

TOWARDS A BEHAVIORAL MODEL OF BOARDS OF DIRECTORS  
OF NONPROFIT ORGANIZATIONS

BY

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A Thesis  
Submitted to the Faculty of Graduate Studies  
in Partial Fulfillment of the Requirements  
for the Degree of

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## Abstract

This thesis synthesizes the literature to describe what seems to be the ideal model of boards of directors of nonprofit organizations. That model is analyzed and criticized using a public choice perspective. Governance as a collective good introduces alternate assumptions on the incentives of the actors, the internal relationships, role clarity and the use of information. Applying these assumptions to the particular problem of boards of directors generates a number of hypotheses which clarifies the factors influencing board governance in nonprofit organizations. Data to test these hypotheses is gathered from members of boards of directors and Chief Executive Officers of social service organizations in Winnipeg. The ideal model is subscribed to by board members and Chief Executive Officers. However, the model is inadequate to explain the board's impact on its agency which is the practical dimension of effectiveness. The alternate perspective which emerges from the analysis explains not only the subjective estimation of effectiveness in the eyes of the actors, but also the impact of the board on the agency. It is a perspective that is more descriptive of reality.

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## Table of Contents

	<u>Page</u>
Chapter 1 . . . . .	1
INTRODUCTION . . . . .	1
Rationale for the Project . . . . .	1
The Nonprofit Sector . . . . .	4
The Nonprofit Form of Organization . . . . .	13
About Boards . . . . .	16
About the Project . . . . .	17
Chapter 2 . . . . .	20
THE IDEAL MODEL OF NONPROFIT BOARDS OF DIRECTORS:	
IT PERVASIVENESS AND ADEQUACY . . . . .	20
The Ideal Board--A set of Attributes . . . . .	23
Foundational Assumptions in the Ideal Model . . . . .	29
Pervasiveness and Adequacy of the Ideal Model . . . . .	40
Chapter 3 . . . . .	47
TOWARDS A REVISIONIST MODEL OF NONPROFIT BOARDS . . . . .	47
Governance as a Collective Good . . . . .	48
Altruism, Bureaucratic Incentives and Contextual Forces . . . . .	53
Alternate Set of Assumptions . . . . .	59
Mixed Motives and The Decision to Contribute . . . . .	64
The Board's Product--Its Decisions . . . . .	70
Multiple Roles and Conflicting Incentives . . . . .	78
The Interdependent Environment . . . . .	91
Goals Clarity in the Nonprofit Organization . . . . .	100
The Ideal Model Revisited . . . . .	109
Chapter 4 . . . . .	112
METHODOLOGY . . . . .	112
Research Design . . . . .	112
Operational Definition . . . . .	115
The Sample . . . . .	116
The Survey . . . . .	118
The Questionnaire . . . . .	119
Adequacy of the Sample and Design . . . . .	120
Analysis . . . . .	121
Chapter 5 . . . . .	122
THE FINDINGS . . . . .	122
About the Board members and CEOs . . . . .	123
About the Nonprofit Organizations . . . . .	124
Pervasiveness and Adequacy of the Ideal Model . . . . .	126
Relaxing Assumptions of the Ideal Model . . . . .	135
Mixed Motives and the Decision to Contribute . . . . .	140

	<u>Page</u>
The Board's Product--Its Decisions . . . . .	151
Multiple Roles and Conflicting Incentives . . . . .	164
The Independent Environment . . . . .	179
Goal Clarity in the Nonprofit Organization . . . . .	189
The Ideal Model Revisited . . . . .	196
Chapter 6 . . . . .	202
CONCLUSION . . . . .	202
APPENDIX 1	
QUESTIONNAIRE TO BOARD MEMBERS AND QUESTIONNAIRE TO EXECUTIVE DIRECTORS . . . . .	220
APPENDIX 2	
SURVEY LETTERS . . . . .	231
APPENDIX 3	
SAMPLE INFORMATION . . . . .	239
APPENDIX 4	
VARIABLES AND RELATED STATEMENTS ON QUESTIONNAIRE .	251
APPENDIX 5	
REGRESSIONS . . . . .	263
APPENDIX 6	
BIBLIOGRAPHY . . . . .	292

List of Tables

<u>Table</u>		<u>Page</u>
1	Sample . . . . .	. 117
2	Mean Agreement of Board Members and Chief Executive Officers With Attributes of the Ideal Model . . . . .	. 128
3	Mean Estimation of Board Effectiveness by Board Members and Chief Executive Officers . . . . .	. 130
4	Mean Perception of Board Members and Chief Executive Officers of Impact on the Agency of the Board's Decisions . . . . .	. 133
5	Gender Differences in Board Members' Mean Agreement with Reasons for Serving . . . . .	. 136
6	Mean Agreement by Board Members and Chief Executive Officers with the Importance of the Job . . . . .	. 139
7	Mean Agreement of Board Members and Chief Executive Officers with the Effect of Context on the Board . . . . .	. 139
8	Gender Differences in Board Members' Mean Assessment of Investment . . . . .	. 140
9	Gender Differences in Board Members' Mean Agreement with the Importance of the Job . . . . .	. 142
10	Gender Differences in Board Members' Mean Assessment of the Benefits of Involvement . . . . .	. 143
11	Board Members' Mean Agreement with Reason for Serving as a Function of Influence on the Board . . . . .	. 145
12	Mean Importance of the Board Job to Board Members by Perceived Influence on the Board . . . . .	. 146
13	Mean Investment by Board Members by Perceived Influence on the Board . . . . .	. 147

<u>Table</u>	<u>Page</u>
14	Mean Agreement of Board Members and Chief Executive Officers With Information as a Factor in Board Performance . . . . . 152
15	Mean Assessment of Influential Board Members on the Board by Board Members and Chief Executive Officers . . . . . 157
16	Mean Assessment of the Decision-Making on the Board by Board Members and Chief Executive Officers . . . . . 160
17	Mean Assessment of the Decision-Making on the Board by Impact of Board Member . . . . . 161
18	Mean Agreement with Information as a Factor in Board Performance by Impact of Board Member . . . . . 156
19	Mean Assessment of Importance of CEO Job and Board Influence by Reliance on Internal Sources of Information . . . . . 163
20	Mean Assessment of Role Responsibility on the Board by Board Members and Chief Executive Officers . . . . . 166
21	Mean Assessment of Role Responsibility on the Board By Influence of the Board Member . . . . . 170
22	Extent to Which the Board Office is Influential in the Nonprofit Organization . . . . . 171
23	Mean Assessment by Board Members of Clarity of Output and Benefit Cost Differential by Use of Professional Skills . . . . . 172
24	Mean Assessment of The Relationship Between the Board and the CEO by Board Members and Chief Executive Officers . . . . . 174
25	Mean Assessment of the Relationship Between the Board and the CEO By Influence of the Board Member . . . . . 176

<u>Table</u>	<u>Page</u>
26	Mean Effect on Board Roles By Extent of Reliance on Third- Party Funding . . . . . 182
27	Mean Assessment of Interdependence by Board Members and CEOs By Extent of Reliance on Third Party Funding . . . . . 186
28	Mean Assessment by Board Effectiveness by Board Members and CEOs by Extent of Reliance on Third-Party Funding . . . . . 188
29	Mean Assessment by Board Members of Goal Clarity as a Function of Client Contact . . . . . 190
30	Mean Assessment by Board Members and Chief Executive Officers of Goal Clarity in the NPO . . . . . 192
31	Mean Assessment By Board Members of Goal Clarity as a Function of Influence of the Board Members . . . . . 194

List of Figures

<u>Figure</u>		<u>Page</u>
1	Conceptual Framework for Understanding Role, Responsibility, and Functions of a Governing Board . . . . .	22

## Chapter 1

### INTRODUCTION

"The voluntary sector has long played a leading role in identifying and responding to many of the issues on the public agenda of this country. It is largely through the work of the voluntary sector that Canadians have come to recognize the needs of crime victims, the problem of acid rain and the potential of the disabled. As I view the relationship between the voluntary sector and the government, I see some very encouraging signs of a growing and strengthened partnership" (Mulroney, 1986).

#### Rationale for the Project

Nonprofit organizations (NPOs) are important social actors. They offer worthwhile endeavours that enhance the quality of life in our communities. As a collective form of voluntary individual action, NPOs are "vehicles by means of which people pursue together goals that are not primarily remunerative and they are not forced to pursue" (Smith, Baldwin & White, 1973). Through NPOs, members of a community organize to respond to perceived needs and to provide themselves with the goods and services they desire. Although NPOs may be formed through staff entrepreneurialism (Young, 1985), nonprofit organizations are generally formed by community members. These community members share a common interest in a problem, propose a solution (agency services), and organize to deliver that solution.

Although some American writers (O'Connell, 1985; Conrad & Glenn, 1976) describe the nonprofit sector as solely an American phenomenon, NPOs have played a key role in Canada's

development as a nation since colonial times (Wolf, 1985). At this juncture, the leaders of both Canada and the United States of America have invited NPOs to participate in the search for solutions to current social ills and economic problems. In his vision of a gentler society, George Bush (Former President of the United States, Inaugural Address, 1989) spoke of the voluntary spirit of American society. Clearly, the Government of Canada views NPOs as partners in the delivery of services and establishment of social policy (above-noted quotation from the Prime Minister, 1986; Solicitor General of Canada, 1987; Nepean Development Consultants, 1981).

This significant opportunity for nonprofit organizations comes at a time when there is growing awareness of the limited knowledge about them. There has been limited formal scholarship (Young, 1989; van Til, 1989). Although there are a number of centres devoted to the study of nonprofit issues and teaching in the United States (Young, 1989), Canada has no such centre and no integrated infrastructure. Moreover, there is widespread concern about the actual functioning of NPOs. The many proposals for reform (Levy, 1981) suggest that there are deep-rooted problems that flow from fundamental definitional and operational issues. Hence, nonprofit organizations remain an under-studied and little-understood component of

society. The inventory of research needs is extensive (Middleton, 1986).

For NPOs to be effective social actors, they must be functioning well. The responsibility for the effective functioning of NPOs is assigned to the boards (see for example, Schoderbek, 1982; National Information Bureau, 1968; Conrad & Glenn, 1976; Paquet et. al., 1987). The board is a group of community members who have agreed to govern and to manage a sovereign, independent organization.

Although central to nonprofit organizations, boards of directors have not been extensively examined, nor are they well understood. The conventional wisdom and literature about boards does not provide a comprehensive theoretical framework of what an effective board ought to be. Rather, the literature offers incremental cures for individual pathologies. It is not at all clear why, in the absence of theory, these cures should work. It is clear (both in the literature and in discussions with practitioners) that boards are not working well.

Recent developments in the field of public choice are applicable to nonprofit boards. Public choice theory has the potential to clarify the behaviour of board members. Therefore, the purpose of this study is to develop and to test a revised model of boards of directors. The project begins with an analysis of the conventional model and proposes revisions based on the application of theoretical

concepts from public choice. This introductory section describes the nonprofit sector and its form of organization, provides an operational definition of boards, and concludes with a brief overview of the project.

The focus of this study is people. Its purpose is to develop and test a behavioural model of boards of directors of nonprofit organizations. It will deal with boards, with organizations, and with generalized patterns of behaviour. Yet the project is fundamentally about the individuals who volunteer their resources as directors of nonprofit organizations.

#### The Nonprofit Sector

Basic to the nonprofit sector are the acts of people "not monetarily compensated, usually toward what they believe is the solution of a pressing human, social, environmental problem or toward the improvement of community life" (Allen & Schindler, 1978). Through NPOs, individuals voluntarily overcome the disincentives to collective action as Olson (1971) has delineated them. In this perspective, volunteer activity is a worthwhile endeavour. There is another perspective that describes the sector as marginal, elitist, exploitative of women, and incommensurate with the enormous social problems it presumes to address (DeMott, 1978).

The voluntary collective action, engaged in over a wide range of purposes, establishes the nonprofit segment of society. There are various titles for the sector: Third Sector, Nonprofit Sector, Voluntary Sector, and more recently in the United States, the Independent Sector. Alternate terminology--not-for-profit--is used by some to describe the trend for these organizations to compete with for-profit organizations (McLaughlin, 1986). However, in this paper, the term nonprofit is used to reflect the lack of monetary incentives.

The nonprofit sector is composed of public-service organizations that are neither government agencies nor profit-making organizations (Connors, 1980). Although some authorities (McLaughlin, 1986; Gibbs, 1989) include government as an actor in the nonprofit sector, government is viewed, in this paper, as a separate actor with powers, authorities, and mandates quite different from those of the nonprofit sector.

NPOs are a form of community participation (Arnstein, 1969), and are consistent with the democratic right of free association (Sills, 1975). Through NPOs, citizens of the community join in making decisions about that community, in defining the nature and extent of the services and activities to be offered, in addressing perceived needs in the community, and in mobilizing and managing resources to ensure the services and to meet the needs. Without

compensation, people serve on boards and further the objectives of the organization, make decisions and are part of the life of the community. This activity which was once reserved for the well-to-do, now includes all segments of society (O'Connell, 1978).

Roughly one in four Canadians volunteered, or freely gave of their time in the 12 month period studied by Statistics Canada in the first national, comprehensive study of volunteer activity in Canada, the Survey of Volunteer Activity (Duschene, 1989). That is, 27% of adult Canadians, or over 5 million people nationally, engage in formal and informal volunteer activity. The fourth most frequently cited volunteer activity was sitting as a member of a board of directors or on a committee (2.5 million Canadians) (Duchesene, 1989).

The nonprofit sector is diverse and broad. It includes education, religion, recreation, arts and culture, social services, heritage, law and justice, employment and economic, and health organizations (Duchesene, 1989). Likely everyone in Canada is affected in some way by the sector. As of February 1992 there were approximately 68,000 organizations registered with the charities and nonprofit organization section of Revenue Canada (personal correspondence, V. Murray, York University, 1992). Although the productivity of the sector is not reported in any of the standard indicators of the health of the economy, it is

clear that sector organizations have an economic impact. The nonprofit sector is a major employer. The figures for 1980 indicate that it employs more people than are on the direct payroll of all levels of government combined (Martin, 1970). The volunteer contribution reported by the Survey of Volunteer Activity was the equivalent of over half a million full-time, full-year jobs (Duchesene, 1989). The sector is estimated to be roughly the size of the forestry sector (Wolf, 1985). It handles revenue in excess of \$70 billion annually.

Nonprofit organizations are not a recent innovation. Boards and nonprofits were reported in Babylon in 2083 BC (Sills, 1975), long before the first recorded business board of 1553 (Mace, 1971). Philanthropic foundations existed in ancient Egypt, Greece, and Rome, primarily in support of an academy, library, or local charity. In medieval Europe, boards and NPOs were part of the social service delivery system, as nonprofit organizations were formed to address specific social issues. Self-help organizations appeared as guilds of artisans and craftspeople that provided social benefits and supports to their members. Ecclesiastical Foundations were used to operate monasteries, almshouses, orphanages, and schools. During the Renaissance, merchants created numerous personal foundations for educational and local charitable purposes. (For a more detailed review of the history, see, for example, Sills, 1975; de Schweinitz,

1961; Chambers, 1983; Garrity, 1978; Mueller, 1981).

Canada's history of human services (Martin, 1970; Wolf, 1985) reflects an extensive reliance on nonprofit organizations for service innovation and delivery. Human services as "specific acts of providing for an individual or group an economic or social good" (Washington, 1982), have the superordinate goal of promoting the general welfare of members of society (Solicitor General, 1987). As a matter of "public interest," it is necessary and appropriate to provide interventions to redress the irregularities and social imbalances that exist in society (Washington, 1982).

Prior to Confederation and for the first 60 years afterwards (Wolf, 1985; Solicitor General, 1987), human services in Canada were provided through personal service, altruism, and philanthropy. During the first 150 years of European settlement, the New France era, the settlers depended on France for funds and direction and there was little organized voluntary activity (Wolf, 1985). However, for the next one-hundred-plus years prior to Confederation (1758-1867), it was the voluntary sector that created and operated the human services (schools, hospitals, welfare, and culture). Governments offered "moral support" but no funds (Wolf, 1985). With demand growing during 1867-1920, philanthropic and charitable service organizations banded together for collective fund raising (the creation of what is now the United Way for example). They also approached the

local governments for financial support. It was during the Depression of the 1930s that the state became actively involved in the provision and funding of services. The 30-year period of 1940 to 1970 saw the introduction of the major programs of the Canadian social security net (Unemployment Insurance in 1940; the Family Allowance program in 1944; cost sharing on hospital insurance programs in 1957; and in 1968, publicly funded health care, following Saskatchewan's 1962 example [Wolf, 1985]).

Heady expectations were raised in the 1960s and early 1970s in the era when resources were plentiful. The application of technology was expected to eradicate all social problems (Patton, 1986; Rossi & Freeman, 1985; Washington, 1982). This expectation has not been achieved. The poor, the sick, and the disadvantaged are still with us. How best to reallocate societal resources to help them remains a pressing question.

The welfare state as we now know it is under some pressure to change. In part, this situation is due to a disappointing performance from the human services in resolving the problems (Mullen, 1972 cited in Washington, 1982). Moreover, there is some question of affordability. Business leaders are questioning both the sector's impact on market productivity and the escalating cost to government of maintaining the programs (Castonguay, 1985). In 1988, the Canadian government spent the same amount on the deficit as

on health and welfare (\$29 billion each [MacLean's, May, 1989]), together accounting for 46% of the budget-57% including employment and immigration. The figures for 1988 (Martin, 1970) show 31% of the federal budget being directed to education, health, welfare, and culture.

There are proposals to reduce government expenditure on social programs. Among the initiatives of the 1990 Budget of the Canadian government are claw-backs of some of the revenue redistributed through Old Age Security and Family Allowance universal programs. The Government of Canada also has undertaken initiatives to remove itself as a partner from the Unemployment Insurance Fund (devolving it to a partnership of management and unions) and to decrease or to alter transfer payment to the provinces.

NPOs could be involved in new and as yet undefined ways as a consequence of recent privatization initiatives. The government could continue service provision with suppliers other than public sector employees (Wolf, 1988), or could discontinue funding the service (Freiler, 1986). In either form of privatization, a shift of the responsibility for human services from the government to the private sector, either nonprofit organizations or commercial firms, would occur. The effect of the Free Trade Act on Canadian social programs is not yet clear. Harmonization and the possible definition of transfer payments as subsidies raise enormous implications for social service organizations. The

definition of subsidy is evolving. Clearly, what Canadians have come to understand about their society and the social security net is in flux. This is a period of change.

In the debate about services, the sector is described as being the innovative and experimental component of society (Smith, 1973; Langton, 1982). Hence, it may have a reform potential that is not yet realized (Langton, 1982). The benefits of the nonprofit sector include: fostering altruism and co-operative behaviour (Allen, 1982), mediating between the individual and the large-scale institutions with which people have lost trust (Berger & Neuhaus, 1977), addressing conditions of injustice (Langton, 1982; Solicitor General, 1987), providing information and linkages to governments (Solicitor General, 1987), training people for democracy (Pateman, 1970), generating values (Berger & Neuhaus, 1977), and empowering people to cope and to give value to life (Berger & Neuhaus, 1977). The changing nature of voluntarism (O'Connell, 1978) from service (helping) to advocacy (seeking changes on behalf of one's clients) to empowerment (the transfer of power among social groupings) presumes an adaptation of the helping structures in society and a willingness to get involved for social change. In sum, it is as if the sector ascribes to itself the potential for being a corrective force in society, redressing injustice and encouraging relationships.

The contrary perspective is that the sector is

repressive, containing debate, restraining dissent and maintaining the status quo (Djao, 1983).

There are a number of different models that explain the sector's role in society. The major theories take either a political, economic, or voluntary perspective. Political theories take a pluralistic view of society (McLaughlin, 1986, Gibbs, 1989) and propose that NPOs assist governments by offering localized, specialized services, thus accommodating diverse preferences and facilitating governments in appearing just and responsive. In the economic perspective, NPOs are viewed as a response to market or government failure, forming because of a failure to provide goods in an amount and kind desired by some segment of the constituency (Weisbrod, 1977) or from an ethical or ideological decision not to allow a profit motive to apply (Gibbs, 1989; McLaughlin, 1986). Based on the assumption that collective action and social problems are best handled by friends and neighbours, Salamon (1987), in proposing the voluntary perspective, suggests that government involvement in social provision is due to philanthropic insufficiency and the failure of nonprofit organizations to do the job.

In the absence of any generally agreed upon theory, the field is usually defined through typologies and classification systems (Smith, 1973; Anthony & Herzlinger, 1975). There is an emerging debate on the nature of the sector's relationship with other social actors in terms of

its presumed independence or interdependence (Hall, 1987; Wolf, 1985).

The primary philosophical value, indeed the motivation presumed in the sector, is rooted in its voluntary act of contribution: an altruistic, gift relationship. Altruism is one way by which community members can provide themselves with the services and goods they need (MacLean, 1987). (The other means are: group regulated self-interest, the market, and the government [MacLean, 1987].) Therefore the relationship with other social actors is presumed to be, or should be, driven by the cooperative values of the sector.

An effective and efficient nonprofit sector adds value to Canada. However, the contribution is under-studied and ill-defined.

#### The Nonprofit Form of Organization

Under Canadian law, three or more adults "who are not bankrupt" may create a nonprofit organization (Diduck, 1988). The objectives of the corporation must be, broadly defined, community service (Diduck, 1988): patriotic, religious, philanthropic, charitable, educational, agricultural, scientific, fraternal, sporting, or athletic in nature (Revenue Canada, Information Circular 87-1). The goals are specified at the time of formation. Service may focus on the members, some group in the community deemed to

be in need (third-party), or the community in general (community education).

Nonprofit organizations are prohibited from returning profits to the shareholders; that is, members may not benefit monetarily from involvement in the organization (Hansmann, 1980). This restriction does not prohibit the organization from making a profit (Diduck, 1988; Skloot, 1983); it is simply a nondistribution provision. Nor does it require extensive volunteer involvement (Murray, 1987).

The organizational form for nonprofit organizations ranges from the simple, voluntary, unincorporated organization to incorporated national and international NPOs with extensive and complex organizations. Members are those who join an organization in which they are interested, and support it. A subset of the members—the board—are selected to have oversight of the affairs of the organization. Staff may be volunteer or paid.

Nonprofit organizations operate within the legal requirements of the state. Thus, they face varying levels of regulation, depending on the organization options selected. In an unincorporated nonprofit organization, the volunteers, especially the board but also the members, are individually liable. Hence, incorporation is generally recommended (Braid, 1984; Diduck, 1988). Incorporation provides a formal legal status for the organization, limits the liability that might accrue to the individual board

member, and subjects the nonprofit organization to the requirements of the respective Companies Act (Diduck, 1988). At another level of regulation, the nonprofit organization may register as a charity with Revenue Canada. As a registered charity, the nonprofit organization can issue tax receipts. The regulations prohibit or restrict charities from lobbying activity, set a disbursement quota, and establish the reporting requirements (Schuseim, 1986). In addition, NPOs are subject to all relevant legal requirements such as labour law.

To govern its internal affairs, nonprofit organizations establish by-laws that define the roles of the members and give structure to the organization (Diduck, 1988). The bylaws also specify the board and its composition, duties, meetings, voting, and fiscal policies. Upon incorporation (Braid, 1984; Diduck 1988), the board becomes "legally and financially responsible for the business and affairs of the corporation" (Diduck, 1988). Directors are expected to exercise the degree of care and skill that a reasonably prudent person would exercise in a comparable circumstance and to derive no monetary benefit from involvement (Braid, 1984).

### About Boards

Within the context of the sector and the nonprofit form of organization, it is the board and its relationships that are the focus of this project. It is useful, therefore, to define a board in order to ensure some common understanding.

Nominally a board is "any council or authorized body" (Funk & Wagnalls, 1979). Formally, boards are "essentially small deliberative assemblies, subordinate to the body that appoints them, with their duties and authority, and the number of their regular meetings and their quorums defined by the parent body or by its authority" (Robert, 1967). A nonprofit board is "an active and responsible governing body serving without compensation, holding regular meetings and with effective administrative control" (National Information Bureau, 1968).

These sample definitions do not capture the essence of the board in light of the collective action problem that the members have resolved nor the nature of their responsibility. Boards are comprised of individuals who have come together voluntarily, have in some way organized themselves to provide services (and so may be differentiated from the neighbourhood Koffee Klatch), and have assumed responsibility for the organization and its services. Therefore the following operational definition is offered.

A board is an organized set of individuals in voluntary association who direct and have legal authority over the activities of an organization.

The focus of this project is the policy-making boards, that is, boards that act as the governing bodies of an organization (Duca, 1986). Therefore, two other common types of boards are excluded: administrative or management boards and non-authoritative or advisory boards (Trecker, 1950 and 1970).

