# Working Boards in Tertiary Education:
# Lessons from Three Case Studies

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## ABSTRACT

*There are a number of studies that classify governing boards into different types. Some classifications are based on management form. Some are based on the form in which authority is exercised. Some are based on the form of institution that the board serves. Most of these classifications include "working boards," but few offer a clear definition of them. Even those that do attempt to define this type of board acknowledge that little is known about how they actually function. In contrast, the prevalence of working boards appears to be growing. This study examines three small public not-for-profit institutions with "working boards" to determine how that type of board functions, where it succeeds and where it fails, and how it is different from other types of boards. In addition to presenting an up-to-date and more realistic definition of the working board, the study critically analyses the working board as an instrument of governance and observes that working boards have several inherent contradictions and are prone to conflicts of interest.*

## Introduction

Most scholarly discussions of governance in the tertiary education sector focus on colleges and universities. The emphasis is reasonable because those institutions comprise by far the largest portion of the sector. There is, however, a recognition that smaller, specialised institutions sometimes have a different form of governance, usually called a "working board" or "line board" (Carter, 1990; Murray, 1996; Carter & Carter, 1997). Despite this recognition, knowledge of working boards is sketchy and the definition of them vague. To this point, even when working boards have been addressed specifically, they have been regarded, usually with considerable speculation, as derivatives of other, mainline forms of governance.

This study examines, as case studies, three small, specialized institutions with boards that fit current definitions of working boards. The first is the Canadian Centre for Language Benchmarks (CCLB), a small, not-for-profit, independently incorporate organization, located in Ottawa, that provides a variety of services that have to do mainly with measuring facility in the English language.

The second case study focuses on Saint Augustine's Seminary in Toronto. The seminary was founded in 1913, but was not legally incorporated until 1983. Saint Augustine's offers a pontifical degree, the Bachelor of Sacred Theology, and a civil degree, the Master of Divinity, for students who either are or are in training to become Roman Catholic priests.

Algoma University College, in Sault Ste.Marie, Ontario, is a semi-independent institution with an enrolment that fluctuates between 500 and 800 undergraduate students, all of whom are in Bachelor Arts or Science programs.

At each institution the governance structure is often stretched between two different spheres of responsibility. The strains on governance often posed an organizational dilemma as management and staff had to choose among many priorities that, given the institutions' small size, were competing for scarce resources. Because priorities were many and resources few, some members of the respective boards were involved directly in the organization's management and administration. Some aspects of the boards' committee structures directly mirrored the administrative organization of the institutions as professional staff reported to chairs of board committees, as well as to their respective chief executive officers. To the extent that the members of the boards who were involved in management also represented constituencies that the institutions served, two outcomes were assumed. They either served accountability by bringing the organizations very close to their constituencies or circumvented accountability by favouring certain constituencies with "insider" status.

## Types of Boards: A Taxonomy of Function

Governing boards in the public sector may be classified in at least three different ways. The first and perhaps most common classification is to identify boards by the types of institution that they serve. Thus a board might be described as a *university* board or a *not-for-profit* board. Another basis for identification centres on what boards do and how they exercise their authority. Examples of boards that are defined this way are a *governing* board or a *working* board. The third definition is based on a board's relationship to management, for example, an *administrative* board or a *management* board.

This taxonomy is not rigid and exclusive, as would be the case in botany in which each plant species can occupy only one classification. Instead, as various classification schemes or forms of governance have evolved, there has tended to be overlap between them. For example working boards and line boards, which are the principal topics for this discussion, have sometimes been characterized by what they do and how they do it, and at other times by their relationships to management.

In terms of a case study, then, it is important to determine generically to which class of governing board the case belongs, or, if it doesn't, whether it is an anomaly or some sort of new form of governance. Of course, it is also possible that previous classifications were inaccurate and required further examination.

### Corporate Forms

Boards may be differentiated by the corporate forms that their respective organizations take (Bowen, 1994; Carver, 1990). This form quickly leads to a distinction between *profit* and *non-profit* boards (Bowen, 1994). Non-profit boards may be subdivided further into boards of *public* organizations that relate directly to a government or government agency, and *private* boards that oversee organizations that, other than being sanctioned by government, have no direct connection to a government.

There are some "in between" forms. For example, Carver (1990) identified a third category—*governmental* boards—that seems to occupy a position somewhere in between a not-for-profit public board and a not-for-profit private board. In this case the board is delegated by government to oversee other organizations in which government has an interest, but which the government does not necessarily support. This arrangement is sometimes called "management by contract" (Rekila, 1995; Lang, 2002).

Another "in between" type of institution may be public and not-for-profit, but operates in a market that is created and regulated by government. This would, for example, be the status of public schools under a voucher system, or of public colleges and universities that are funded partially

by tuition fees that government regulates. The CCLB might be regarded as this type of organization in the sense governments and government agencies are its most numerous clients. In the recent past Algoma University College and St. Augustine's Seminary may also have fit this form, but the loosening of government regulation now places them in a different kind of market.

*For-profit boards* govern public or private business corporations as stockholder representatives. Their main responsibility is to create wealth for the investors by increasing share value and/or distributing profit. For-profit boards are not frequent in tertiary education, and where they do exist they are associated with relatively large institutions.

*Public non-profit boards* govern corporations chartered to serve charitable or governmental interests. Their main responsibility is to build and maintain an effective organization within the charter's purpose. There is no stock ownership and therefore no distribution of profit. Any surpluses must be recapitalized. These organizations receive a large proportion of revenue from funding and donations rather than from sales of products or taxation. *Private non-profit boards* are similar to public non-profit boards but serve charitable non-governmental interests. St. Augustine's, although it receives public funds for some of its programs, is more typical of this form than of any other. The interests that the seminary serves are exclusively those of the Roman Catholic church.

*Governmental boards* govern quasi-governmental organizations like water or health authorities and fully governmental organizations, like municipalities and school boards. They have no profit distribution, and they derive the largest portion of their revenue from taxation and user fees. In some respects, the structure of the CCLB board is characteristic of governmental boards, in the sense that each "client" province is represented.

**Action and Authority Forms**

Another way of thinking about boards is to ask about their authority and how they exercise their authority (Carver, 1990; Paquet, Ralston, & Cardinal, 1989). Seen from this perspective, boards can be classified into a different set of groups.

*Governing boards* are legal entities and authorities for incorporated organizations whose authority is exceeded only by their owners or the state. Governing boards are at the top of the organizational pyramid and have total authority and accountability for all aspects of the organizations' activity. The CCLB, Saint Augustine's Seminary, and Algoma University College have governing boards that, at least nominally, fit this description. In the case of St. Augustine's, however, the Bishop of the Archdiocese of Toronto plays the role that the state plays in the other two cases.

