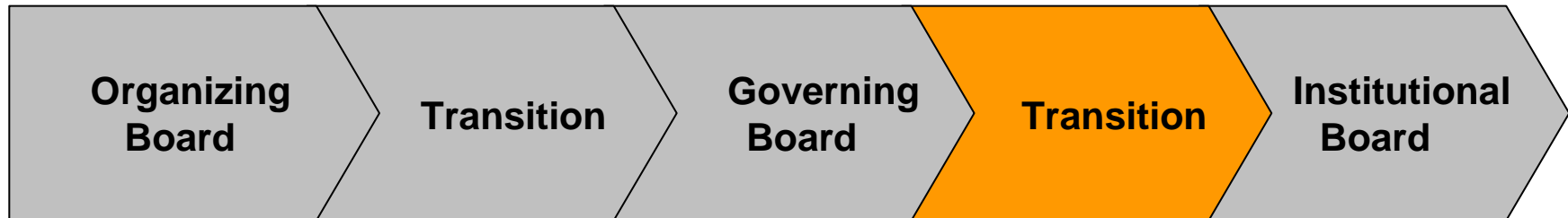
GOVERNING BOARD



- Shift from hands-on work to governance oversight
- Take responsibility for organization's well-being and longevity
- More balanced work relationship between board and staff
- Board Chair and Executive Director emerge as principal leaders
- Board is larger and more diverse than in first stage (not yet strategic)
- Work is delegated more to committees and task forces
- Board holds staff and itself accountable

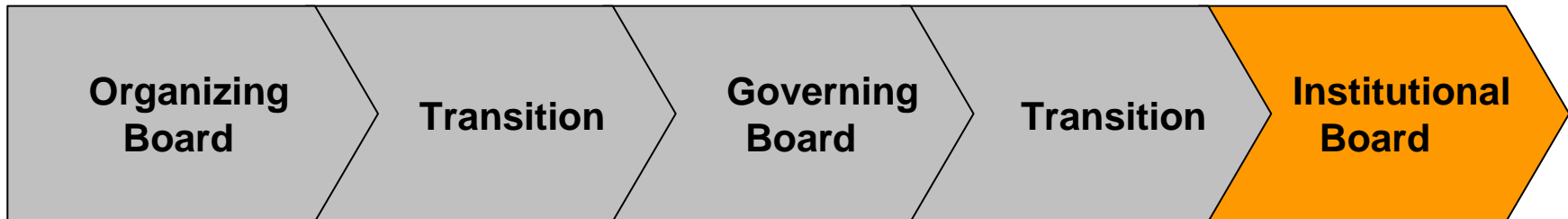
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TRANSITION #2: GOVERNING BOARD TO INSTITUTIONAL BOARD



- Board increasingly self-aware: additional transitions more easily accepted
- Expansion of board size: geared towards fundraising and constituent representation
- Stronger and more independent committees

INSTITUTIONAL BOARD



- Very large
- Board clearly accepts major role of fundraising
- Includes many people with ability to give/get big \$\$
- Delegates governance of organization to Executive Committee
- Much of the board's work is done in committees
- Creates auxiliary bodies, such as "Friends of" and Advisory Board
- Functions fairly independently from staff

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SMALL GROUP DISCUSSION & REPORTS

- In clusters by type of organization (life stage, board life stage, and/or field):
 - What aspects of your growth have been most exciting to you of late?
 - In what areas do you feel the growing pains of misalignment?
 - What areas would you target for development, to best support the organization at this stage?

PROFESSIONAL DEVELOPMENT

■ Benefits

- Formal preparation for evolving roles
- Staff development for organizational development
- Succession planning – strong senior team
- The power of peer learning – context, support

■ Options

- Open enrollment vs custom programs
- Consortium with sponsorship
- Coaching and mentoring

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