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STANFORD SOCIAL INNOVATION *review*

Upfront

Prospecting for Opportunities Nonprofits with broad missions need less centralized boards

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NONPROFIT GOVERNANCE

Prospecting for Opportunities

Nonprofits with broad missions need less centralized boards

How do nonprofit organizations best structure their governance committees to reflect institutional goals?

According to a study published in the September 2004 *Nonprofit and Voluntary Sector Quarterly*, it depends on whether your organizational mission is broad or more limited. Those that have a very limited mandate – such as a crisis hotline, for instance – will have a more centralized board, one with fewer committees and subcommittees. These organizations have a specific niche that they “defend,” and seldom stray from their stated missions.

Those that tend to have broader missions will employ more board committees and subcommittees because their mandate is larger. These organizations – what the

study called “prospectors” – are continually on the lookout for new market opportunities and will bend their goals to include developing trends. An arts center, for instance, will see its mission develop, one year sponsoring a new artist and the next year bringing a new collection to the museum or developing a new arts class.

The authors of the study, William A. Brown of Arizona State University and Joel O. Iverson of Texas A&M University, surveyed executives at 324 nonprofit – mostly youth and human service – organizations. The study also found that prospectors “tended to emphasize innovative programs and encouraged staff experimentation.” Meanwhile, defenders “used fewer prospecting strategies, emphasized efficiency, and focused on maintaining well-defined services.” –Gerald Burstyn