*Line boards* derive their powers from the organization's ultimate authoritative body, which in the case of public institutions is usually the state. Line boards may establish policy and oversee subordinates. They are not positioned at the top of the organization, but function lower in the organizational hierarchy usually in lieu of a single manager. Although line boards are described in the literature of governance (Carver, 1990) not much is known about how they actually function and how or whether they differ from *working boards*. They certainly differ in terms of organizational location, because a working board could also be a governing board at the peak of the organization. At lower levels in an organization, however, working boards look a lot like line boards, and *vice versa*. The existing research literature, as scanty as it is, treats them effectively as the same.

*Advisory boards* are functionally like standing committees, but without delegated authority. They are formed and empowered by a host organization, and at the discretion of the organization. They are not legally required. Their advice may or may not be taken and acted on. By this definition advisory boards usually co-exist with some other form of board that is superior to it in terms of authority. In the case of St. Augustine's Seminary the superior authority, the archbishop of diocese, is the chair of the governing board.

**Management Forms**

Governing boards can also be classified in terms of their relationship to management of their respective organizations (Paquet, Ralston, & Cardinal, 1989).

*Working boards* are perhaps the most difficult to define. They can be understood conceptually, but are problematic in practice. They tend to be associated with organizations that have relatively few full-time administrative staff. Members of working boards perform operational and administrative tasks. In that sense they are like line boards.

*Administrative boards* are also closely involved in management. They set priorities for staff and review their work. They are highly, if not exclusively, internally oriented. One could reasonably argue that an administrative board is a working board for an organization with a larger professional staff. Indeed, one could reasonably argue further that the only difference between an administrative board and a working board is the nature of the "work" that they do.

*Administrative-management boards* are found in organizations that have professional managers. This type of board is concerned with developing and applying management processes (directing, planning, organizing, monitoring, controlling, and evaluating) to work being done by staff. The board may establish standing committees and monitor their performance. Administrative/management boards have both an external and an internal orientation. Because of their

external orientation, these boards see governance and accountability as parts of their role. A useful way to describe and understand this type of board is to think of it as the not-for-profit sector's version of a franchise.

*Management-policy boards* are also involved in management, but not at all levels. They are most active in planning, in reviewing the performance of staff, in developing policies and strategies, and in determining organizational structure. Management-policy boards arbitrate organizational "turf wars." To the extent that they are involved in administration, their activity is associated with longer-term decisions. This type of board has many of the characteristics of management by contract.

*Policy boards* are characteristic of large organizations with highly qualified chief executive officers and professional administrations. They are mainly concerned with governance, strategic planning, and reviewing reports and recommendations from their CEOs and their standing committees. Their orientation is mainly externally focussed and long-term. The policy board in the public, not-for-profit sector is the closest in function to the corporate board in the for-profit private sector.

## Working Boards and Line Boards: Where Do They Fit?

With two exceptions, these classifications are relatively clear cut. Each has a small but solid and concise body of research literature that defines it and describes how the actual boards, that fall within it, function. Despite the fact that there are, in effect, three paradigms that assert an explanation for all boards, there is not much overlap among them. However, again there are two exceptions that appear as anomalies on one panel or another.

The exceptions are the working boards and line boards which seems to occupy a position somewhere between boards that are defined by authority and boards that are defined by their relationship to management. Carver (1990) defined working boards and line boards separately, but also said that working boards are really a variant of the governing board. He also said that working boards ought to be called "working-group" boards in order to reflect the true nature of what they do. What they do, according to Carver, is perform the roles of the governing board and of the staff of the organization simultaneously.

If what Carter said about working boards is true, then they are functionally very similar to line boards, which Carter also defined as a type of board. Even less is known about line boards than about working boards. If, as Carter suggested, the line board is rare and normally "unlabeled," perhaps it is no more than a variant of the working board. The only substantive difference between Carter's classifications

of a working board and a line board is that a line board may function at several levels within an organization, whereas a working board functions from the top as a governing board. But, also according to Carter, a working board can be involved at any level within the organization, as well as at the top. At this point the differences between the two become difficult to discern clearly.

In some of Carter's later studies, this lack of certainty about how a board can both govern and "work" borders on contradiction: "The board's sole official connection to the operating organization, its achievement, and conduct will be through the Chief Executive Officer" (Carter & Carter, 1997). Unless one accepts the possibility of *un*official connections, governing and "working" are contradictory roles.

Murray (1996) expressly disagrees with Carter about the nature of working boards. He argues that working boards should never—either in theory or practice—be confused with governing boards. Such confusion, Murray points out, causes working boards to become what he calls "meddling boards." Murray also contends that Carter's paradigms, in regard to working boards at least, are incorrect, or at least inoperable in practice (Murray, 1997).

Although what Taylor called the "new work" of not-for-profit boards might seem to be a compromise between the views of Carter and Murray (Taylor et al., 1996), it does not resolve the differences between the two. Instead, Taylor's point is pragmatic: it is a waste of valuable time and talent for members of not-for-profit boards to engage in operational activities, presumably even if they could do that without compromising their responsibilities as governors.

## The Case Studies

Thus there is a conundrum of theory in an important area of governance. There is very little empirical evidence about what working boards exactly are, how they work, the extent to which they are the same as, or different from, line boards, and whether they advance or impede governance (Murray, 1997). It is that gap in knowledge that this study proposes to fill. To do that we will begin with a summary of what is known or, at least, hypothesized about working boards and line boards. Following that step, we will devise a series of generic tests by which the actual performance of the board of an organization that appears to fit the known descriptions of working boards and line boards can be appraised. Those tests will then be applied to the case study organizations: the Canadian Centre for Language Benchmarks, Saint Augustine's Seminary, and Algoma University College.

## Current Knowledge

Carter and Murray are both succinct in their descriptions of working boards:

*My* [Carter's] *term 'workgroup,' however, denotes a governing board with little or no staff. It must govern and be the workforce as well... The group is incorporated, so a corporate governing board exists. It is merely a governing board with another set of responsibilities. The organisational position of a workgroup board is not only at the top, but everywhere else as well.*

A key element of this definition is that working boards are governing boards. Carter also says that line boards are not governing boards. They are instead "group[s] inserted where a single manager might have been."

The second definition, Murray's, is similar:

*A successful Working Board can exist when the non-profit organisation is new, small, all (or nearly all) made up of volunteers and whose services are not numerous or complex... In these conditions, board members are often the most committed and knowledgeable members of the organisation and have often worked up to the board as volunteers.*

As similar as these two definitions may seem, there are several important conceptual differences between them. First, Carter believes that working boards are governing boards categorically, regardless of their performance. Murray, quite to the opposite, says that while working boards might perform well as governing boards in certain circumstances, "it is a major mistake to force a Working Board to become a Governing Board." In other words, working boards are not necessarily governing boards.

