

Different Types of Board of Directors

By

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Away from the legal meaning or implication of the term 'Board of Directors', the BOD may be classified into different types based on the way of its working. Every board or committee works a little differently from another. Sometimes the difference is minimal, but sometimes it may be more obvious. Because of this there are no tailor-made solutions applicable to similar problems of different Boards.

In order to decide on the best approach to corporate governance, it is first important to identify what kind of Board a company has. In the following paragraphs is a quick overview of the different types of Board based on the ways they function.

1. Governing Board

A Board where the Promoter of the company is not a part, is said to be a Governing board. The board members consist of persons other than the promoters and the intention of the Board is to provide direction to the owners w.r.t. the best way of running the organisation. The BOD is concerned mainly with the bigger picture and delegate managerial task to people employed in the organisation.

2. Working Board

As opposed to a governing board, a Working board not only deals with the big picture but also simultaneously implements the policies and strategies. This type of board is generally found in smaller or new organisations.

3. Managing or Executive Board

This type of board has its members as Executive Directors and together they runs everything in the organisation on a day-to-day monitoring basis. Such Board will have necessary subcommittees for quick addressing of specific situations within the organisation.

4. Advisory Board

Advisory boards are similar to governing boards and they provide advice and direction to those who are actually running the organisation; the difference is that in case of governing boards the directions are given to employees, in case of Advisory Board, the advice is given to the Board of Director which is essentially in the form of an Executive or Working board. The role of Advisory Board is important in critical matters and delicate situations.

5. Policy Board

This board is similar to the Advisory board, except that in the Policy board instead of advising, the stress is on formulation of organisational policies, practices and directions to guide employees. The CEO or promoter of the company, or other employees implement the work of the policy board.

6. Cooperation Board

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As the name suggests, the Cooperation board is one where all members work and vote equally on all points of business. All members are people elected to represent the members of a co-operative or other non-profit organisation. All board members have a singular goal and work to achieve the same.

7. Cortex Board

The Cortex model emphasizes on the value that an organisation creates in the community. The performance of the organisation is measured on the basis of parameters like community standards, giving back, societal expectations etc.