#### About the Project

The goal of this project is to identify factors in a behavioural model and show how these factors affect the output of the board. Models are the categories that we create in order to understand our world and the relationships that we project (MacPherson, 1986). Some models are implicit, some are explicit. How we view something-our model (House, 1983)-gives rise to the solutions we propose. The goal is to develop a model or a "set of statements constituting reasonable basis" for (a) understanding why and (b) proposing strategies for action (Frohlich & Oppenheimer, 1978).

The rationale for public choice as the theoretical construct to apply to nonprofit boards lies in their similarity to government-both being democratic institutions. Public choice, the economic study of non-market decision making (Mueller, 1979), has fruitfully applied the

behavioural assumption of economics to explicate political and bureaucratic behaviour of democratic governments. Its two main areas—the problem of collective action and the problem of social choice (MacLean, 1987)—are both relevant to nonprofit organizations.

The first step in this paper is to review the literature on nonprofit boards and to present the conventional wisdom on boards. This conventional or traditional perspective is presented in the form of a series of attributes of the model in its ideal form. The foundational assumptions on which the ideal model is based are identified and analyzed. This ideal model is then assessed in terms of its pervasiveness among board members and its adequacy in explaining the effectiveness of boards through a survey of board members serving on the boards of social service agencies in Winnipeg, Manitoba. It is the fundamental predication of this project that the ideal model will, in some substantial areas, fail to explain board performance. Therefore, alternate assumptions are identified, ones that are in part the converse of the assumptions underlying the ideal model. These revisionist assumptions are used to develop an alternative model that is used to challenge the ideal model further. That alternative model is tested against the same data as is the ideal model.

For nonprofit organizations and the sector to accept

the invitation of today's leaders to contribute to the overall direction of society, their governors and managers require appropriate tools. There is a need for adequate theory and knowledge to guide both management and governance. Should the most fundamental model within which the sector members act be shown to have limitations, then the sector would not be positioned to be an effective social actor.

## Chapter 2

### THE IDEAL MODEL OF NONPROFIT BOARDS OF DIRECTORS: ITS Pervasiveness and Adequacy

Early on in the work of the Christian church, the apostles found themselves unable to deal with social justice while preaching the gospel. A controversy had emerged in the community. Some members felt that the daily distribution of food overlooked the Greek widows and favoured the Jewish widows. To resolve this problem, the apostles proposed the election of some of the members to handle the task. The job was outlined, the goal defined, and criteria established for the candidates. These leaders were to be elected based on their worthiness and their acceptance of community values and norms. This arrangement satisfied all the people, and seven men were elected, including the disciple Steven.

Summary of Acts 6: 1-8  
New International Bible (1985)

In today's terms, the seven people elected would be a board. As such, the group would be responsible to ensure that service and support were provided to the widows. To do so, they would have had to obtain the resources and to establish a means to achieve the community's goal of caring for the widows in an equitable and just fashion. As a board, the group would have dual responsibility: to the community that elected them and to the widows on whose behalf they were empowered to act.

The story of the widows paints a picture, albeit simplistically, of boards of directors of nonprofit organizations. Today the expectations and guidance for boards of directors is represented as a set of roles and responsibilities. The set of board responsibilities

summarized in Figure 1 is based on a manual for board members developed by one of the premier training programs for nonprofit management in Canada: Grant McEwan Community College in Alberta. It is a compilation of the conventional wisdom for boards.

This "heroic" model (Herman & Heimovics, 1989) is seldom fulfilled in practice (Middleton, 1987). The functional model of boards of directors appears to be observed more in rhetoric than in reality.

Problems with the understanding of boards of directors is acknowledged in the voluntary sector. The literature is replete with proposals for change. Among the suggestions are: changes to the organizational structure (size, realignment of positions, and incentives [DeWitt, 1981; Greenleaf, 1976; Fram, 1980]), changes to the processes or the way in which the nonprofit organization operates (Dreer & Stekette, 1978; Robin, 1976; Greer, 1976); and changes in the people who work in the sector (orientation and training for board members). The breadth of suggestions for reform underscores the extensive range of problems with the effective functioning of boards (see Levy, 1981 for a good summary of reform proposals, albeit with a for-profit focus; Herman & Heimovics, 1989; Middleton, 1987). However, these reform proposals are frequently contradictory, propose a complex range of possibilities as potential causes of board problems, and are notable for their lack of theoretical

Figure 1

Conceptual Framework for Understanding Role, Responsibility,  
and Functions of a Governing Board

RESPONSIBILITY	PURPOSE	RATE OF PROGRESS	CONTINUITY	IDENTITY	
	foundation of beliefs and values	implementation and scheduling board is ultimately accountable	legacy for future boards	create environment for area of sector; increase public awareness and support	
FUNCTIONS	POLICY GOVERNANCE	PROGRAM GOVERNANCE	FINANCIAL	PERSONNEL	ADVOCACY MANAGEMENT
	essence of trusteeship -constitution -bylaws framework policies -values -mission -why and what for governance policies -how board organized (roles and responsibilities) operational policies -financial -personnel -program -advocacy residual -what not covered clear authority and guidance -written legacy and foundation policy manual	-program planning cycle -long term and short term program plan operationalize plan -resource commitment -monitor and evaluate and assess program in light of goals -tension volunteer board vs. professional expertise -board involved re: program policy	budget financial reporting monitor? fund raise manage assets make personal commitment	define board roles staff responsibility and functions oversee recruitment selection orientation evaluation and retirement of board members oversee recruitment selection orientation evaluation and retirement of Chief Executive Officer	community awareness represent organization monitor government legislation and advise report to membership participate on issues clarification define what preferred future is and work toward it scope -- for organization and for area of endeavour

Developed from:

Paquet, M. with R. Ralstone and D. Cardinal (1987). A Handbook for Cultural Trustees: A Guide to the Role, Responsibilities and Functions of Boards of Trustees of Cultural Organizations in Canada, University of Waterloo Press, Waterloo, Canada.

guidance to assist in choice. Moreover, the effort to "fix" the problem with boards of directors is being undertaken on the presumption that choices are being guided by an adequate understanding of nonprofit organizations and their boards. If the understanding of boards is significantly in error, then the remedial efforts would offer little prospect of making real improvement.

The place to begin, then, is with a fundamental understanding of boards. To do so requires extrapolating from practice and literature, looking beyond the functional picture of roles and responsibilities, and returning to the basics about boards. By so doing, the model or set of assumptions that underlies the functional perspective can be identified. The model derived from this analysis is outlined in the form of a set of attributes. It is presented as an "ideal model" to reflect that it is both descriptive and prescriptive. The foundational assumptions of the ideal model are articulated and both the empirical and theoretical challenges are discussed. The chapter concludes with an assessment of the pervasiveness of the ideal model as well an evaluation of its adequacy to guide the governance and management of nonprofit organizations.

#### The Ideal Board-A Set of Attributes

Boards, somewhere deep inside the practitioners who work with them, are "known" to have a certain nature and

philosophy. It is that nature that constitutes what in this paper is referred to as "the ideal model". The ideal model is a distillation of major themes in the writing about nonprofit boards of directors and in the recurring descriptions provided by practitioners. While the ideal model is not monolithic, uniformities are apparent, and are synthesized in the form of an ideal set of attributes for boards of directors. The set of 9 factors, the ideal model, is outlined in this section.

First, boards are described as being autonomous entities. The board holds full authority over the organization (Diduck, 1988). Hence, the board is both an independent entity and the collective leadership for the nonprofit organization. The constraints on the board are those defined by the board for the board, and limited by the board's ability to mobilize and to manage the appropriate resources (Unterman & Davis, 1982; Connors, 1980).

Some boards come into existence by election from some larger community or constituency. As in the case of the disciples organizing to provide for the widows, some members of the community are selected (elected) to undertake work that the community desires to have provided. Because the board brings together representatives of the community or constituency on behalf of which the board acts, it is accorded legitimacy and authority. The structure of boards and nonprofit organizations provides an opportunity for the

specific community to participate in decisions affecting it. The community may be a geographic community or a community of interest. Boards thus represent a form of community participation (Arnstein, 1969) and are consistent with democratic traditions. They are described as having "community ownership" (The Human Services Sector Conference, 1990).

As board members are drawn from the community, it is assumed that they hold values in common with the community and share its priorities and needs (Unterman & Davis, 1982; Trecker, 1952). It is the credibility of the board members that underscores the legitimacy of the board (National Information Bureau, 1968).

Given that the board is elected from, and an instrument of a community, relations with the community are assumed to be open, two-way, and visible. Thus, the board is responsive to emerging information from its community to guide it as an agent and a servant (Robert, 1967). Moreover, the community has sufficient information about the board to fulfil its job of being a "countervailing force" (Schoderbek, 1982) to the power of the board.

What the board is to do is defined in the goals or objectives of the nonprofit organization. These goals also specify the purposes that have motivated the board members' collective action (Schoderbek, 1982). Given that all board members subscribe to the goals, it is assumed that the goals

are clear and are important to the board members.

The goals are clearly normative in nature. Social service goal statements incorporate the condition to be altered or changed and the service or activity to bring about that change. Thus, the goal statement prescribes both the nature and direction of the change and the target of such change (individuals or the community). That is, boards "act for anothers' benefit in specified areas of responsibility" (Trecker, 1952). It is the community tie and legitimacy that accords the board its authority to act on behalf of others. The right to act on behalf of others is balanced, in the nonprofit board, by the assurance that board members are altruistic. Given the implicit tie between voluntary contribution and altruistic motivations, board members have no self-interest in the policy of the organization. Hence, the protection to the community and users is assured through the personal attributes of the board members.

Consequently, boards and their members have moral authority (National Information Bureau, 1968) and legal responsibility (Paquet, et al., 1987). Not only are boards fiduciaries for the community and the users, they are stewards for the resources used. Being both legally and morally responsible (Paquet, et al., 1987), the board collectively and individually is accountable for actions that flow from the instrumentalities it has created to

deliver services. Board members are answerable for the activities of the agency.

In order to be part of a board, board members need to understand the organization, its nature and mechanisms: they need to know how to make a board and an agency work (National Information Bureau, 1968; Connors, 1980). In the literature on nonprofit boards, it is assumed that the board has clearly defined and well-developed goals and objectives for itself. As well, the board members are assumed to understand their roles and responsibilities clearly and to have the necessary skills to perform effectively. In the conventional view, it is implied that the role of board member is not only clear (Schoderbek, 1982), but is manageable for the incumbents.

Moreover, boards require, and should have, the internal organization necessary to do the job. Processes, procedures, resources, structure, and organizational culture and climate are clear (National Information Bureau, 1968; Connors, 1980).

And finally, the board is charged with the responsibility and the authority to provide some means for implementing its decisions and furthering its goals. It organizes a staff (either paid or volunteer). The ideal model assumes that staff are agents of the board and act solely to implement the will of the board (Conrad & Glenn, 1976; Swanson, 1978). There is, thus, a clear and defined

understanding of roles and responsibilities between staff and board (Conrad & Glenn, 1976; Swanson, 1978). In delegating authority to the Chief Executive Officer (CEO), the board retains the responsibility "to consult with, defend and correct the incumbent" (i.e., the CEO) (National Information Bureau, 1968). The relationship of board to staff is one of the, if not the most crucial linkage for the board (Conrad & Glenn, 1976; Swanson, 1978). In this paper, unless otherwise noted, staff are taken to be paid professionals with senior staff positions (CEO).

In summary, then, the ideal form of boards of directors of nonprofit organizations encompass:

- . the board as autonomous and sovereign;
- . the board as representative of the community, and having clear, ongoing, and open linkages with that community in order to respond to the community's changing needs;
- . the board as having clear objectives that members hold to be important (shared goals);
- . the board as accountable for the actions undertaken in its name;
- . the board comprised of members who are volunteers and without self interest in the agency or its services;
- . the board as having a clear statement and understanding of its job;

- . the board having jobs that are manageable for the board members;
- . the board as being organized to do the job;
- . the board having appropriate and clear linkage with the other components of the nonprofit organization (i.e. paid or volunteer staff).

Taken together, these attributes represent what is believed to be the ideal or effective board of directors. As such, they set a standard for the effective board. Any board with these properties is deemed to be ideal, and is presumed to carry out its mission well. Prescriptions for boards that fall short of the standard set by these attributes require action to correct the specific shortfall. More recent writings (post 1989, for example Bradshaw, Murray & Wopin [1992] and Carver [1990]) do not change the attributes outlined in the ideal model.

However, taken together, these conditions are complex, broad, and, in some regards, potentially conflicting. As described, they are difficult to achieve. The fundamental issue is the ability of this ideal model to guide management and governance in nonprofit organizations.

#### Foundational Assumptions in the Ideal Model

The ideal model, as articulated, reflects the conventional wisdom about boards based on the literature.

Thus, it incorporates a number of assumptions about boards. Yet, at a more fundamental level, there is another series of assumptions-about the nature of people, the organization, and the context. If it can be demonstrated that these foundational assumptions are not consistent with any reasonable representation of reality, then the model based on them would be an illusion.

Myths have the power to mask reality and to misinform or limit our choices (Berger, 1977). If the ideal model proves to be an illusion, it may actually constrain our ability to manage nonprofit organizations and their relationships wisely. In this section, the foundational assumptions of the ideal model are articulated, and both empirical and theoretical challenges are reviewed. (The form of this argument is modelled on the analysis of Organizational Development by Harrison & Pitt [1984] in which the truncated view of "man", organization, and intervention were assessed.)

The assumptions underlying the ideal model of boards of directors are the following:

- . about the nature of people:
  - . that the incentives for the individual and the group are the same, and that what is good for the individual is good for the group, and the converse;
  - . that what brings the individual to contribute

- to the board and the organization is altruism, and that the act of volunteering presumes an altruistic preference structure;
- . about the organization:
  - . that the board and its organization are one;
  - . that the implementing authority is a neutral extension of the board;
- . about the context:
  - . that the board exists in a neutral context, and that there is no interactive effect on the board from the social context within which it exists.

Analytically, these assumptions are open to question on a number of counts. The critical perspective of the individual in relation to the board is not considered. The possibility of mixed motives (or even self-interest) in the decision to contribute and to volunteer is excluded. The bureaucracy is assumed to have no independent incentives. And the effect of contextual forces on the board is omitted. The following discussion explores the implication of these challenges to the foundational assumptions.

The link between voluntarism and altruism is no longer unequivocally accepted in the literature on voluntarism. It is now recognized that volunteers may have self-interested preferences and reasons for volunteering (Carter, 1975). In situations in which choice is

coordinated, there is ample evidence that self-interest may lead to the decision to contribute voluntarily (Frohlich & Oppenheimer, 1978; Messick & Brewer, 1983; Dawes, 1980). Hence, the voluntary basis of nonprofit organizations need not presume a unitary, altruistic preference structure for its actors.

Not considering the critical perspective of the individual is the fallacy of composition (Hardin, 1982), in which group and individual rationality are presumed to be one and the same. From a variety of perspectives (Social Dilemma Theory, [Messick & Brewer, 1983; Dawes, 1980]); Game Theory, [Rapoport 1966 and 1970]) the differences between individual and group rationality have been amply demonstrated. In fact what may seem to be individually rational may not be rational at all when viewed from the perspective of group. Moreover, these theoretical perspectives suggest that the consequence on the group of the individual action may not only be less than the best solution; it may lead to a solution that is actually harmful both to group and individual interests (Liebrand, 1983).

The ideal model assumes group rationality. The behaviour code for board members requires that they "be dedicated to helping others, back up other board members, stand up for the board's convictions even if disapproved in their own life or in society, respect the right of others to

disagree, express loyalty to the agency, to the welfare of the community and to humanity as a whole" (National Information Bureau, 1968). Moreover, board members are expected to make their skills and knowledge available to the organization (Connors, 1980).

Group rationality is achieved in the ideal model by the presumption of altruism. Nominally, altruists are "devoted to the welfare of others" (Funk & Wagnalls Standard College Dictionary, 1979). Hence, they are expected to make decisions that always consider the other.

The ideal model thus, successfully, by assumption, resolves two of the major issues for board governance. Using the altruism assumption and group rationality, both the level of contribution of a board member and the political behaviour of the board is prescribed.

As altruists, board members are to provide as much to the board as is necessary in the situation. Thus, the level of contribution is defined: board members will give whatever is necessary because they are altruists. Therefore, the model never has to examine the factors that influence the level of contribution. Moreover, although altruists invest more in group situations than do those with other preference structures (Van de Kragt, Dawes & Orbell, 1977), altruism is insufficient to totally explain the level of contribution.

The altruism assumption also prescribes the political

behaviour on the board. Cooperation is expected, given that the welfare of others is paramount and the shared values limit conflict. However, the presumed motivation to contribute, or to join the board, cannot be used to determine the political behaviour of the individual in interaction on the board. Even altruists, given that choice is constrained, would have to choose between alternatives available (MacLean, 1987). No one can satisfy all one's wants and desires: not even altruists. Hence, altruists experience conflict and would engage in political behaviour to resolve the choice. While altruism has been shown to narrow the range of conflict in choice situations, it does not eliminate it (Frohlich, 1974). Moreover, the board, as the political leader of the nonprofit organization, will find itself interacting with other leaders over a range of issues. Frohlich and Oppenheimer (1978) argue that, along many dimensions, the behaviour of the altruist as political leader will not differ materially from that of the leader governed by self-interested incentives, although the altruist may be prepared to bear increased costs.

Moreover, it is apparent that the ideal model does not explain the full range of human behaviour seen in the nonprofit sector. In spite of those who would argue that people in the sector are people "at their best" (O'Connell, 1985) it is obvious that people in the sector represent the full range of human behaviour. An accountant who was

honoured as the fund raiser of the year for the Children's Hospital Research Foundation cheated on his income taxes (Winnipeg Free Press, 1990). The Executive Director of Rainbow Stage, Winnipeg, was sentenced to jail for defrauding the organization (Winnipeg Free Press, 1989). And the Executive Director of the Interfaith Immigration Council, Winnipeg, sued the Board President for discrimination and wrongful dismissal (personal communication, board president, 1990). On a less controversial level, there are the continuing complaints about board members who do not come to meetings or do not do the work assigned.

It is obvious that the assumptions about the nature of the actors in the nonprofit setting are simplistic, and inadequate to guide governance. The model must allow for greater complexities in its appreciation of its people.

To compound the problem, the model of organization is also simplistic. It assumes a group with similar values, objectives, attitudes—all altruists giving supremacy to the welfare of others. The model fails to recognize that the organization is composed of (at a minimum) two actors, a political boss (the board), and the implementing authority (the bureaucracy, whether volunteer or paid). However, some writers are aware of their being distinct constituencies in the agency (Connors, 1980). Consequently, the ideal model provides limited direction on the relationship between the

two sets of actors. Rather it assumes clear and effective linkage with the bureaucracy as a neutral extension of the board.

However, the assumption of the bureaucracy as a neutral agent cannot be sustained (MacLean, 1987). Rather, bureaucracies have been shown to have their own incentives (Hartle, 1979; Niskanen, 1971; Alfeld & Miller, 1984). Moreover, bureaucrats cannot be assumed to be altruists. The incentives and imperatives for each of these organizational actors need not be, and often are not, congruent. Thus the model must incorporate the bureaucracy as a separate constituency, not as a neutral extension of the board. The ideal model does not account for the interaction between the board and the CEO.

A further challenge to the integrity and adequacy of the ideal model is introduced because the board and nonprofit organization are situated within a social context. The effect of contextual forces is significant both structurally and psychologically (Moss, 1983; Frohlich & Oppenheimer, 1978; Colwill, 1982). Except for the linkage to the community, the ideal model does not incorporate the reality that the board operates in a social context with interactive relationships that may not be perfect.

The many practice-based issues provide additional empirical evidence of the problems with boards. Perhaps the most alarming issue is the apparent breakdown of the trust

relationship between the nonprofit board and its community. Board members are now being sued. No longer are "good people" doing "good works" (the charitable model of evaluation, Patton, 1986) sufficient assurances of effectiveness. The recommended solution is for the board to obtain insurance to protect itself (Volunteer Centre of Winnipeg material, 1983).

Furthermore, support by the community of nonprofit organizations appears to be declining. There is a lower level of donations to charitable nonprofit organizations (Arlett, 1979) at a time when needs are perceived to be increasing. The Canadian Centre for Philanthropy, Canada's flagship philanthropic organization, has responded by initiating the Imagine Campaign to encourage both financial support and participation in voluntary activity.

As well, practitioners who work within nonprofit organizations are not sanguine. There are concerns about underfunding for agencies and services (Rowe, 1991) and the consequent difficulty in providing an adequate level of service. Transfer payments for health and education are being eroded (Rowe, 1991; The Human Service Sector Conference, 1990). Privatization and provincialization of federal services are emerging possibilities (Wolf, 1988; Castonguay, 1985). The partnership with the for-profit firms that was heralded in the early 1970s has never developed (Allen, 1982).

At the practice level, there is also confusion concerning the nonprofit form of governance. In some cases the form of nonprofit organization (boards and implementing arm) is used without its substance (community linkages and sovereignty). One example is the day-care structure established by the Manitoba Government. It requires a board of directors comprised of users, but much of the responsibility and authority remains with the government. In a recent incident, Manitoba day-care workers sought adjustments in their pay scale, not from their boards but from the government. In this example, the form but not the substance of nonprofit governance is apparent.

The burden of the discussion serves to raise questions about the adequacy of the ideal model and whether it is able to guide nonprofit management and governance. Overall, the ideal model is found to represent a truncated or simplistic model of both the actors and the organization.

These difficulties with the ideal model are crucial, because the model is assumed to establish the standard for the effective board. The more the board achieves each of the model's attributes, the more effective it is expected to be. The general proposition holds that, to the extent that the board successfully fulfils the attributes of the ideal model, the agency would be effective (Schoderbek, 1982). It is empirically obvious that the board alone cannot assure or define agency effectiveness. There are too many other

factors--the competence of the bureaucracy, the extent to which the community is prepared to make the services a priority, the board's ability to generate funds, and the complexity of the social problem--to name but a few.

Thus, the model moves from description to prescription--advising practitioners how to work within the nonprofit structure. Therefore, any problems with the model limit its utility in guiding practice. Moreover, if the prescriptions are based on less than viable theoretical model, they can also serve to distract people who are working for cures.

It may be that the sector has to surrender its search for the model of the universally effective board. Effectiveness is essentially a political question. It is defined by the person(s) asking the question (Rossi & Freeman, 1985; Patton, 1986; Weiss, 1972). Mueller (1981) likens the search for an universal standard of effectiveness to the old vaudeville joke: "How's your wife?" "Compared to what?".

It is doubtful that there is any absolute standard that would apply to all boards. To search for such a standard may have been to search for the philosopher's stone or holy grail--an illusion. It may as well distract from an understanding of the complexities and richness of this form of governance.

A revision of the ideal model is needed to account for the problems identified. This revision would incorporate a

richer appreciation of the board, its actors, and the internal and external contexts. However, the first step is to assess the pervasiveness with which the ideal model is held and to explore its adequacy in explaining board effectiveness.

#### Pervasiveness and Adequacy of the Ideal Model

This project rests on a fundamental presumption: that the ideal model as presented is widely supported but has limited utility in guiding governance and management of nonprofit organizations. The presumption of the pervasiveness, but inadequacy of the ideal model, is tested in the following form:

- . determine that the ideal model is widely held by board members and Chief Executive Officers of social service organizations in Winnipeg (hereafter, for convenience the phrase "of social service organizations in Winnipeg" is omitted).
- . show that the ideal model is linked, in the subjective estimation of board members and Chief Executive Officers, with the effectiveness of the board.
- . demonstrate that the ideal model does not explain the reported impact of the board on the operation of the agency: the practical dimension of effectiveness.

The pervasiveness of the ideal model and its acceptance as a description of boards of directors of nonprofit organizations is explored in the following hypothesis:

1. Members of boards of directors and Chief Executive Officers will subscribe to the ideal model by indicating that their board will incorporate these attributes to a significant degree.

However, since the ideal model is too simplistic in its appreciation of the divergent sets of actors in the nonprofit organization (board and CEO), another hypothesis is proposed. The two sets of actors are expected to have somewhat different perspectives and incentives in the organization. It is likely that there will be differences in the degree to which each subscribes to the various elements of the ideal model. These arguments imply:

2. Members of boards of directors and Chief Executive Officers will differ in their support for attributes of the ideal in some significant degree.

Having assessed the pervasiveness of the ideal model, the next issue to be explored is its adequacy. Here, the question is the extent to which the attributes of the ideal model successfully explain the effectiveness of the board. The premise behind the ideal model is that the more a board subscribes to or achieves the attributes, the more effective it and its agency would be. To test the utility of the ideal model in explaining effectiveness, some notion of effectiveness is required.