Another difference is size and composition. Carter seems to see organizations with working boards as very small and with few employees. To Murray size is a broader concept, encompassing organizations like housing cooperatives, advocacy groups, hospices, and day care centres. While organizations like these may indeed have large contingents of volunteers, most of them also have professional staff. In most jurisdictions, hospices and day care centres, for example, are legislatively required to have certified or otherwise licensed professional staff. Such organizations also have significant expense budgets (if not revenue budgets) to meet such costs as rent, insurance, food, and equipment. So, even if all the professional staff were to volunteer their time, which might be the case in some organizations run by religious orders, the organization would amount to much more than a civic club.

Carter's view is that the working boards can be effective if they, first, understand that governance and management are different roles, and, second, keep those roles separate. Murray believes that view to be naïve and over-simplified. To him, the key to success is something along the lines of a careful and deliberate division of labour among all sorts of activities, including governance and management.

The essential distinction in Murray's view is not between governance and management; it is between the important and the unimportant.

When Carter's description of line boards is added to what he says about working boards, and when both of those views are contrasted to Murray's views, one conclusion becomes clear. Micro-management and confusion, both strategic and operational, are real and present dangers for organizations with working boards (or line boards) regardless of how the boards are defined. This is a conclusion that is broadly held (Etzioni, 1964; McFarlan, 1999; Mintzberg, 1979).

The tendency of working boards to micro-manage and confuse is in some respects inherent in the composition of their membership. There are essentially three sorts of board members: lay, institutional or constituent, and expert or professional. In some organizations, board members from all three groups are also volunteers who serve *pro bono*. For example, the legal counsel of St. Augustine's Seminary is a member of its board.

For larger organizations, this mixture might not be a cause of difficulty and in many cases may be a source of strength to the board and, in turn, the organization. But for smaller organizations, the mixture might have a less salubrious effect. To understand this, let's ask what the role and nature of each group is. To begin, the origin of the term *lay* is instructive. Its root is *laikos* from classical Greek, where it means "of the people" which in turn means not from a religious, political, or professional orthodoxy. A modern expression of the concept as it applies to governance is to say something like "not necessarily expert in the area of operation for which an organization was established" (Duryea, 2000; Ingram & Associates, 1993; Konrad, 1993).

This might seem counter-intuitive if not downright imprudent. But there is a rationale for lay membership on boards. The rationale has mainly to do with the presence of other types of board membership. Lay membership is a check against monopoly power and vested interests, both of which could arise from institutional and constituent interests, and from expert and professional interests. These are criticisms to which school boards and self-regulating professions are often exposed. The basic case for lay membership is that it protects the public interest. That role can be more than a matter of principle for organizations that depend on support from government (Konrad, 1993), government agencies, and from some philanthropic foundations. It is not uncommon for governments to appoint lay persons to boards precisely because they do <u>not</u> have any prior association with the professions or constituencies that the organization serves.

Lay membership can be imperfect. Lay members' lack of expertise can make them ineffective, and, once they realize that, cause them to become indifferent.

To the extent that working boards perform the role of management or even of staff, the lack of expertise can be seriously debilitating. Working boards thus should have a tendency away from lay membership and towards expert and professional membership. Indeed, when the "not having any prior association with the professions or constituencies that the organization serves" is applied to the boards of the CCLB, St. Augustine's Seminary, and Algoma University College, we see that each of those boards has virtually no truly lay members.

The need for expertise explains why working boards often have members who themselves are experts or professionals in the very area of activity that their respective organizations occupy. To perform well as governors, other types of boards need expertise, too. Working boards, however, also need expertise to perform well as managers and administrators. Chait and Taylor (1989), however, point out that having expertise is one of the factors that sometimes leads boards to manage instead of govern.

The sorts of organizations with which the working board and line board models are typically associated often have diverse sources of funding. This is indeed the case for the CCLB and St. Augustine's. That is sometimes the reason that they have to rely on a combination of professional and volunteer staff. All not-for-profit boards rely on constituency membership to connect them to their respective communities for the purposes of accountability and responsiveness. However, the concept of constituency representation should be unusually important and inherent to working boards for the additional reason that they depend on their constituents for operational support.

Board membership often includes volunteers. Lay membership and public service that are characteristic of the small, not-for-profit organizations with which working boards are typically identified are also characteristic of volunteerism. One might go so far as to argue that they are one and the same (Carver & Mayhew, 1994; Scott, 2000). Scott (2000) contends that volunteerism is essential to the survival of the entire not-for-profit sector. Carver (1990) on the other hand is skeptical about the involvement of volunteers in governance and suggests that the very use of the term "volunteer" weakens the leadership and stewardship obligations that board members should fulfil.

In preliminary summary, then, although not much is known about how working boards work, we do know some things about how they ought to work. Because they depend on their boards to play two roles, the mixture of their membership may be both essential and problematic. We also know that they may be prone to micro-management, and to confusing the boundaries between governance and management, and even between management and administration. We know that organizations with working boards should be very close to their constituents. And we know that working boards and line boards, in actual operation, might be the same.

## Generic Tests of Board Performance

Governing boards can behave in several different ways. The behaviours are not necessarily determined by the organizational form of the board. If one seeks to test the performance of a governing board, as in the case of the Canadian Centre for Language Benchmarks, Saint Augustine's Seminary, or Algoma University College, it is important to know beforehand the sorts of behaviour that might be expected.

A number of case studies of the performance of governing boards in the not-for-profit sector indicate the following possibilities (Murray & Bradshaw, 1990):

- *ratifying boards* in which a highly influential chief executive officer suggests policies, and the board's role is to approve them;
- *chair-dominated boards* in which highly influential chief volunteer officer dominates and the other board members follow;
- *fractionalized boards* in which divisions about goals lead to board cliques and infighting;
- *consensus boards* that comprise non-traditional, anti-hierarchical, highly participatory structures;
- *disorganized and apathetic boards* in which no one wields much influence and little is achieved.

Wood (1992) did not necessarily disagree with Murray and Bradshaw about possible board behaviours, but did suggest that the ways in which a governing board behaves might be the product of an historical progression beginning from the organization's inception and the formation of its board:

- *founding state* in which the board for all practical purposes is the organization and operates collegially with high levels of participation until a chief executive officer is appointed and in place.
- *"supermanaging" phase* that is characterized by high levels of activity and independent decision-making by the board. The board often begins to recruit members with distinctly managerial and bureaucratic ideas about the role of the board.
- *corporate phase* in which the board becomes increasingly willing to rely on the expertise of the chief executive officer.
- *ratifying phase* in which the board is minimally involved in oversight and routinely ratifies the chief executive officer's recommendations.

Although this is a progression, it is not a ratchet. A board can slide back to earlier phases, as, for example, would be the case if a chief executive officer failed to perform adequately or left abruptly. Thus, among the first questions to ask in evaluating our case study institutions were about the boards' internal psychology and about their stages of evolution.

