



The Board's Evolving Role: From Management to Governance

As nonprofits, foundations and other tax-exempt organizations develop, the role of the board and its individual members changes. At one extreme, the start-up, the board may do everything from licking envelopes to setting strategy. In truly mature organizations, the board may be so removed from the day-to-day work as to feel disconnected from the organization's principal mission.

We believe that any entity blessed with board and staff is well advised to clarify the board's proper role by assessing the gap between current reality and desired practices.

To accomplish such clarity, we invite your board and your CEO to declare their respective views of the *current* allocation of strategic responsibilities. Next, both parties are invited to decide what the allocation *should* look like by some defined point in the future, say three years out. Only by acknowledging differences in expectations can the organization achieve true alignment of responsibilities. As our English friends say, "Mind the gap!"

To help you identify where your board is on the continuum of shared responsibilities, we have developed the following template.¹

Use this template to indicate your view of the division of responsibilities between your organization's board and its CEO, both as the division now exists and as it should be in the future:

- 1 = The Board has exclusive responsibility
- 2 = The Board has primary responsibility, but the CEO contributes.
- 3 = The Board and the CEO share responsibility equally.
- 4 = The CEO has primary responsibility, but the board contributes
- 5 = The CEO has exclusive responsibility.
- n/a = Not applicable, or unknown

By comparing board responses as a group with responses from the CEO (and other senior staff, if appropriate), you can easily highlight areas requiring attention. Combined with other variables specific to your own organization, the completed template offers a non-threatening means of clarifying expectations regarding who is responsible for what.

¹ Adapted from a similar template proposed for corporate boards in "Building Better Boards," David A. Nadler, in *Harvard Business Review*, May 2004.

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1: Board's responsibility 3: Board & CEO share equally 5: CEO's responsibility

Issue or Activity	Who's responsible now?							Who should be?							Δ
Strategy:															
• Strategic goals & direction	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Strategic plans	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Implementation	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
Strategic transactions:															
• Major investments	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Portfolio of services (M&A)	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
Operations:															
• Service/product delivery	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Marketing & sales	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• IT	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Grantmaking/Grantwriting	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Fundraising	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
HR & organization:															
• Leadership development	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Staff (non-CEO) compensation	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Human capital development	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Organization	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Culture	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
Financial management:															
• Financial strategy	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Capital structure	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Operating budget	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Resource development (fundraising)	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Financial reporting (tax, audit)	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Managerial reporting (operations)															

Issue or Activity	Who's responsible now?							Who should be?							Δ
Risk management:															
• Organizational risk management	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Ethical performance & compliance	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Audit	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
External relations:															
• Brand positioning & integrity	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Stakeholder relations	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Compliance	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
CEO effectiveness:															
• Succession planning	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Performance appraisal	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Compensation	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
Corporate governance:															
• Board effectiveness	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Board and director assessment	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Board and director development	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
• Board and director recruiting	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
Other items specific to this organization:															
•	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
•	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
•	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	
•	1	2	3	4	5	n/a	-	1	2	3	4	5	n/a	=	

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