Here one confronts a chicken-and-egg problem. The most widely accepted standard employed is that of the ideal model, the very subject being assessed. That is, it is assumed that the more the board achieves each of these attributes, the more effective it, and, by extension, its agency will be. In its broadest form, the assumption holds that an effective board has an effective agency (Schoderbek, 1982).

The subjective estimation of board members of the effectiveness of the board on which the individual is a member is the measure of effectiveness used in this study. It follows that, if the ideal model works, the board should "know" if it is effective. The more it conforms to the ideal, the better it should be and the more board members should know it. Thus, the test of effectiveness is on the board members' terms. This approach is consistent with efforts to operationalize effectiveness as a measurement construct in research on the nonprofit sector (Bradshaw, Murray & Wolpin, 1992). Self-reported assessments are commonly used.

In spite of the theoretical arguments and empirical evidence of the insufficiency of the ideal model, as proposed in the following hypothesis, board members and senior bureaucrats are expected to accept the attributes as being sufficient to explain board effectiveness.

3. For board members and Chief Executive Officers, the attributes of the ideal model will explain the

effectiveness of the board.

However, the burden of the argument to date has been that there is both empirical and theoretical evidence that boards, being guided by the ideal model, are experiencing problems. So further examination is warranted.

Note that in the ideal model as articulated, no mention is made of the output or outcome of the board—nothing is said of the manner in which the board achieves its impact on the agency. The traditional perspective suggests that the output of a board is the policies it makes (Paquet, 1987; O'Connell, 1985; Conrad & Glenn, 1976). It is here that the division of labour between board and staff is defined: boards make policy, staff implement the policy (widely held in the literature on nonprofit organizations [see O'Connell, 1985; Abbey-Livingston & Wiele, 1984 for examples]).

Defining the output of the board as policy does not establish an unique output for the board. Hence, some confusion is generated. There are a wide variety of policies (Chait, 1989) and they are made and influenced at various levels of the organization (Chait, 1989; Hartle, 1979). It becomes difficult to differentiate the contribution of the board from the influence of other actors over the possible range of policies.

Therefore, the board product or output needs to be more specifically and uniquely defined. Clearly, a board is effective to the extent that it can mobilize the resources

over which it has authority to the ends that it seeks. Stated another way, the board is effective if it has impact internally (and externally although boundary questions are outside the scope of this project).

How it is that the board influences its agency? It is clear that boards make decisions of a variety of forms: housekeeping, policy-making, and distributive. It is these decisions that effect the agency. Therefore, for this project, the output of the board is operationalized as its decisions. Note that there is no normative content attached to the decisions. It is possible that some of these decisions are good, and some are bad (following from Frohlich & Oppenheimer, 1978).

The issue to be tested, then, is the impact of board decisions on the agency for it is through the decisions that the board makes an impact and could be effective. Of interest are the instances in which a board explicitly changes policy or influences issues. It is in these decisions that the impact of the board is apparent. Hence, impact is operationalized as a board's ability to change policy, to influence proposals and to change proposals that come before it. For this project, only perceived changes can be measured and act as a surrogate measure. Hence, self-reported data from board members and CEOs is used to assess board effectiveness and influence.

Two issues emerge. The first is the extent to which

board members and CEOs perceive that the board is influential and has impact on its agency. Given the theoretical and empirical questions concerning boards, it is arguable that boards and CEOs perceive that boards have, in fact, limited impact on their respective agency. Hence, the hypothesis:

4. Board members and CEOs will perceive that boards have limited impact on their agency, as measured by the board members' ability to change policy, to influence proposals, or to change proposals that come before the board.

Secondly, for the ideal model to have practical application in explaining the contribution of the board to the agency, the perceived impact of the board should be explained by the ideal model. However, the nature and outcome of decisions before a board are not specified in the attributes. Sovereignty, representativeness, altruism, and the other attributes are more reflective of the form of organization than its operation. Hence, the following hypothesis predicts that the ideal model has limited explanatory power concerning the actual impact of the board on its agency:

5. The attributes of the ideal model will have limited utility in explaining the variation in the board's impact on the agency.

The conclusion, should the hypotheses be confirmed, would be that the ideal model of board governance is under-specified and not descriptive of reality. As a consequence, there is a crisis of identity for nonprofit boards. The

ideal model, while gracious in its rhetoric, is limited in its substance. It is but a series of static end points that are presumed both to describe and to predict behaviour. However, in reality, the ideal model makes little reference to performance. This under-specified model would be insufficient to guide the effective and efficient governance and management of nonprofit organizations. In a search for a way out of this impasse, realistic alternate assumptions about the actors, the organization, and the context are applied to explain the failure of the ideal model and to offer an alternative perspective.

### Chapter 3

#### TOWARDS A REVISIONIST MODEL OF NONPROFIT BOARDS

To this point, the argument has been that the ideal model, while pervasive, is underspecified. Hence, the ideal model is inadequate to guide board governance and management. Another way of looking at boards and their practices that reflects the empirical reality of boards of directors is needed.

Operationally defined, a board is a group of individuals who work together to provide decisions on behalf of the agency with which they are involved. These decisions generate rules and policies to guide action in the agency. They are the output of the combined effort of the individual boards members acting together. Moreover, they are jointly consumed for they apply to all people in the agency. These two attributes-joint provision and joint consumption-are the definition of collective goods (nonexcludability and nondivisibility [Olson, 1971]). Writing in the context of democratic government, McLean (1987) points out that rules provided by government are collective goods. Hence, selected insights from the collective good literature can be applied to the ideal model of boards of directors to assess the potential for an alternate perspective.

## Governance as A Collective Good

Governance as a collective good incorporates a set of assumptions quite at odds with those of the ideal model. This section reviews some of the major tenets of the collective goods literature. Then, the possibility of relaxing some of the major assumptions of the ideal model in favour of those theoretically or empirically suggested from the collective good perspective is examined analytically. Tests of the validity of these alternate assumptions are proposed, and a revisionist set of assumptions for board governance is adopted. The final sections of this chapter explore the implications of defining board governance as a collective good by applying the revisionist set of assumptions to the attributes of the ideal model.

Governance as a collective good consists of the outcome of the individual decisions of board members acting together as a group, as a board. Note that there is no normative content to the phrase "collective good." The actual content may be perceived to be either good or bad in a normative sense.

Optimal provision of such goods requires all who benefit from the good to invest in its provision (Olson, 1971; Frohlich & Oppenheimer, 1978). It is not a requirement that everyone would or should contribute equally. Rather, rationality dictates that one should contribute to the point at which one's marginal benefit

equals one's marginal cost. Hence, each board member should contribute to the provision of the collective good to the point where each individual member continues to receive a positive payback for the act of contributing. In so doing, the individual contributes to the point at which marginal benefit equals marginal cost (Frohlich & Oppenheimer, 1978). To do otherwise, to purchase less, is to deny oneself a benefit (Frohlich & Oppenheimer, 1978). Note the contradiction between the collective good approach and the ideal model. In the ideal model the level of contribution is assumed to be sufficient, since altruistic board members are presumed to do whatever is necessary.

Ensuring an optimal supply of a collective good is a complex matter. In the absence of any mechanism to coordinate expectations, under many contingencies, individuals choose not to contribute to the provision of collective goods (particularly in the case of large groups, Olson, 1971) or to contribute less than necessary to ensure an optimal supply (Frohlich & Oppenheimer, 1978; Marwell & Ames, 1980). Nor is the lack of contribution necessarily irrational from the individual's perspective. The decision maker may lack sufficient information about the consequences and the outcomes or take an individual rather than a group perspective.

However, in providing the collective good of board governance, board members are not individual actors.

Structurally the board members are linked in the provision of the collective good, given the jointness of provision or supply. Whereas it is the individual who makes the decision concerning his or her contribution, taken together it is the actions of all members that determine the amount of the good supplied. The product of the board, its output, is a consequence of the choices of one member affecting and being affected by the choices of all other board members.

Consequences (externalities) of one's private choice on others (Messick & Brewer, 1983; Dawes, 1980) can be modelled as a social dilemma. (See Messick & Brewer [1983]; and Dawes [1980] for a good review of the social dilemma literature. Messick and Brewer [1983] were only able to find two articles on social dilemmas in nonprofit organizations.) In a social dilemma situation, a rational choice for the individual can lead to outcomes that neither the individual nor the group would desire (Rapoport, 1966 and 1970; Messick & Brewer, 1983; Dawes, 1980; Hardin, 1982). Thus, the individually rational choice violates the assumptions of group rationality with an outcome that is sub-optimal for both the individual and the group. Rapoport (1970) points out that individual and group rationality bifurcate.

This interdependence was modelled by Hardin (1968) in the Tragedy of the Commons. Herdsmen of the middle ages had a collective resource, the commons, which they used for

grazing. Each individual grazed his cattle, for which he received the total benefit, but each bore only a little of the cost of the commons. It was individually rational for each herdsman to continue to add cattle to his own herd. However, over-grazing could exceed the carrying capacity of the commons leading to its destruction or decay. Thus, the dilemma consisted in individual choices concerning use of the commons leading to its destruction. It is clear that the destruction of the resource on which the community depends is not an outcome that any individual or the group would desire. Here one sees that individuals, in making what are reasonable choices for themselves, may generate a collective result that is undesirable (Liebrand, 1983). It is a dilemma precisely because what seems to be individually appropriate results in a sub-optimal supply of the good for both the individual and the group at a whole.

The prediction (Dawes, 1980; Frohlich & Oppenheimer, 1978; Olson, 1971; Hardin, 1982) regarding behaviour of individuals in a social dilemma situation over collective goods is that they will free ride or contribute less than is necessary to ensure provision of the good. The dominant incentive is to not contribute (Dawes, 1980). Although desirous of providing the good of board governance, the best position for any individual board member, even given his or her preference for effective board governance, would be to have the good provided by the other board members. Hence

the individual board member could obtain the benefits without contributing to the cost of providing governance. The goal of effective board performance would not be sufficient to encourage the individual to contribute at a level necessary. If a goal were a sufficient incentive, the collective good problem would not exist. Experience shows the necessity for something more than a goal (Klandermans, 1986). For example, unions have closed-shop provisions requiring those benefitting from collective action to contribute mandatorily. As a consequence of the incentive for board members not to contribute, the collective good of board governance would be under-supplied. To the extent that governance is under-supplied, the board will be less effective.

Now, the theoretical predication of under-supply would be ameliorated but not necessarily solved if the assumption of absolute altruism could be sustained. Even altruists, in dealing with collective goods, do not always choose to contribute optimally. However, if board members' choices and decisions were guided by cooperative values, the board would be more likely to achieve an optimal supply of its collective good. It has been argued theoretically and demonstrated empirically that choice or decision guided by cooperative values results in a more optimal outcome for both the individuals and the group. The effect of cooperative decisions has been demonstrated from a number of

perspectives: Rapoport (1966 & 1970) through the prisoner dilemma paradigm; Dawes (1980) and Messick and Brewer (1983) through the social dilemma paradigm; Frohlich and Oppenheimer through the collective action literature (1978); and Axelrod (1984) in his discussion of cooperation. Furthermore, experimental work has demonstrated (see Van de Kragt, 1983; Van de Kragt, et. al., 1986; Orbell, et. al., 1987) that about 50% of the people choose the cooperative solution even to their own individual detriment and in spite of the incentive not to do so.

However, the naive but central assumption of the ideal model that board members all are altruists, is open to question. Even allowing that all board members are altruists, the expectation of optimal supply of board governance as a consequence is not sustainable. Rather, the psychological and structural implications of the board as social dilemma should be examined.

#### Altruism, Bureaucratic Incentives and Contextual Forces

First, it is important to examine whether it is reasonable to relax the altruism assumption. Do board members report mixed motives for serving on boards? Does the theoretical prediction of independent incentives for the bureaucracy hold? Are board members and CEOs cognizant of contextual forces affecting the board? These are the three challenges to the foundational assumptions outlined in

Chapter 2. If these challenges are confirmed, it would be reasonable to explore the further application of social dilemma and collective good theoretical predictions to the attributes of the ideal model.

As the central behavioural assumption of the ideal model, the concept of altruism is used to explain: (a) why people serve on boards, (b) the level of the investment made, which is assumed to be sufficient to ensure an effective and efficient agency, (c) the presumed centrality of the board role for the members, (d) the nature of the behaviour of people on the board, and (e) the reason board members should be trusted. Relaxing the altruism assumption would allow an examination of other influences on these factors. No longer would the viability of the nonprofit form of governance rely so heavily on attributes of the individual actors.

It has been argued theoretically that the altruism assumption is not necessary in order to explain the decision to volunteer (Chapter 2). At issue is the empirical reality of board members. If it can be shown that board members exhibit a variety of reasons for being involved on a board, this central assumption can be relaxed. Hence, the following hypothesis demonstrates the presence of mixed motives for board members:

6. Members of boards of directors of NPOs will exhibit a variety of reasons for serving, including reasons that are self-interested, and goal-related as well as altruistic.

The ideal model presumes, by extension, that altruism is sufficient to explain board effectiveness. Not only are wide-ranging aspects of board performance explained in the ideal model by the altruism assumption, but the assumption also is used to explain the historic reliance on good people doing good works (dubbed the "charitable evaluative model" by Patton, 1986) to assess the worth of nonprofit organizations. It is not reasonable to assume that one's reasons for serving are all that are needed to ensure the effectiveness of the board. To adopt this logic, one would have to assume that there are no other factors involved in the effectiveness of a board. This is clearly not the case. Available resources, one's own performance, the performance of other board members, and staff activity and skills are, at a minimum, factors that could potentially affect the subjective estimation of effectiveness. (Effectiveness, as was pointed out in Chapter 2, can only be measured in the subjective estimation of the board members and CEOs.) Hence the following hypothesis is proposed:

7. The board member's reasons for serving on a board will not predict board effectiveness.

Thus, the implications of mixed motives among board members in terms of the provision of the collective good of board governance warrants exploration.

It is a further assumption of the ideal model that all actors in the nonprofit organization are altruists, being neutral extensions of the board, with no independent

incentives. By extension, the ideal model, describing staff as the implementing arm of the board (Conrad & Glenn, 1976; Swanson, 1978) functioning only to fulfil the wishes of the board, also assumes that the staff are at a minimum neutral and likely also to be altruists. Such an assumption is empirically questionable.

Even the wisdom of the practice-based literature is at odds with the presumption that staff exist only to further the wishes of the board. There is empirical evidence for the dominant role of the CEO (Unterman & Davis, 1982) and the independence of the CEO from the board (Young, 1983). Revisionist proposals to have the CEO assume increased authority and power in the agency as a means of saving the nonprofit form of governance are being discussed (Dayton, 1987; Herman & Heimovics, 1989). Even in conventional wisdom, the relationship of board and staff is now seen to have independent actors and is modelled as a partnership.

It may be that, when nonprofit staff was all volunteer, shared values between board and staff could be assumed. However, in response to increasing demands for management and service skills in social service nonprofit organizations (Skidmore, 1983), there has emerged a staff that is both paid and professional. In this paper, the agency bureaucracy is assumed to be paid with professional training in social work, or to have equivalent experience. McLean (1987) points out that the bureaucracy cannot be considered

to be a neutral extension of its political master. Rather, a bureaucracy is a set of actors with its own incentives and goals (McLean, 1987; Niskanen, 1971). At a minimum, members of the bureaucracy would have their own professional goals and interests to further.

In this paper, analysis of the relationship of board and staff is restricted to the relationship of the board with the chief bureaucrat, the Chief Executive Officer. Other terms for the chief bureaucrat are the "Executive Director" or "Executive Secretary". However, in order to more accurately reflect the nature of the position, the alternate terminology of Chief Executive Officer (CEO) was adopted. The relationship between the board and the CEO is described as the key linkage between board and staff (Conrad & Glen, 1976). In addition to professional incentives, the CEOs look to their position in the nonprofit organization as their source of employment with all of its associated benefits and "perks." Thus, the role of the CEO would, for the incumbent, be salient and important (central on the continuum of centrality [Colwill, 1982]). The job of the CEO is the incumbent's career, a full-time investment, the source of much affirmation.

Logically, there would be a difference in the valuation that each constituency would put on its respective role. For the CEO, the employment role is central and salient. For the board members, the volunteer role is likely to be

less significant and salient than other roles such as spouse, child, parent, employee, or family member. The expected differential in role salience and the predicted independence of the bureaucracy lead to the following hypothesis:

8. Board members and CEOs will have different valuations of the importance of their role in the NPO. In particular, to a greater extent than board members, CEOs will report that it is important to be viewed positively by board members.

Note that it is the board members who hire, evaluate, and can fire the CEO. Should this predication be confirmed, the impact of a bureaucracy with independent incentives as one constituency in the nonprofit organization would need to be examined.

Finally, there is the matter of the interdependent relations held by boards. It is trivial and obvious to note that any social actor is in an interdependent relationship with other social actors. Yet the ideal model omits the effects of contextual forces on the board and nonprofit organization. It is likely that board members and CEOs are aware of the impact of contextual forces on the board's operations. At a minimum, most boards of directors are involved in multiple funding arrangements that carry various accountabilities and are linked with other nonprofit organizations through advocacy issues. To test the awareness of contextual forces on the board, the following hypothesis is proposed:

9. Board members and CEOs will agree that the operation of the board and the NPO is affected by external forces.

If the above hypotheses are confirmed, the groundwork is laid for exploring the implications of applying another set of assumptions to the ideal model. These alternate assumptions are those that flow from the collective good and social dilemma findings.

#### Alternate Set of Assumptions

To this point, it has been argued that board governance may be defined as a collective good, with board members in a social dilemma relationship over its provision. Given, as argued above, that the general assumptions in the ideal model may be relaxed, insight into board functioning may be developed by applying the assumptions of the collective good and social dilemma paradigms. These assumptions are very simple behavioural ones. Their power becomes evident when they are applied to a specific situation (here nonprofit boards of directors). It is the nature of the interactions and the particular values of the actors that combine with the theoretical assumptions to generate the theoretical propositions.

The following assumptions are used to further understand nonprofit boards:

- . about the nature of the people:
  - . That people are rational and consider the

consequences of their actions in their decisions (Rapoport, 1966). In this view of rationality, people act to obtain the greatest value to themselves flowing from a choice (act as expected value maximizers [Frohlich & Oppenheimer, 1978]).

- . That people hold different preferences over different states of the world, and that they hold different values that they apply in their decision making (Klandermas, 1986).
- . That people may have mixed motives in the decision to contribute to the collective good of board governance, and that people exhibit a range of preference structures. Empirical work has demonstrated the presence of altruism, self interest, and difference maximizing behaviour (Frohlich & Oppenheimer, 1984). Reliance on altruism is thus relaxed.
- . That roles, given that they incorporate one's own expectations and the expectations of another may conflict (Wrightsmann, 1977), and subject the incumbent to competing pressures, and furthermore, that roles differ in centrality with the more central role being the more salient for the individual (Colwill, 1982).

- . aspects of the organization and its processes:
  - . That information is both costly to obtain and imperfect when obtained (based on Downs, 1966), is subject to distortion in processing (Perloff et. al., 1980; Tversky & Kahneman, 1981), and is a base of power (French & Ravens, 1959; Kanter, 1980).
  - . That resources are scarce and hence choice is constrained for to choose one course of action is to simultaneously not to choose others (opportunity costs, Lipsey, Purvis, Sparks & Steiner, 1982).
  - . That the nonprofit organization is comprised of two sets of organizational actors-the voluntary board and the bureaucracy (either volunteer or paid, but for the purposes of this paper, assumed to be paid). Each organizational actor is rational, and has incentives linked to each respective role.
- . about the context and interdependence:
  - . That contextual factors matter (Frohlich & Oppenheimer, 1978; Van De Kragt et. al., 1986), and hence the success of operations depends in part on the relationship and linkages maintained with other key actors in the environment (Moss, 1983).

Taken together, these assumptions and factors bear a startling resemblance to the micro-economic theory of the firm. While admittedly imperfect (Plott, 1979), the micro-economic model of the firm has demonstrated predictive power in explaining the behaviour of individuals and their organizations. This revisionist set of assumptions is arguably an initial effort at developing a micro-economic theory of nonprofit organizations. In many instances, the assumptions are the converse of those found to be problematic in the ideal model. They are consistent with both a theoretical body of work and empirical and practical knowledge of nonprofit organizations. Moreover, they are reflective of intuitive notions regarding people's behaviour. Hence they are more realistic than those of the ideal model. If proven to be relevant, they offer the promise of utility in understanding nonprofit governance.

The analysis examines the following factors:

- . mixed motives and the decision to contribute;
- . the problem of information and decisions as the board's product;
- . multiple roles and conflicting incentives;
- . the interdependent environment; and
- . goal clarity in the NPO.

In each case, the strategy is to look behind the ideal model in order to propose hypotheses to further our understanding

of nonprofit organizations.

Once board governance is modelled as a collective good with the board members in a social dilemma, the general predication, following from the dominant incentive not to contribute (to defect), is that the board will be characterized by both differential performance and free riders. Thus, it can no longer be assumed that the board, by virtue of its voluntary nature, will by definition provide sufficient board governance for its nonprofit organization. It is the case that optimality in the supply of the collective good increases if the expectations of the parties are coordinated (Frohlich & Oppenheimer, 1978; Hardin, 1981; Olson, 1971; Dawes, 1980; Van De Kragt, 1986; Messick & Brewer, 1983). Therefore, to the extent that the board is organized to coordinate the expectations of the members, the collective good of board governance will achieve a more nearly optimal supply.

In general, the greater the problems with the factors identified above, the less effective the board would be. To the extent that boards of directors experience problems with these factors, the board is marginalized in terms of its contribution to the nonprofit organization.

### Mixed Motives and the Decision to Contribute

The consequence of relaxing the altruism assumption and allowing mixed motives is a theoretical prediction of free riders in the provision of collective goods. Hence, rational actors may obtain the benefits without incurring the costs of providing the good (Frohlich & Oppenheimer, 1978; Plott, 1979). To the extent that free-riding occurs, there would be an under-supply of the collective good of board governance.

Such a prediction is contrary to the ideal model in which it is assumed that, as altruists, all board members would provide, or even should provide, sufficient time and energy to fulfil the demands for governance. Under the ideal model, all board members are expected to provide approximately an equal investment in board activity. This expectation cannot be supported empirically. Practitioners point to board members who provide less than is required, and to those who are over-involved in the nonprofit organization.

One consequence of relaxing the altruism assumption and introducing mixed motives into the decision to serve is the likelihood of variation in levels of contribution to the board by board members. The following hypothesis predicts the presence of variable levels of contribution.

10. Differential levels of investment in the board will be reported (measured in hours contributed to the board per month).

Furthermore, there is every reason to expect board members and CEOs to be aware of the differential investment made by board members and to recognize that some board members do less than is required. Board members are able, and will make determinations of their performance against that of other members of the board. Judgements will be made, not only of the sufficiency of one's own contribution, but also of that of others. Having argued that the board members subscribe to the ideal, it is reasonable to expect that they have wittingly or unwittingly incorporated the behavioural assumptions-that contribution and effectiveness are linked.

If, contrary to the ideal model, members are assumed not to be altruistic, the decision to contribute time and effort becomes a problem for the individual. Board members must use some calculus in determining their investment in the board. Public choice predicts that to overcome free-riding over collective goods members must have a sense of making a difference. Hence, the individual will contribute if he or she perceives that he or she is making a difference or is important to the provision of the good. But public choice predicts that the individual will contribute only if the benefit from doing so exceeds the cost (a positive benefit-cost differential). The hypotheses in this section follow from this premise.

Contributions to collective goods have been

demonstrated to achieve optimality as each member contributes to the point where his or her marginal benefit equals his or her marginal cost (Frohlich & Oppenheimer, 1978). Thus, in making the investment decision, the rational board member would clearly weigh the benefits and costs of so doing (modelled after Frohlich & Oppenheimer's [1978] argument delineating the basis of contribution to a collective good). The benefits are reflected in the reasons for serving that are achieved by membership on the board. There is clearly a variety of demands or costs in the role of board member. It is a job that requires the individual, at a minimum, to allocate time to attend meetings, to read the material, to assimilate it, and to invest in the discussion. Moreover, there are reputational costs (Schoderbek, 1982; National Information Bureau, 1968) and the emerging demand for greater involvement in the board role, especially in the provision of financial resources (Gregory, 1985). Furthermore, the demands of this role may compete with the demands of other social roles. Board members are generally involved in a variety of other roles (as income earners, parents, etc.) that involve much higher stakes for them personally than does their role at the agency. To the extent that individuals experience a conflict between the board role and their other roles, and the board role does not meet the test of centrality (Colwill, 1982), the cost of involvement would be increased.

Investment in the board job comes when, in the calculation regarding service, the additional benefits of contributing to the board outweigh the costs. This discussion leads to the following hypothesis.

11. In the calculation regarding serving, the benefits of board membership will be weighed against the costs; that is, the greater the expected utility gains the greater the investment in the board.