The next step was to set a series of specific generic objectives against which each organization's performance, including that of its board, could be appraised. Expressed in another way, the objectives represent the performance for which the board would hold the chief executive officer and the organization at large accountable. The objectives were:

- familiarity with and perception of the objectives of the institutions;
- clear and appropriate roles and responsibilities for the board, councils, committees, and staff;
- accountability and performance of the board, committees, and staff;
- lines of communications between stakeholders, staff, and board;
- representing stakeholders and ensuring regional input;
- providing services and programs in a timely manner;
- reviewing mandates, goals and objectives and systematically undertaking planning based on them.

Within the context of each case study, as these tests were applied, the fundamental question became in what way and to what extent the form of governance either advanced or impeded the realization of each objective.

### The Canadian Centre for Language Benchmarks

The CCLB is located in Ottawa, Canada's capital. The Centre provides a variety of services in the area of assessing facility in the use of the English language by persons whose first language is not English. Its principal clients are public not-for-profit organizations that provide language training to immigrants and refugees. These include, for example, Citizenship and Immigration Canada, TESL Canada, and the Ontario Centre for Language Training and Assessment. The CCLB, however, does serve firms and organizations in the private, for-profit sector that employ immigrants and refugees. Two examples of private sector clients are JDS-Uniphase and the Canadian Aviation Maintenance Council.

The CCLB has a board of directors and an executive council. The membership of the board ranges between 21 and 23. There is a chair, vice-chair, and secretary-treasurer. Every Canadian province and territory except Newfoundland, New Brunswick, and Prince Edward Island is represented *ex officio* on the board. Four members of the board are appointed as "Expert Field Members." Other members come mainly from organizations, like the Canadian Council for Refugees, which are clients of the CCLB.

The board has eleven standing committees. Several of these committees—for example, the Web Site Review Committee and the Communications Committee—relate directly to units within the CCLB administrative structure.

The chairs of committees sometimes are the *de facto* supervisors of CCLB staff. Some committees—for example, the Learner/Outreach Participation Committee and the Canadian Language Benchmarks Committee—are *de facto* operational units that conduct the business of the CCLB without compensation.

The CCLB has an executive director and between five and eight staff. Some staff are employed episodically on contract in connection with specific projects. At any given time, the centre may have as many as three unpaid volunteer staff, in addition to "working" members of the board. The CCLB's annual budget ranges around $500,000.

The CCLB's goals and objectives, which were formally stated and of which the board was the custodian, also had a bearing on the board's relationship and on the performance of the CCLB at large. The issue, however, was not necessarily a point of disagreement between governors and managers. It seemed more to be a matter of disagreement among governors. The board had spent a lot of time on a new statement of objectives, but the CCLB staff didn't see them as being significantly different from the previous objectives. In operational terms, this left a lot to the interpretation of management in setting priorities.

### Saint Augustine's Seminary

Saint Augustine's Seminary in Toronto was founded in 1913, but was not legally incorporated until 1983. Saint Augustine's offers a pontifical degree, the Bachelor of Sacred Theology, and a civil degree, the Master of Divinity, for students who either are, or are in training to become, Roman Catholic priests. It also has a diaconate formation program and offers lay degrees in Theological Studies. Some of these programs are eligible for operating grants from the Province of Ontario. The seminary typically has about 180 students and about 30 faculty. Saint Augustine's annual operating budget is about $3 million. The seminary has a Board of Governors with thirteen members. The board's chair, *ex officio*, is the Bishop of the Archdiocese of Toronto. The board has five non-clerical members; all other members are in religious orders.

The Saint Augustine's Board of Governors has two standing committees in addition to an executive committee. Most of the board's work is done in the standing committees. Lay members are represented more heavily on the standing committees than on the board. It is at the committee level that the seminary's board begins to exhibit some of the characteristics of a working board. The seminary does not have a professional administrator who otherwise would be described as a chief financial officer. That role in practical effect is played by two lay members of the Finance Committee, both of whom are senior financial and budget managers in much larger organizations. Another member

of the board is the seminary's *de facto* legal counsel. And another member is the seminary's liaison with the University of Toronto and the provincial government. None of these members of the board receive any compensation for their "working" roles on the board.

### Algoma University College

Algoma University College, in Sault Ste. Marie, Ontario, is a semi-independent institution with an enrolment that fluctuates between 500 and 700 undergraduate students, all of whom are in Bachelor of Arts or Science programs. AUC's annual budget is about $10 million.

Although affiliated with Laurentian University, AUC is a separate corporate entity with its own board of governors. The college's governance follows the bicameral model that is typical of most Canadian universities. The board has 14 members, plus the president *ex officio*. The college is fully eligible for operating and capital grants from the Province of Ontario, and in some cases the Government of Canada. These grants are received directly from government, which for all practical purposes regards the institution as an independent institution.

The board of governors of AUC meets monthly, which is far more frequent than at any of the other case study institutions. Indeed, it is more frequent than at colleges and universities that are several times larger than Algoma. Each meeting of the board has two segments, each with its own agenda. One is open and one is closed. The closed sessions, which are the longer of the two, typically involve reports and requests for advice from AUC's president and dean. It is not unusual for a meeting of the board to have no formal motions for review and approval. Instead, the board's deliberation in closed session is less about governance and more about management. These discussions sometimes go into considerable detail, for example in reviewing the floor plans of a new student residence or advising the president about the dismissal of mid-level managers. External members of the board, through committees that they chair, as in the case of the CCLB, sometimes are the *de facto* supervisors of college administrative staff.

### Conducting the Studies

In the case of the CCLB, every member of the staff was interviewed in person. With one exception, all previous members of the CCLB staff were interviewed. Nine members of the board were interviewed, as were seven consultants who had worked at various times under contract to the CCLB. Over 200 ESL program administrators, instructors, and assessors across Canada were surveyed electronically. A focus group meeting was conducted in Toronto to solicit the views of representatives of ESL teacher-training programs.

In the cases of Saint Augustine's Seminary and Algoma University College, evaluation comprised attendance at every board or committee meeting for an entire annual governance cycle, meetings or interviews with managerial staff, including the presidents, and interviews with provincial officials whose responsibilities included relations with the college.

## Results of the Case Studies

### Results of Interviews of Board Members

Most of the members of the CCLB board who were interviewed said that they were selected for membership because it was integral to their usual job. Typically, they held government posts in which they were responsible for issues related to immigrant settlement and language. Of particular significance, they were responsible for the coordination of funding and the implementation of policy in the area of language assessment. In other words, they had a lot to do with the allocation of funding to the CCLB.

The priests and nuns who make up about two-thirds of the Saint Augustine's board occupied a position much like that of board members at the CCLB: they saw a close relationship between their normal work and responsibilities, and their participation in the board. In effect, for them membership on the board was part of their jobs.

With two exceptions, there were no evident connections between the day-to-day work of members of the Algoma board and their respective roles on the board. One exception was a member whose experience was in higher education management and finance, and who, as a result, often acted as an unpaid consultant. The other was a lawyer and jurist who frequently played the role of an in-house legal counsel.

