Nonprofit Board Composition and Organizational Effectiveness: A Case Study

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Terence Edward Hildebrandt

Nonprofit Board Composition and Organizational Effectiveness:
A Case Study

1999
NONPROFIT BOARD COMPOSITION AND ORGANIZATIONAL
EFFECTIVENESS: A CASE STUDY

BY

TERENCE EDWARD HILDEBRANDT

A THESIS
SUBMITTED TO THE FACULTY OF THE GRADUATE PROGRAM
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE MASTER'S DEGREE IN SOCIAL WORK

AUGSBURG COLLEGE
MINNEAPOLIS, MINNESOTA
1999
This is to certify that the Master's Thesis of:

Terence E. Hildebrandt

has been approved by the Examining Committee for the thesis requirement for the Master of Social Work Degree.

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DEDICATION

I dedicate this thesis to the Lord Jesus Christ, for He is the one who set me on this path and reminded me of His word that says, "I can do all things through Christ who strengthens me" (Philippians 4:13).

AND

To my wife, Carolyn, and daughters, Shawna Lynn and Mikayla Marie, whose undivided support and love sustained me throughout this entire process.
I also want to thank Dr. Suemin Hsieh and Apostolos “Tolly” Kizilos, for their skills in editing and clarifying, and their willingness to pay attention to detail and take time to provide me with encouragement. Without them I would not have been able to complete my project in an efficient and timely manner.

And last, but far from least, is the endless list of family and friends who prayed with me and for me, encouraged me and believed in me, to those who babysat, or offered words of encouragement. There were many times during the past two years when I felt like the mountains just kept getting bigger and bigger, but your love made all the difference.
Chapter One

Introduction

A critical area of concern for the profession of social work is the operation of nonprofit social service organizations. Social workers have a high stake in their success because in many instances, they staff and manage these organizations. They may also serve as volunteers on governing boards of organizations in their community.

Organizational effectiveness is a goal to which these social service organizations strive, yet determining the factors that lead to the achievement of this goal is a complex task. Many different factors impact the success of any nonprofit organization: the clients, the board of directors, the executive director, staff, community members, funders, the funding methods, the charter, and the economy. Although all of these different components can impact organizational effectiveness, the focus of this study was on one of them, the board of directors.

Within the board, many factors can play a role in its effectiveness, including composition/characteristics, structure, process, and leadership. Research in the last decade has supported the notion that board performance is connected with organizational effectiveness (Jackson & Holland, 1997; Herman & Renz, 1997; Green & Greisinger, 1996; Bradshaw, Murray, & Wolpin, 1992). This study proposes to focus on the area of composition and characteristics of one board of directors and the resulting impact on board and organizational effectiveness.

Background

Until recently, very little emphasis had been placed on studying nonprofit boards
effective boards are critical to social service agencies. It is assumed that board involvement is just as important to the organization as the performance of the executive director and staff. The board provides a linkage to the community being served, establishes policies for the organization, and provides accountability for the executive director (Carver, 1997). Boards also play a crucial role in creating the identity of the organization by setting the tone and the expectations for the staff. They, in a sense, function as the brain and soul of the organization (Mueller, 1979). A board that is selected on the basis of a well-delineated set of qualifications can bring stability and synergy into the organization and the board itself. Nonprofit boards that bring on individuals with the wrong qualifications can hamper the organization.

As an extension of the administration of the organization, board members need many of the same skills as the administrators. Educators and practitioners recognize that just caring about the mission of the agency is not enough; administrative skills (see Appendix A) must accompany caring, to provide effective services (Skidmore, 1995).

Skidmore (1995) asserts that the current challenge in social work is to blend the principles of management efficiency with human relations to deliver effective human services. Therefore, the knowledge about boards from the for-profit sector needs to be examined to see what principles may be drawn that have relevance to nonprofit social service organizations. With that information, a board could then modify board nomination policies and training.

**Purpose of the Research Study**

In the last twenty years, a number of models for effective governing boards have been published (Houle, 1989; Carver, 1997; O'Connell, 1985; Hagman & Umbdenstock,
Figure 1.1 – Flow Chart of Effectiveness

- Process
- Structure
- Composition
  - Board Size
  - Insider vs. Outsider
  - Diversity
  - Characteristics
- Leadership
- Other

- Community Support
- Clients' Satisfaction
- Board Effectiveness
- Executive Director Effectiveness
- Staff Performance

Organizational Effectiveness

Designed by author.
Chapter Two

Literature Review

Overview

In this chapter, a theoretical and conceptual framework from both nonprofit and for-profit settings will be described. A review of the literature concerning each of the four research questions follows.

Theoretical/Conceptual Framework

Few theories related to nonprofit board composition and organizational effectiveness can be found in the literature. No model specifically concentrates on the composition of nonprofit social service boards and organizational performance. However, John Carver offers a theory on developing an effective and efficient nonprofit board, in his discussion of the “Carver Model.” Carver’s (1997) model focuses primarily on process and structure, but does touch on composition and characteristics. It is a framework within which to organize the thoughts, activities, structure, and relationships of boards. Governing by policy is central to the theory. Carver believes that no board activity takes place without reference to policies. He states that policy development “is not an occasional board chore, but its chief occupation” (Carver, 1997, p. 48).

Carver (1997, p.17-18) believes there are fourteen main areas (see Appendix B) of emphasis to a framework that encourages and expects a better model of governance. These areas include concepts such as an emphasis on vision and values, external focus, forward thinking, accountability, and efficient time management. In his discussion of board composition, he admits that composition makes a difference, although he argues
integrative model which incorporates four attributes of boards: composition, characteristics, structure, and process. Their model summarizes the impact of boards on corporate financial performance. All of the attributes are important building blocks for any board, and while each of these areas can be researched separately, they are highly interrelated. In this model "board composition" refers to the size of the board, the mix of inside and outside board members, and diversity representation (status of ethnic minorities and the representation of females) on the board. "Characteristics" consists of two components: (a) the board member's background (age, education, experience, and values) and (b) qualities that transcend board members' individual or collective characteristics and reflect the "personality" of the board. "Board structure" refers to the dimensions of the board's organization. This includes the number and types of committees, committee membership, the flow of information among these committees, board leadership and patterns of committee membership. "Board process" includes the approach that the board takes in making its decisions. According to Mueller (1979) and Vance (1983), they suggest that there are five elements to the process: (a) the frequency and length of meetings, (b) CEO-board interface, (c) level of consensus among board members on issues at hand, (d) formality of board proceedings and (e) the extent to which the board is involved in evaluating itself. The four attributes of composition, characteristics, structure and process each have a sequential relationship to one another. Composition influences board members' characteristics; characteristics affect structure; and structure helps to shape internal processes.

Zahra and Pearce's model was devised from examining research pertaining to four prevalent theories in the literature on corporate boards: legalistic, resource
(Zahra & Pearce, 1989). In order to accomplish this, boards must be composed of people willing to keep the CEO accountable. Fama and Jensen (1983) proposed one of the first theories in this direction. They argued that an effective board has a mix of insiders and outsiders, with outsiders being more likely to challenge the CEO on strategy and policy. This theory also seems relevant for nonprofit boards, who provide the ultimate accountability for an executive director.

Zahra and Pearce (1989) suggest that poor board structure, inappropriate composition, or the domination of CEOs on board decision-making processes negatively affect the performance of the board’s roles. These roles include control (monitoring the CEO), service (enhancing the organization’s reputation, establishing contacts with the external environment), and strategy involvement. There are many pieces of this model that could eventually be tested in a nonprofit setting; however, the attributes of process and structure are beyond the scope of this research study. Also, new attributes may emerge as the study of nonprofit board practices evolves.

