



The Executive Committee: Its Scope and Purpose

by Alec Dickey

Not all boards have executive committees, but most organizations find them to be a central element of effective governance. Ideally, the scope of an executive committee's authority is clearly outlined in an organization's bylaws. If it is not, at the very least it should be clearly defined in a statement of the board's operating policies. Yet, quite often, organizations discover that they have no written policy regarding the executive committee's scope of authority to make decisions.

If your organization is just forming an executive committee, or has discovered that an existing committee's authority is not adequately documented, the full board should discuss its role and come to consensus on its charge. The resulting policy should be reflected in the bylaws or adopted as a board resolution and added to the board manual and any other relevant policy documents. Often, such a resolution is presented as a statement codifying what the executive committee, acting on its own, is not empowered to do on behalf of the board. Common examples are restrictions on its authority to enter into litigation, to engage or disengage the chief executive, or to change the bylaws.

Often the size of a board is a determining factor in what is handled by its executive committee. As the board's membership grows or changes, the requirements of this committee are also likely to evolve. Even if the authority of the executive committee is clearly stated, an occasional review of its responsibilities is probably a good idea. Few rules apply to all organizations or all situations, but most organizations find executive committees helpful in the following areas:

Hiring and Evaluation of the Chief Executive

Many executive committees see this as their most important and, in some cases, productive responsibility. Even if the board is small, the executive committee is usually more likely to be successful in finding and hiring the right candidate, establishing performance goals, and providing feedback and direction to the chief executive than the board as a whole.

A Forum for Candid Policy Discussion

Because the executive committee has fewer people, and is made up of individuals who know the company's history, artistic mission, and, often, each other quite well, in-depth discussion is usually more fluid and productive than it might be with the full board on issues that are controversial or require careful consideration of competing priorities. The executive committee can often resolve differences, reach compromise, and recommend actions for board approval in a fraction of the time it would take the full board to discuss such matters. Proposals for new initiatives or suggested changes in priorities which have been vetted in this way are often better organized when presented to the full board, and their proponents are often better prepared to discuss their positions after first discussing them with the committee.

Coordination of Committee Work and Special Projects

Executive committee members are likely to have an excellent grasp of the structure of the board, its committees, and their relationship to the organization's mission and priorities. Often this group is in the best position to identify and eliminate duplication of effort and to avoid potential conflicts between committees, volunteers, and staff.

Self-Assessment

Many organizations have established independent methods for periodically evaluating the performance of both the full board and its individual members. Often, the executive committee is charged with creating instruments and procedures to assess such performance and with implementing such evaluations, particularly in assessing the work of individual board members.

Financial Oversight

Again, because the group is intimately familiar with the goals of the organization, it is often helpful for them to review financial policy recommendations, such as those made by the finance and development committees or the staff, before they are presented to the full board. Special agreements which require careful review or negotiation such as leases, staff benefit packages, insurance programs or consultant arrangements are also sometimes best handled by executive committees in conjunction with staff and legal counsel.

Special Projects

In addition to negotiating agreements such as those outlined above, executive committees are often asked to research an important issue or complete a specific task for which the creation of a special committee would be unnecessarily cumbersome. Board members should remember that the executive committee exists to bring efficiency and productivity to the board's work, not to do its work (or that of staff or committees).

Routine Matters

Finally, most executive committees are authorized to provide decisions on recurring and routine business matters. Often this includes the authority to resolve substantive issues (within the constrictions placed on it by the bylaws) if the chairman or the full committee determine that time constraints require the committee to act.

Board Accountability

In many cases, board members are comfortable giving the executive committee freedom to make any decision on the board's behalf, particularly between meetings. In such cases, it is important to remember that the full board is still legally responsible for these decisions. Board members should also be alert to the possibility that this arrangement can lead to gradual "mission creep" over time, allowing the executive committee to become a de facto board.

Even when this is not the case, the perception that the executive committee is bearing primary responsibility for moving the organization forward can have a significant impact on the commitment of other board members, leading to a gradual erosion in the board's efficacy and vitality. Regular and thorough reporting from the executive committee, and clear communication channels back to it for questions and concerns, can help to prevent such misperceptions. The membership of the committee can itself be structured to assist in such communication. For example, some boards find that having the chairs of standing committees serve on the executive committee provides those stakeholders who serve on committees with a sense that they have representation on and a direct connection to the executive committee.

Conclusion

No matter how reflective an executive committee's membership may be of the board as a whole, it can never represent the full board's breadth of expertise and experience. Indeed, even if such representation were achievable, it would not relieve the full board from its own responsibility to govern effectively. The purpose of the executive committee is not to do the work of the board, but to assist the board in doing its work effectively and efficiently in order to advance the mission and vision of the organization.