In contrast, at the CCLB, three of the board members represented professional associations related to ESL and immigrant settlement, either nationally or regionally. They held elected positions in these associations as well as teaching or administrative positions in adult education. In other words, they were stakeholders who were users of the CCLB's services.

Given their positions with provincial or national governments or large professional associations, most of the interviewees saw their primary role as CCLB board members as helping to align funding with the competing claims on the CCLB's resources. Those claims, as the board saw them, came mainly from the provincial and federal governments. This role involved representing their jurisdictions. Other interviewees indicated that they felt they were chosen for membership on the board for reasons of inclusion, for example to represent minority interests that might be of no direct concern to provincial or federal governments.

Some members of the board of Algoma University College expressed similar views. These in most cases were Aboriginals who represented First Nation reserves in the

Algoma District. This can be explained by observing that Algoma University College occupies a facility that was previously a training school for First Nation's children, and that many of the college's students are from nearby reserves.

The board of St. Augustine's Seminary, on the other hand, is entirely orthodox, and as such could not be said to comprise minority interests.

Questions about conflicts of interest follow naturally from the composition of the CCLB board. When asked if they had perceived or experienced any conflicts of interest between their fiduciary responsibilities to the CCLB and their responsibilities to their employers, two-thirds of the responding directors said that they had no conflicts, but several of them also said that they could imagine how conflicts could arise. The other respondents said that they had encountered conflicts in three areas, which were also the areas in which the other responding directors indicated conflicts might arise:

- decisions about funding in terms of benefits for their province or region versus those for the country or national programs as a whole;
- the amount of time required to serve on the CCLB Board, which often drew them away from their usual work responsibilities;
- balances among the interests of professional associations or regional interest groups with those of government policies or programs.

On the one hand, these reports could be regarded as matters of individual behaviour among the board's membership. On the other hand, the situation could be a problem that arose from the structure of the CCLB and its board. It could explain some of the board's tendency towards performing as a working board. The latter possibility was recognized by some of the members of the board who were interviewed and who thought that board members should be formally evaluated in terms of their performance as volunteer staff. In other words, what some members of the board saw as real or potential conflicts of interest, other members saw as a normal and expected part of their duties.

No conflicts of interest were reported or even alluded to by members of the board of St. Augustine's Seminary. At Algoma University College, on the other hand, there were some conflicts of interest among board members who were associated with First Nation reserves or other First Nation organizations. These conflicts were usually declared item-by-item on board agendas, but in some cases the declaration took the form of non-attendance.

### Interviews with Staff

CCLB staff members who were interviewed confirmed that the CCLB relied on volunteer staff, including members of the board to fulfil its mission. Several members of the permanent staff also confirmed that they regarded some members of the board—specifically the chairs of some of the board's standing committees—as unpaid staff and in some respects as their supervisors.

Some Algoma staff took a similar view, again mainly in connection with standing committees. There was a subtle difference between the views of staff at Algoma and staff at the CCLB. At Algoma, staff tended to view some members of the board as specialists whom they, in practical effect, could turn to as consultants. There were, however, a few cases at Algoma and at St. Augustine's in which staff took *de facto* instruction from members of the board through board sub-committees.

When questioned further about these arrangements, staff members in all three institutions, on the one hand, thought that for organizations with limited financial resources, this might be a fortuitous benefit. On the other hand, they also acknowledged that this could compromise governance and sometimes did confuse the organizational chain of command.

### Familiarity With and Perception Of the Objectives of the Institutions

All the CCLB staff were familiar with its objectives. They were also aware that the CCLB board had recently reviewed the objectives and made revisions in some of them. To the staff these revisions seemed essentially cosmetic, and oriented more to the clients of the CCLB than to the staff of the CCLB. The objectives, either old or new, did not seem to make any significant differences to the day-to-day work of the staff. The staff believed that although the new objectives did not represent a substantive change in the work of the CCLB, they were more definitive and less open to interpretation than the old objectives.

Some staff members doubted that the CCLB board took the objectives seriously since there seemed to be a disposition on the part of the board to interpret the objectives very liberally depending on circumstance. The board, however, regarded their then recent revision of objectives as a major achievement in which they had invested considerable effort. The issue seemed not to be different views of what the CCLB's objectives should be or what they meant. The issue was about the extent to which the board took the objectives seriously.

Most CCLB staff did not see a strong day-to-day connection between their specific jobs and the objectives of the CCLB. Instead the staff saw stronger connections between their work and the various individual projects that the CCLB undertook on a contractual basis. Each project is, in effect, a client or stakeholder. The practical implication of this outlook is that the key expression of the CCLB's objectives is in its choice of projects instead of

in its specific work assignments to staff. Significantly and perhaps surprisingly, this was an area in which the board had no standing committee, but it was an area in which board members were frequently involved in supervisory and voluntary roles. Thus, it appeared that the clarity and comprehensiveness of formal goals and objectives were not sufficient to demarcate governance from management.

Strategy and planning were major pre-occupations of the board at Algoma University College. The board annually reviewed the AUC strategic plan in detail. The plan closely governed budgeting and the appointment of staff. The connections between the plan and day-to-day operations were strong, visible, and understood. Algoma formally separated its operational plan from its strategic plan. This meant that, even when board members slipped across the line from governance to management, as they did, for example, in the management of some capital projects, they followed the strategic plan as much as staff did.

St. Augustine's did not have a strategic plan or formal statement of institutional vision. That perhaps should not be surprising given the role of a seminary within an orthodox and highly centralized religion. Every member of the board was a practising Roman Catholic, as was every member of the staff.

What conclusions might we draw from this about working boards? One is that under working board conditions the managerial involvement of board members seems to serve as an alternative to effective statements of objectives. For example, to reverse an old adage, the CCLB board, as a working board, seemed to have operated on a "do as I do, not as I say" basis. This indicates the preference for action instead of delegation which Chait and Taylor (1989) hypothesized. At Algoma, where there was an extremely effective strategic plan that was clearly separate from the operational plan, and at St. Augustine's, where there was unanimity of institutional purpose, managerial involvement on the part of board members was minor.

Another causal observation might be that governing boards tend towards the working board model in areas of activity that are unstable and anomalous, as would have been the case of the CCLB's special project contracts and entrepreneurial initiatives. This aligns with one of Chait and Taylor's explanations of why not-for-profit boards sometimes become wastefully involved in operational activities (Chait & Taylor, 1989). At Algoma and St. Augustine's, academic programs replaced special projects. By their nature, academic programs are stable. They have long production cycles, and in the case of Algoma and St. Augustine's, are to one extent or another regulated by external agencies.