Many research questions could be studied from these theoretical viewpoints. This research focused on the following three points. First, insider/outsider status and diversity were studied in this non-profit social service setting to see if the results were similar to the for-profit setting studies, as summarized in the integrative model and predicted by resource dependence and agency theories. More outsiders on boards and greater diversity would be hypothesized to be associated with greater organizational effectiveness, according to those theories. Second, the board size was compared to Carver’s ideal board size of seven. Carver would predict that a larger board size would negatively affect the board, where resource dependence theory would predict a positive effect. Third, Carver’s
the more specific measures of insiders and outsiders would give the most accurate results. Many board members may not meet a simple definition of an outsider, but could have informal connections and loyalties to the executive director, giving them a tendency to be less critical in their monitoring, and therefore affecting organizational performance.

Only one study was found in the literature regarding the insider versus outsider orientation in nonprofit boards. Judge and Dobbins (1995) researched outsiders on nonprofit boards. Their sample of nonprofits was comprised of hospitals however, so the results may not necessarily be generalizable to small nonprofit social service agencies. They found that the outside board members’ awareness of the CEO’s decision-making style was positively correlated to profitability. They did not study whether higher percentages of outsiders positively impact organizational performance.

Research on the insider/outside orientation is abundant in the for-profit sector. Outside board members were seen as: (a) more likely to recognize opportunities for change in existing strategies (Dalton & Kesner, 1985), (b) less conciliatory toward CEOs (Lorsch & MacIver, 1989), (c) less subjective and consequently, independent of management (Baysinger & Butler, 1985; Kesner & Johnson, 1990), and (d) good professional referees and experts in internal organizational control (Fama & Jensen, 1983). Little research has focused specifically on the insiders, although one study found that inside directors tended to be less likely to aggressively monitor the CEO (Patton & Baker, 1987).

Although some researchers (Daily & Dalton, 1994; Judge & Dobbins, 1995) have questioned the relevance of board composition, boards with higher proportions of outsiders have been associated with positive organizational outcomes. One researcher
Yermack (1996) has done the most extensive empirical investigation to date on board size and organizational performance. In that study, 792 of the largest US companies were examined over an eight-year period. He found a clear inverse relation between the firms' market valuation and the sizes of boards of directors. Bradshaw, Murray and Wolpin (1992) studied 417 nonprofits in Canada and found that board size was a negative factor in explaining the variance in reported reputation of the organizations. They concluded that larger boards may not act as a link between the organization and its publics, contradicting predictions in the normative literature (Houle, 1989).

On the other hand, resource dependence theorists would argue in favor of larger boards to keep the organization connected to critical resources in the external environment. The higher the need for external linkage, the greater the need for a large board (Pfeffer & Salancik, 1978). Nonprofit social service agencies, in particular, may need the external linkages to be successful. Provan's (1980) research with 46 nonprofit human service agencies found that board size was positively related to organizational performance. A subsequent study by Zahra and Stanton (1988) found that large board size was conducive to effective performance. Chaganti, Mahajan, and Sharma (1985) found that small boards were associated with a higher rate of corporate bankruptcy. Based on this research, it could be argued that large boards contribute to organizational survival.

Miller, Weiss, and MacLeod (1987) offer yet another perspective. They also researched board size as part of their study of 184 human service organizations. They
result in better access to resources from the external environment (Pfeffer & Salancik, 1978). Kosnik (1990) argued that to a certain point, having board members with diverse backgrounds might promote the contribution of different perspectives and reduce the complacency in evaluating various proposals.

The argument promoting board diversity is evident in some of the nonprofit literature. Human service organizations have begun to realize the need for diverse board members with expertise in areas such as law, accounting, marketing, and finance to expand the knowledge base of their boards to deal with the complex problems faced by most nonprofits (Miller, Weiss, & MacLeod, 1987). The need for funding also requires board diversification, especially since the money is becoming harder to find. The public is demanding more and more accountability from social service agencies, and the entities that fund nonprofits need assurance that the organizations they are funding are made up of the people whom they say they serve. Increasingly, government contracts for human service organizations have called for diversifying board composition (Saidel & Harlan, 1993). At one point, human service organization boards were criticized for being too elitist and moved to diversify their membership (Provan, 1980). Kang and Cnaan (1995) have observed that nonprofit boards are becoming more pluralistic, yet elite constituencies (corporate executives) have maintained a stable and probably dominant influence.

Some researchers have found that diversity may not always be beneficial to the board and the organization. The greater the diversity of board interests, the greater the potential for conflict and factions to develop (Powell, 1991). For example, too much diversity may prevent teamwork, threaten stability, cause misunderstandings in values,
internal orientation and firm profitability. No significant relationship was found between a board’s external orientation and firm profitability. Norburn (1986) examined board members’ characteristics such as background, education, experience, beliefs, and skills. This research showed that the dominant board members’ characteristics depended on whether they were in a growth, turbulent, or declining industry. Further investigations could examine the consequences of these characteristics for board roles, and ultimately, performance.

The personality traits of the individual board members are another aspect of board composition that has been studied. Judge & Dobbins (1995) indicated from reviewing the literature that individual directors’ attitudes may have more to do with a firm’s performance than any other factor. An interesting finding in one study was that strong individuals on key board committees were more predictive of board effectiveness than the overall board (Harrison, 1987). In another study, Pearce (1983) found that individual director attitudes were more predictive of organizational outcomes than traditional measures of board composition. Therefore, both individual characteristics and collective board personality warrant further study for the nonprofit sector.

In nonprofit research, Fletcher (1989, 1991) attempted to establish a definition of the characteristics of a “good board” as a collective entity as seen by executive directors. In the first sample, she studied 100 United Way and 100 non-United Way agencies. The second sample consisted of 118 members of health and human service agencies in one county in California. Ten of the twelve top scoring behaviors were the same for both groups (see Appendix C). Her findings are consistent with recommendations made in some of the normative literature (Houle, 1989; Carver, 1997).
Chapter Three
Methodology

The purpose of this case study is exploratory, to enhance understanding of how board composition impacts the effectiveness of a nonprofit social service organization. The research design uses a cross-sectional case study, which examined one board at one time, rather than visiting multiple boards over a period of years. Both qualitative and quantitative data were gathered. The study explored six concepts of board composition. This chapter will describe the study design and organization, how each concept was defined and measured, the subjects who participated in the study, instrumentation and procedure, reliability and validity of instrumentation, and how data was analyzed.

Study Design and Organization

Organizational Effectiveness

The first concept explored in this research was organizational effectiveness. Forbes (1998) describes it as both a powerful and problematic concept. He identifies this concept as a powerful tool to critically evaluate and enhance the work of an organization (Taylor & Sumariwalla, 1993). The problem arises in the identification of what each researcher means by “organizational effectiveness,” because it can mean different things to different people (Kanter & Summers, 1987). Au (1996) observes that the concept is both subjective and complex. The criteria used to measure effectiveness can also make a difference in how it is measured. For example, how well the organization carries out its stated mission is one way that effectiveness could be measured.

Forbes (1998) summarized the four main approaches researchers use to study
succeeded at their current goals.

In utilizing the systems approach, board members rated the fiscal viability of the organization. Fiscal data was also gathered from the executive director to determine whether the budget had increased or decreased and where funding levels had been over the last three years (see Appendix F). This information could validate the perceptions of the board, which were gathered in the survey question on fiscal viability.