If the perceived benefit from involvement predicts the investment by board members, then it is useful to understand the factors that affect the assessment of the difference between benefit and cost.

There are a variety of cognitive, emotional, and behavioural reasons why people develop a stake in the programs and organizations with which they are involved (Schierer, 1979; Weiss, 1972). People become aligned. Even in a relatively unspecified form, the literature on boards notes that board members come to care about the NPO. Board members are expected to value the agency goals (Paquet et al., 1987; O'Connell, 1986), even if they do not subscribe to them prior to joining the board.

Contribution on a voluntary basis to the provision of the collective good is enhanced if the individual perceives that he or she is crucial to the provision of the collective good (Frohlich & Oppenheimer, 1978). Hence, board members who perceive that they have an impact and are effective would more likely make a higher investment than would board

members who see little impact. Here again, effectiveness is measured as it was in the case of the overall board having impact-in changing policy, in changing proposals, and in being personally influential. This relationship is explored in the following hypothesis:

12. Board members who perceive that they are making a difference will invest more in the board.

Thus, the expected value maximizer, being rational, in a constrained choice situation with role conflict, can still be expected to voluntarily contribute, and to contribute, if not in an optimal amount, sufficiently to ensure some supply of board governance. It becomes important to suggest what would affect the benefit-cost calculation that board members would make.

The conventional wisdom holds that board members will invest if they feel valued as volunteers. Here it is assumed that psychic rewards are sufficient to warrant the decision to contribute. For example, in the current campaign by the Canadian Centre for Philanthropy to encourage giving of both time and finances, the advertisements invite people to "give and feel good." However, this form of psychic payback has limited explanatory power for rational self-interested value maximizers. An increased sense of feeling valued as a volunteer should not substantively affect the investment on the board. To test for the relationship between this form of psychic payback and perceived benefit, the following two

hypotheses are proposed:

13. There will be no relationship between feeling valued as a volunteer and the difference between benefit and cost for board members.
14. There will be no relationship between feeling valued as a volunteer, the net difference between benefit and cost; and the level of contribution to the board.

Taking all the foregoing together, the difference between benefit and cost, or at this point the perceived overall net benefit for involvement, would be composed of a variety of factors. These factors might include: making a difference (changing policy), having a personal stake in the board, assessing the board to be effective and efficient, being committed to the goals of the organization, and feeling appreciated or valued. Hence the hypothesis:

15. The greater the sense of making a difference, the greater the personal stake in the board, the more the board is assessed as being effective and efficient, the greater the commitment to the goals of the organization, and the greater the assessment of being appreciated as a volunteer; the greater the net benefit of involvement.

This revisionist approach to the decision to contribute to the collective good of board governance has more power than the ideal model that requires that the transient feeling state of the individual be positively affected. Examining the relationship between benefit and cost, and identifying some of the strategies available to the board member to keep the difference between benefit and cost positive, permits strategies to be designed to influence

board performance. To the extent that either perceived benefits or costs can be manipulated, the involvement of the board member and the provision of the collective good can be affected.

### The Board's Product-Its Decisions

The output of the board has, for this project, been operationally defined as the decisions made. In operationalizing the board's output as its decisions, a distinction is made from the substance of those decisions. It is the substance of those decisions that comprises the essence of the traditional definition of board output (its policy). In this section, factors that influence the decision making or output of the board are reviewed.

It is implicitly held in the ideal model that information available to board members is complete, sufficient, usable without effort, and without distortion. It follows that the board should be fully informed. This perspective would be shared by both board members and CEOs. Furthermore, given that the staff is presumed to be a neutral extension of the board and, in the traditional perspective, responsible for implementation, board members should rely on the CEO (at the nexus of the board/staff relationship) for information. It is the job of the CEO to ensure that board members are sufficiently, and in the ideal model, completely informed. At the outset of the analysis,

these naive expectation need to be confirmed. Hence the following hypothesis:

16. Members of boards of directors and CEOs will subscribe to the premises of the ideal board that the board should be fully informed and that it is the job of the CEO to keep the board informed.

The theoretical prediction from social dilemma and public choice theory on information is contrary to these naive assumptions in the ideal model. Public choice assumes that:

- . the individual will free ride in the use of information;
- . that the impact of the the board member on the board will be related to his or her use of information;
- . that the manageability of the job of board member will be affected by attributes of the information available;
- . that board effectiveness will be significantly explained by information variables.

The hypotheses in this section test which of these predictions holds.

Information has been shown to be difficult to obtain (costly) and imperfect when obtained (Downs, 1957). Furthermore, people have difficulty processing information as a result of systematic biases and distortions (Perloff et. al., 1980; Tversky & Kahanman, 1981). The theoretical predication is that boards will experience problems with

this factor in their production function.

Developing information for decision makers has two components: a political activity and a technical activity (Rossi & Freeman, 1986; Patton, 1981 and 1986). With both of these components, the board is expected to experience difficulties. Aspects which reflect the nature of the political component involve the following types of issues: defining the question for which the information is sought (determining the relevant question [Patton, 1982]), describing the boundaries or range of possible alternatives within the scope of the agency goals and available technology, and determining the nature of the presentation (for information may be ordered to convey different content without malicious intent [Cochran, 1978]). The technical aspects reflect the agency's ability and resources to establish and to operate monitoring and reporting systems: to have timely information to report on its activities and its environment. For these practical and theoretical reasons, it is expected that the board will experience problems with the information it receives. These problems will be of four types: timeliness, quantity, quality, and relevance.

To the extent that the board and its members experience difficulty with each of these attributes of information, the board job will be more complex. Consequently, board members will either have to increase their level of contribution or

less than optimal governance will result. It is a fundamental prediction of the collective good construct that in the provision of collective goods, individuals will seek to maximize their net benefits. Consequently board members will not expend more energy than necessary, particularly given that the role is not necessarily central and is one in which the members would have difficulty discriminating the impact of their contribution. Moreover, there are times when it is rational to contribute less than one could. It may-as Downs (1957) points out-be rational to be ignorant. Consider the following potential scenarios: (a) the board members could read some but not all of the material (rational ignorance argument, Downs, 1957); or (b) they could decide whether to trust the people providing the information, and, once having made that decision to reduce their investment in dealing with subsequent information (applying the party differential allegiance argument of Downs [1957]).

Given that boards require information in order to make decisions, and given that board members are in a collective goods situation, the more there are perceived problems with information, the less manageable the board members will perceive their job to be. Adequacy of information would include: an appropriate volume of information, adequate time to read any materials, alternatives to consider, and a sense of satisfaction with the sufficiency of the material.

The relationship of the adequacy of information and the manageability of the board job is tested in the following hypothesis:

17. The greater the problems with information, the more the board's job will be assessed as unmanageable.

Should board members come to view the job as unmanageable, there would be less incentive to contribute. Two hypotheses relate the perceived manageability of the job with the level of contribution and the perceived impact of the board member and the board.

18. The greater the information problems, the more the board members will minimize their contribution to the board.
19. The greater the problems with information, the less the board members will perceive themselves as making a difference.

However, some individuals are willing to expend more energy. Those board members with a professional interest in the area, those who came to the board seeking power and influence, those with a greater personal stake, would likely value the benefits and costs differently than board members without a professional interest. Following from the benefit-cost relationship, those willing to bear higher costs or having a greater stake in the activity of the board would be expected to make a greater investment. Informal power structures may emerge that do not necessarily follow the formal organizational lines. The following hypothesis explores the possibility of influential board members.

20. There will be a power differential among board members as a result of their greater energy expended and their authority over some range of issues.

To the problems with information must be added the issue of the use that board members make of the information when they receive it. Again, this aspect of board governance is a little more complex than is the naive view of democracy that seems to permeate the board literature.

In the process of aggregating individual preferences to a group choice, imperfect though the process may be, boards discuss various issues. The board members are expected to represent the range of opinion in their community. As the board is a mechanism for conflict resolution, the debate should at times be intense and polarized. Contrary to this expectation, decisions are usually made consensually in a calm and pleasant atmosphere (Compton & Galloway, 1984; Middleton, 1987). It may be that group norms are formed that bolster group behaviour at the expense of critical thinking. Janis (1971) labelled this behaviour "groupthink", in which there is a cost for deviation from what appears to be the norm for the group. With board members who want to be perceived as doing well and who have difficulty in discriminating the value of their individual contribution, group norms could prevail. Overall, the result could be confusion in understanding the output of the board. The following hypothesis tests this relationship:

21. The more consensual the decision-making process,

the less clear the output of the board will be.

It has already been argued that, to the extent that there are problems with the information provided to the board (in terms of sufficiency, timeliness, appropriateness, and volume), the board will be less effective in its performance. Moreover, it was demonstrated that boards place extensive expectations on the CEOs—the expectation that the CEO will know what is happening at the agency and be able to tell the board members.

Difficulty with information increases with the introduction of the structural relationship of the board and the CEO. It is on the CEO that the board relies for information. Not only is information a base of power (French & Ravens, 1959), but reliance on the CEO for information denies the board members other perspectives, which, Downs (1966) argues, are necessary to counteract distortion.

Moreover, the CEOs' incentives in terms of information reported to the board need to be appreciated. In dealing with a constituency that provides the rewards associated with employment, the CEO has incentives to have the agency not only perform well, but also to appear to perform well. (The board is in a similar position in dealing with its external constituencies.) The CEO has incentives, for example, without necessarily having any malicious intent, present the information to the board in order to demonstrate

management competency as well as the general success of the agency's services (Cochran [1978] makes this point in the general sense). Moreover, the utility of information is enhanced by its strategic use (Alfeld & Miller, 1984). Consequently, the ability of the board to do its job, particularly that of constructive critic (see discussion on Multiple Roles), could be negatively affected.

Further consolidating the informational power base of the CEO, is the preference in western civilization to depend on a technological or professional solution to problems. To the extent that the volunteers (board members) assign greater weight to the advice of the professional, board authority would be decreased and CEO authority increased. Consequently, there could be increased confusion in the board's ability to understand its job. The asymmetry of information between the board and the CEO only serves to strengthen the traditional reliance of the Board on the CEO. Hence, the following hypothesis is proposed.

22. The more boards accept the appropriateness of expert advice and the technical solution, the more authority the CEO will be given.

In general, there are incentives for the board members to rely increasingly on the CEO and the bureaucracy. To the extent that this is the case, the impact of the board would decrease. To test the relationship between information and board impact, two hypotheses are proposed:

23. The more board members depend solely on internal sources for information, the less impact will be

reported by board members.

24. The more board members depend solely on internal sources for information, the more board members will assess the CEO as powerful.

From the preceding discussion, it is obvious that information is a major element in the production function of the board. To the extent that there are problems with this factor, the board would be less effective and have less impact on its nonprofit organization.

#### Multiple Roles and Conflicting Incentives

It is fundamental to the ideal model that the board role is clear and that the job of the board member is understandable. The traditional perspective is presented as a set of responsibilities that comprise the board role (Figure 1). Included are a variety of functions: those of purpose and policy governance, program governance, financial and personnel management, and advocacy (Paquet et. al., 1987). Within the context of the framework, a number of tasks are usually assigned to boards: hiring, nurturing, supervising, and firing (as necessary) the CEO; providing legitimacy, fund raising, determining policy, and identifying need (Paquet et al., 1987; Schoderbek, 1982; Swanson, 1978; Conrad & Glenn, 1976; O'Connell, 1985).

These activities and tasks may more accurately be viewed as comprising a number of roles, or a series of global functions that the board is expected to fulfil. The

roles that emerge for the board-of sovereign, of constructive critic, of advocate-serve to integrate the activities prescribed by the board in the functional perspective. It is here that a link between the ideal attributes and the functional framework for boards is apparent. This discussion traces the consequences for board governance that flows from the variety of competing roles across which are multiple and mixed incentives.

As sovereign, the board has oversight of, and is responsible for, the organization and its activities. This role incorporates the functions of legitimizing the nonprofit organization, defining what it seeks to accomplish (its purpose), ensuring activities to support the purpose (through a bureaucracy), and providing the necessary resources (financial and personnel). As sovereign, the board is accountable for what is accomplished. It must be able to determine the effectiveness with which it is achieving these functions: its impact as sovereign.

Thus, the board has the responsibility to evaluate and monitor itself, the agency, the staff, and the effectiveness of the services. This role of constructive critic includes the functions of monitoring the CEO and of determining the success of programs in achieving agency goals.

Thirdly, there is the role of advocate, not only for the agency, but also for the social issue to which the agency goals are directed (Paquet et al., 1987). In this

role, the board is expected to represent the agency, over which it is sovereign and for which it is a constructive critic, in order to advance its interests. The following hypotheses assert that these roles are accepted by the actors in the nonprofit organization.

25. Board members and CEOs will subscribe to these three roles as descriptive of the board job.
26. However, given their different relationship to the agency, there will be significant differences between the board and the CEOs on the relative importance of these roles.

These roles do not integrate into a tidy, unidirectional package. Rather, they provide incentives that are competing. The behaviour required of the board in one role is not necessarily compatible with that of another role. Consider first the comparison of two roles: the role of advocate and the role of constructive critic. As advocate, the board has incentives to represent the agency in the best possible light. The board would assign greater importance to the goals of the agency than to those of any other nonprofit organization. However, the board could also align with other boards in the same area of interest in dealing with boards representing other social problems. Thus, the advocate role could involve behaviour that is cooperative in interactions at the boundary of a sector and competitive between agencies within. It may be that this analysis has only served to make explicit the competition, especially for the charitable dollar, that has existed

between agencies.

The information requirements of these roles differ. As advocate, the board would seek information that would report the excellence and worth of the service, its quality and relevance. In this role, the board has the incentive not to be too knowledgeable concerning its own internal problems. There are times that it is rational to be ignorant (Downs, 1957). It is easier to argue from the heart on behalf of an organization than to subject the same organization and one's sovereignty to criticism. However constructive the criticism, one might be less able to make the positive argument at the external boundary.

In its role of constructive critic, the board would require information concerning the inputs, outputs, and outcomes of the services of the agency. This role also requires that the board be able to differentiate its product from that of the agency and to have information to evaluate its own performance. The key questions concern what is being provided, to whom, in what amount, and with what impact. This type of information is complex to develop and use, given the uncertain nature of social work technology (Kramer, 1987), the problem of causal modelling in the human services (Bickman, 1987), the problem of measurement (Anderson, Basileusky & Hum, 1983), the incentive of the staff to order the information to cast the best possible light on agency performance (Cochran, 1978), and the

sophisticated nature of such an assessment. The technology of program evaluation is itself a subtle and complex blend of the art of the politics and the science of research (Rossi & Freeman, 1986; Wholey, Abramson & Bellavita, 1986). Moreover, for the board members, there is the challenge to invest energy, time, and resources in seeking to redress the internal problems in the organization discovered by fulfilling the role of constructive critic. The demands on the board would increase.

The interaction of these roles would be complex given their varying responsibilities. As sovereign, the board is accountable for the activities of the agency. As constructive critic, the board assess the impact of the services on the clientele. As advocate for the agency, the board is responsible to present it in the best possible light. Taken together, these roles and responsibilities comprise a complex and potentially conflicting set of demands. To the extent that this is true, confusions could be introduced into the board members' understanding of the board job. Hence, the following hypothesis is presented.

27. The greater the clarity in the responsibilities for each of the three roles, the greater will be the board members' understanding of the board job.

A consequence of the role of sovereign is being responsible for the organization and its actions. Personal responsibility for the board and the actions of its organization is the hallmark of the board model. It is

because people are prepared to assume responsibility and to be accountable, that the NPO form of governance exists.

Accountability may be examined from two perspectives: psychological and structural. In the ideal model, accountability was primarily approached from an individual perspective. Reputation was the reason that board members would perform well and would be concerned about the performance of the agency. If there were problems with the agency, the reputation of the board member could be tarnished (Schoderbek, 1982; Conrad & Glenn, 1976). However, the sanction of reputational tarnish, given the limited visibility of board members and the short term nature of board investment, does not appear to be a strong force for normalizing behaviour. Moreover, reputation as a potential sanction requires the individual to see his or her contribution as being critical. To explore the relationship between reputation and the potential of risk to a board member, it is hypothesized that:

28. Board members will not perceive that their reputations are at risk by serving on the boards.

Again, the ideal model is not adequate.

It remains to explore what factors might underlie the notion of accountability. Psychologically, board members would accept accountability if they were aligned and cared about the board being seen to be doing well. Moreover, board members would likely accept accountability if they had an appreciation for the task at hand—a commitment to the

goals as well as an understanding of the job of board member. To these factors must be added the structural one of seeing oneself as accountable to someone else. In the board model, the link to the community is captured in the representation attribute. There is also a requirement to know for what the board is to be held accountable, and for what the CEO is responsible. To explore the relationship of these factors and board accountability, the following hypothesis is proposed:

29. The greater the importance board members place on being seen to do well, the more appropriate the relationship with the CEO, the clearer the understanding of the board job and the goals, and the greater the sense of representation; the more accountable the board members will perceive themselves to be.

In addition to the three roles for the board, the board is organized to create additional roles. The incentives and responsibilities of the different types of board committees are a mix of cooperation and competition. There are competing incentives between the line committees (program and service) and central committees (finance and personnel) as a consequence of their different responsibilities. It is the task of the finance committee to arrange the management of the revenues and to check that expenses are kept within bounds; while the program committee would have incentives to change and to expand services to meet perceived needs of users that are likely to require additional resources. This set of mixed and competing incentives are similar to those

between central agencies and line departments in government. Personnel in line departments view the central agencies in a negative light, as constraints, not as enablers. Similarly, members of central agencies view line agencies as needing to be constrained-to have limits placed on their spending.

Further conflict is possible in the relationship between the committees and the board itself. The role of a committee member requires that the individual board member become an expert in some area of agency activity. The incentives therefore are for the individual to become aligned, to advocate for the area of endeavour managed by the committee, and to compete for the agency's internal resources. It is the game in which the committees are engaged that establishes the outcome. The committee allegiance could be more salient than the board role of sovereign and constructive critic. There are conflicting incentives for an individual who, as board member, judges the work of peers, and who, as committee member, makes representation to the board.

Organizationally, the board is presumed to be a body of equals, operated by collegial mechanisms within a structural hierarchy (officers and committees). The hierarchy may work against the presumed collegiality. Moreover, differential power is expected. Those committees or positions that control resources or have higher offices can accrue greater

power and influence. Hence the following hypothesis is proposed:

30. For board members, perceived influence will vary with the office held; that is, the higher the office on the board the greater will be the perceived impact of the board.

At the level of the individual, additional complexities are introduced into the role of board member. It is the recommendation of many writers (among others Paquet et. al., 1987; Conrad & Glenn, 1976; Swanson, 1978; Duca, 1986), that board members be recruited for their talents and special skills. A board member with special skills accepts not only the role of board member, but also the role of expert servant to the organization. Much of this expert work, if not done by the board members, would otherwise have to be done by staff or outside professionals at considerably greater expense (Slavin, 1978).

It is quite conceivable that a lawyer who becomes involved in legal work for the organization could construe the legal work to be the equivalent of his or her contribution to the board. Yet these may be two disparate functions. There is also the possibility of a conflict of interest. If the expert on the board is involved in developing a product, then that expert is not necessarily in a position to criticize that product as a board member. Furthermore, reporting relationships may be masked, as the board member may, in the process of doing the work, be in

the position of reporting to the CEO. Hence, the following hypothesis is proposed.

31. The more the board members use their personal and professional skills, the greater will be the confusion in board output.

Using one's professional skills is a private, not a collective activity. Hence, a member would be able to identify his or her effect. Such board members may be much more willing to invest in the board role. This relationship is explored in the following hypothesis:

32. The more the board members use their professional skills, the higher will be the perceived difference between benefit and cost.

From the foregoing, it is obvious that the job of board member is complex. There are multiple and competing responsibilities across roles, and problems with the information available to make decisions. (Further complexities in the board job are discussed in subsequent sections: eroded and masked linkages and confusion with goals.) Two hypotheses are proposed:

33. The greater the confusion across the multiple board roles, the lower the assessment of board effectiveness.
34. The greater the confusion across the multiple board role the less impact the board will have.

#### Introducing the Paid Bureaucracy

The ideal model describes the staff as the implementing arm of the board, functioning only to fulfil the wishes of the board (Trecker, 1970; Conrad & Glenn, 1976). Board

members and CEOs accept this presumed neutrality of staff. However, both constituencies also appreciate the centrality of the CEO position for the agency and the complexities of the relationship. Kramer (1987) points out that attempts to delineate a suitable division of responsibility between the board and the CEO have failed. Thus, both constituencies not only subscribe to the myth of the ideal model but also, in part, see through it. They hold inconsistent views. Two hypotheses are proposed:

35. Board members and CEOs will accept that the staff is required to implement the wishes of the board.
36. Board members, more than CEOs, will indicate that there are clearly demarcated lines of responsibility between the board and the CEO.

Although public choice does not have an extensive literature on the incentives of bureaucrats, the independent incentives of the bureaucracy are accepted (McLean, 1987). The premier public choice theory on the incentives of bureaucrats argues that bureaucrats maximize their budgets. The incentives for the bureaucrat are to establish a span of control and influence (Niskanen, 1971). Hence, to explore the relationship between the board and the bureaucracy, three aspects are explored:

- . a potential transfer of power from the board to the bureaucracy;
- . shared responsibility for effectiveness;
- . board effectiveness and its relationship to the CEO.

It is possible that CEOs, more than board members, have an incentive to maintain the myth of ultimate board responsibility. Such rhetoric could serve to protect the CEO. However, contrary to the ideal model that describes the board as having ultimate authority and accountability for the agency, both sets of actors notice that the CEO shares responsibility for the effectiveness of the nonprofit organization. The following hypothesis is proposed in order to demonstrate that both actors understand the shift in the relationship and the centrality of the role of the CEO.

37. CEOs and board members will agree that the job of the CEO is the most important at the agency.
38. CEOs, to a greater extent than board members, will perceive that the CEO shares responsibility with the board for the effective performance of the agency.

In addition to shifting accountability in the agency, a paid bureaucracy introduces another role for the board: that of an employer. As the legal entity for the organization, it is the board of directors that engages the staff, particularly hiring the CEO and delegating to the CEO the authority to engage the other staff. The board is responsible for ensuring the continuity and financial stability of the agency, so that it can offer employment security to its staff. The implications of the board assuming the role of employer is explored in the discussion of goals.

Multiple and conflicting roles, problems with

information, and uncertainty over goals generate confusion in the board role. It may be that the role of board members is more difficult than it has been in the past.

Concurrently, the bureaucracy introduces additional complexity. In sum, there is the potential for a shift in the distribution of power in the nonprofit organizations.

The board has incentives to defer to the CEO. Some of the factors leading in this direction include: the structural centrality of the CEO, the dependency on the CEO for information, adaptation of goals to include staff perspectives, and the new roles for the Board (e.g., agent, employer). The CEO sits at the apex of the bureaucracy and is the main, if not only, link between the board and the agency. There is some evidence that other actors appeal to the apex player to resolve a social dilemma and to provide collective goods (Alfred & Miller, 1984).

Moreover, it might be rational for the board members, given that the cost for any board member to bring about change would be excessive, to so defer. It may be that the board tends to maintain the status quo in spite of the premise that boards are instruments of social change in society. It would require extensive effort by one board member to change the direction of a board. Concurrently, there are career and professional incentives for the CEO to seek power and authority. The board's ability to function will be strongly influenced by its relationship to the CEO.

This discussion leads to the following hypotheses.

39. The CEOs will describe themselves as more influential in changing policy than board members.
40. The more the relationship of board and CEO is described as being appropriate as measured by clearly demarcated lines of responsibility, satisfactory authority delegation, the centrality of the CEO job at the organization and the shared responsibility for organization effectiveness; the greater will be the assessment of board effectiveness.

Note that the latter hypothesis is, in itself, a major departure from the ideal model.

In summary, there are multiple roles carried by board members. Consequently, the job of the board member is complex rather than straightforward, as assumed in the ideal model.

#### The Interdependent Environment

In the ideal model of the nonprofit organization, a group of people join to undertake a project and to provide services, constrained only by the available resources and the acceptance of the clients. With the membership and board members as the primary source of funds, and a clientele, the organization could indeed be independent.

Under this model, the major linkages for a board are with the membership of the organization from which it is elected, with the community to which service is directed, and with the community from which funds and support are solicited. In this picture, the board is sovereign and

autonomous, yet representative of, and accountable to, the community. The board sits as agent ("servant" in the words of Robert, 1967) for, derives its legitimacy from, and functions as a form of local level government over, its community. Reciprocity is established through the board's accountability to its community with the membership being the "countervailing power" to the authority of the board (Schoderbek, 1982). The relevant community is defined by the goals and scope of the nonprofit organization. In some instances community may be geographically defined, such as all of Manitoba; in others it may be some specific need for a group of people, such as the disabled; for other it may be a community of interest, such as human rights. Moreover, the membership may be comprised of those who have a stake in the service, whereas fund raising endeavours may be targeted more widely to the larger geographic community.