**Clear and Appropriate Roles and Responsibilities for the Board, Councils, Committees, and Staff**

This was an objective that the CCLB held expressly and had for some time known was problematic. In 1999, the CCLB board had convened a special session to discuss it with the assistance of a consultant. Despite that awareness and effort, the lines of demarcation between the three CCLB estates still were not as clear and appropriate as they might have been. Here are some particular examples of uncertainty and lack of clarity:

- *The CCLB staff sometimes regarded the chairs of the board's standing committees as unpaid staff and supervisors in their particular areas of expertise.* This may be seen as a function of the erratic and limited nature of the CCLB's funding. Expertise that the CCLB could afford to have on its staff it could obtain from the volunteer work of the board membership. This might be a fortuitous benefit of a working board, but it was not ideal for the CCLB because it also confused the governance and accountability roles of the Board and blurred the normal chain of command within the CCLB staff.
- *The Executive Director was frequently expected to interpret the board's objectives and decisions.* There was much criticism of a former CCLB Executive Director in regard to this practice. But the reliability and effectiveness of the interpretation is not the main point with regard to the clarity and appropriateness of roles and responsibilities. The main point is whether or not the Executive Director should have been called on to play an interpretative role at all. This could be seen as a failing that could befall any board in any form. But this also could be a chronic problem of working boards, in that the involvement of board members in the day-to-day affairs of the organization invited "fine tuning" and interpretation because the board, as a governing board, never really had to "sign off" on some decisions. Those decisions were instead left to the chief executive's interpretation.

One of the most forceful paradigms that explain the behaviour of tertiary educational institutions is "resource dependence" (Birnbaum, 1983). Resource dependence might explain some confusion or, at least, conflation of roles at St. Augustine's Seminary. Although eligible for some public funding, the seminary is most dependent financially on the Archdiocese of Toronto. The Bishop of Toronto is chair of the seminary's board. The Vice-Chancellor of the Archdiocese is chair of the seminary's finance committee. The Vice-Chancellor has more financial expertise than the financial staff of the seminary, and in some respects has more financial information, particularly in regard to the subsidies that the archdiocese may make available to close

deficits in the seminary's budget. Meetings of the finance committee sometimes included specific instructions to staff and even drafting of policies and protocols that would later appear to come formally from staff to the committee.

The situation at Algoma was different from either the CCLB or St. Augustine's. The president and dean of Algoma frequently put questions—as opposed to motions—before the board as a means of soliciting the board's advice about operational matters. These questions, for example, sometimes involved the creation of positions and appointments to those positions that the administration could make in its own right without the approval of the board. So, in the case of Algoma, the confusion of roles resulted in management crossing the line into governance. To the extent that governors behaved as managers, they did so at the implicit invitation of the administration.

### Accountability and Performance of the Board, Committees, and Staff

Although the intersection of management and governance was blurry and somewhat confused, there was a relatively high degree of contact between the CCLB board and the CCLB staff. There was an especially high degree of contact between the CCLB staff and some of the board committees. All this is what one would expect of a working board. The question, however, is whether or not that sort of contact engenders high levels of accountability and performance.

Normally, staff should be accountable only to their supervisors, and the chief executive officer should be accountable only to the board. That is a *modus operandi* that most boards understand and enforce. The experience of the CCLB suggests, however, that working boards might not have that understanding or, if they do, are incapable of acting on it. To the extent that the "working" members of working boards direct staff, they may be seen as providing sufficient accountability and first-hand measurement of performance. But, as some members of the CCLB board indicated in interviews, there was no systematic means of measuring the performance of board members who were also performing as supervisors and staff. This is a problem that appears to be unique to working boards.

This test was more difficult to apply to Algoma and St. Augustine's because at those institutions staff did not seem to regard "working" board members as supervisors in an operational sense. At those institutions, staff would defer to "working" board members as expert specialists and as *de facto* decision-makers, but not as supervisors. In the case of Algoma, the administrative staff was highly unionized, with the result that lines of authority were clear and formal. Somewhat similarly, the administration of St. Augustine's reflected the traditional hierarchy of the Roman Catholic church. A lesson to be drawn here is that, to the extent that

working boards tend to compromise accountability, unions and other highly formal organizational structures can curb that tendency.

### Lines of Communications Between Stakeholders, Staff, and Board

Communication was central to the CCLB's existence. Indeed, it was so central, and also so multidirectional, that there were no simple answers to such questions as who needs to communicate what to whom and for which reasons? For instance, members of the board saw as a fundamental role an obligation to communicate the interests of their province or region to the CCLB and in turn to communicate the CCLB's interests back to their province or region. This was also the case at Algoma, where Aboriginal members of the board tended to see communication with their First Nations constituencies as their principal responsibility.

But as important as communication was to the CCLB and Algoma University College, communication among the respective boards' memberships seemed to be episodic and sometimes incomplete. The CCLB board did not meet frequently and, when it did, the documentation of the meetings was limited. The result was that members who did not attend meetings were poorly informed. A number of persons who were interviewed reported that the board's deliberations often did not convey finality, and that issues that were putatively resolved at one meeting were reopened at later meetings, with different members present, as if the previous meeting had never taken place.

The board at Algoma was far more disciplined, met regularly, and rarely revisited decisions. The attendance of First Nations members was, however, often irregular. Although there was no constitutional reason for the board not to act in the absence of certain members, it sometimes deferred business for long periods of time until those members were present.

This may or may not be a characteristic of working boards. The CCLB board was geographically highly dispersed. Several members, in the interviews, reported conflicts between balancing their jobs with their service on the board. That may have been the case with some members of the Algoma board, too. The combined result was erratic attendance. That could happen to any board in any form. But in the case of the CCLB and Algoma as working boards, the board members who performed also as managers and staff—that is, the board members who "worked"—were also those who most frequently attended meetings of the boards and who most frequently were in communication with one another. The *de facto* result on some occasions was two boards: the nominal board and the board in which certain members actually participated. Moreover, the communication between the two

was irregular, mainly of course because the arrangements themselves were irregular.

A lesson to be drawn is that for a board with dispersed membership and members who have only limited time to devote to the board, the working group model may exacerbate communication and decision-making problems. In terms of board typologies, this aspect of the working board identifies the CCLB board and, to a lesser degree, the Algoma board with Murray and Bradshaw's "fractionalized" board.

## Representing Stakeholders and Ensuring Regional Input

This test affected each case study institution in different ways. St. Augustine's was affected least. The seminary basically had only one stakeholder: the Archdiocese of Toronto and, with regard to one program, the Vatican. It is arguable that the seminary's one stakeholder was so powerful that the board's role was as much management as governance.

Algoma's stakeholders were somewhat more diverse: faculty, students, staff, the City of Sault Ste. Marie, First Nations reserves in the Algoma District, federal and provincial forest research centres that were located nearby, and major steel and pulp and paper employers in the area. Because of a special grant that ensured Algoma's financial viability, the college tended to regard the provincial ministry of colleges and universities as more of a stakeholder than other public universities did.

This test when applied to the CCLB depended on one's understanding of "stakeholder." This was more than a semantic question. Those agencies that provided funding were represented well on the CCLB's board, as were major professional associations, like TESL Canada. But others who had a stake in the CCLB were not represented as well, although they may have been consulted or received information from time to time or for particular projects. So, some observers of the CCLB cited over-representation while others cited under-representation on its board.