The perception-based approach was addressed in two ways. First, through survey questions 15, 16, and 17, each board member rated their perception of the organization’s effectiveness. Second, through interview questions 13, 14, and 15 (see Appendix E), interviewees were probed for the organization’s strengths and weaknesses, along with examining how effective the organization had been in serving the clients described in its mission statement.

The survey questions employed by these approaches were measured on a Likert scale. Percentages were calculated to analyze each item. Data on financial status and data gathered from interview questions lent support to this analysis.

**Board Effectiveness**

Board effectiveness was the second concept investigated in this study. Like organizational effectiveness, board effectiveness was difficult to measure. There are varying opinions as to what the most effective board looks like (Carver, 1997; Bradshaw, Murray, & Wolpin, 1992; Green & Griesinger, 1996). The tool that was chosen was developed by Leslie (1994) in conjunction with the Kellogg Project on Effective Governance. This scale not only measures board competence as a whole, but also measures six dimensions of board competency: contextual, educational, interpersonal,
serve for more than a few years may take on the characteristics of an insider. Kosnik (1990) found that seniority on a board could provide members the knowledge and power to influence board decisions. Board members with long tenure, even though they joined the board as an outsider, could become very familiar and comfortable with established strategies, procedures, and protocol, and may be less likely to challenge the executive director. The selection of tenures greater than two years for insiders was done because terms on this board last for two years. Therefore, if board members stayed for a second term or longer, they may begin to exhibit insider tendencies. This is an untested assumption, however, and using tenure of two years to classify a board member as an insider is still an arbitrary decision.

The third and final method for defining an insider involved classifying as insiders all who indicated on the Board Profile Form that they had a “personal or professional connection to the organization when they joined the board.” An overall percentage of insiders were then calculated. All others were classified as outsiders.

Information was also gathered to confirm previous research findings in the for-profit sector on insider/outsider orientation. Questions seven and eight on the board survey were directed at insider/outsider orientation (see Appendix D). Participants rated their agreement with each statement on a Likert scale. One survey question concerned the board’s willingness to confront the executive director and was based on research done by Lorsch and Maclver, (1989) and Patton and Baker (1987). The other survey question asked respondents whether the board was open to new strategies for operation; this question was based on the research of Dalton and Kesner (1985). Both behaviors have been found in boards dominated by outsiders in for-profit settings. Finally, one final
category, occupational status category, and ethnic/racial background). Second, the number of members who did not fit into the majority for each variable was counted, thus allowing for a calculation of the percentage of diversity on that particular variable. Each aspect of diversity was examined separately by using this method. Determining a measure of diversity was difficult because there has been no standard percentage at which a board has been considered “diverse” in previous studies. For this study, the percentage was calculated and compared with what would be expected for nonprofit social service boards.

Survey questions nine and ten, and interview questions six and seven were designed to specifically study this concept of diversity. The questions explored the potential benefits and obstacles related to diverse boards. A final interview question, designed to gather more qualitative data, examined the board members’ perceptions of how closely the board’s ethnic background matched the ethnic background of their clientele. Miller, Weiss, and MacLeod (1987) found that having more board members representing the client population was associated with greater board involvement in program oversight, fundraising, and political influencing.

*Individual Characteristics*

The fourth concept measured was individual characteristics. This research study focused on the five characteristics identified by Carver (1997) who believes these are critical to possess if a board is going to be effective. A shortened description of the five characteristics would be “client focus,” “big picture thinking,” “values emphasis,” “assertiveness,” and “delegation.” The measurement tool utilized was a Likert scale that allowed board members to acknowledge how closely the characteristic described them.
by an agency liaison appointed by the Executive Director.

**Instrumentation and Procedure**

The procedure for setting up the research involved two steps. First, the organization was contacted and the intent and purpose of the research design was communicated. To protect the organization’s privacy as well as the rights of the board members, it was made clear that the entire process would be done anonymously, and that neither the board members nor the organization would be identified in any reports (see Appendix G).

Second, a board meeting was attended to explain the study and distribute the consent form, survey, and interview selection cards (see Appendix H). In order to assure confidentiality, no names or addresses were collected and all data was to be reported in aggregate. Participants were told that the Executive Director’s survey results and interview answers would not be shared with any other person on the board, to encourage candor on those instruments. The Executive Director’s opinions would be used only to validate information.

The six concepts of organizational effectiveness, board effectiveness insider/outsider orientation, board size, diversity, and individual characteristics were studied in three ways. First, a survey was administered to all board members and the executive director that included questions designed to gather information about each of the specified areas of composition, and also included a board profile to gather the necessary demographics. Respondents chose one of five responses: “strong agree,” “agree,” “neutral,” “disagree,” and “strongly disagree.” Before distributing the survey, each participant read and signed an informed consent form (see Appendix I).
not always the "strongly agree" response. The use of unbiased wording was attempted in the questions to limit the social desirability bias. Also used was the technique of triangulation, by employing several different approaches to collecting the same data. Using a short survey with an easy to understand format to minimize fatigue and boredom reduced the problem of random error. After the instruments were pretested, several of the survey questions were modified to use language that was easier to understand.

To maximize the reliability of the instruments, participants were asked only about items that they should be able to answer. An easy to follow format was used to prevent errors. For the survey, the board's ratings were compared to the Executive Director's ratings to see if they were consistent.

Validity was assessed by how the results of the survey questions corresponded to the data collected in other instruments, one measure of convergent validity. For example, responses to survey questions that were consistent with responses to the interview questions indicated validity of the measure. Validity was also measured by doing a factor analysis on the board and organizational effectiveness survey questions to assure that the questions were measuring a common factor.

Data Analysis

Organizational effectiveness was measured by the data gathered regarding the proposed and actual budgets, any deficits, and funding activity over the past three years. The percentage of goals achieved was also considered, which was to be reported by the Executive Director. In addition, data was compiled on the five organizational effectiveness questions by calculating the percentage of responses for each item. The responses were then compared with the Executive Director's responses for consistency
For the survey questions on theoretical constructs of insider/outsider orientation, size, and diversity, the percentages of the responses for each question were calculated. These were compared with the expected directions predicted by past research. When the survey questions involved a comparison between two groups, such as insiders and outsiders, a Mann-Whitney test for comparison of means was used to find out if a significant difference existed between the means.

To analyze the insider/outsider orientation, the percentages for each item related to this concept were calculated. Then, whether insiders answered the questions significantly different from outsiders was examined on the items pertaining to this concept, and on their overall rating of board effectiveness. This was done to examine if insiders viewed the board differently than outsiders. The means of the insider responses to questions were statistically compared to the outsider responses using a Mann-Whitney test on the SPSS software package. For example, it was hypothesized that outsiders would be more likely than insiders to say that the board avoids confronting the executive director on tough issues, given the findings of past research.

The actual percentage of insiders and outsiders was calculated. It would be expected that a board with a greater percentage of outsiders than insiders would be rated as effective if nonprofit boards follow the same trend as the for-profit boards.

For the concept of size, the analysis involved determining whether the board and organization could be considered effective in this instance. As described earlier, in the literature it appeared that neither particularly large nor particularly small boards were ultimately effective. The board in this study is of average size, according to research done by Bradshaw, Murray, and Wolpin (1992). In their study of 417 nonprofit boards, a
of board effectiveness for those in the minority was then compared with those in the majority for each element of diversity (age, occupation, and ethnic/racial background), by means of a Mann-Whitney test to see if any significant differences had emerged. Again, it would be predicted, given the past research in the for-profit sector, that a board with a lot of diversity would be associated with ineffective boards and organizations.