There is emerging evidence to suggest that crucial linkages are being eroded. Restoring the community ownership of nonprofit organizations is a concern among practitioners (Social Planning Council of Winnipeg Conference, 1990). Individual giving has decreased (Arlett, 1979), and there is some evidence that income taxes are viewed as surrogates for the charitable contribution (Rosenbaum, 1982). Increasingly, nonprofit organizations rely on other organizations for their funding-government at all three levels, collective fund-raising organizations such

as the United Way, and Foundations. Thus, the link between charitable giving and the individual community member is weakened. The outcome of these forces is an erosion in the community base of the nonprofit board.

As well as the practice-based evidence of a change in the traditional linkages, there is emerging evidence to question the presumption of sovereignty and board independence. With an American sectoral perspective, Hall (1987) exposes the reliance of the nonprofit sector on government funding, and thus debunks the idea of the nonprofit sector being independent. In assessing the Canadian scene, Wolf (1985) points out the functional interdependence of Canadian nonprofit organizations with other social actors. However, there is no adequate theory of the relationship of boards and nonprofit organizations with the other external actors. Recent attempts to develop theoretical perspectives on nonprofit organizations (Salamon, 1987; Hansmann, 1980; Ellman, 1982) do not incorporate relations at the external boundary. The unexpected consequence of modelling boards as independent organizations may have actually been harmful (Ostander, 1987). It has masked the effect of interdependence on the understanding of nonprofit organizations as societal actors. Of course, with independence and sovereignty assumed in the ideal model, there is no need to examine the effects of interdependence. Four consequences of interdependence are

predicted: (a) a decreased sense of the board being representative of its community, (b) an erosion of the board's appreciation of its sovereignty, (c) the assumption of new roles by the board, and (d) the introduction of expansionary pressures on the board.

The first anticipated effect of interdependence is a decreased appreciation of the board as being representative of its community. As representation provides the legitimacy for the board to define agency goals and to deliver service, any change is consequential for board authority.

No longer is it necessary for a board member to have had affiliation with the agency or to have been a member prior to joining the board. Rather, the conventional wisdom recommends seeking board members for their skills--the skills necessary to deal with an increasingly complex and interdependent environment. Hence a new board member could join the board with limited information or knowledge about the board and the nonprofit organization, a situation that may have led to training and orientation being proposed as solutions to the ills of the board performance. In some cases, the traditional mechanism of election is being replaced with appointments and representational ties to other organizations. This shift, from a membership or community base to other linkages would affect the nature of representation on the board. Moreover, to the extent that organized third-party funders provide operating resources,

there would be less need for the board to deal with its community. These factors suggest that the perception of board being representative of the community would be decreased. Hence, the following hypothesis is proposed.

41. The greater the reliance on third-party funding, the less representative the board will deem itself to be.

The second anticipated effect of the interdependence of the board with a variety of other actors is an erosion in the board's sense of sovereignty. Rather than unilateral accountability with its membership, the board, having entered into contractual arrangements with a variety of funders, would experience multiple and potentially confusing accountabilities. An Ontario study found that, in the opinion of board members and CEOs, it was appropriate for the government, as a funder, to share in the accountability of the board for its agency (Draft Report, 1985).

Although the relationship between the funder and the board is not envisaged in the ideal model, this relationship is not irrational. It is rational for the board to fulfil its fund-raising function by accessing the revenue pool of the organized funders. By so doing, the nonprofit organization can stabilize itself, can secure its survival, and can lower the fund-raising costs for the board. Preparing funding submissions for a few funders, with some reasonable expectation of a substantial contribution and ongoing commitment, would seem to be the preferable route to

a community-based fund-raising campaign, with all its uncertainties.

However, the incentives and requirements of the funder would affect decision making for the board. The funder shares one of the board's responsibilities-fund-raising-and hence the funder has influence in the NPO. Providing the revenue for operation is alleged to be a key function of the board (Gregory, 1985). It is one that determines the scope of services and, as Kramer (1987) points out, sometimes their nature. It is one to which the board members subscribe, reflecting the conventional wisdom of their obligation to ensure the survival of the agency. Again, the tie to the community is eroded, for it is the funder, not the community, that becomes the target for additional revenue. If the funder is expected to defray any deficits, dependency of the nonprofit board on the funder could be created. (In 1992 this dependency may no longer be as evident as it has been in the past. Third-party funders have made it amply clear that they will not provide additional revenue to organizations that incur deficits [Rowe, 1992].)

Moreover, the norm seems to be multiple funding relationships. The funder diversifies and purchases a wide range of services in the community. The nonprofit organization eases its dependency on each funder and shifts the power distribution from one in which the funder can

unilaterally change the conditions (Pfeffer & Leong, 1977). However, diversified funding sources introduce multiple accountabilities into the NPO with the associated cost of managing the multiple relationships. The differences in the contractual arrangements with the different funders generates a variety of reporting requirements. Hence, the board would likely experience some difficulty in making trade-offs across the various accountability demands. It follows that the board will experience a confusing sense of accountability to a variety of actors. Multiple and complex accountabilities and reliance on third-party funds for the revenue to operate would, together, serve to erode the board's sense of its sovereignty. The following hypothesis explores the relationship between extensive reliance on third party funding and board sovereignty.

42. The greater the board reliance on third-party funding, the less the board will perceive its role as sovereign.

The third effect of interdependence and reliance on third-party funding is the inclusion of new roles for the board and the consequent impact on the internal operations of the board. The board's role-set expands to include the roles of consumer of, and agent for, the funder. Hence, new and potentially conflicting incentives are added to the board role.

As consumer and agent, the board has incentives to represent the agency successfully to the funder and to

respect the requirements of the funder on the agency. It is in its role of advocate that the board represents the agency in the external environment. At the external boundary, the agency position is unitary flowing from its internal decisions for board members are expected to be aligned. In the advocate role, the board has incentives to use information to present its case in the best possible light (Cochran, 1978). This relationship is explored in the following hypothesis:

43. The greater the board reliance on third-party funding, the more the board will see it as its duty to represent the agency in the best possible light.

Furthermore, the relationship with the funder may generate significant reporting demands on the board. It is the funder's bureaucracy that would request the information and the NPO bureaucracy that would prepare it. The separation between those requesting and those preparing the information suggests that the information demands would be extensive. Moreover, to be equipped to deal with the funders' bureaucracy, the NPO may feel the need for its own bureaucracy. Consequently, the voluntary nature of the nonprofit sector may be shifting to greater reliance on professionals. It may happen that the assessment of the funder becomes more salient to the NPO than is the assessment of the board in its role of constructive critic.

The board maximizes the possibility of accessing the revenue pools managed by the funders if the requests are

presented according to the requirements of the funders. Therefore, the board incorporates not only its own, but also the funder's goals and time-lines, as it designs services resourced by a particular funding organization. When services are designed based on the available resources more than the board's own goals, welfare entrepreneurialism (Frankfather, 1981) has occurred.

The board, vis a vis the funder, can assume a role not unlike that of a bureaucracy, with the incentive to maximize what it can obtain from the funder. In addition, as the board seeks to be responsive to the programmatic and resource needs identified by staff, internal pressure to expand may develop. The following hypothesis examines the fourth effect of interdependence-the possibility of expansionary forces being introduced in the NPO:

44. The greater the board reliance on third-party funding, the more board members and CEOs will identify expansionary pressures on the NPO.

As a consequence of these four effects of interdependence, it is predicated that the board would have decreased power. The discussion leads to the following hypothesis:

45. The greater the board reliance on third-party funding, the less effective the board will perceive itself to be.

The general outcome of the move to third-party funding is predicated to include: shifts in the major linkages of the board, pressures on the formal goals of the agency,

bureaucratization of the agency, and dependence on the funders. These hypotheses are all fundamental challenges to the ideal model. Taken together, the intersection of these forces amount to a structural realignment, in which it is the funder, not the community, that becomes the central linkage for the board model.

#### Goal Clarity in the Nonprofit Organization

The goals of a board establish the purpose for the NPO. The ideal model assumes that the goals of the organization are clear, and that both board members and CEOs are committed to them. However, public choice brings a different perspective. Information is imperfect, and this imperfection of information affects the perceptions of goal clarity. Since the objective of the organization is to achieve the goals, board effectiveness would be affected due to the different perceptions of goals. Moreover, board members and CEOs, having different information, would have different perceptions of the goals. Among board members, those with independent information concerning goals, such as access to clients, would have different perceptions of goals. In this section, the nature of goals, and the presence of multiple, indeed potentially conflicting goals, are introduced as a prelude to the hypotheses generated by introducing the alternate assumptions concerning goals.

The ideal model assumes that the goals animate the

contribution to the NPO, define the need being addressed, and specify the outcome being sought. However, these three aspects of goals incorporate competing requirements.

To serve as animators to action, goals are often vaguely and generally worded. Broadly stated goals, abstract, idealized descriptions of program outcomes (Rossi & Freeman, 1985), allow people to believe their preferences are included. Thus, different constituencies with a general interest in the problem can join to support action (Weiss, 1985). As the goals are an outgrowth of the political process of establishing the organization, they are a reflection, not only of the program needs, but also of political imperatives (Weiss, 1972).

Over collective goods, there are no a priori theoretical grounds for expecting the goals to be sufficient to animate contribution. Self-interest, problems with information, conflict in roles, and scarce resources suggest that a belief in, and commitment to, a vaguely worded goal is not enough to motivate contribution (Klandermas, 1986; Frohlich & Oppenheimer, 1978). Boards have to do more than articulate a goal in order to coordinate expectations.

Goals also define the need being addressed and the outcome sought. Members of the board perceive a need, a gap between what is and what should be (Scriven & Roth, 1978). The need is to be resolved by the social intervention being

offered. That social intervention "alters the characteristics of another individual or the pattern of relationships between individuals" (Warwick & Kelman, 1976). Thus, goals are normative. They define the nature and direction of change, not only for the agency clients, but also for the community. To specify goals, boards require information about community values and existing social conditions (Rossi & Freeman, 1985). Citizens of the community, as board members, accept the opportunity and responsibility to create the type of community they desire.

The ideal model assumes that board members are motivated by these goals. Consequently, it is a fundamental premise of the ideal model that the goals of the nonprofit organization are clear, understood, and subscribed to by all board members. However, the different aspects of a goal suggest that the goal clarity assumed in the ideal model is not achieved in practice.

In point of fact, nonprofit boards are dealing with three sets of goals, not merely one. There are the formal agency goals, the political statements around which the organization is formed. There are the board's operational goals, the proxy or intervening steps toward the overall formal goals. There are the maintenance goals introduced by the bureaucracy.

Note the tension that this multiple perspective on goals introduces across the board roles. As advocate and

political actor, the board benefits from generalized goals that foster support for its endeavour. As constructive critic, the board needs operational goals specifically defined with objectives and criteria established. The vagueness that enhances the agency's existence works against determining the extent to which the goals are achieved.

The introduction of a bureaucracy raises another set of goals that reflect the investment of the staff members in their careers. These maintenance goals are neither irrational nor inappropriate (Weiss, 1972). They reflect the needs of employees from their employer (for security, salary, and benefits).

The choice for board members across the formal and maintenance goals is complex for choice must be made in the context of 2 sets of competing responsibilities. First, there is the need to ensure activities that directly further the work of the agency in achieving its formal goals. Second, there is the board's responsibility as an employer to ensure adequate compensation and appropriate working conditions for staff. In this choice situation it is likely that board members and staff would weight the options differently, particularly in light of the financial constraints facing NPOs (Rowe, 1991). To the extent that funds are allocated to maintenance goals, the board members may feel that service is being deprived. Conversely, to the extent that maintenance goals are not supported, the staff

may feel poorly treated by the board. Thus, not only do the goals become more complex, but board and staff have competing perspectives. As a consequence of the tension over goals, board members will have difficulty establishing explicit marginal rates of substitution across the formal and maintenance goals, such that goals will be malleable.

There is yet another source of tension over goals. Social work, the dominant profession in the social services (Kramer, 1987), has a model of practice that differs from the reality of the NPO environment. The greater the disparity across these two models, the more likely it is that there is tension over goals. There are three reasons why this might occur: the collegial versus hierarchal relationship, the independent practice model of social work, and the professional orientation of social workers.

First, there is the incongruity between the assumption of the collegial model of social work practice (Kramer, 1987) and the reality of the hierarchy in the nonprofit organization. Whereas the ideal model holds the board sovereign, social work administration theory argues for a system of parallel governance (Slavin, 1978); or a dual system of formal authority (the board) and professional direction (professional knowledge) (Kramer, 1987).

Second, there is the incongruity between the independent practice model (Code of Ethics) and the boundaries defined by the board model. The practice model

is described as a one-to-one relationship between the professional and the client in which the professional is in control of, and responsible for, the quality of practice. However, in the nonprofit delivery system the board sets the boundaries of service (the agency goals), establishes the thresholds or the levels of service capacity (the budget), and is responsible for the effectiveness of the agency (ideal model).

Third, given that professional social work staff have some commitment to the goals of the profession, they have incentives to include, in their calculation around the agency's formal and maintenance goals, the goals of the profession adapted to their specific agency. For example, there would be incentives for the professional, in this case the CEO, to seek to influence the agency allocations. Staff may possibly modify agency goals during implementation (Slavin, 1978). In the relationship between the social worker and the client, two goals emerge: the agency's and the goals of the social worker and clients. Tripodi (1983) delineates these as common and individual goals. There would likely be some pressure on the formal goals to adapt to the individuated needs of clients. Not only is there the potential to shift agency goals, but also the possibility of expansionary pressures. Moreover, given social work as an agent of change (Pincus & Minahan, 1973; Compton & Galaway, 1984; Germain & Gitterman, 1980; Patti, 1983; Skidmore,

1983), the agency itself could be targeted for change.

Hence, the assumption in the ideal model of homogeneous values (Granvotter 1973) underlying clear goals in a nonprofit organization cannot be sustained. Board members come to the board with their own personal views (Middleton, 1987). Moreover, board members have short terms of office (the standard being three years, renewable [Duca, 1986]), with new members joining the board each year. Vague goals, changes in the context, and changes in membership are examples of factors that suggest that priorities for the board could change and that there could be disagreements among board members over strategies and tactics to achieve agency goals.

To these complexities must be added possible tensions between the values of the profession and the host agency, potential conflict over formal and maintenance goals, and the possible difference between the goals of the nonprofit organization and the personal values of each staff member. Given different values, there is no reason to assume that board members and CEOs would give equal weight to the various goals and strategies to operationalize goals. There is, therefore, reasonable evidence that the assumption of goal clarity in the ideal model is not the case in practice. The foregoing discussion leads to the following two hypotheses:

46. The greater the differences among board members in priorities on the board, the greater the board

members disagree over strategies to further organizational goals, and the greater board members perceive a shift in priorities; the less clear the goals of the organization will be to board members.

47. Board members and CEOs will have different perspectives on goals.

Goal statements reflect the nature of the actions that the board intends to take on behalf of its constituencies—the client group and the community. There is evidence that the crucial linkage of the board with its clients is eroded. No longer are board members usually involved in the provision of service. Rather, it is the bureaucracy that has direct contact with clients and provides service. To the extent that the board members have limited contact with the clients, they will have limited information concerning the needs of the clients. The result is more confusion over the goals of the nonprofit organization as the following hypothesis predicts.

48. The less information the board has concerning community needs and the clients, the less clear the goals of the nonprofit organization will be to the board members.

Moreover, the hidden or latent effect of the goals would not be appreciated by board members. Program evaluation technology urges the tracking of latent goals, those not intended as goals but consequential to the actual goals and delivery of the program (Weiss, 1972; Rossi & Freeman, 1985). Social dilemma theory points to externalities of choice that occur when the outcome of

private choice affects other people (Van de Kragt, et. al., 1986). Nor should it be assumed that these externalities are necessarily positive. Negative externalities, it has been argued (Schafer, 1982), are essentially violations of individual rights. Program evaluation has shown that external effects may serve to shift the service system so that users are actually in a worse position than before a service was introduced (Rossi & Freeman, 1985).

However, as latent effects only become apparent over time, and the ideal model does not consider secondary effects, it is reasonable to predict that the latent effects of goals are not apparent to board members and CEOs. The following hypothesis captures this effect:

49. Board members and CEOs will not indicate that they include consideration of externalities in their decisions.

Under the ideal model, the extent to which the board achieves its goals defines its effectiveness (Harvey & Synder, 1987). If there is uncertainty and confusion concerning goals, it follows that boards will experience difficulty in determining the success of the agency in achieving them. This confusion is compounded by the context, for social work possesses an uncertain technology (Kramer, 1987) and deals with programs in which the interventions are not well specified (Bickman, 1987; Wholely, et. al., 1986; Rossi & Freeman, 1985). Moreover, program evaluation, the technology that measures the outcome

or impact of such interventions, is itself a mix of art and science (Cronbach, 1980). Hence, there are reasonable grounds to believe that confusion about goals may hinder the performance of boards of nonprofit organizations. This discussion leads to the following hypothesis:

50. The greater the uncertainty regarding goal clarity, the greater the disagreements over strategies to further organizational goals, the greater the shifts in priorities, the less the sufficiency of the information concerning the community, and less the goals of the organization are debated; the less effective the board will be deemed to be.

The burden of the argument is that goals are, in practice, not clear to the actors in the nonprofit organization. To the extent that this is the case, the potential for the effective functioning of the organization is decreased. Moreover, the ideal model would be further demonstrated to be in error.

#### The Ideal Model Revisited

The view of a board of directors that emerges from the analysis is materially different from that outlined in the ideal model. The strategy of the project is to look behind the attributes of the ideal model. Therefore, the variables related to each of the major postulates can be substituted for the attributes of the ideal model. Each of these could be expected to effect board effectiveness and impact. The following variables are captured in the hypotheses:

- . information imperfect and costly;

- . role of the bureaucracy;
- . multiple and conflicting goals;
- . sense of making a difference and commitment to the board;
- . accountability;
- . positive net difference between benefit and cost.

The initial test is to relate these factors and perceived board effectiveness.

51. The fewer the problems with information, the clearer the relationship with the bureaucracy, the less the tension over formal goals, the less the priorities shift, the greater the desire for the board to be seen to be doing well, the clearer the accountability, the more goals are debated, and the greater the difference between benefit and cost; the more board members and CEOs will assess the board as being effective.

These variables present a model of boards of directors with a distinct behavioural flavour. However, for the revisionist model to be more adequate than the ideal model, the same set of factors should explain the impact of the board on the agency. Therefore, the following hypothesis is proposed:

52. The fewer the problems with information, the clearer the relationship with the bureaucracy, the less the tension over formal goals, the less the priorities shift, the greater the desire for the board to be seen to be doing well, the clearer the accountability, the more goals are debated, and the greater the difference between benefit and cost; the greater will be the impact of the board on the NPO.

In this chapter, a revisionist set of assumptions has

been applied to the ideal model of boards of directors. The assessment has raised significant challenges to its validity. Potentially, however, the analysis contains the seeds of greater understanding. Governance requires much more than a simplistic model that is, in part, illusion. It requires models that can explain behaviour and suggest a course of action.

## Chapter 4

### METHODOLOGY

#### Research Design

The method for this study requires that the hypotheses generated by the application of selected principles from the field of public choice be tested. The tests are based on data collected through a survey of board members and CEOs of social service organizations in Winnipeg. The various other research designs (Cook & Campbell, 1979; Isaac & Michaels, 1983; Webb et. al., 1973; Spector, 1982) are not appropriate for the problem.

Given that the intent in this project is to test an existing theory and to evolve revisions, construct and internal validity are of greater importance than is external validity (Cook & Campbell, 1979). The internal validity of this study may be affected by selection effects (Cook & Campbell, 1979). Conventional wisdom suggests that board members are on the board due, in part, to their interest in that particular agency. Selection-maturation interaction might be present in terms of the length of service on the board. Further, there may be selection effects present in a willingness to assume different responsibilities on the board (Executive, President, Committee Chair).

The experience of the researcher with social service organizations provided the project with the detailed understanding of the context, nuances, important variables, processes, and interactions that Isaac and Michaels (1983) and Murphy (1980) argue are important. Her experience includes: staff of nonprofit organizations (line staff, middle management and acting Chief Executive Officer); board member (Committee Chair, member of the Executive and President at a variety of agencies); consultant in policy and program evaluation.

Using a particular sample (social services) reduces the variation that might occur if a variety of settings were used in the sample. The homogeneity of the various fields of practice is not yet clear. Moreover, the social service field traditionally has relied on boards of directors for the delivery of services.

Since the extent to which major variables in Winnipeg's social service delivery system are replicated in other settings is an unknown, restricting the study to a single locus might limit generalizability (external validity). However, Tucker (1984) presents two methodological rationales and one substantive rationale for using a single-city basis. Substantively, it is useful to study organizations in their context. From a methodology perspective, the project becomes feasible and access to respondents is enhanced. Furthermore, the model may be

tested in other contexts either empirically or intuitively.

The survey methodology is relevant for this population. Managing written data is one of the components of the board and staff job, which suggested that a self-administered form is appropriate.

In designing the instrument and the data collection strategy, consideration was given to potential problems of reactivity (Cook and Campbell, 1979; Isaac and Michaels, 1983; Spector, 1982); Webb et al, 1973). . One of the more sensitive potential issues was evaluation apprehension. There was the potential for confusion between the survey and a program evaluation of the nonprofit organization. Thus, care was taken to distance the inquiry from evaluation. The development of the survey instrument was sensitive to the issue of acquiescent response set and the importance of question wording. The survey instruments were structured on the triad of attitudes, knowledge, and behaviour (Mason et. al., 1983), which has the advantage of grounding the information in actual behaviour and knowledge. The questionnaire was subject to peer review and analysis plus pre-testing in order to assess relevance to the project goals and the target group.

## Operational Definition

A voluntary social service organization is:

a purposeful, boundary maintaining collectivity concerned with changing, constraining and/or supporting the behaviour of specifically identifiable individuals, families or groups. It operates on a not-for-profit basis, does not use physical or legal forces or coercion in discharging its mandate, is privately owned and governed by a Board of Directors, and offers its members ascribed (as opposed to prescribed) status (Tucker, 1984, p. 6).

The definition was refined to include the vulnerability of clients. Nominally, Social Welfare incorporates the concept of users as sick, destitute, or unfortunate (Webster's Third International Edition, 1981).

Therefore, for this project, social service organizations were defined to include nonprofit, third-party, or self-help organizations with boards of directors. They provide benefits to people who are in some manner disadvantaged, vulnerable, or have some attribute that places them in a position to benefit from supports provided from other than the friendship or family network.

As a result of applying the operational definition, major users of boards in the broadly defined field of social services were excluded. Exclusion was the result of:

- . not meeting the nominal sense of vulnerability or at risk--for example, day care, elderly persons housing, camps, community clubs, block parents, ethnic/ international associations;

- . services deemed to provide transfer payments--for example, Elderly Persons Housing;
- . agencies not providing direct services--for example, funding organizations such as the United Way;
- . rural organizations--the target was Winnipeg-based organizations;
- . government services--the interest was third sector organizations;
- . health organizations--for example, hospitals, rural health centres, and personal care homes.

#### The Sample

The initial task was to develop a comprehensive list of organizations providing social services and to identify the board members of these organizations. The sample frame was developed from lists maintained by the Social Planning Council of Winnipeg.

In all, 240 nonprofit organizations were identified and included in the sample frame. Appendix 3 lists the agencies that met the initial boundaries for the project.

The next step was to compile a list of agencies with a board and willing to participate in the project. Each agency identified was contacted and invited to participate. Those willing to participate were asked to forward a list of

their board members. See Appendix 2 for copies of the original request and the follow-up.

From these returns a listing of individual board members was prepared. The total number of agencies responding in time for the initial mailing was 65 (Table 1). All board members whose names were received (N = 1186), were forwarded a questionnaire.

Table 1  
Sample

organizational sampling frame		
agencies identified	240	
excluded from sample	71	
refused, non deliverable,		
outside scope		
included in first sample	65	
included in second sample	42	
no contact	62	
respondent board members		
number mailed	1186	
unable or unwilling to complete	40	
reduced base	1146	
completed and returned and usable		
questionnaires	680	59.4%
returned, incomplete	20	1.7%
nonrespondents	446	38.9%
respondent CEOs		
mailed	65	
returned and usable	44	67.7%
returned, incomplete	1	1.5%
not returned	19	29.3%
deaths	1	1.5%

Following analysis of the set of agencies from which replies had not been received, outreach was undertaken to invite further participation. From these agencies (N = 42) an additional 789 board members were identified. CEOs of the majority of these organizations would not release the names of their board members. The CEOs were, however, prepared to circulate the survey to board members. It had

been intended to also survey this group of board members. However, this extension of the survey was not undertaken. There was some question about the potential impact of differential circulation of the survey (possible effect of more resistant CEOs).

