

NPO GOVERNANCE TOOL BOX SERIES

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BOARD SIZE



Financial Management Service Foundation



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OUTLINE OF GOVERNANCE TOOL BOX

Tools for identifying, recruiting and developing a Board

- Characteristics of Board Member - [Click here to download](#)
- What materials to be shared with the Board Members - [Click here to download](#)
- Board Members commitment sheet (to be reviewed every year) - [Click here to download](#)
- Areas to be covered in Board Orientation process - [Click here to download](#)
- Board Diversity Matrix - [Click here to download](#)

• Board Size

- Source for Potential Board Members
- Creating a database of the Board Members

Job description (Including do's and don'ts)

- Chairperson (Including do's and don'ts)
- Board Members
- Secretary
- Treasurer
- Vice-Chairman

Board Evaluations

- Board Evaluation Form
- CEO performance appraisal form

Board Committee

- Executive Committees
- Audit Committee
- Finance Committee
- Human Resource Committee
- Program Committee

Policies

- Human Resource Policy
- Finance Policy
- Conflict of Interest Policy
- Gender Policy

Conducting Meetings/Making Decisions

- Notice
- Setting the Agenda
- Writing Minutes
- Taking Resolutions
- Attendance
- Following up on Decision
- Evaluating a Board Member

Creating a Board Manual

- Need for the Board Manual
- Organization Essentials
- Board Structure and Processes
- Board – ED Relations
- Executive Parameters
- Review of Board Manual

BOARD SIZE

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1. INTRODUCTION :

The size of the Board is often much debated subject in governance of NPOs. When Organizations initially come into existence, they often start cautiously with a small number of members and expand as the organization grows and programs diversify.

The size of board varies from organization to organization, depending on various factors such as the type, size, the board culture and the nature of its work. Every organization is different and ideal board size may not be recommended as a norm.

The Organization to function effectively needs a board that is small in size where every board member has a significant role to play and also need a board which is large enough so that the work of the board is done with diversity of experiences.

It is important not to stick on the board size, with which initially the Organization started. The board should revisit its size and determine the right number to carry out effective and responsible governance in the organization according to time and needs.

2. WHAT IS THE AVERAGE BOARD SIZE :

The size of the board varies from organization to organization and depends on a number of factors including:

- Type of Organization and the nature of the board's work
- Mission and purpose
- Asset size
- Board structure
- Life cycle stage of the Organization

However, one important point to be kept in mind while deciding the board size is that Organizations should choose an uneven number of board members. This helps avoid tie in voting in case there is a decision by majority. However, if there is an even number of members and there is a tie in votes, the Chairperson exercises the “casting vote option”.

3. HOW TO DETERMINE THE RIGHT BOARD SIZE :

The founding members/board members while setting or reviewing the size of the board have to keep in mind the following questions:

- What is the vision/mission and what the board needs to do to fulfill that mission?
- What kind of work does the board need to do at the meetings?
- Is the board a policy board or an implementing board, or a combination of the two?
- What expertise does the board need to meet its objectives?
- How would expanding or shrinking the board affect its culture, communication and work style?

The answers to the above questions will give an idea of the need and requirement of the organization and thus the ideal size of the board can be determined.

4. REGULATION OF BOARD SIZE IN THE BYLAWS:

Normally the size of the board is determined in the bylaws of the organization. It is important to set a guideline within a certain range, not an exact number, so that an unforeseen situation does not force the board to contradict its bylaws. It needs to be ensured that the bylaws have the provision for the term of the board i.e. retirement and recruitment of new members so that a continuous balance is maintained.

5. SMALL OR LARGE: ADVANTAGE AND LIMITATIONS:

A smaller board ensures that everyone looks into issues and undertakes his or her responsibility. On the other hand, larger board brings in more diversity of ideas and the better representation of various stakeholders. The Size of the Board, as discussed earlier, depends on the requirements of the Organization. However, after studying a number of different organizations, it has been observed there are some advantages and limitations of small or large board. The analysis is provided below:

Small Board

Advantages	Limitations
The smaller board will experience a feeling of unity, common purpose and ownership.	Small numbers limit opportunities for diversity and inclusiveness.
Every member can be active and engaged, which makes for a more rewarding experience.	Restricted skills and perspectives are represented at the table.
Board members tend to know each other better, which may make their work together more fruitful. Communication and interaction may be easier and more flexible.	With small number of board members, few members are available to serve on committees which results in heavy work load.
Small boards can be flexible in terms of scheduling meetings and setting agendas.	The board has less continuity in times of leadership change.

Large Board

Advantages	Limitations
A larger board opens more options for different skill sets, experience and professions in the boardroom. Different expertise of board members can achieve better governance.	Members may feel less individual responsibility and less ownership of the work.
A larger size provides enough people to more easily manage the work load of the board.	Some voices may not be heard. It may happen that a few active board members may dominate the decisions.
More board members help to maintain institutional memory in times of leadership change.	Large boards may not be able to engage all members, which can lead to loss of interest. Meetings are more difficult to schedule and more staff time is needed to coordinate board functions.

In context of the above advantages and limitations of both board size i.e. small or large, the organizations which are not comfortable either with small board or with large board may use a two-tier structure, which includes a larger governing board and a smaller executive board (which sometimes is known as Executive Committee). The governing board may comprise eminent personalities, leaders from various fields and representatives from voluntary sector. The Executive Board/Committee should include smaller group of persons from the Governing Board along with key executive staff. Such structure brings more perspective and voices to the board, without increasing its size.

6. COSTS:

Another very important issue to keep in mind while determining the board size is the “Costs”. Even though, the positions in the board are voluntary in nature, the organization needs to meet the costs towards the meetings. This includes the travel, accommodation and other incidental meeting costs. The costs are directly proportional to the board size as well as the frequency of meetings. Therefore, an organization has to strike a delicate balance between cost and benefits in terms of size of board and the geographical location of the members.

7. CONCLUSION:

In line with the above parameters for determining size of board, advantages and limitations it can be said “One size does not fit all Organizations”. The board of an organization should establish its own size and structure and review these periodically. Yet, before restructuring the board or changing its size, the way the board functions at present has to be looked at.

The board should have enough members to allow for full deliberation and diversity of thinking on governance and other organizational matters. Except for very small organizations, this generally means the board ideally should have a membership from 5 to 11 members.

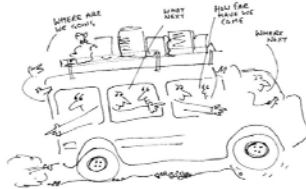
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- ***Watch out for the next issue on “ Source for Potential Board Members”***



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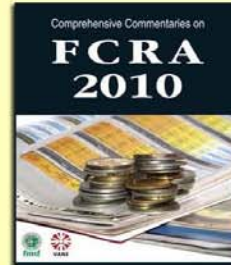
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