For the survey items on characteristics, the percentages of responses for each item were calculated. The data was analyzed to see which characteristics were possessed by most of the board members. According to Carver's theory, if all the characteristics were present in this board, it would be hypothesized that the board and organization would be rated as effective. Then, the board and organizational effectiveness data was analyzed to determine if there appeared to be any trends regarding board or organizational effectiveness and the demonstration of the characteristics highlighted by Carver. A Spearman-Rho correlation coefficient was run on each characteristic and the board/organizational effectiveness data to see which characteristics might be correlated with board or organizational effectiveness.

The interview data was reviewed for common themes and contrasts between interviewees. The confirmation of dynamics studied in the survey questions and also conflicting comments from what would have been expected were examined. The emphasis was on examining whether the interview data yielded other factors of composition that were not studied and other factors of board and organizational effectiveness that were not specifically measured.

Summary

Six concepts were to be measured in the study to answer the research questions.
Chapter Four
Research Findings

This chapter contains the findings of the study in the areas of organizational effectiveness, board effectiveness, insider/outsider orientation, board size, diversity, and characteristics of board members.

Of the fifteen board members and ten alternates who were invited to participate in the study, 17 consented to take part, for a 68% response rate. Participants did not indicate whether they were a board member or an alternate; therefore, it was not possible to identify how many board members and how many alternates participated. Nine respondents returned interview selection cards, of which one was selected at random for the one-on-one interview. The Board Chair agreed to participate in the one-on-one interview. The Executive Director also chose to participate in both the survey and interview portions of the study.

For each survey question, six Likert-type responses were possible: “strongly agree,” “agree,” “neutral,” “disagree,” “strongly disagree,” or respondents could choose not to mark an answer. Strongly agree answers were coded as “1,” agree coded as “2,” neutral coded as “3,” disagree coded as “4,” strongly disagree coded as “5,” and a code of “99” was entered for a non-response into the SPSS statistical package and Microsoft Excel.

Organizational Effectiveness

Five survey questions addressed this dependent variable. This allowed for the grouped data to be analyzed. (See Questionnaire in Appendix D.) Table 4.1 shows the
Question 16 examined respondents' perceptions as to the organization's reputation with funders. On this issue, 69% marked the strongly agree or agree responses, 25% marked the neutral response, and only 6% marked disagree or strongly disagree responses.

The final survey question, #17, measured the respondent’s perceptions of the organization’s reputation with clients. Once again, 63% agreed or strongly agreed with the statement, while 19% disagreed or strongly disagreed. Twenty-eight percent marked the neutral answer.

Overall, 67% agreed or strongly agreed with the organizational effectiveness questions, while 12% disagreed or strongly disagreed. The executive director’s ratings were only slightly lower than the board’s rating, except for one question. The executive director rated the organization significantly lower on question fourteen on fiscal viability. This would be expected because executive directors, much more than the board, know the day to day struggles for any nonprofit trying to remain viable in the midst of a competitive environment for funding from government and private sources.

A factor analysis was run on the five organizational effectiveness questions. Four out of the five questions were measuring a common component. This supports validity in the measurement of this variable.

The executive director provided other data on organizational effectiveness on the “Organizational Data Sheet.” The last three annual reports were also supplied. According to this information, funding has stayed relatively level over the last three years. Revenues have stayed fairly even with expenditures. The organization’s annual budgets were not provided, so no data could be examined in that area.
Interview question three addressed how effective the organization has been in serving its clients. There was agreement among the three interviewees that the organization has been effective and responsible in fulfilling the mission of the agency. Although poverty rates in the area of service have not significantly decreased, just maintaining some clients (for example, those on a fixed income) is an important service that the agency provides.

Overall, the information from the survey questions, organizational data sheet, and interview questions would indicate that the organization is perceived to be reasonably effective in carrying out its stated mission. The interview answers reflected a somewhat stronger endorsement of the effectiveness of the organization than the survey data, but both data sources indicated that the organization is perceived as successful in carrying out its mission.

**Board Effectiveness**

The dependent variable of board effectiveness was measured by the thirty survey questions (numbers 18 – 47) developed by Leslie (1994), and one overall question designed for this survey (question 12). Six dimensions of board effectiveness were also measured by questions 18 - 47: contextual, educational, strategic, interpersonal, analytical, and political. There were five questions in the survey that pertained to each of the six dimensions. They were intermingled in the survey to reduce systematic error.

Questions number 19, 24, 27, 29, 30, 32, 33, 35, 39, 40, 42, and 46 were all phrased in the opposite direction of what would be considered favorable for the board. The answers were reversed from the directions that were marked. Therefore, strongly agree answers were switched to strongly disagree, and agree answers were switched to
run on the five questions used to analyze this dimension. Of the five questions, three could be grouped together, giving this scale sufficient validity.

**Educational Dimension**

The educational dimension pertains to the board’s emphasis in building the capacity for learning. This dimension examines how a board will address and stress the need for education. It is indicated by such behaviors as using situations, events, and setbacks to learn; seeking information and feedback on board performance; and encouraging members to raise questions and concerns about the board’s performance and individual roles. Boards that excel in this area seek to learn their strengths and weaknesses. (See Questionnaire in Appendix D.)

Board members were somewhat mixed on their perceptions of the effectiveness of the board on this dimension (see Table 4.3).

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<td>5</td>
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<td>16</td>
<td>17</td>
<td>17</td>
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</table>

Note: * = Denotes negative question where responses are reversed

Note: SQ = Survey Questions
Table 4.4 Interpersonal Survey Results

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<th>SQ 20</th>
<th>SQ 26</th>
<th>SQ 32 *</th>
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<td>3</td>
<td>4</td>
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<td>4</td>
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<td>17</td>
<td>17</td>
<td>16</td>
<td>17</td>
<td>16</td>
<td>83</td>
</tr>
</tbody>
</table>

Note: * = Denotes negative question where responses are reversed
Note: SQ = Survey Questions

The responses were mixed in the areas of leadership development (question 32) and the setting of board goals (question 26). The responses pertaining to positive informal interactions were more in the agree range (question 20). In the factor analysis run for the five questions in this dimension, three of them could be grouped together, thus giving this scale sufficient validity.

**Analytical Dimension**

The analytical or intellectual dimension recognizes the complexities and nuances of each board member. Boards that excel in this dimension emphasize cognitive skills, including recognition of complexities, diverse constituencies, and multiple impacts of board actions. It is indicated by such behaviors as understanding how different issues, actions, and decisions affect one another. The board is seen as part of the larger...
the governance process. This dimension emphasizes seeking constructive relationships, distribution of power, and minimization of conflict. Behavioral indicators include keeping options open in search of optimal solutions; avoiding win/lose situations; respecting the legitimate roles and responsibilities of other constituencies; consulting with key constituencies in search of opinion, approval, or consensus; and accepting as key responsibilities the building of healthy relationships and the maintenance of channels of communication. Although the majority of the board rated their effectiveness on this dimension above neutral, the results were still somewhat mixed. For example 45% agreed or strongly agreed, while 32% disagreed or strongly disagreed (see Table 4.6). (See Questionnaire in Appendix D.)
and acting before the issue becomes urgent or critical; taking sensible risks, and taking responsibility for actions. The board’s responses on the strategic dimension were mostly favorable. This is supported by the fact that 55% agreed or strongly agreed, while 21% disagreed or strongly disagreed (see Table 4.7). (See Questionnaire in Appendix D.)