### The Survey

Respondents (board members and CEOs) were mailed a self-administered questionnaire. The package that was mailed to the board members and CEOs included: a covering letter (Appendix 2), the relevant questionnaire (Appendix 1), and an enclosed self-stamped envelope. Within two weeks, a follow-up was sent, including another copy of the questionnaire and return envelope. A return rate of 61.1% was obtained (Table 1).

The survey was circulated from January 1987 through March 1987, with the initial outreach to the agencies to identify board members in November/December, 1986. It was represented as a project of the Department of Public Policy, Faculty of Management, University of Manitoba. While the survey was in the field, a telephone hot-line was maintained in order to enable respondents to make inquiries concerning project legitimacy, to explore confusions concerning the questionnaire, or to discuss matters of interest. It was quite well used. The questionnaires were controlled through a number system. Returns were logged. The number system

also permitted the individual board member response to be aggregated to the board. Documentation was maintained.

### The Questionnaire

There were two instruments (see Appendix 1). One, asking about the ideal model and the hypotheses, went to both constituencies (878 items). The second was an agency profile and was sent only to the CEOs (23 questions). A few questions that were not applicable to both groups were adjusted as appropriate. For example, the CEOs were not asked their reason for serving. Two questions dealing with the number of other boards and length of service were subsequently added to the questionnaire for the follow-up in the first mailing as they were inadvertently omitted from the original form.

The questionnaire was comprised of several components. There was a section exploring the reasons for serving, requesting demographic information and assessing involvement with the agency. The remainder of the questionnaire was a series of statements for which respondents were asked to indicate the strength of their agreement. Questions were formed on a scale of 1 to 5. For the scale asking about agreement, 1 was specified as strongly disagree, and 5 was strongly agree. Some questions were posed in terms of the extent to which the item was applicable. For those questions, 1 was specified as not at all, and 5 as a great

deal. For both scales, the intervening variables were interpreted as different degrees of agreement or extent as applicable. These statements were developed to provide data to test the hypotheses. A list of variables and the related statements is presented in Appendix 4.

#### Adequacy of the Sample and Design

The initial lists comprised the best available categorization on agencies and services in Winnipeg. The Council obtained service descriptions from the agencies, and verified the entries. Moreover, the manuals represented an investment over several years for the Social Planning Council. However, there is the possibility that some services or programs were not included, and thus were inadvertently excluded from the sample. Moreover, certain groups were also excluded by sampling method. For example, those individuals who had served on the boards previously but were not sitting members at the time of the survey were not included. Furthermore, limiting the study to the internal relations of the nonprofit organization excluded relations at the external boundary. The external relations were noted only to the extent that they impacted the internal functioning of boards of directors.

The initial decision to approach CEOs in order to identify board members may have involved greater sensitivity on the part of the CEOs than was realized. It is possible

that the senior staff officer perceived some intrusion into private organization or personal areas. Some CEOs took the request to their board before releasing names, some contacted each board member for authorization, some indicated that information on board members was private in spite of the requirement that board names are to be filed with the Corporations Branch of the Manitoba Government on an annual basis. Resistance to providing identifying information may have limited participation in the study.

The implication of not following through on the second group of board members and agencies is considered to be minimal, given that there is an adequate representation of agencies in the sample. Furthermore, the overall response was adequate for the purposes of analysis.

### Analysis

Initial data analysis followed exploratory analysis and data verification techniques (Hartwig & Dearing, 1979; Erickson & Nosanchuk, 1977). Standard statistical tests were used: measures of central tendency, difference of means, analysis of variance, and regression. The Likert Scale used on the questionnaire is assumed to represent interval data (Anderson et. al., 1983). The unit of analysis, either individual or board, was dictated by the hypotheses.

## Chapter 5

### THE FINDINGS

The analysis follows the structure of the discussion and development of hypotheses. The level of analysis is dictated by the hypothesis. Some hypotheses deal with the individual as the actor (motivation to contribute, and benefit-cost differential for example). For these hypotheses, the unit of the analysis is the individual and the data from the 680 board member respondents is used. Some hypotheses deal with the board as a group (roles, and decision making for example). For these hypotheses, the unit of analysis is the board and grouped data from the 68 boards represented is used. The grouped data is comprised of the means of the individual board members for that board. For the hypotheses that deal with the CEO, the responses of the 44 CEOs who responded is used.

There is a language issue to be noted. To avoid unwieldy phrases such as the board members' perception of the board, the phrase the board is used. Note also that the measures used are self-reported ratings. Thus, effectiveness refers to perceived effectiveness and impact refers to perceived impact as rated by either the board members or the CEOs.

The significance level for this report is set at  $p \leq .05$ . The appendices provide the details of the analysis.

The questionnaire is reproduced in Appendix 1 and an alphabetical list of the items on the questionnaire and the variables constructed is presented in Appendix 4. The results of the regressions are presented in Appendix 5 along with a list of relevant variables.

#### About the Board Members and CEOs

The board members ( $n = 680$ ) tended to be middle aged and older, with 52% being 45 years of age or older. Less than 1 in 5 board members were younger than 25 years of age (17.5%). They are highly educated, with 88.7% reporting more than a Grade 12 education. The CEOs ( $n = 44$ ) are also well educated: 39.5% have a university degree, 14.0% have a professional designation, 11.6% have high school diploma, and 34.9% have other educational credentials. More of the board members are male (54%) than are female (46%). As well, more of the CEOs are male (56.8%) than are female (43.2%).

Two questions that asked about the experience that board members had with the board role were asked of a subset of board members responding ( $n = 124$ ). For those responding, 20.2% indicated that they had served for one year or less, 44.4% for between one and three years, 21.0% for between 4 and 6 years, and 14.4% for 6 or more years. Most of the board members have served on other boards: 18.0% reported that they served on no other boards, 20.5%

indicated that they served on 1 other board,; 26.2% on 2 other boards, 19.7% on 3 other boards, 13.1% on between 4 and 6 other boards, and 2.5% on 7 or more other boards.

Prior to joining the board, 32% (219) of the board members had had no contact with the agency. Most of the board members (55.1%) were elected to the board at the annual meeting. Being appointed to the board was reported by 37.9% of the board members, and 5.6% reported that they joined the board as representatives of another organization. Less than one-quarter (21%) of the board members indicated that they sought membership on the board.

The majority of the CEOs have more than one year's experience with their agency, as 22.7% CEOs reported that they have been with the agency 1 year or less. Service of between 1 and 2 years was reported by 22.7% of the CEOs, between 3 and 5 years by 25.0% of the CEOs, and for 6 or more years by 29.6% of the CEOs. Most (90.9%) of the CEOs are paid with full time involvement at the agency. However, 1 (2.3%) was paid with part-time status and 3 (6.8%) were volunteers.

#### About the Nonprofit Organizations

A series of questions was asked about the nonprofit organizations (the first section of the CEO questionnaire, questions 1 to 23). The following profile presents the results of those CEOs agreeing or agreeing strongly to the

items (4 or 5 on a 5-point scale).

For 45% of the CEOs, the goal of the service is to achieve a fundamental change in client behaviour. The target of change for 55% of the agencies is the individual and for 41% of the agencies it is the community. The clients are described as being vulnerable by 68% of the CEOs. In 73% of the agencies, the CEOs report that the clients initiate the demand for service.

Fourteen percent of the CEOs reported that service is directed primarily to the members and 59% of the CEOs indicated that their agency controls or limits the number of clients served. Competition with several other agencies in their field of endeavour was acknowledged by 11% of the agencies. For 25% of the agencies, the service requests originate from other agencies.

Most of the CEOs (80%) indicated that the community is satisfied with their services. CEOs tended to indicate that their agency was successful in meeting its objective as 22.7% reported that their agency was 80% to 100% successful and 36.4% reported that their agency was 60 to 80% successful. Less than 500 clients annually was reported by 45.5% of the agencies and 55.5% of the agencies serve more than 520 clients annually. Routine ways of reporting adequacy of service was cited by 61% of the CEOs.

A secure funding basis was reported by 72.7% of the CEOs. None of the agencies cited extensive reliance on

board members for financial contributions to cover operating costs (81.8% indicated not at all, 18.2% indicated they asked for some support (1 and 2 on a 5-point scale). The number of funding organizations, on average, is 4.9. The percentage of core funding provided by other organizations is, on average, 62.9%. Budgets ranged between less than \$100,000 and \$3.2m (19% of the organizations have budgets between \$800,000 to \$3.2m; 19% between \$400,000 and \$800,000; 21% each in the \$245,000 to \$360,000 and \$150,000 to \$200,000 range. Further, 19% have budgets of less than \$100,000.). Short-term grants are used by 39% of the agencies.

The average size of the Board is 20 members. In terms of board organization, 97.7% indicated that the organization has formal by-laws or a constitution; 95.5% that it has incorporated status; 56.8% that it has liability insurance for board members with 77.3% having liability insurance for staff. A statement of service philosophy was reported by 88.6% of the CEOs and 52.3% indicated that the agency has an established appeal process for clients.

The average number of employees is 37 and between 21%-40% of staff, on average, is unionized. Using volunteers was reported by 86.4% of the CEOs.

#### Pervasiveness and Adequacy of the Ideal Model

At the outset, the propositions indicated that the

board members and CEOs would subscribe to the premises of the ideal model and would link these attributes to the effectiveness of the board. Moreover, it was predicted that the ideal attributes would be inadequate to explain the impact of the board on the agency. That is, the ideal model, while pervasively held, would be inadequate to explain the board's contribution to and impact on its agency.

If the argument is confirmed, then it would be possible to conclude that the ideal model of boards of directors, while pervasive, is inadequate as a guide to the management and governance of nonprofit organizations.

The first hypothesis tested the extent to which Members of Boards of Directors and Chief Executive Officers indicated that their board incorporates, to a significant degree, the attributes identified in the "ideal model" in the following form:

1. Members of boards of directors and Chief Executive Officers will subscribe to the ideal model by indicating that their board will incorporate these attributes to a significant degree.

The data confirmed the hypothesis, and indicate that board members and CEOs believe that the board with which they are affiliated significantly incorporates the attributes of the ideal model (Table 2). Those statements that required agreement were supported (means of 3.4 to 4.2 on a 5-point scale). Those statements that required disagreement for the ideal model to be adequate had low means (means of 2.0 to

2.8 on a 5-point scale). The attributes most strongly supported by board members were: the board being accountable for the actions of the organization ( $\bar{M} = 4.2$ ) and the board being clear in its understanding of agency goals ( $\bar{M} = 4.1$ ). The attributes most strongly supported by the CEO were: the board being accountable for the actions of the organization ( $\bar{M} = 4.4$ ) and the board having a manageable job ( $\bar{M} = 4.2$ ).

Table 2

Mean Agreement of Board Members and Chief Executive Officers

With Attributes of the Ideal Model

Statement on Questionnaire	Means		<u>t</u>	<u>p</u>
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
This board is representative of the community in which I live	3.4	3.4	- .021	--
This board is clear in its understanding of the agency goals	4.1	4.1	- .127	--
This board is accountable for the actions of the organization	4.2	4.4	-1.162	--
This board has a clear understanding of its job	3.9	3.9	.038	--
This board has a manageable job	3.9	4.2	-2.174	.034
This board has clearly demarcated lines of responsibility with the executive director	3.8	4.1	-2.009	.050
This board and our staff share a common view of our priorities	3.8	4.0	-1.682	--
This board is overly constrained by legislation and regulation	2.4	1.9	3.257	.002
This board is overly constrained by requirements of funders	2.8	2.4	2.381	.021
This board's decisions are heavily influenced by board members who are professionals in the area of service provided by the agency	2.8	2.3	2.979	.004
This board is less accountable than it could be due to the community's lack of information regarding its activities	2.4	2.3	.568	--
This board has difficulty in getting information about changing community needs	2.3	2.4	- .899	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup>n = 680. <sup>b</sup>n = 44.

It was further hypothesized that there would be, given their different roles, some areas in which there was significant variation in perception of board members and CEOs as follows:

2. Members of boards of directors and Chief Executive Officers will differ in their support for attributes of the ideal in some significant degree.

This hypothesis was partially supported. T-Tests were run to compare the means of the board members and CEOs, and as noted in Table 2, there were some statistically significant differences. The CEOs (M = 4.1) more than the board members (M = 3.8) indicated that there were clearly demarcated lines of responsibility between the two constituencies (t = -2.009, p = .050). As well, the CEOs (M = 4.2) more than the board members (M = 3.9) reported that the job of the board member was manageable (t = -2.174, p = .034). Moreover, there were differences between board members and CEOs in terms of the contextual influence and the board's freedom to act. Board members identified more constraints from legislation (t = 3.257, p = .002) and from funders (t = 2.381, p = .021) than did CEOs. As well, board members (M = 2.8) more than CEOs (M = 2.3) indicated that the decisions of the board are heavily influenced by board members who are professionals in the area of service provided by the agency (t = 2.979, p = .004).

The next issue was the extent to which the attributes of the ideal model served to explain the subjective estimation of effectiveness of the board by both board members and CEOs. The hypothesis stated:

3. For board members and Chief Executive Officers, the attributes of the ideal model will explain the effectiveness of the board.

The prediction that both board members and CEOs would accept that the ideal model explains the effectiveness of the board was confirmed. Both board members ( $\bar{M} = 3.8$ ) and CEOs ( $\bar{M} = 3.9$ ) perceive the board to be carrying out its responsibilities efficiently and effectively (Table 3). The board members ( $\bar{M} = 3.4$ ) more than the CEOs ( $\bar{M} = 3.1$ ) agreed that the board is the overwhelmingly most important determinant of agency effectiveness.

Table 3  
Mean Estimation of Board Effectiveness  
by Board Members and Chief Executive Officers

Statement on Questionnaire	Means		<u>t</u>	<u>p</u>
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
This Board is carrying out its responsibility efficiently and effectively	3.8	3.9	-.285	--
The effectiveness of this board is the overwhelmingly important determinant of the effectiveness of this agency	3.4	3.1	1.794	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup>n = 680. <sup>b</sup>n = 44.

The attributes regressed against the subjective estimation of board effectiveness by board members (unit of analysis the individual) explains 58.2% of the variance,  $p = .000$  (Regression 1). A number of the variables are

significant ( $p \leq .05$ ). The stronger the board members believe that the board is representative ( $p = .001$ ), the goals are clear ( $p = .000$ ), the job is manageable ( $p = .000$ ), their understanding of the job is appropriate ( $p = .000$ ), the priorities between board and staff are shared ( $p = -.005$ ), the relationships with the executive director is appropriate ( $p = .000$ ), and the board is legislatively constrained ( $p = .018$ ), the more the board views itself to be effective.

When this regression was rerun using only those variables that were significant ( $p \leq .05$ ), no additional explanatory power was achieved (adjusted  $R$  squared .584; all variables continued significant). Moreover, when the unit of analysis is shifted to that of the board, the attributes explained 75.8% of the variance in the subjective estimation of effectiveness by the boards (Regression 2). However, only two of these variables continue to be significant. The extent to which the board job is understandable ( $p = .002$ ) and manageable ( $p = .042$ ) is significant.

The CEOs also accept that the ideal model is sufficient to explain perceived board effectiveness. A regression using the variables that were significant for the board members was undertaken. For the CEO, the attributes of the ideal explained 68.5% of the variance,  $p = .000$ . Secondly, those variables in which there were significant differences

between board member and CEO were used in a regression. In this instance, for CEOs, the attributes of the ideal explained 53.2% of the variance,  $p = .000$ .

It is clear that the attributes do indeed explain the subjective estimation of effectiveness. Almost 60% of the variance in the perception of individuals is explained: 76% when the unit of analysis is boards and 50% to 60% for CEOs. Clearly, board members and CEOs believe the ideal model, be it myth or reality, and believe that it is adequate to explain effectiveness.

But the question is one of practical effect. It is necessary, therefore, to look beyond the subjective estimation of effectiveness and explore the adequacy of the attributes in terms of the board's impact on the agency. It is the central tenet of this paper that the ideal model will not be sufficient to explain the impact of the board on its agency. Two hypotheses were developed to guide this analysis. The first explores the extent to which board members and CEOs perceive that boards have impact on their agency, as measured by the board members' ability to change policy, to influence proposals, or to change proposals that come before the board. The prediction was for perceptions of limited impact:

4. Board members and CEOs will perceive that boards have limited impact on their agency, as measured by the board members' ability to change policy, to influence proposals, or to change proposals that come before the board.

The second hypothesis explores the extent to which the attributes of the ideal are useful in explaining the variation in the board's impact on the agency. Again the prediction was for limited explanatory power, as stated in the hypothesis:

5. The attributes of the ideal model will have limited utility in explaining the variation in the board's impact on the agency.

Both these hypotheses were supported.

Table 4  
Mean Perception of Board Members and Chief Executive Officers of Impact on the Agency of the Board's Decisions

Statement on Questionnaire	Means		t	p
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
The board makes major changes in policy recommendations of staff	2.8	2.7	.504	--
I have been influential in changing policy at my agency or maintaining policy in the face of a threat	3.1	4.1	-5.682	.000
Debates on matters before the board result in changes in the original proposals	3.4	3.4	.618	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup>n = 680. <sup>b</sup>n = 44.

Board members perceive that they have little influence at the agency as measured by the three variables which explore the impact of the board's decisions (Table 4). Only about 1 in 4 board members (answering 4 or 5 on a 5-point scale) reported that the board made major changes in policy recommendations of staff (board members  $\bar{M}$  = 2.8; CEO  $\bar{M}$  = 2.7). There was slightly more agreement that debates on matters before the board result in changes in the original proposals ( $\bar{M}$  = 3.4 for both constituencies). However, CEOs

( $\bar{M}$  = 4.1) more than board members ( $\bar{M}$  = 3.1), reported being influential in changing or affecting policy ( $t = -5.682$ ,  $p = .000$ ). Traditionally, responsibility for developing policy is assigned to the Board, whereas the staff is to implement it.

For the purpose of exploring the extent to which the attributes of the ideal model explained the variance in the impact of the board on the agency, an index of the impact variables was created. The index of impact aggregates three variables-the board member's ability to change policy, to influence proposals, or to change proposals that came before the board. The index is called "clout" in the regression.

When the attributes were regressed against the impact index of the board, there was little explanatory power (adjusted  $R$  squared .054, although the regression was significant, Regression 3). The following variables were significant: accountability of the board ( $p = .000$ ), clarity in relations with the executive director ( $p = .029$ ) and the board's understanding of its job ( $p = .037$ ). These significant variables have a behavioural flavour. Board members attribute their having impact on the agency to their understanding of the job with appropriately demarcated relationship with the CEO and clarity on their accountability for their agency. There was less explanation when the board is the unit of analysis (adjusted  $R$  squared of .000,  $p$  not significant, Regression 4).

The three impact variables explain nothing of the board's effectiveness as evaluated by the board members (Regression 5) or the CEOs (Regression 6). The regression was re-run using only one variable (change policy). There was no improvement in the adjusted R squared for either constituency. It is not to the impact of the board on the agency that the attention of board members or CEOs is drawn.

The board members and the CEOs believed the rhetoric that the board is effective if it met the conditions outlined in the ideal model. They were captured by it. However, the ideal model has minimal usefulness in explaining the board's effect on its organization. Thus, both the actual effect of the board on its agency and the limited impact of the board was masked.

#### Relaxing Assumptions of the Ideal Model

In this section, four hypotheses were proposed to test the viability of introducing an alternate set of assumptions to the ideal model. The analysis established the presence of mixed motives (and hence the falsity of the altruism assumption), the differential stake of board members and CEOs, and the significance of contextual factors in the nonprofit organization. Thus, it is feasible to apply revisionist assumptions to the ideal model.

Board members did report a variety of reasons for serving as suggested by the hypothesis:

6. Members of boards of NPOs will exhibit a variety of reasons for serving, including reasons that are self-interested and goal-related, as well as altruistic.

Table 5  
Gender Differences in Board Members'  
Mean Agreement with Reasons for Serving

	Means		t	p
	Men <sup>a</sup>	Women <sup>b</sup>		
citizen duty				
desire to serve the community	4.2	4.2	-.695	--
altruism				
personal experience with the need for the service	3.4	3.5	-1.153	--
belief in the importance of service offered by the agency	4.6	4.7	-2.016	.040
self-interest				
being on a board could be helpful in my career	2.1	2.4	-2.448	.015
desire to influence the running of the agency	2.7	2.7	-.964	--
professional interest in the service	2.7	3.3	-2.990	.003
desire to feel productive	3.4	3.8	-3.522	.000
pleasure of working with other people	3.7	3.9	-2.924	.003
desire to meet other members of the community	2.9	3.1	-2.534	.012

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup>n = 377 men    <sup>b</sup>n = 303 women

The reasons were classified into three categories: citizen duty (the moral imperative to do the right thing), altruism (to value the welfare of the other in one's utility function), and self-interest (the latter two broadly defined, Table 5).

Altruistic reasons were reported by up to 93% of the board members. Belief in the importance of service offered by the agency influenced the decision to become involved for 92.9% of the board members, and 55.4% cited experience with need for the service. Power and career related motives were reported by between 20% to 40% of the respondents. The desire to feel productive, the pleasure of working with

other people and the desire to meet other members of the community were reported (4 and 5 on a 5-point scale) by between 35.4% to 64.1% of the respondents. Citizen duty was reported by 80.9% of board members. Moreover, none of the board members cited just one reason for serving. Thus, the prediction of mixed motives was substantiated.

Gender was significant for several of the reasons (Table 5). Gender was tested at the suggestion of one advisor. Career and professional reasons for joining the Board were more strongly supported by women than by men. A professional interest in the service was reported more strongly ( $t = -2.990$ ,  $p = .003$ ) by women ( $M = 3.3$ ) than by men ( $M = 2.7$ ). Women ( $M = 2.4$ ) more strongly referenced the possibility of the board being helpful in one career (men's  $M = 2.1$ ,  $t = -2.448$ ,  $p = .015$ ). Women ( $M = 3.8$ ) more strongly than men ( $M = 3.4$ ) cited a desire to feel productive ( $t = -3.522$ ,  $p = .000$ ), to seek pleasure in working with others (women  $M = 3.9$ , men  $M = 3.7$ ,  $t = -2.924$ ,  $p = .003$ ), and to meet other members of the community (women  $M = 3.1$ , men  $M = 2.9$ ,  $t = -2.534$ ,  $p = .012$ ). A belief in the importance of the service was more strongly ( $t = -2.016$ ,  $p = .040$ ) supported by women ( $M = 4.7$ ) than by men ( $M = 4.6$ ).

In the ideal model, one's reason for serving is assumed to be unitary (altruism), and to be adequate to explain effectiveness. With the introduction of mixed motives for

service, there is no reason to expect this relationship to hold. It was predicted that:

7. The board member's reasons for serving on a board will not predict board effectiveness.

Whereas the regression was significant ( $p = .000$ ), it only explained 12.1% of the variance (Regression 7). Thus, the hypothesis was confirmed: the board members' reasons for serving have only limited ability to predict board effectiveness. The more the board members deem the service to be important ( $p = .000$ ), have direct experience with the service ( $p = .033$ ), and have the desire to work with other people ( $p = .001$ ), which could be achieved simply by participation), the more the board was judged to be effective. The more the board member was serving due to power motives ( $p = .001$ ), the less effective the board was judged to be. Individuals seeking to influence the board may find it difficult to ensure that the group agrees with them.

That board members and CEOs have a different valuation concerning their respective roles vis a vis the nonprofit organization was confirmed. It was hypothesized that:

8. Board members and CEOs will have different valuations of the importance of their role in the NPO. In particular, to a greater extent than board members, CEOs will report that it is important to be viewed positively by board members.

CEOs ( $M = 4.5$ ) to a greater degree ( $t = -8.114$ ,  $p = .000$ ) than board members ( $M = 3.6$ ), indicated that it was

important to be viewed by the board members as doing a good job (Table 6). This finding captures the difference in stake and the centrality of the respective roles for each party. Both parties had similar scores on their desire to have the Board as a collective be seen to be doing a good job.

Table 6  
Mean Agreement by Board Members and Chief  
Executive Officers with the Importance of the Job

Statement on Questionnaire	Means		<u>t</u>	<u>p</u>
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
It is important to me that the board should be seen as doing a good job	4.3	4.4	-1.012	--
it is important to me to be viewed by other board members as doing a good job	3.6	4.5	-8.114	.000

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup>n = 680. <sup>b</sup>n = 44.

And the influence of contextual forces was, to a limited extent, confirmed. The hypothesis stated:

9. Board members and CEOs will agree that the operation of the board and the NPO is affected by external forces.

Table 7  
Mean Agreement of Board Members and Chief Executive  
Officers with the Effect of Context on the Board

Statement on Questionnaire	Means		<u>t</u>	<u>p</u>
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
This Board adapts its policies to cope with external pressures	3.2	3.0	1.334	--
In providing programs, our agency must relate to many organizations and groups. As a board we feel accountable to a large number of such groups	3.1	3.3	-1.104	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup>n = 680. <sup>b</sup>n = 44.

