



Building Your Worker Co-op Board of Directors

A board of a cooperative is similar to that of a nonprofit or corporation with the addition that it is made up of a majority member-owners. Boards of corporations are accountable to their shareholders, which in the case of worker co-ops are the worker members.

If your cooperative is incorporating as a cooperative corporation or any corporation, you are likely to be required by law to have a board of directors. In this guide, however, we refer to a “board” meaning any governing body (corporate board or other formations of worker co-ops such as member managed LLCs and partnerships).

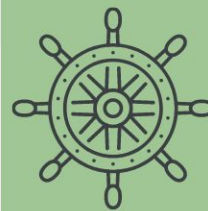
Most of the practices outlined are also pertinent to cooperatives structured as a collective where all members make governance decisions. It is useful in any case to have separate meetings and processes for governance (policies, general oversight, larger financial decisions, decisions that affect the long term direction of the co-op) and operations (day to day workings: for example HR, business performance, use of technology, marketing, sales, inventory, service provision, etc.).

For more about general best practices of boards, the role of the board, meetings and decisions, see the Effective Worker Co-op Boards Mini Guide.

Going from Steering Committee to Formal Board

Most worker cooperatives start with a core group of 3-12 (but most commonly 3-7) founders who have worked on the startup phase, set up the initial governance structures and hold the founding vision for the co-op. Oftentimes this group becomes the founding board of directors when the co-op forms their legal entity. This is in line with cooperative democratic values as long as the governing documents and co-op’s intention is to hold a board election when the co-op is ready to do so, usually within one year of incorporation.

Some co-ops have enough members to elect the founding board at the time of incorporation. Either way, it is important to have a comprehensive skill and representative makeup.



Steering committee / founding board: develop governance structures & carry out founding vision



Formalize board roles & responsibilities: hands-on operations, combine diverse skillsets



Elected board: focus on strategy & supporting management to implement daily co-op operations



Going from Steering Committee to Formal Board (cont.)

A successful founding board has: Business acumen, diverse skills, integrity, interest in ensuring the most valuable (broadly defined) business possible, commitment to the project, participating effectively in group decisions, maintaining a long term big picture focus, empowering and holding management accountable and representing member owners.

This change from steering committee to formal board is a good opportunity to formalize your board roles and responsibilities. Many co-ops go through phases, most commonly starting with the founding board being very hands on in many aspects of the co-op. As a board matures, it needs to shift its focus on governance and strategy, while supporting management to take full responsibility for implementation and operations.

Board Recruitment & Onboarding

Similar to onboarding a co-op member, an intentional and thorough board process can help ensure an engaged new board member. They should be familiar with the bylaws, policies, yearly budgeting and planning process, strategic plan and management oversight approach. Co-ops often find participatory workshops, visual depictions of bylaws, buddy systems and summary documents helpful rather than just granting access to a large list of documents (though understanding where to find documents is key as well).

One common mistake worker co-ops make is failing to create proper board diversity. Are board members the usual suspects? Are the founders hand picking additional board members without general membership input around nominations? Do new board candidates represent diverse identities and viewpoints? A well rounded skill set is also key: individuals can be recruited and nominated that bring specific skills such as legal, financial, governance, broader community accountability.



Skills that should be sought out for all board members include:

- **Listening and communication skills**
- **Group decision making skills**
- **Commitment to members and mission**
- **Willingness to share power**
- **Ability to think in systems and contexts**
- **Ability to see the big picture/long term consequences**

It is important to consider a plan for professional development to support skill building among worker owners, as often the lack of skills could become an excuse to exclude certain members from the Board, and on the other hand without proper training, Board members would struggle to meet expectations.

Many other practices from member onboarding are useful: see our [Co-op Clinic's Hiring & Onboarding Mini Guide here](#).

Much of the literature for nonprofit onboarding is relevant to co-ops as well:

- [5 Steps to Onboarding New Board Members](#)
- [Board Orientation](#)
- [Board Orientation Checklist](#)
- [What Goes in a Board Manual](#)



Individual Board Roles

Individual roles are common to most governing bodies and usually required if you are a corporation. Corporate statutes most commonly require the following officers: President (sometimes called a Chair), Treasurer, and Secretary (sometimes called a Clerk). Other roles commonly used are Vice President, Committee Chairs, and sometimes specific representatives from departments or member constituent groups. If the legal statute a co-op has chosen allows for it, sometimes more creative roles are outlined: Co-chairs, Communicator, Tax Matters Member, Archivist and can be defined in bylaws or operating agreements. Also, the amount of authority each role is given can be outlined in the bylaws or policy documents to give large amounts of authority to the President, for example, or to have officers more directly accountable to the full board. The President role is often one of ensuring that the board is doing its job effectively and board members are being engaged and delegated appropriate tasks.

Board & Officer Terms (how long someone is in one role)



The terms (how long someone is in a role) can vary for both board members and officers, usually 1-3 years with the option of multiple terms. The shorter the term, the more rotation in leadership and power sharing, but the more chance for institutional memory or leadership gaps. Term limits can help avoid entrenched power. **A healthy cooperative is constantly building leadership and intentionally encouraging new people to step into leadership roles.**

Roles and Responsibility Resources:

- Sample roles descriptions
- Sample language for terms and term limits
- [VIDEO: Nonprofit Board Roles and Responsibilities](#), (much is relevant to co-ops)

For more information about general board practices and responsibilities, see our Co-op Clinic's Effective Worker Co-op Boards Mini Guide (coming soon).

The Co-op Clinic is here to help your business

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