Table 4.7 Strategic Survey Results

<table>
<thead>
<tr>
<th></th>
<th>SQ 23</th>
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<th>SQ 35</th>
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<td>7</td>
<td>8</td>
<td>12</td>
<td>6</td>
<td>38</td>
</tr>
<tr>
<td>Neutral</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Disagree</td>
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<td>0</td>
<td>2</td>
<td>1</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0</td>
<td>3</td>
<td>3</td>
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<td>6</td>
</tr>
<tr>
<td>Total: N</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>16</td>
<td>84</td>
</tr>
</tbody>
</table>

Note: * Denotes negative question where responses are reversed
Note: SQ = Survey Questions

The board agreed (82%) that it had reviewed the organization’s strategies for attaining its long term goals (question 41), but was more mixed on the item that asked whether the board delays action until an issue becomes urgent or critical (question 35). Once again, factor analysis was run on the five questions used to analyze this dimension. Of the five questions, three of them could be grouped together, indicating sufficient validity for this scale.

Summary

For the board as a whole, the dimensions with the most favorable ratings, at 61%
higher. The findings here would indicate that this board overall perceives itself as somewhat less effective than the boards studied by Leslie.

There were three interview questions that addressed board effectiveness. The first question concerned the strengths of the board. All three interviewees thought that the diversity of the board in work backgrounds, specific competencies, and in representing different interests was a strength. All three interviewees also highlighted their commitment to the mission, community, and to the board itself. Finally, the board's insight into the political arena was cited as a strength, especially since some of the organization’s funding comes from public funding sources.

The second interview question asked interviewees to describe the weaknesses of the board. Diversity was cited again for two reasons. The organization is itself diverse, with numbers of different programs. It is quite difficult for each board member to understand in depth the operation of each program. Because board members come with many diverse interests, it is harder to focus on the good of the whole organization and its overall needs. Another weakness described was the observation that even though board members come from a variety of socioeconomic backgrounds, they are not always treated equally.

The third interview question asked whether the board had done well in accomplishing its tasks. All three interviewees thought that the board had done “pretty well.” One observed that the mission of the organization, addressing issues of poverty, always leaves room for more work.

Overall, the three interviewees seemed to be saying that the board is stronger than what the survey would indicate. Interviews however are very subjective, and even though
any of the three steps were classified as insiders for the data analysis. All others were
classified as outsiders. The percentages were 59% insiders (10) and 41% outsiders (7).

It was hypothesized that a board with more insiders than outsiders would be less
likely to be rated as effective. Although the organization and board were rated above the
neutral response overall, neither were given especially high marks for effectiveness on
the survey questions. This would be consistent with the hypothesis. However, no cause
and effect relationships can be inferred here. Other factors could be influencing the
lukewarm ratings.

Two survey questions focused on this variable. Question seven, which asked if
the board avoids confronting the executive director on tough issues, yielded results of
35% strongly agree or agree, 12% neutral and 53% disagree or strongly disagree. While
a majority disagreed with the statement, there were a significant number who agreed. For
a board with a majority of insiders, such as this one, an individual could potentially be
reluctant to rock the boat.

The three interviewees were asked a similar question, whether they perceived that
the board was comfortable monitoring responsibilities of the executive director and
confronting him when problems arise. All interviewees responded that they perceived
that the board was comfortable in dealing with the executive director on tough issues,
although one person added that some would be more likely to do this than others.

For survey question seven, respondents classified as insiders answered the
question virtually the same as outsiders. A Mann-Whitney test for equality of means was
run, which showed that there was no significant difference with how the two groups
answered the questions. Therefore, even though some may feel that the board avoids
mostly outsiders. However, one interviewee acknowledged that outsiders begin to feel like insiders sometime in the middle of their first term on the board. In the area of who has the most influence, all interviewees answered that both outsiders and insiders have influence, depending on the situation.

**Board Size**

Board size was the second independent variable analyzed. The board for this particular organization has 15 members, including the board chair. Each board member has an alternate, who comes to the meetings when the primary board member cannot attend. At the time this study was conducted, there were three vacancies among the alternates. According to the Executive Director however, there has always been a quorum for each board meeting.

It was hypothesized that since this particular board was an ideal size, the board and organization would be rated as highly effective. This was not the case. Although the highest number of responses (266) fell in the strongly agree and agree categories, a significant number of responses (136) were also recorded in the strongly disagree and disagree categories. The results were less favorable than expected.

For survey question six, which asked if each board member participates verbally in board meetings that they attend, 50% marked strongly agree or agree, 19% neutral, and 31% strongly disagree or disagree. Clearly, not everyone participates verbally in meetings that they attend. The research of Jewell and Reitz (1981) would have suggested that those who do not participate verbally might experience decreased levels of motivation and satisfaction. Nevertheless, when asked in survey question 11 whether the board was large enough to carry out all necessary responsibilities, but small enough to act
make it difficult to get everyone's input or feedback on an issue. This finding would be consistent with the research of Judge and Zeithaml (1992) on board involvement in the strategic planning process. However, the point was raised that smaller boards allow for less representation of various interests. In this case, fewer voices would be heard in decision-making.

Interview question three asked if board members thought that the size of the board affected group process. Although it was acknowledged that size (either very large or very small) does impact group process, the actual makeup of the board seemed to be a more important factor. Do the members of the board understand and appreciate the needs of the community they are serving? Is there sufficient representation on the board for all interests in fulfilling the mission of the organization? In conclusion, it appears for this organization that board size, unless it is very large or very small, does not seem to have a major impact on board and organizational effectiveness. It was suggested that other factors, such as the representation of various interests or personality styles, may have more impact.

Diversity

The third independent variable analyzed was diversity, specifically defined as differences in age, ethnic/racial background, and occupational grouping. The breakdown in age was as follows: 24% were sixty years of age or older, 24% were fifty to fifty-nine years of age, 41% were forty to forty-nine years of age and 12% were thirty to thirty-nine years of age (see Figure 4.1).
Figure 4.1: Ages of Board Members

No one was under age thirty. Sixty percent of the board members did not fit into the majority age range (forty to forty-nine). This represented a fairly diverse age range, except in the younger (less than thirty) ages. This would not be considered uncommon however, because most boards are comprised of experienced people who are more likely to be beyond age thirty.

The members of this board come from a diversity of ethnic and racial backgrounds. The reported breakdowns were 75% European American, 13% African American, 6% Asian American and 6% Native American (see Figure 4.2).
Because this board is relatively diverse in all three areas, it was hypothesized that the board would experience some difficulty in this area. More specifically, it was expected that board and organizational effectiveness would be rated lower for this board than other boards in nonprofit social service agencies. As stated earlier, this board rated itself lower than the 26 boards studied by Leslie (1994). This would be consistent with the hypothesis. Although there is no benchmark with which to compare the organizational effectiveness data, this board rated the organization slightly more effective as they rated themselves as a board. They were positive in their evaluation, but not overly enthusiastic. In summary, there is some support for the hypothesis in this case, but generalizations should not be made, based on the small sample size of this study.

Two survey questions addressed this variable. Question nine asked if the diversity of board members enhanced the ability of the board to raise funds for the organization. Their responses were as follows: 63% strongly agree or agree, 25% neutral,
the Non Europeans’ mean was 2.50. Once again, no significant differences were found.

The board and organizational effectiveness data was analyzed to determine whether significant differences could be identified between the various groupings of diversity. For board effectiveness, the mean for the group of ages 40 - 59 was 2.66. The 60 and over/under 40 group’s mean was 2.49. The group of European Americans had a mean of 2.53, and the NonEuropeans had a mean of 2.73. For the organizational effectiveness data, means for the 40 - 59 age group and under 40/60 and over age group were 2.46 and 1.96, respectively. The European American group and the NonEuropean group had means of 2.18 and 2.60, respectively. On all the questions where these groups were analyzed, European Americans saw the board in a more favorable light. Once again however, although there were some differences in the means, they were not statistically significant, according to Mann-Whitney tests for equality of means.