Responding to external pressure was, to some extent, supported (M = 3.2 for board members and M = 3.0 for CEOs).

Multiple accountabilities were confirmed (Table 7). Thus, the assumptions of the ideal model are not fully supported. There is reasonable evidence to proceed to examine the ideal model by introducing a revisionist set of assumptions.

Mixed Motives and the Decision to Contribute

Differential investments were reported. The range for hours invested was very large (0 to 80 per month). An investment of 2 to 5 hours monthly was reported by 41.5% of the board members while 9.5% reported that they spent 16 or more hours per month on board activities. Women invested 7.43 hours per month on average, whereas men were involved for 6.97 hours monthly on average (Table 8). The difference was not statistically significant.

Table 8  
Gender Differences in Board Members'  
Mean Assessment of Investment

	Means		<u>t</u>	<u>p</u>
	Men <sup>a</sup>	Women <sup>b</sup>		
This board has many people who spend less time on their tasks than is required to do an adequate job	2.8	2.6	2.282	.023
Compared to the rest of the board how would you rate yourself in terms of the effort that you put into the board e	2.6	2.6	-.503	--
Hours per month involved with the board	6.97 <sup>c</sup>	7.43 <sup>d</sup>	-.730	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup>n = 377 men. <sup>b</sup>n = 303 women. <sup>c</sup> 418.214 minutes. <sup>d</sup> 445.831 minutes.  
<sup>e</sup>This item was reversed scaled in which 1 was well above average effort and 5 was well below average effort.

With board governance defined as a collective good, the theoretical prediction is for individuals to free ride over its provision. The following hypothesis explores the prediction of variable contribution to the board:

10. Differential levels of investment in the board will be reported (measured in hours contributed to the board per month).

No connection between the level of contribution and attributes of the individual was found. Altruism was shown to have limited predictive power on the hours invested in the board (adjusted  $R$  squared .006,  $p = .058$ , Regression 8). And demographics of the board members also had little predictive power (adjusted  $R$  squared .000,  $p$  not significant, Regression 9).

Moreover, the reasons for involvement do not appear to be strongly linked to the investment made. A regression was run to test the relationship between the reasons for serving and the hours invested, the prediction being that overall the reasons would have little predictive power (Regression 10). The prediction was confirmed (adjusted  $R$  squared .03,  $p = .001$ ). Only experience with the service and the desire to be productive were significant ( $p \leq .03$ ).

Taken together, these results suggest that the ideal model lacks predictive power in terms of the investment of board members. It remained to be seen if the collective good argument could demonstrate greater predictive utility.

One of the fundamental collective good predictions is that the best position for any board member would be to free ride (Marwell & Ames, 1980), in which case the board member would receive all the benefits and bear few of the costs. Hence, the prediction that board members, while desirous of

the board doing and looking well, would prefer others to invest in the board work. Some board members confirmed the presence of free riders on the board ( $\bar{M} = 2.7$  on a 5-point scale, Table 8). More men ( $\bar{M} = 2.8$ ) than women ( $\bar{M} = 2.6$ ,  $t = 2.282$ ,  $p = .023$ ) noted the free riders. Some board members (1.2%) reported that they invested no hours in the board at all. Moreover, in comparing their investment to others on the board, 40.7% of board members indicated that they invested more than average (above and significantly above others on the board; 1 and 2 on a 5-point scale). CEOs judged that 61.4% of the board members contributed above the board average. The  $t$ -test comparing the assessment of effort by men and women was not significant. However, women ( $\bar{M} = 3.7$ ) were more likely than men ( $\bar{M} = 3.4$ ) to indicate that it was important to be seen to be doing a good job by other board members ( $t = -3.199$ ,  $p = .001$ , Table 9). Moreover, women ( $\bar{M} = 4.4$ ) agreed more strongly than men ( $\bar{M} = 4.2$ ) that it was important that the board be seen to be doing a good job ( $t = -1.923$ ,  $p = .055$ ).

Table 9

Gender Differences in Board Members'

Mean Agreement with the Importance of the Job

	Means		$t$	$p$
	Men <sup>a</sup>	Women <sup>b</sup>		
It is important to me that the board should be seen as doing a good job	4.2	4.4	-1.923	.055
It is important to me to be viewed by other board members as doing a good job	3.4	3.7	-3.199	.001
This board is carrying out its responsibility efficiently and effectively	3.9	3.8	.203	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup> $n = 377$  men    <sup>b</sup> $n = 303$  women

The collective good argument suggests that choices around investment are related to the relationship between benefit and cost. It was hypothesized that:

11. In the calculation regarding serving, the benefits of board membership will be weighed against the costs; that is, the greater the expected utility gains the greater the investment in the board.

The hypothesis was partially confirmed. Board members ( $\bar{M} = 4.1$ ) indicated that the personal rewards from being a member outweighed the costs and that they feel appreciated and valued as a volunteer ( $\bar{M} = 4.0$ ). There was no significant difference by gender (Table 10). Board members with a high benefit-cost differential (4 and 5 on a 5-point scale) invested more hours (7.8 hours) compared to the group with a low assessment of benefit-cost (5.4 hours). The difference was not statistically significant.

Table 10

Gender Differences in Board Members'

Mean Assessment of the Benefits of Involvement

	<u>Means</u>		<u>t</u>	<u>p</u>
	Men <sup>a</sup>	Women <sup>b</sup>		
Taking all things into consideration, the personal rewards I have received from being a member of this Board outweigh the costs	4.0	4.1	-1.405	--
I feel appreciated and valued as a volunteer	4.0	4.0	-.169	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly.  
<sup>a</sup>n = 377 men    <sup>b</sup>n = 303 women

To test the relationship between the value of the good and the sense of making a difference, the log of the variables was taken as the relationship between the value of the good and the sense of making a difference is

multiplicative. The value of the good is represented by the importance of the service, and the sense of making a difference is represented by the impact index. The regression explained 9.9% of the variance with both the importance of the service and the sense of making a difference being significant ( $p = .000$ , Regression 11). It is the value of the good that provides the greater explanation (adjusted  $R$  squared .111,  $p = .000$ , Regression 12). The sense of making a difference has minimal explanatory power (adjusted  $R$  squared .029,  $p = .000$ , Regression 13).

It has been shown that people are more likely to contribute to the provision of the collective good if they perceive that they are making a difference or are important in its provision. Consequently, it was proposed that:

12. Board members who perceive that they are making a difference will invest more in the board.

Two groups were structured: those who indicated that they were making a difference in terms of influence on the board, and those who did not. The impact index aggregated the three variables related to having impact on the board (changing policy, changing proposals, and influencing proposals to the Board). Board members above the mean ( $M = 9.34$ ) were grouped as having high impact whereas those board members with scores less than the mean were grouped as having low impact.

Table 11

Board Members' Mean Agreement with Reason for  
Serving as a Function of Influence on the Board

Reason for Serving	Mean Influence			
	High <sup>a</sup>	Low <sup>b</sup>	<u>t</u>	<u>p</u>
citizen duty desire to serve the community	4.3	4.1	2.902	.004
altruism personal experience with the need for the service	3.6	3.4	1.796	--
belief in the importance of service offered by the agency	4.7	4.5	3.785	.000
self-interest being on a board could be helpful in my career	2.4	2.1	2.049	.041
desire to influence the running of the agency	2.9	2.5	3.763	.000
professional interest in the service	3.1	2.8	1.417	--
desire to feel productive	3.7	3.5	1.671	--
pleasure of working with other people	3.9	3.7	2.136	.033
desire to meet other members of the community	3.1	2.9	1.653	--

Note. The scale was: 1 = very unimportant, 5 = very important.  
To establish the two categories for influence, those respondents at or above  
the mean ( $M = 9.345$ ) were grouped as high influence and those with scores  
less than the mean were grouped as having low influence.  
<sup>a</sup> $n = 271$ . <sup>b</sup> $n = 323$ .

Members of the high impact group ( $M = 4.7$ ) tended to express a stronger belief in the importance of the service than did members of the low impact group ( $M = 4.5$ ,  $t = 3.785$ ,  $p = .000$ , Table 11). Also, those board members in the high impact group ( $M = 4.3$ ) expressed more support for the desire to serve the community than did those members of the low impact group ( $M = 4.1$ ,  $t = 2.902$ ,  $p = .004$ ). Board members in the high impact group tended to report a power incentive ( $M = 2.9$ ) more than did members of the low impact group ( $M = 2.5$ ,  $t = 3.763$ ,  $p = .000$ ). Career incentives were more strongly supported by members of the high impact

group ( $\underline{M} = 2.4$ ) than by members of the low impact group ( $\underline{M} = 2.1$ ,  $\underline{t} = 2.049$ ,  $\underline{p} = .041$ ). Pleasure of working with other people was also more strongly agreed with by members of the high impact group ( $\underline{M} = 3.9$ ) than by members of the low impact group ( $\underline{M} = 3.7$ ,  $\underline{t} = 2.136$ ,  $\underline{p} = .033$ ).

Board members with high impact report a greater stake in the agency (Table 12). Those board members with high impact ( $\underline{M} = 4.5$ ) indicated that it is important that the board should be seen to be doing a good job more than did board members with low impact ( $\underline{M} = 4.2$ ,  $\underline{t} = 4.389$ ,  $\underline{p} = .000$ ). As well, the board members with high impact indicated that it is personally important ( $\underline{M} = 3.7$ ) to be seen to be doing a good job more than did the board members with low impact ( $\underline{M} = 3.4$ ,  $\underline{t} = 3.534$ ,  $\underline{p} = .000$ ).

Table 12

Mean Importance of the Board Job to Board Members by Perceived Influence on the Board

Statement	<u>Mean Influence</u>			
	High <sup>a</sup>	Low <sup>b</sup>	<u>t</u>	<u>p</u>
It is important to me that the board should be seen as doing a good job	4.5	4.2	4.389	.000
it is important to me to be viewed by other board members as doing a good job	3.7	3.4	3.534	.000
This board is carrying out its responsibility efficiently and effectively	3.9	3.8	1.369	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal. To establish the two categories for influence, those respondents at or above the mean ( $\underline{M} = 9.345$ ) were grouped as high influence and those with scores less than the mean were grouped as having low influence. <sup>a</sup> $n = 271$ . <sup>b</sup> $n = 323$ .

When the three variables used to measure impact were regressed against the hours contributed, only 3.0% of the

variance was explained ( $p = .000$ ; Regression 14). One variable (changing policy) was significant ( $p = .000$ ). Board members reporting high impact invested on average 8.6 hours per month in the board whereas those with lower impact invested 6.2 hours ( $t = 3.467$ ,  $p = .001$ ). Those reporting high impact ( $M = 2.4$ ) also identified that they were investing more effort on the board than did board members reporting low impact ( $M = 2.8$ ,  $t = -4.750$ ,  $p = .000$ ); note item reverse scaled, Table 13). The reports taken together partially confirm the hypothesis that investment on the board is related to a sense of making a difference.

Table 13

Mean Investment by Board Members by  
Perceived Influence on the Board

Statement	Mean Influence		$t$	$p$
	High <sup>a</sup>	Low <sup>b</sup>		
The personal rewards I have received from being a member of this Board of this board outweigh the costs	4.2	3.9	3.605	.000
I feel appreciated and valued as a volunteer	4.1	3.9	3.395	.001
This board has many people who spend less time on their tasks than is required to do an adequate job	2.7	2.7	.507	--
Compared to the rest of the board how would you rate yourself in terms of the effort that you put into the board <sup>c</sup>	2.4	2.8	-4.750	.000
hours involved month	8.6 <sup>d</sup>	6.2 <sup>a</sup>	3.467	.001

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal. To establish the two categories for influence, those respondents at or above the mean ( $M = 9.345$ ) were grouped as high influence and those with scores less than the mean were grouped as having low influence. <sup>c</sup> This item was reversed scaled in which 1 was well above average effort and 5 was well below average effort. <sup>a</sup> $n = 271$ . <sup>b</sup> $n = 323$ . <sup>d</sup> 516.230 minutes. <sup>e</sup> 374.119 minutes.

While there was limited explanation of the hours invested by impact of the board member, there was evidence of a greater investment and perception of investment by high

impact board members. The conventional wisdom is that board members need to feel valued as volunteers to contribute and be involved. There is a sense of feeling good about oneself. Board members with high impact are more likely to agree with receiving personal rewards from involvement and feeling valued as a volunteer. Those board members in the high impact group ( $\bar{M} = 4.2$ ) indicated more strongly than did board members in the low impact group ( $\bar{M} = 3.9$ ) that the personal rewards that they received from being a member of the board outweigh the costs ( $t = 3.605, p = .000$ ). As well, board members in the high impact group ( $\bar{M} = 4.1$ ) reported feeling valued as a volunteer more than did board members with low impact ( $\bar{M} = 3.9, t = 3.395, p = .001$ ).

It was expected that benefit-cost and feeling valued as a volunteer would not be positively related. The hypothesis stated that:

13. There will be no relationship between feeling valued as a volunteer and the difference between benefit and cost for board members.

However, feeling valued as a volunteer does significantly ( $p = .000$ ) explain one's benefit-cost differential (Regression 15). It explains 34% of the variance in the benefit-cost differential and the variable (feeling valued as a volunteer) was significant ( $p = .000$ ). Hence, the prediction was not confirmed. This finding has important implications as the public choice literature does not incorporate psychic payback as a behavioral factor.

However, this form of psychic payback can enter a public choice model; it is merely difficult to measure.

A regression was run to explore the factors that affect one's sense of being valued as a volunteer. This form of psychic payback was explained by being able to change policy and have influence, the importance of the service being provided, the personal desire to do well on the board, and the sense that the board is performing effectively and efficiently (Regression 16). The regression explained 25.6% of the variance ( $p = .000$ ) with all variables significant ( $p = .000$ ).

To further explore the relationship between benefit-cost and investment on the board, it was hypothesized that:

14. There will be no relationship between feeling valued as a volunteer, the net difference between benefit and cost; and the level of contribution to the board.

This hypothesis was confirmed. One's benefit-cost and sense of feeling valued as a volunteer explained only 2.7% of the variance in the hours invested in the board ( $p = .000$ , Regression 17). Feeling valued as a volunteer was significant ( $p = .015$ ).

The following hypothesis relates the factors that affect the subjective estimation of the benefit-cost differential.

15. The greater the sense of making a difference, the greater the personal stake in the board, the more the board is assessed as being effective and efficient, the greater the commitment to the

goals of the organization, and the greater the assessment of being appreciated as a volunteer; the greater the net benefit of involvement.

To test this hypothesis, the variables related to the sense of making a difference, of having a personal stake in the board, of the board being efficient and effective, of being committed to the goals of the organization and sense of being appreciated were regressed against the assessment of benefit-cost (Regression 18). These variables explain 40.5% of the variance in the benefit-cost differential ( $p = .000$ ), and hence the hypothesis was confirmed. All variables are significant at  $p \leq .002$ , except for changing policy, which was significant at  $p = .015$ .

By substitution, the factors that explain benefit-cost differential are expected to explain hours invested. Hence, a regression was run of the above factors against hours invested (Regression 19). All independent variables are significant and 10% of the variance was explained ( $p = .000$ ). The results suggest that board members are more willing to invest in the board to the extent that they feel valued as volunteers (which was explained above as comprising several components,  $p = .001$ ), accept personal responsibility ( $p = .000$ ) and perceive that they are influential in changing policy ( $p = .003$ ). Also board members tend to invest effort on the board if the board is not effective. Thus, relaxing the altruism assumptions and introducing mixed motives in the decision to service

clarifies somewhat the factors affecting the decision to serve.

### The Board's Product-Its Decisions

The assumption of the ideal model of full and perfect information for boards is confirmed by both board members and CEOs. The hypothesis predicted that:

16. Members of boards of directors and CEOs will subscribe to the premises of the ideal board that the board should be fully informed and that it is the job of the CEO to keep the board informed.

Both board members and CEOs subscribed to the notion that the board should expect to be kept fully informed ( $\bar{M} = 4.5$  for each constituency, Table 14). The CEO ( $\bar{M} = 4.9$ ) more than the board members ( $\bar{M} = 4.6$ ) indicated that the CEO should know what is going on and should be able to tell the board ( $t = -5.664$ ,  $p = .000$ ). These expectations are held in spite of the theoretical and empirical knowledge concerning information-that it is costly to obtain and imperfect when obtained (Downs, 1966). The rhetoric of full information in the ideal model is naive.

For many of the information variables (Table 14), the means were close to the midpoint on the 5-point scale (either board members did not have an opinion or there were groups of board members who did agree and those who disagreed with the statement). Some of the inconsistencies concerning information and its use begin to appear. If board members expect the CEO to provide the information and

implicitly view this information to be full and complete, then it follows that board members would not need to go beyond the data provided internally.

Table 14

Mean Agreement of Board Members and Chief Executive Officers  
With Information as a Factor in Board Performance

Statement on Questionnaire	Means		<u>t</u>	<u>p</u>
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
I expect the executive director to know what is going on at the agency and to be able to tell me	4.6	4.9	-5.664	.000
As a board member, I expect to be kept fully informed	4.5	4.5	- .690	--
In making decisions, I am provided with several alternative courses of action from which to select	3.3	3.4	- .676	--
I receive an enormous amount of material to review and to read related to agency business	2.9	2.9	- .064	--
Material required for the board meeting is pre-circulated to members in adequate time	4.0	3.7	1.768	--
I receive less information than is required to do an adequate job	2.1	2.2	- .228	--
There is information that could make our job easier	2.9	3.8	-7.869	.000
I have made a point of asking for more information beyond that provided to the board before agreeing to a Board decision	3.0	3.3	-1.690	--
I rely solely on sources internal to the agency for information	2.8	2.5	1.705	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
<sup>a</sup>n = 680. <sup>b</sup>n = 44.

But many board members disagreed with the statement that they relied solely on sources internal to the agency for information (M = 2.8), suggesting that the majority look to a variety of sources for information. It was the CEOs (M = 3.8) more than the board members (M = 2.9, t = -7.869, p = .000) who indicated that there was more information that

could make the job easier. Yet both constituencies had assigned responsibility to manage the information to the CEO. The social dilemma paradigm notes the problems with information as one of the major factors in the structure of the dilemma. Theoretically, it is predicted that:

17. The greater the problems with information, the more the board's job will be assessed as unmanageable.

Four variables deal with attributes of information that would equip the board to do its job—pre-circulation of information, volume of information, alternative sources of information to counteract distortion, and having sufficient information. These variables were regressed against the perceived manageability of the job. When the regression included the variable related to other information that could make the job easier, there was limited additional explanatory power.

Whereas individual board members have some awareness of the relationship between problems with information and the manageability of the board job (adjusted  $R$  squared .119,  $p = .000$  all variables significant), it is at the level of the board that the relationship becomes more evident. For the board, the information variables explained 23.3% of the variance, ( $p = .000$ , Regression 20). Appropriateness of the volume of information ( $p = .032$ ) and the adequacy of pre-circulation ( $p = .012$ ) were both significant. Moreover, less information was in the appropriate direction. Board

members are aware of the linkage between information and the manageability of the job and the prediction of a relationship between problems with information and the manageability of the job was confirmed.

Information problems were predicated to negatively impact on the investment made by board members. Two hypotheses were proposed:

18. The greater the information problems, the more the board members will minimize their contribution to the board.
19. The greater the problems with information, the less the board members will perceive they make a difference.

There was variable investment by board members in preparation for board meetings. No time in preparation was reported by 8% of the board members. The majority (56.5%) indicated that they devoted up to 1 hour whereas 23.8% invested between 1 and 2 hours in preparation. The board members with high impact invested more hours ( $\bar{M} = 2.15$  hours) than did those with low impact ( $\bar{M} = 1.25$  hours,  $t = 3.607$ ,  $p = .000$ , Table 18). The CEO tended to spend more time in preparation than did board members, with 31.8% spending 3 to 4 hours, 29.6% between 5 and 7 hours and 15.9% indicating they devoted 8 or more hours to preparation. Some 22% of the CEOs used up to 2 hours to prepare.

The first of the tests related the investment made with information variables (hours invested and hours in preparation for board meetings as a function of the

information variables). The information variables explained only 2.3% of the variance in the hours invested in preparation for the board meeting ( $p = .002$ ; Regression 21) and 3.8% of the variance of the hours invested on the board ( $p = .000$ ; Regression 22). Hence, the prediction of a relationship between information problems at the level of contribution to the board was not confirmed. The volume of information ( $p = .000$ ) and the information being circulated ( $p = .033$ ) were significant in terms of the hours in preparation for board meetings. The volume of information ( $p = .000$ ) was also significant for the overall hours invested in the NPO. As well, the investment of hours was explained by not relying on sources internal to the agency for information ( $p = .005$ ) and by the sense there was information that could make the job easier ( $p = .07$ ).

The second test concerning the relationship between information problems and time invested predicated that the perception of the free rider problem (people contributing less time to the board than is necessary to do an adequate job) would be greater the greater the problems with information. This hypothesis was supported. The information variables (expecting to be kept fully informed, relying on formal lines of communication, and information inadequacy) explained 26.7% of the variance in board members' assessment of free riders on the board ( $p = .000$ , Regression 23). Only two variables were significant:

expecting the CEO to keep the board informed ( $p = .000$ ) and recognizing that there was more information that could make the job easier ( $p = .010$ ).

Table 18

Mean Agreement with Information as a Factor  
in Board Performance by Impact of Board Member

Statement	Mean Influence		t	p
	High <sup>a</sup>	Low <sup>b</sup>		
I expect the executive director to know what is going on at the agency and to be able to tell me	4.7	4.6	1.679	--
As a board member, I expect to be kept fully informed	4.6	4.4	3.736	.000
In making decisions, I am provided with several alternative courses of action from which to select	3.5	3.1	3.968	.000
I receive an enormous amount of material to review and to read related to agency business	3.2	2.7	4.771	.000
Material required for the board meeting is pre-circulated to members in adequate time	4.0	4.0	1.799	--
This board receives less information that is needed to do an adequate job	2.0	2.1	-1.064	--
There is information that could make our job easier	3.0	2.8	-2.995	.003
I have made a point of asking for more information beyond that provided to the board before agreeing to a Board decision	3.3	2.8	-5.569	.000
I rely solely on sources internal to the agency for information	2.7	3.0	-2.414	.016
Hours in preparation for a board meeting	2.15c	1.25d	3.607	.000

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal. To establish the two categories for influence, those respondents at or above the mean ( $M = 9.345$ ) were grouped as high influence and those with scores less than the mean were grouped as having low influence. <sup>a</sup>n = 271. <sup>b</sup>n = 323. <sup>c</sup>n 128.860 minutes. <sup>d</sup>n 75.298 minutes.

The respondents were again categorized into two groups (those with high impact and those with low) and t-tests run (Table 18). As expected, those with greater impact made a point of asking for more information ( $p = .000$ ), having

several alternatives ( $p = .002$ ) and processing an enormous amount of material ( $p = .000$ ) than did their low impact counterparts. Those with high impact ( $M = 4.6$ ) had higher expectations to be more fully informed than did board members with low impact ( $M = 4.4$ ,  $t = 3.736$ ,  $p = .000$ ). Those board members with low impact ( $M = 3.0$ ) agreed more than did board members which high impact ( $M = 2.7$ ) that they relied on sources internal to the agency for information ( $t = -2.414$ ,  $p = .016$ ).

Table 15  
Mean Assessment of Influential Board Members on the  
Board by Board Members and Chief Executive Officers

Statement on Questionnaire	Means		$t$	$p$
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
The board's decisions are heavily influenced by board members who are professionals in the area of services provided by the agency	2.8	2.3	2.979	.004
The advise of the professional is valued more than the advise of volunteer board members	2.6	2.2	2.491	.016
Much of what I do for this board draws on my expert or professional skills	3.6	3.9	-2.656	.010
There are some people on the board who seem to really know what is going on, and they are exceptionally influential on the board	3.7	3.6	1.082	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
<sup>a</sup> $n = 680$ . <sup>b</sup> $n = 44$ .

Thus the hypothesis was partially confirmed. Another prediction was the existence of differential power on the board: that some members would be more influential. This hypothesis flowed from the differential stakes of board

members, the professional and power related reasons for serving, and information as a base of power. To test this relationship, the following hypothesis was proposed:

20. There will be a power differential among board members as a result of their greater energy expended and their authority over some range of issues.