Taken in literal terms, this objective may have been unattainable for the CCLB without introducing so much complexity to its affairs as to disable its functionality. Canada has two official languages and Quebec has regularly had observers on the CCLB Board. Immigrant and refugee settlement is distributed unevenly across the country. Educational systems operate independently in each province. The level of diversity is so huge it was essential to understand that there is a difference between lines of communication and communication *per se*. It explains, on the one hand, why there were so many lines of communication within the CCLB, and, on the other hand, why the number was perhaps too many for the purposes of representation. The lines of communication within Algoma and St. Augustine's were far fewer.

This is an area in which the CCLB's tendency towards behaving like a working board appeared to be counter-productive. First, because communication was one of the staff areas in which board members "worked," there was the danger that communication was confused with representation. This might be a reason for Carver's assertions that line boards should never be confused with governing boards, and that working boards should never forget that they must also be governing boards. Murray, on the other hand, argued categorically that working boards should never be put in a position of having to play both roles. The board at the CCLB was put in this position, and the boards at Algoma and St. Augustine's were not.

The lesson here is that because representation is so complex and delicate in organizations like the CCLB that, for the purposes of governance, representation should be emphasized over communication. The working board model is not congenial to that emphasis because it tends to disperse rather than consolidate participation in governance.

## Providing Services and Programs in a Timely Manner

At first this test might seem to be irrelevant to the question at hand. It is, however, important, at least in the case of the CCLB. Most of the individuals and agencies who were consulted about the performance of the CCLB expressed at least some disappointment about the CCLB's provision of services. An obvious and particularly unfortunate fact of life for all three institutions in this study was the erratic and unpredictable nature of their funding. It is not an overstatement to say that the expectations that were held for the CCLB, Algoma, and St. Augustine's outstripped their financial wherewithal.

That being the case, it was not surprising that, to differing degrees, these institutions were drawn to the working board model. Of all the permutations and combinations that are possible in the structure of governance, the working board or line board is the only one that adds to an organization's capacity to produce and deliver. The more dire financial circumstances become, the more attractive the working board model becomes.

But is the working board a solution or a diversion? The problem may go beyond the adequacy of funding. The unpredictable nature of each institution's funding base made priority-setting very difficult on the one hand and essential on the other. Virtually no public organization, no matter how virtuous, can assume that it will have all the resources that it believes it needs. To cope with this reality, organizations like those being studied here have to make hard choices about the allocation of the scarce resources that are available to them. To make such choices, small, under-funded organizations should concentrate their resources on a few high priority initiatives instead of spreading them thinly to give the appearance—really the

illusion—of being all things to all people. The working board and the line board, if it is really different, can be part of that illusion. First, there is no reliable way by which the typical small, not-for-profit organization can accurately value the volunteer work that members of working boards provide. Second, because the working board "workers" are not really accountable to management, there is no reliable means of ensuring that they direct their efforts either in the most efficient way or to organizational priorities. In fact, volunteer workers may be motivated to volunteer in order to favour the interests that they represent (Chait & Taylor, 1989). Thus, instead of drawing hard-pressed organizations in the direction of taking the setting of priorities seriously, the working board model can mislead them into thinking that priorities are not urgent. This seems to be the case most often when board members become "workers" in lobbying and fund-raising.

### Reviewing Mandates, Goals and Objectives and Systematically Undertake Planning Based on Them

Successful planning depends on a cycle or "loop" that comprises mandate, goals, objectives, plans, budgets, and evaluation in a sequential series. This loop should not be disassembled, which is why goals, objectives, and planning are combined in a single test of performance.

The locus of responsibility for planning is problematic. There was recognition, particularly on the part of the CCLB staff and the Algoma board, that plans were needed, especially plans that either set priorities or could be used to set priorities. These were facts of life for small organizations for which there are high expectations and for which there is limited financial support—in other words, organizations with which the working model is typically associated.

There are two ways of formulating plans. One is to assign the responsibility for strategy to the governing board, and then regard the plan as an instruction to management. The other is to regard planning as a management activity, and to have the plans brought forward to the board for review and approval. The first approach is more useful when the greatest need of the organization is to set priorities. This approach usually leads to unity and discipline within the board. The latter approach is valuable when there is a need to match resources to tasks, and to schedule work that has already been called for by the board. A working board, virtually by definition, is prone to the second approach. Although to different degrees, that tendency was evident at the CCLB, Algoma, and St. Augustine's.

It is of course highly problematic where the centre of gravity between these two approaches should rest in each organization. In the case of the CCLB two things were evident. First, the staff felt that they were not receiving sufficient strategic direction from the board in regard to priorities. Second, the extensive review that the board had recently undertaken of the CCLB's mandate, goals, and objectives seemed insignificant to the staff. In other words it did little to "close the loop." One reason for that failure was that some board members who were *de facto* "workers" as well as governors occupied different locations in the loop. In other words, they were on both sides of the line that demarcated responsibility for planning.

At Algoma, there was no lack of planning, and the plans set relatively clear priorities. There was, however, some lack of clarity about where responsibility for planning should reside. For example, although the president devised plans for review by the board, members of the board with experience in corporate planning sometimes re-drafted the plans.

St. Augustine's did not engage in formal planning. It was clear, however, that responsibility for the basic elements of planning—mission, strategy, finance—resided with the board. Neither the CCLB nor Algoma was accredited. St. Augustine's was. It was reviewed periodically by the [American] Association of Theological Schools. The ATS reviews were the occasions around which planning revolved. The board used the ATS review reports as a basis for holding the seminary's rector accountable.

At the CCLB, an area in which the management and staff felt particularly at sea was the desirability of entrepreneurial self-funding for some programs and services. The provision of some CCLB programs and services had been predicated on their generating enough income to offset their costs. Algoma, similarly, incurred a relatively large capital debt on behalf of two of its ancillary enterprises. St. Augustine's attempted from time-to-time to operate its non-credit continuing education program on a self-funded basis, but with little lasting success.

Self-funding is risky business in the not-for-profit sector. An organization that decides to move ahead with self-funding should keep two important factors in mind. The first is that self-funding requires relatively sophisticated financial control and information systems to ensure that what is supposed to be self-funded really is, and to ensure that self-funded projects do not expose the organization to unintended liabilities. The second is that self-funding can have high infrastructure costs that will be more onerous to a small organization than to a large one. In other words, self-funding should not be equated with self-management. If anything, self-funding will place more, not fewer, demands on governing boards.

In response to those demands a board might be drawn to the working board or line board model as a means of delegating responsibility for a particular part of the organization's activities. That might make some sense if the board were prepared to operate some programs or services on a strictly "sink or swim" basis, and were willing and able to accept any financial liabilities that arise from business

failure. But those are exactly the sort of risks that small, poorly funded, not-for-profit organizations cannot afford to take. Therefore, when risks of this magnitude are taken, the deployment of the working board model could dangerously increase the risk by driving management and governance further apart when they should be drawn closer together.