Two interview questions were asked in relation to this variable. Interview question six asked interviewees to respond to whether they believed that their board benefited from the diversity of its membership. All three indicated that the diversity of members helps in generating different opinions and ideas. Each mentioned an additional aspect of board diversity not addressed by this study, the socioeconomic background of members. For some nonprofit social service boards, clients are invited to be board members, which brings a different kind of diversity to the group. This was mentioned by several interviewees as a strength of the board, but also a weakness because of the different priorities brought to the board and the different viewpoints on how to accomplish the mission of the organization. In addition, one interviewee described the dynamic of different levels of credibility given at times to people of various
in determining which programs are operated and at what level. Therefore, although the board had strong agreement that mission is primary in decision-making, fiscal concerns may dictate some decisions.

The second survey question asked respondents to rate their agreement with whether they tend to focus more quickly on the parts and details of a situation, rather than on the overall picture. Carver's characteristic would be the opposite of this statement. The breakdown was 12% strongly agree or agree, 41% neutral, and 47% strongly disagree or disagree. Therefore, the board would tend to have more members who approach situations in the manner that Carver would assume.

To give further insight into the board's responses, interview question nine asked the interviewees whether they would rather have a board composed of primarily "big picture" people or "detail" people. All acknowledged the need for both kinds of people, however, two of the three would agree with Carver that more people are needed who are big picture people. One interviewee reasoned that although it is helpful to have some detailed people to keep the staff on its toes, big picture people keep a board focused on the overall mission, leaving the details for the staff.

The third Carver characteristic was measured in survey question three, which stated: "I make decisions based on the values underlying the mission of the organization." All respondents rated this statement as strongly agree or agree. No interview question specifically addressed this characteristic.

The fourth Carver characteristic was measured in survey question four, which asked respondents to rate their agreement with the statement: "I tend to sit back and listen, rather than participate assertively in deliberation on agenda issues at board
The main disadvantage is the danger of micro-managing. When the lines between board members and staff get blurred, then staff members wonder why board members are trying to do their jobs. Micro-managing also prevents the board from focusing on its vision and overall policy.

It was hypothesized that if the board exhibited the five Carver characteristics, board and organizational effectiveness would also be rated highly. In both the organizational and board effectiveness data, board members gave responses that rated the board as somewhat effective, but not highly effective. To see if a relationship between the variables existed, correlation coefficients were calculated for each characteristic using the Spearman-Rho coefficient. For the organizational effectiveness data, the only Carver characteristics that correlated with organizational effectiveness were the first (having a client focus) and the fourth (assertiveness at board meetings). The correlations were calculated at .732, significant at the .01 level, and .569, significant at the .05 level, respectively. For the board effectiveness data, only the first Carver characteristic correlated with board effectiveness at .642, significant at the .01 level. Therefore, the characteristics of big picture thinking, values emphasis, and delegation cannot be linked with board and organizational effectiveness for this board.

Discussion

The purpose of this study was to examine how different variables impacted organizational and board effectiveness in one nonprofit social service setting. It was hypothesized that board and organizational effectiveness would be related, and that the variables of insider/outside orientation, board size, diversity, and the Carver characteristics would have some impact on board and organizational effectiveness. The
answers to interview and survey questions confirmed that diversity is both a strength and weakness of this board. The quantitative findings were consistent with the hypothesis that a diverse board, such as this one, would rate itself less favorably than most other boards. No significant differences were found between groups on the survey questions; however, Non-Europeans rated the board less favorably on most questions. This study will need to be replicated with more case studies before any conclusions can be drawn. In addition, other variables of diversity (for example, socio-economic status) should be included in future studies to get a clearer picture of how diversity is related to board and organizational effectiveness.

The fourth research question was: “Do the individual characteristics proposed by Carver (1997) promote board and organizational effectiveness?” All five characteristics were perceived to be descriptive of this particular board. It was hypothesized that the board would be rated as highly effective. This was not the case. An explanation of this finding is that only the characteristic of “having a client focus” was correlated with both organizational and board effectiveness. The characteristic of “assertiveness” was correlated with only board effectiveness. Therefore, other individual characteristics of board members probably have a greater effect on board effectiveness.

Summary

This chapter detailed the findings of the research. Results of both the survey and interview data were described. A discussion of the significance of the findings was included.
various dimensions of board effectiveness possible. The information obtained from these measures will give the board studied a better indication of where their strengths and weaknesses lie.

Another strength in this particular study was the multi-dimensional approach used to determine organizational effectiveness. This allowed for a more complete analysis of this variable. Since qualitative as well as quantitative data was used, a more thorough exploration of how each of the variables of composition affecting board and organizational effectiveness was possible.

The survey itself was constructed to minimize response sets, another strength of the study. Questions were phrased so that the “strongly agree” answer was not always the favorable answer. In addition, the interview questions allowed for the validation of the results found in the survey.

Limitations

Although the use of a cross-sectional design was a strength, it also created a major limitation. By not using an experimental or quasi-experimental design, it was not possible to infer causality or to rule out competing hypotheses for some of the discovered associations. However, since this study was exploratory in nature, such a limitation did not detract from the study’s ability to make a contribution to knowledge about and understanding of the problem area.

Another limitation of the study was the issue of the self-selection among respondents. Since participation of the board members in completing the measurement instruments was not at 100%, the true results of this board are not known. It was not possible to accurately determine whether or not data from those members not
used in this study, the board or organization was considered effective if they had accomplished the goals set at the beginning of the fiscal year by the end of it. The problems with this method were twofold: (a) This type of measure did not consider whether the goals were appropriate in the first place; (b) Large organizations like the one studied may not have concrete goals in which a researcher can evaluate their completion.

A seventh limitation is that this study only addressed one aspect of board competence, composition. Process and structure also have powerful effects on a board and an organization. For example, one respondent wrote on their survey that the study should be addressing how each board member views personal power and control and decision-making styles of board members. Apparently, that individual felt that those two issues impact board effectiveness significantly.

The eighth limitation of the study was the inexperience of the interviewer in that portion of the data gathering. Opportunities to ask follow-up questions were missed. Some interviewees went off on tangents and were not always brought back to pertinent issues. Probing questions at certain points throughout all three interviews could have potentially led to some important information regarding board and/or organizational effectiveness.

A last limitation on organizational effectiveness could be a variable called organizational decline or transformation. The stage that the organization is in currently could affect how board members responded to survey and interview questions. The organization studied had been in existence for over 30 years and had been going through some structural changes over the past five to ten years. This could have impacted the results.
a research study. The interviewees identified this as an important aspect of diversity. A third variable in the area of diversity is the political leaning, either liberal or conservative, of board members. This was yet another consideration raised by the interviewees on this board.

A fourth variable to consider in any new research would be the impact of organizational age. Relatively young organizations have completely different dynamics than well-established organizations. These could have significant effects on the outcomes of the study. This variable could be set up as a control variable.

A fifth variable that could be included is each member's mode of gaining a seat on the board. Some boards have elections for all board members. For others, members are appointed by the current board. Still others are appointed by outside entities, such as elected officials. Different agendas and loyalties may impact the work of the board, and ultimately, its success.

Another variable that could be included is one that measures the average number of board members in attendance at meetings. Boards may have as many as sixty members, but the number who actually attend probably has more impact on the dynamics of the meeting. If a board has 20 members, but only 11 attend on a regular basis, then this board in effect really has the equivalent of 11 members.

Finally, gender is a variable that also could be included in future research. It was not in this study because it was known that the numbers were balanced. It would be interesting to study whether boards that have none or only a few of one gender are more or less effective than those that are balanced.

Several changes in the measurement of the variables are also recommended for
profit world. Social workers trained in the complexities of nonprofit social service management have much to offer these boards through further research. This is critical to the social work profession and to the vitality of these organizations in the community.


Appendix A

Social Work Administration
Dynamic Management and Human Relationships
3rd Edition 1995
Written by Rex A. Skidmore

Chapter 3

“The Social Work Administrator”

Knowledge of the social work administrator

Adequate knowledge of administration is essential for the effective operation of a social service setting. Following are some areas of knowledge that may be helpful.

1. The administrator knows the agency’s goals, policies, services and resources
2. The administrator has a basic knowledge of the dynamics of human behavior.
3. The administrator has a comprehensive knowledge of community resources, especially those related to his or her own agency.
4. The administrator understands the social work methods used in the agency.
5. The administrator knows management principles, processes, and techniques.
6. The administrator is well acquainted with the professional associations in social work.
7. The administrator understands organizational theory.
8. The administrator knows evaluation processes and techniques.

Attitudes of the administrator

Attitudes are predispositions to act and are intertwined with the feelings of people, which are important in the administrative process. Some significant attitudes necessary for successful administrators in a social service setting are:

1. The administrator respects each staff member as a unique individual.
2. The administrator recognizes that no person is perfect and accepts this premise regarding staff and self.
Appendix B

Toward a New Governance

As defined by John Carver in his book -

1. “Cradle” vision: A useful framework for governance must hold and support vision in the primary position. Administrative systems cause us to devote great attention to the specifics. Such rigor, itself commendable, can overshadow the broader matter of purpose. There must be systematic encouragement to think the unthinkable and to dream.

2. Explicitly address fundamental values: The governing board is a guardian of organizational values. The framework must ensure that the board focuses on values. Endless decisions about events cannot substitute for deliberations and explicit pronouncements on values.

3. Force an external focus: Because organizations tend to focus inward, a governance model must intervene to guarantee a marketlike, external responsiveness. A board would thus be more concerned with needs and markets than with the internal issues of organizational mechanics.

4. Enable an outcome-driven organizing system: All functions and decisions are to be rigorously weighed against the standard of purpose. A powerful model would have the board not only establish a mission in terms of an outcome, but procedurally enforce a mission as the central organizing focus.

5. Separate large issues from small ones: Board members usually agree that large issues deserve first claim on their time, but they have no common way to discern a big item. A model should help differentiate sizes of issue.

6. Force forward thinking: A governance scheme should help a board thrust the majority of its thinking into the future. Strategic leadership demands the long-term viewpoint.

7. Enable proactivity: So that boards do not merely preside over momentum, a model of governance should press boards toward leading and away from reacting. Such a model would engage boards more in creating than in approving.
Appendix C

Good Board Characteristics as defined by Kathleen B. Fletcher:


1. The board understands its legal responsibilities as the governing body of the organization.
2. The board president runs meetings in an effective and efficient manner.
3. The board actively promotes the organization to the community.
4. The board takes an active part in long-range strategic planning for the organization.
5. The board chooses new members with regard to the specific skills or connections they can offer.
6. Board members prepare for meetings by reading material sent to them before the meeting.
7. Board members are willing to accept positions of leadership on the board (officer, committee chairs).
8. Board members review financial statements carefully and ask for explanations of anything they do not understand.
9. The board opens doors to possible funding sources for staff to pursue.
10. The board stays out of administration, which is the executive’s job.
Appendix D

SURVEY OF BOARD MEMBERS

BOARD MEMBER PROFILE

All information furnished will be anonymous and used only in overall statistics.

1) What is your occupation?
   □ Social Worker or Human Services Professional
   □ Corporate or For-profit Business Manager or CEO
   □ Legal, Financial, or Technical Professional
   □ Public Sector Professional
   □ Other (please describe) ____________________________

2) What is your age in years?

3) Gender
   □ Female □ Male

4) What best describes your racial/ethnic background?
   (Fill in the blank or select from the list below.)
   □ African American □ European American □ Multi-Racial
   □ Asian American □ Hispanic/Latino □ Native American
   □ Other

5) How long have you been a board member? or How long were you a board member if you just finished a term?

   ______ year(s) _______ month(s) _______ not applicable

6) When does your current term expire?

   ______ year ______ month _______ not applicable _______ just recently expired

7) You came to the board as an:
   □ employee of the organization
   □ former employee of the organization
   □ neither

Before joining the board, did you have personal or professional ties to the executive director or the organization?

Please describe: ________________________________________________________________

________________________________________

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<th></th>
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<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<td>6. Each board member participates verbally in board meetings that they attend.</td>
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<td>5</td>
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<tr>
<td>7. The board avoids confronting the executive director on tough issues.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8. Changing existing strategies of organizational operation is a common practice on this board.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9. The diversity of board members, (ethnic background, occupation, gender, &amp; age), greatly enhances the ability of the board to raise funds for the organization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10. Diverse viewpoints are encouraged and regularly introduced in board meetings.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>11. The board is large enough to carry all necessary responsibilities, but small enough to act as a deliberative group.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>12. The board has accomplished its goals for the last fiscal year.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
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<td>Agree</td>
<td>Neutral</td>
<td>Disagree</td>
<td>Strongly Disagree</td>
</tr>
<tr>
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<tr>
<td>19.</td>
<td>Most people on this board tend to rely on observation and informal discussions to learn about their role and responsibilities.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>20.</td>
<td>I have had conversations with other members of this board regarding common interests we share outside this organization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>21.</td>
<td>This board takes regular steps to keep informed about important trends in the larger environment that might affect the organization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>22.</td>
<td>This board has formed ad hoc committees or task forces that include staff as well as board members.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>23.</td>
<td>Our board explicitly examines the &quot;downside&quot; or possible pitfalls of any important decision it is about to make.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Neutral</td>
<td>Disagree</td>
</tr>
<tr>
<td>---</td>
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<td>----------</td>
</tr>
<tr>
<td>29. This board is more involved in trying to put out fires than in preparing for the future.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>30. This board has made a key decision that I believe to be inconsistent with the mission of this organization.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>31. I have participated in board discussions about the effectiveness of our performance.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>32. This board relies on the natural emergence of leaders, rather than trying explicitly to cultivate future leaders for the board.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>33. Many of the issues that this board deals with seem to be separate tasks, unrelated to one another.</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Neutral</td>
<td>Disagree</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td>---</td>
<td>----------------</td>
<td>-------</td>
<td>---------</td>
<td>----------</td>
<td>-------------------</td>
</tr>
<tr>
<td>39. This board tries to avoid issues that are ambiguous and complicated.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>40. Other board members have important information that I lack on key issues.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>41. Within the past year, this board has reviewed the organization’s strategies for attaining its long-term goals.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>42. It is apparent from the comments of some of our board members that they do not understand the mission of the organization very well.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>43. This board does allocate organizational funds for the purpose of board education and development.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>44. This board does recognize special events in the lives of its members.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Appendix E

INTERVIEW PROTOCOL

Introduction:
As you know, your board is participating in a project on board and organizational effectiveness for a master's thesis through the School of Social Work at Augsburg College in Minneapolis. There are no right or wrong answers; only your perceptions are important. Any information shared will be held in strict confidence.

Do you have any questions before we get started?