This same observation also helps to clarify the similarities and differences between line boards and working boards. When, under the working board model management becomes detached from governance, there is no functional or generic difference between a line board and a working board. This perhaps explains why Murray did not draw the distinction that Carver did between the two types of board; Murray argued that working boards normally should not be governing boards. Carver, on the other hand, said that working boards have also to be governing boards, which logically, if not persuasively, means that a governing board that is detached from governance must be called something else, hence the working board. In the case of the CCLB, for those board members who were "workers" as well as governors, management and governance became so separated that, although the board thought that it had clarified and substantially modified the organization's mandate, goals, and objectives, and given a clear signal about self-funded programs, the staff thought otherwise.

In the case of Algoma, some members of the board participated directly in the development of business plans for ancillary operations. Those "worker" members then vouched for the plans when they came forward to the board for approval. Other members deferred to the "worker" members, usually without question.

For these misunderstandings and lack of due diligence to have happened, the "worker" board members must not have been sending signals to the board about the way in which management perceived the revised mandates, goals, and objectives, and viewed financial risk. This implies a major flaw in the working board model: it is very difficult to wear a "governance hat" and a "working hat" at the same time.

## Lessons Learned

To bring this study to a conclusion, let us first return to the beginning, and in particular to the different views expressed by Carver and Murray about what working boards are. Working boards do exist. Whatever other conclusions might be drawn from the experiences of the Canadian Centre for Language Benchmarks, St. Augustine's Seminary, and Algoma University College, one is certain: they all, to at least some extent, have working boards, whether one defines a working board as Carver did or as Murray did. Also, regardless of the preference for one definition or the other, the institutional conditions that engender the "working" phenomena of some governing boards are not uncommon. The working board should not be regarded as a temporary aberration or anomaly. In fact, because the conditions that lead to working board behaviour are not unusual, there probably are already more working boards than we realize.

The first lesson is that Murray's definition of the working board and his description of how it, in theory, behaves is closer to actual experience than is Carver's definition. In particular, Carver's assertion that working boards are also governing boards may be correct in principle but very difficult to realize in practice. As far as governance and accountability are concerned, governing boards and working boards appear to function in opposing directions. That might have been Murray's intuitive assumption in taking the opposite view that governing boards should not be confused with working boards. The case studies, especially that of the CCLB, suggests that that is true. It also confirms Murray's implicit assumption that, once governance is removed, the working board and the line board are one and the same.

But there is another aspect of the case studies that does not confirm Murray's definition. Murray said that if governing boards were confused with working boards, the result would be "meddling boards." That possibility may indeed exist, but in the case of the CCLB, St. Augustine's, and Algoma, their governing boards *cum* working boards were not seen as meddlers. The boards did not perform as well as they should have with regard to certain objectives, but neither the governors nor the managers thought that the arrangement was objectionable. In their view the arrangement was, at worst, a necessary evil, and, at best, fortuitous. Indeed, all the evidence of the three case studies is that when board members "worked" as specialists—for example, in fund-raising and financial planning—they performed well and probably better than paid staff would have.

Carver took great care with terminology. His preference was to call a working board a *working group* board. The idea seemed to be that governing boards went into the working board or working group mode for a limited time for a particular and specified purpose. All the members of the board who became "workers" were involved in the particular project, whatever it was. When that purpose was fulfilled, the board would revert to some other mode. In those circumstances, the distinction between *working board* and *working group* might make sense. Carver did not offer an example of a working group by his definition but a reasonable guess is a board that relies on some of its members to support a major gifts fund-raising campaign.

However, if the example of the case studies is typical, the intersection of management and governance under the working board model is broader and less categorical. Board members "worked" in a variety of management and staff areas, and were not organized to form a functionally

identifiable group separate from other staff. Again if the case studies are typical, the several management forms identified by Paquet, Ralston, and Cardinal—*working boards, administrative boards, administrative/management boards, management/policy boards,* and *policy boards*—are not in practice as different as they seem to be in theory. Everyone, except the policy board, is a variant of the working board. They vary only in terms of the type of work that they do, and they were all represented in the example of the actual operations of the CCLB, Algoma, and St. Augustine's.

In summary form, here are some other lessons learned from the study:

- Working boards have a tendency away from lay membership and towards expert and professional membership, and in turn those sorts of membership draw the board into operational activities.
- Constituency representation is unusually important and inherent to working boards, because they depend on their constituents for operational support.
- Working boards are prone to micro-management and to confusing the boundaries between governance and management, and even between management and administration.
- Organizational size might not define working boards as accurately as the relative scale of governance to management does.
- Working boards are more typical of organizations that are like consortia than of organizations that are of a certain size.
- Under working board conditions, the managerial involvement of board members may be construed as an alternative to formal statements of objectives, thus undermining the statements.
- Governing boards tend towards the working board model in areas of activity that are unstable and anomalous.
- The involvement of board members in the day-to-day affairs of an organization invite "fine tuning" and reinterpretation of board objectives and directives because the board, acting in its governing role, never really has to "sign off" on some decisions.
- There are no systematic means of measuring the performance of board members who are also performing as "working" supervisors and staff.
- The working board model tends to disperse rather than consolidate participation in governance.
- For boards with highly dispersed memberships and members who have only limited time to devote to the board, the working board model may exacerbate communication and decision-making problems.
- Volunteer workers may be motivated to volunteer in order to favour the interests that they represent.

Thus, instead of drawing hard-pressed organizations in the direction of taking the setting of priorities seriously, the working board model can mislead them into thinking that priorities are not urgent.

- In terms of planning, the working board is especially valuable in matching resources to tasks, and to scheduling work that has already been called for by the board.
- Working boards are particularly ill-equipped to oversee entrepreneurial and "self-funding" initiatives, yet these are areas of activity in which not-for-profit boards tend to try to manage.

Each of these conclusions makes sense in its own right, and taken on its own could argue either for or against working boards. In the aggregate, however, the situation is less clear. On the one hand, working boards evidently do work, in the sense that they are functional and, when they can produce benefits, they do. This is particularly the case when the "work" that working boards perform is more specialized and more expensive than small institutions can afford. On the other hand, the work that working boards perform, although valuable, can compromise governance and accountability.

In this context, working boards are what Carter said they are: variants of governing boards. In none of the three case studies did either governors or managers perceive that in "working" boards, members set aside their responsibilities for governance. That, of course, does not mean that governance would have been performed as well in the absence of the "work." Indeed, the willingness of some board members to "work" is sometimes due to the very fact that they are responsible for governance. Whether or not Murray was right to say that governing boards should not be confused with working boards, they sometimes are. For that reason, it is important to understand how and why they work, and what their advantages and disadvantages are.

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