Would you mind if I tape this interview for ease in rating, on the understanding that the tape will only be listened to by me and a paid transcriber, and that the tape will be erased within 30 days following the conclusion of my study? (Give out consent form)

Please do not give your name or the name of your agency at any time throughout this interview.

I am going to start the tape recording at this time.

Questions
Please state your position with the organization?

1. Do you believe that the size of your board affects fund-raising?
   Possible Probes:
   If yes, how?
   Please describe/explain.

2. Do you believe that the size of your board affects strategic planning and decision making?
   Possible Probes:
   If yes, how?
   Describe/explain.
7. How closely does your board match the ethnic background and gender of your clientele?

8. What do you believe is the main criteria that the board uses to make decisions? Describe/explain.

9. Would you rather have a board comprised of members who are primarily "big picture" people or "detailed people"? Possible Probe:
   Why?
   Describe/explain.

10. Do you believe it is important for each member to participate assertively in deliberation on issues in meetings? Possible Probe:
    Why or why not?
    Describe/explain.

11. What are the plusses of the board getting involved in decisions other than overall policy?

12. What are the minuses of the board getting involved in decisions other than overall policy?

13. What are the strengths of the organization?
Appendix F
ORGANIZATIONAL DATA SHEET

1. Number of Board Members? ____

2. Total annual organizational budget.

<table>
<thead>
<tr>
<th>Source of funding</th>
<th>Proposed</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current year</td>
<td>Current year N/A</td>
</tr>
<tr>
<td></td>
<td>1 year ago</td>
<td>1 year ago</td>
</tr>
<tr>
<td></td>
<td>2 years ago</td>
<td>2 years ago</td>
</tr>
<tr>
<td></td>
<td>3 years ago</td>
<td>3 years ago</td>
</tr>
</tbody>
</table>

3. Has funding increased over the last three years in each of the following areas?

<table>
<thead>
<tr>
<th>Source of funding</th>
<th>Yes or No?</th>
<th>By how much?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local source</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees for service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual donors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other: identify</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. What percent of the organization goals have been attained over the last year?

IRB approval number 99-13-3
Before I can begin this project I need to acquire approval from the Institutional Review Board of Augsburg College. Once approved, they will assign me a number and I will have their authorization to conduct the study that I submitted. If you as an agency are interested in participating in this study, I will need a written memo from your organization that indicates that you understand what I am trying to accomplish and are willing to participate. In order to meet the January 4, 1999, deadline, I would appreciate you sending me this memo to me by December 24, 1998.

GENERAL OUTLINE OF PARTICIPATION:

- December 1998, written memo agreeing to participate in research study
- Board meeting in either January or February 1999
- Disbursement of Board profile form
- Disbursement of Board member self assessment questionnaire
- Disbursement of postcard
- Return profile and questionnaires in pre-stamped envelopes provided by March 1, 1999
- Supply past three years annual reports, budget and funding levels
- February or March, conduct interviews with Executive Director, Board Chair and one other board member
- May 1999, compile data and complete final report
- Submit copy of thesis

I would be happy to meet with you to discuss and answer any questions that you may have with regards to this project. You can reach me at my voice mail pager (612) 203-0329, work (612) 721-6462; or home (612) [censored] [censored].

Thank you for your time and consideration.

Yours truly,
Terry Hildebrandt, LSW
MSW student,
Augsburg College
process, there is a chance that you could be identified. Because only three people will be interviewed, two of which are the executive director and board chair, it is possible that any one of the three could be identified. Because of this factor, I will be requesting several consent forms from each individual interviewed. The first consent will be the interview selection card. The second consent is permission to audiotape the interview. A third consent may be requested for any direct quotes used in the final report.

Are there any further questions before we begin?

Thank you and I look forward to working with you.

IRB approval number 99-13-3
effectiveness?

Procedures:

If you agree to be in this study, I will ask you to complete a survey on your perceptions of this board and also a board profile to gather the necessary demographics. The length of time it will take to complete this is no more than thirty minutes.

Second, I will do individual interviews with the executive director, board chair and at least one other board member. The selection process for the interview part of the study will be voluntary. Each individual will be given an interview selection card that will identify them by name and phone number. If you return your card to me, you are indicating their interest in the interview part of the study. If more than one is open to the interview process, one selection card will be picked at random. The interviews will last no longer than one hour. They will be audiotaped and transcribed. Once the interviews have been completed, the executive director will then fill out a final questionnaire called “organizational data” that asks for information about the financial status of the organization. This final questionnaire should take around thirty minutes.

Risks and Benefits of Being in the Study:

This study has several risks. Some of the information that will be collected could be sensitive in nature. To protect the organization’s rights, as well as the board members’, this entire process will be done anonymously. The organization will not be identified in any reports. In addition, board members will not be identified by name or position.

A second risk is that because I am only interviewing three individuals, and two of them are the executive director and the board chair, there is a chance that their comments could be identified. To minimize this risk, I will first ask each interviewee to sign an informed consent form. I will also obtain written consent to use any quote in the final report. Further, I will ask them to not give their name, position or organization at any time throughout the interview process.
Contacts and Questions:

The researcher conducting this study is Terence E. Hildebrandt. You may ask any questions you have now. If you have questions later, you may contact me at 612-721-6462 or at my voice mail pager. The pager number is 612-203-0329.

My thesis advisor is Dr. Clarice Staff of Augsburg College. Her phone number is (612) 340-1374.

You will be given a copy of the form to keep for your records.

Statement of Consent:

I have read the above information. I have asked questions and have received answers. I consent to participate in the study.

Signature

Date

Signature of investigator

Date

IRB approval number 99-13-3
Appendix K

June 8, 1999

TO: Interviewee

From: Terry Hildebrandt

RE: AudioTape Consent for Interviewees

Thank you for your willingness to be interviewed. I am conducting this research for a master's thesis for the Master of Social Work program at Augsburg College in Minneapolis. It is being supervised by Dr. Clarice Staff, also of Augsburg College.

All information collected on the tape will be kept confidential. I ask that you do not give your name nor the organization name once taping has begun. Only the transcriber and I will have access to the tapes. The transcriber is also signing a confidentiality form. They will adhere to the same confidentiality rules as myself.

Thank you for your time and involvement in this project.

Sincerely,

Terry Hildebrandt, LSW
MSW student,
Augsburg College

I understand and give consent for this interview to be audiotaped. I also understand that no quotes will be used in the final report unless I give further consent. I also understand that my name, position and agency will not be used in the final report.

<table>
<thead>
<tr>
<th>First Name</th>
<th>(Printed)</th>
<th>Last Name</th>
</tr>
</thead>
</table>

Interviewee Signature

IRB approval number 99-13-3
June 8, 1999

TO: Transcriber

From: Terry Hildebrandt

RE: Confidentiality of transcribing research project interview tapes

Thank you for your willingness to transcribe the three interview tapes. I am conducting this research for a Masters of Social Work thesis at Augsburg College in Minneapolis. It is being supervised by Dr. Clarice Staff, also of Augsburg College.

All information collected on the tapes is to be kept confidential. This means that by being the transcriber for this project, you are also agreeing to adhere to all confidentiality requirements.

If you agree with this and understand what is being asked of you, please sign at the bottom of this form and return it to me no later than February 15, 1999.

Thank you for your time and involvement in this project. If you have any questions, please give me a call at 651-430-9664.

Sincerely,

Terry Hildebrandt, LSW
MSW student,
Augsburg College

______________________________
First Name (Printed) Last Name

______________________________
Transcriber Signature

IRB approval number 99-13-3