The variables related to this aspect of the investigation are presented in Table 15. Board members ( $\bar{M} = 2.8$ ) more than CEOs ( $\bar{M} = 2.3$ ,  $t = 2.979$ ,  $p = .004$ ) agreed that the board's decisions are heavily influenced by board members who are professionals in the area of service provided by the agency. The presence of influential people on the board was somewhat supported ( $\bar{M} = 3.7$  for board members,  $\bar{M} = 3.6$  for CEOs). Moreover, professional advice being valued more than the advice of the volunteer was more strongly supported by the board members ( $\bar{M} = 2.6$ ) than by the CEOs ( $\bar{M} = 2.2$ ,  $t = 2.491$ ,  $p = .016$ ).

To explain the relationship between board impact and professionalization of the board, two regressions were run. Professional advice, credentials, and office explained 16.1% of the variance in the perception that some people on the board were influential ( $p = .004$ , Regression 24). The presence of professionals in the area of service as that of the agency was significant ( $p = .008$ ). A regression to relate the impact index and professional factors had little explanatory power (adjusted  $R$  squared = .042, regression not significant, Regression 25). Overall, there is limited

evidence of the volunteer board being influenced by professionals, and hence there is little confirmation for the hypothesis.

It was expected that problems with information would be substantive in explaining the board member's subjective estimation of effectiveness. The information variables are useful in explaining the sense of effectiveness (adjusted  $R$  squared .307,  $p = .000$ , Regression 26). The less the information overload ( $p = .001$ ), the more the information was pre-circulated in a timely fashion ( $p = .000$ ), and the more there were information alternatives provided ( $p = .011$ ) the more the board viewed itself to be effective. Note the link between manageability of the board job and the board members' sense of the board being effective. The same variables explain both.

With information one of the factors in the production function of the board, it was predicated that problems with information would explain the difficulty in determining the output of the board. Overall, board members ( $M = 2.4$ ) and CEOs ( $M = 2.3$ ) disagreed that it was difficult to determine the output of the board.

Three variables relate to the board process: atmosphere being pleasant with little argument, preference for consensual decision making, and decisions being reconsidered (Table 16). There was general agreement that the atmosphere of board meetings was pleasant with limited

argument (board members  $\bar{M} = 4.2$ , CEO  $\bar{M} = 4.4$ ), and that consensual decision making was practised (board members  $\bar{M} = 4.0$ , CEO  $\bar{M} = 3.9$ ). There was a significant difference ( $t = 3.422$ ,  $p = .001$ ) in the perceptions of the board members ( $\bar{M} = 3.0$ ) and CEO ( $\bar{M} = 2.5$ ) on the extent to which decisions were reconsidered.

Table 16

Mean Assessment of the Decision-Making on the Board by Board Members and Chief Executive Officers

Statement on Questionnaire	Means		$t$	$p$
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
It is hard to determine exactly what the output of this board is	2.4	2.3	1.174	--
The atmosphere of most board meetings is pleasant and business like; there is limited argument	4.2	4.4	-1.600	--
It is the preference of this board that an overwhelming number of board members agree in any decision	4.0	3.9	.417	--
Decisions are often reconsidered	3.0	2.5	3.422	.001
The priorities of our board shift with the changing membership from year to year	2.3	2.0	1.719	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
<sup>a</sup> $n = 680$ . <sup>b</sup> $n = 44$ .

When these process variables are compared by the influence of the board members (Table 17), the extent to which decisions are reconsidered was again significant. Board members with high impact ( $\bar{M} = 3.1$ ) agreed that decisions are often reconsidered more than did board members with low impact ( $\bar{M} = 2.8$ ,  $t = 3.818$ ,  $p = .000$ ).

A relationship between the nature of the board meetings and the clarity of board output was predicated.

21. The more consensual the decision-making process, the less clear the output of the board will be.

Table 17

Mean Assessment of the Decision-Making  
on the Board by Impact of Board Member

Statement	Mean Influence		t	p
	High <sup>a</sup>	Low <sup>b</sup>		
It is hard to determine exactly what the output of this board is	2.4	2.5	-1.091	--
The atmosphere of most board meetings is pleasant and business like; there is limited argument	4.3	4.2	.628	--
It is the preference of this board that an overwhelming number of board members agree in any decision	4.1	3.8	1.435	--
Decisions are often reconsidered	3.1	2.8	3.818	.000
The priorities of our board shift with the changing membership from year to year	2.3	2.3	.216	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal. To establish the two categories for influence, those respondents at or above the mean ( $M = 9.345$ ) were grouped as high influence and those with scores less than the mean were grouped as having low influence.  
<sup>a</sup>n = 271. <sup>b</sup>n = 323.

These process variables explain 27.2% of the variance ( $p = .000$ ) in the difficulty in determining the output of the board—but in the opposite direction than predicted (Regression 27). The less the atmosphere is pleasant and cooperative ( $p = .000$ ), the harder it is to determine the output of the board.

The next area for exploration was the impact of the professional bureaucracy on the use of information in the nonprofit organization. There are two components. One is the tendency in this technocratic society to rely on professional or expert advice, suggesting a tendency to defer to the professionally trained CEO. The second was structural, in that the CEO sits at the nexus of the

relationship between the board and bureaucracy.

To test the tendency to rely on professional advice, the following hypothesis was proposed:

22. The more boards accept the appropriateness of expert advice and the technical solution, the more authority the CEO will be given.

Giving more authority to the CEO than would be ideal is, to a very limited extent (adjusted  $R$  squared .048,  $p = .000$ ) explained, in the eyes of the board, by the appropriateness of relying on professional advice (Regression 28). Seeking expert advice for solutions to problems is negative and not significant. However, the advice of the professional being valued more than the advice of the volunteer was significant ( $p = .000$ ). On the other hand, the CEOs do not perceive a relationship between their authority and professional advice being valued (adjusted  $R$  squared .000, regression not significant, Regression 29).

The last area for assessment of the impact of information is structural. As was noted at the outset of this section, board members not only have high expectations that they should be fully informed; they also rely on the CEO for that information. It was earlier argued that the CEOs have their own incentives concerning the presentation of information. To test the relationship between information and board impact, it was hypothesized that:

23. The more board members depend solely on internal sources for information, the less impact will be reported by board members.

24. The more board members depend solely on internal sources for information, the more board members will assess the CEO as powerful.

Table 19

Mean Assessment of Importance of CEO Job and Board

Influence by Reliance on Internal Sources of Information

Statement	<u>Mean Reliance on Internal Sources</u>			
	High <sup>a</sup>	Low <sup>b</sup>	<u>t</u>	<u>p</u>
The job of the Executive Director is the most important at the agency	4.0	3.6	-3.857	.000
Impact Index	9.4	9.1	1.609	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.

To establish the two categories for reliance on internal sources of information, those respondents agreeing or agreeing strongly (4 and 5 on a 5-point scale) were categorized as high reliance; those neutral, or disagreeing or disagreeing strongly (1, 2 and 3 on a 5-point scale) were categorized as low reliance.

<sup>a</sup>n = 354. <sup>b</sup>n = 300.

Board members who rely on sources internal to the agency for information are in stronger agreement that the job of the CEO is the most important at the agency and report less impact (Table 19). Thus the hypothesis was confirmed. Respondents were categorized by the extent to which they indicated that they relied on sources internal to the agency for information (those reporting 4 and 5 on a 5-point scale were grouped as high reliance on internal sources of information; those reporting 1, 2 or 3 were grouped as low reliance). Board members with high reliance on internal information ( $\bar{M} = 4.0$ ) agreed more strongly than did board member with less reliance on internal sources of information ( $\bar{M} = 3.6$ ) that the job of the CEO was the most important job at the agency ( $t = -3.857$ ,  $p = .000$ ). Those with high reliance on internal sources of information

reported greater impact on the agency ( $\bar{M} = 9.4$ ) than did those board members with lower reliance on internal information ( $\bar{M} = 9.1$ ) although the result was not significant. Information is an important factor in explaining board effectiveness. Board members are aware of the relationship between information and the manageability of their job. Moreover, the factors that explain the manageability of the board job also explains the subjective estimation of board effectiveness. Process variables having to do with the atmosphere of the board meeting and the reconsideration of decisions are useful in explaining the difficulty in understanding board output. There is limited evidence of the board being professionalized. Those board members with high impact tended more than board members with low impact to seek and use information.

#### Multiple Roles and Conflicting Incentives

The presumption of the ideal model that the role of the board is clear and understandable to board members was confirmed. Board members and CEOs agree ( $\bar{M} = 3.9$  for each constituency, Table 2).

Three roles were identified for the board: sovereign, constructive critic, and advocate. It was hypothesized that these three roles would be accepted, but that each constituency would have different perceptions. The hypotheses took the following form:

25. Board members and CEOs will subscribe to these three roles as descriptive of the board job.
26. However, given their different relationship to the agency, there will be significant differences between the board and the CEOs on the relative importance of these roles.

Overall, these three roles and the hypothesis were supported. Of the three roles, sovereignty received the least support by the board members. Sovereignty was supported by 61.7% of the board members and 86.4% of the CEOs. The role of constructive critic was accepted by 75.2% of the board members and 77.3% of the CEOs. The advocacy role was accepted by 88.6% of the board members and 88.6% of the CEOs. (These figures report those citing 4 or 5 on a 5-point scale.)

The board is less sure of the role of sovereign ( $\bar{M} = 3.6$ ) than were the CEOs ( $\bar{M} = 4.4$ ,  $t = -4.238$ ,  $p = .000$ , Table 20). It may be that the board members find themselves unable to change things for all the reasons discussed above, and hence question their sovereignty. But the CEO knows that, in principle, they are sovereign because they do have final authority. The role of advocate was supported by both board members ( $\bar{M} = 4.5$ ) and CEOs ( $\bar{M} = 4.3$ ). Both constituencies ( $\bar{M} = 4.0$ ) accepted the premise that the board has the role of constructive critic.

It was argued that each of the three roles has specific responsibilities. These are outlined as follows:

- . sovereign role: the responsibility to be

- accountable for the performance of the agency;
- advocate role: the responsibility to represent the agency in the best possible light;
- constructive critic role: the responsibility to know what is being provided to clients and with what effect.

Table 20

Mean Assessment of Role Responsibility on the Board by Board Members and Chief Executive Officers

Statement on Questionnaire	Means		t	p
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
As a board we have the ultimate authority over this agency	3.6	4.4	-4.238	.000
As a board member I am an advocate of this agency's operations	4.4	4.3	1.410	--
As a Board member I am a constructive critic of the agency's operations	4.0	4.0	.354	--
The board is accountable for the actions of the organization	4.2	4.4	-1.162	--
It is difficult to really know what we are doing for our clients, and to ensure that services are appropriate and efficient	2.3	2.2	1.016	--
In dealing with our funders (or outsiders) we always try to present the agency in the best possible light	4.2	4.0	1.179	--
Board members are expected to, and do take, an active role in implementing decisions taken by the board	3.5	3.0	2.511	.015

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
<sup>a</sup>n = 680.    <sup>b</sup>n = 44.

As shown in Table 20, each of these responsibilities was supported by board members and CEOs. Both board members ( $\bar{M}$  = 4.2) and CEOs ( $\bar{M}$  = 4.4) agreed that the board was accountable for the agency. They also agreed that it was the board role to present the agency in the best possible

light (board  $\bar{M}$  = 4.2, CEO  $\bar{M}$  = 4.0). And they reported that it was, by and large, not difficult to know what the agency was doing for clients (question was reverse scaled, so low means indicate agreement, board  $\bar{M}$  = 2.3, CEO  $\bar{M}$  = 2.2).

The role responsibilities were related to the board members' understanding of their job. The hypothesis predicated that:

27. The greater the clarity in the responsibilities for each of the three roles, the greater will be the board members' understanding of the board job.

This hypothesis was confirmed. The extent to which the board members view themselves as being accountable ( $p = .000$ ), the less the difficulty in understanding what they are doing for their clients ( $p = .000$ ), and the more it is important to present the agency in the best possible light ( $p = n.s.$ ), the clearer the job of the board (adjusted  $R$  squared .326,  $p = .000$ , Regression 30). Aggregating to the level of the board increased the explanatory power a little (adjusted  $R$  squared .383,  $p = .000$ ). CEOs tended to agree, although the variance explained was a little lower (adjusted  $R$  squared .287,  $p = .001$ , Regression 31). Advocacy was not significant. Each constituency appears to view the board job somewhat differently and each understands the linkage between the roles of the board and an understanding of the job of the board.

As a consequence of having ultimate authority for the agency, for being sovereign, the board is expected to be

accountable for the agency. The regression to explore the factors that influence accountability proposed that:

29. The greater the importance board members place on being seen to do well, the more appropriate the relationship with the CEO, the clearer the understanding of the board job and the goals, and the greater the sense of representation; the more accountable the board members will perceive themselves to be.

This hypothesis was confirmed for board members but not for CEOs. Being committed to the board and desiring the board to be seen to do well (collective accountability,  $p = .000$ ), not having given the CEO more authority than would be ideal ( $p = .010$ ), being clear on the understanding of the job ( $p = .000$ ), knowing what was being sought (goals,  $p = .007$ ) and having a sense of being accountable to some entity (representation,  $p = .003$ ) explained 34.1% of the variance ( $p = .000$ ) for board members (Regression 32). When the unit of analysis was the board, the adjusted  $R$  squared was .330,  $p = .000$  (Regression 33). All variables except representation were significant. In the case of the CEO, the same regression explained only 4.5% of the variance, and neither the regression nor any of the variables were significant (Regression 34). Changing variables to those more likely to reflect incentives for the CEO, such as being influential and sharing in responsibility for the agency provided no explanatory power. It is clear that the board members and CEOs value accountability in different ways.

Reputation is the traditional incentive for effective

performance by board members. It was hypothesized that:

28. Board members will not perceive that their reputations are at risk by serving on the boards.

This hypothesis was confirmed. Board members and CEOs did not support the proposition that board members placed their reputations at risk by serving on the board (board member  $\bar{M}$  = 2.2; CEO  $\bar{M}$  = 2.0).

Two hypotheses were proposed to relate confusion across board roles and both board impact and the subjective estimation of board effectiveness as follows:

33. The greater the confusion across the multiple board roles, the lower the assessment of board effectiveness.
34. The greater the confusion across the multiple board role the less impact the board will have.

The board members with greater influence agreed significantly more with the roles ( $p \leq .01$ ) than did board members with low influence (Table 21). The group with higher impact supported the role of constructive critic ( $\bar{M}$  = 4.3) more than did the group with lower impact ( $\bar{M}$  = 3.8,  $t$  = 6.305,  $p$  = .000). As well the advocate role ( $\bar{M}$  = 4.5 for high impact board members,  $\bar{M}$  = 4.3 for low impact board members,  $t$  = 3.961,  $p$  = .000) and sovereign role ( $\bar{M}$  = 3.9 for high impact board members,  $\bar{M}$  = 3.4 for low impact board members,  $t$  = 5.042,  $p$  = .000) were more strongly supported by the group with higher impact ( $p$  = .000). Thus, those board members who felt they were making a difference were clearer about the roles of the Board and vice versa.

Table 21

Mean Assessment of Role Responsibility on the Board

By Influence of the Board Member

Statement	Mean Influence			
	High <sup>a</sup>	Low <sup>b</sup>	<u>t</u>	<u>p</u>
This board is carrying out its responsibility effectively & efficiently	3.9	3.8	1.369	--
As a board member, I am an advocate of the agency's operations	4.6	4.3	3.961	.000
As a board member, I am a constructive critic of the agency's operations	4.3	3.8	6.305	.000
In dealing with our funders we always try to present the agency in the best possible light	4.3	4.1	2.361	.010
As a board, we have the ultimate authority over the agency	3.9	3.4	5.042	.000

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
 To establish the two categories for influence, those respondents at or above the mean ( $\bar{M} = 9.345$ ) were grouped as high influence and those with scores less than the mean were grouped as having low influence.  
<sup>a</sup> $n = 271$ . <sup>b</sup> $n = 323$ .

The regression to test the relationship between roles and the subjective estimation of effectiveness had limited explanatory power at the level of the individual board member (adjusted  $R$  squared .066,  $p = .000$ ; only advocate was significant). However, at the level of the board, which is the unit of analysis for the problem of roles, 19.6% of the variance was explained ( $p = .001$ , Regression 35). Hence there is limited confirmation for the hypothesis. The board was deemed to be effective the more the board was an advocate ( $p = .000$ ) and the less it was a constructive critic ( $p = .026$ ). But for board members, the role of sovereign was not significant in explaining responsibility. In terms of roles, the board was somewhat more concerned

with the external rather than internal environment. Moreover, the board had some appreciation of the link between roles and effectiveness.

The next role-related issue explores the variation in the impact on the Board attributable to the office held. The hypothesis proposed that:

30. For board members, perceived influence will vary with the office held; that is, the higher the office on the board the greater will be the perceived impact of the board.

The respondents represented a variety of positions at the agency. Presidents accounted for 8.5% of the respondents, members of the executive for 28.3%, committee members for 51.2%, and general board members for 12.1%. (The question asked respondents to indicate their office.)

Table 22

Extent to Which the Board Office is  
Influential in the Nonprofit Organization

Office	Overall n <sup>a</sup>	With Influence	% of Office With Influence
board presidents	50	31	62.0%
members of executives	167	84	50.3%
board members	69	31	44.9%
committee members	302	123	40.7%

Note: chi-square 9.822  $p = .042$   
<sup>a</sup>n = 600.

It is clear from the Table 22 that the hypothesis that influence increased with board office was supported except in the case of committee members.

The Chi square was significant (chi = 9.882,  $p = .042$ ).

Moreover, a t-test between office and the grouped impact variable was significant (t = -2.533, p = .012) showing the relationship between office and greater impact on the board.

The potential for role confusion as a consequence of different activities undertaken for the board was also explored in the following hypothesis:

31. The more the board members use their personal and professional skills, the greater will be the confusion in board output.

A companion hypothesis was also tested:

32. The more the board members use their professional skills, the higher will be the perceived difference between benefit and cost.

Table 23

Mean Assessment by Board Members of Clarity of Output and Benefit-Cost Differential by Use of Professional Skills

Statement	Mean Use of Professional Skills		<u>t</u>	<u>p</u>
	High <sup>a</sup>	Low <sup>b</sup>		
It is hard to determine exactly what the output of this board is	2.4	2.5	-1.029	--
Taking all things into account, the personal rewards I have received from being a member of this board outweigh the costs	4.2	3.9	3.896	.000
Board members are expected to, and do take, an active role in implementing decisions taken by the board	3.6	3.4	2.206	.028

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal. To establish the two categories for use of professional skills, those respondents agreeing or agreeing strongly (4 and 5 on a 5-point scale) were categorized as high use of professional skills; those neutral, or disagreeing or disagreeing strongly (1, 2 and 3 on a 5-point scale) were categorized as low use of professional skills.  
<sup>a</sup>n = 381.    <sup>b</sup>n = 299.

The extent to which board members reported drawing on their professional skills was categorized into high and low

usage (high being those who agreed strongly and very strongly, 4 and 5 on a 5-point scale). No significant difference between the two groups was found in terms of clarity of the output of the board (Table 23). However, the board members who made extensive use of their professional skills ( $\bar{M} = 4.2$ ) agreed that the benefits of being involved exceeded the costs more than did the board members with less reliance on professional skills ( $\bar{M} = 3.9$ ,  $t = 3.869$ ,  $p = .000$ ). Board members who used their professional skills ( $\bar{M} = 3.6$ ) were agreed that they were involved in implementation more than did board members who did not use their professional skills ( $\bar{M} = 3.4$ ,  $t = 2.206$ ,  $p = .028$ ). Hence the hypothesis that the greater use of professional skills would contribute to confusion in board output was not confirmed. The hypothesis that the greater the use of professional skills the greater the benefit-cost differential was confirmed.

The next section looks at the impact of the introduction of a bureaucracy on the ideal model. Board members and CEOs both subscribed at some substantive level to the view of board/staff relations presented in the ideal model. It was predicated that:

35. Board members and CEOs will accept that the staff is required to implement the wishes of the board.
36. Board members, more than CEOs, will indicate that there are clearly demarcated lines of responsibility between the board and the CEO.

Table 24

Mean Assessment of The Relationship Between the Board  
and the CEO by Board Members and Chief Executive Officers

Statement on Questionnaire	Means		<u>t</u>	<u>p</u>
	Boards <sup>a</sup>	CEOs <sup>b</sup>		
The board has clearly demarcated lines of responsibility with the Executive Director	3.8	4.1	-2.009	.050
The job of staff is to further the objectives of the agency	4.4	4.6	-2.223	.031
The job of the Executive Director is the most important at the agency	3.8	3.3	2.897	.006
The Executive Director shares responsibility with the board and is also accountable for agency effectiveness	4.3	4.5	-1.803	--
The effectiveness of this board is the overwhelmingly important determinant of the effectiveness of this agency	3.4	3.1	1.794	--
This board has allowed the Executive Director more authority than would be ideal	2.0	2.2	-1.439	--
The advice of the professional is valued more than the advice of volunteer board members	2.6	2.2	2.491	.016
Problems in the agency's programs can best be solved by seeking expert advice	3.1	2.7	2.645	.011

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
<sup>a</sup>n = 680. <sup>b</sup>n = 44.

Board members (M = 3.8) more than CEOs (M = 3.3) described the job of the Executive Director as being the most important at the agency (t = 2.897, p = .006, Table 24). While there was substantive agreement by both board members (M = 4.4) and CEOs (M = 4.6) that the job of staff is to further the objectives of the agency (as proxy for the will of the board given that the board sets the objectives), it was the CEOs who more strongly subscribed to this view (t = -2.233, p = .031, Table 24). Both constituencies also agreed that there were demarcated lines of responsibility between the board and CEO. Again the CEOs (M = 4.1) agreed

more strongly ( $t = -2.009$ ,  $p = .050$ ) than did board members ( $M = 3.8$ ). So both myths were accepted by the actors. But, interestingly, the myth was more strongly subscribed to by the staff member. Again, it is likely that the CEOs appreciate the sovereignty of the board more so than do the board members. They know the board can fire them.

The centrality of the job of the CEO was supported with a significant difference in the extent to which each constituency agreed according to the hypothesis that:

37. CEOs and board members will agree that the job of the CEO is the most important at the agency.

Moreover, responsibility for the nonprofit organization is perceived to be shared. The hypothesis proposed that:

38. CEOs, to a greater extent than board members, will perceive that the CEO shares responsibility with the board for the effective performance of the agency.

The role differential predicated was not confirmed. Whereas both constituencies agreed that they share responsibility for the effective performance of the agency (board members  $M = 4.3$ , CEO  $M = 4.5$ ) there was no significant difference due to role. However, the shared responsibility is a departure from the ideal model in which it is the board that is accountable.

Moreover, neither group overwhelmingly subscribed to the premise that the board is the most important determinant of the effectiveness of the agency. There was some support for this premise (board  $M = 3.4$ , CEO  $M = 3.1$ ). For some

actors the rhetoric of the myth of the ideal model is strongly inculcated, whereas for others the shared power is appreciated.

Table 25

Mean Assessment of the Relationship Between the Board and the CEO By Influence of the Board Member

Statement	Mean Influence			
	High <sup>a</sup>	Low <sup>b</sup>	<u>t</u>	<u>p</u>
The board has clearly demarcated lines of responsibility with the Executive Director	3.8	3.7	2.802	.005
The job of staff is to further the objectives of the agency	4.4	4.4	.659	--
The job of the Executive Director is the most important at the agency	3.9	3.9	.198	--
The Executive Director shares responsibility with the board and is also accountable for agency effectiveness	4.4	4.2	3.650	.000
The effectiveness of this board is the overwhelmingly important determinant of the effectiveness of this agency	3.6	3.3	3.815	.000
This board has allowed the Executive Director more authority than would be ideal	1.9	2.1	-2.085	.033
The advice of the professional is valued more than the advice of volunteer board members	2.5	2.7	-2.003	.046
Problems in the agency's programs can best be solved by seeking expert advice	3.1	3.0	1.574	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal. To establish the two categories for influence, those respondents at or above the mean (M = 9.345) were grouped as high influence and those with scores less than the mean were grouped as having low influence. <sup>a</sup>n = 271. <sup>b</sup>n = 323.

Overall, it was expected that a transfer of power was occurring in the nonprofit organization. The hypothesis proposed that:

39. The CEOs will describe themselves as more influential in changing policy than board members.

In one important respect this hypothesis was confirmed. The CEOs describe themselves significantly more (M = 4.1) than the board members (M = 3.1) as being influential at the

agency in changing or maintaining policy in the face of a threat ( $t = -5.682$ ,  $p = .000$ , Table 4). Yet in the ideal model, establishing policy is the prerogative of the board. No significant difference was found between the board members and CEOs on the other two variables assessing board impact (changing proposals that come before the board and changing recommendations of staff).

High impact board members see the relationship with the CEO differently from low impact members on a number of factors (Table 25). Board members with high impact ( $M = 4.4$ ) agree more strongly that the CEO shares responsibility with the board for the effectiveness of the agency more than do board members with low impact ( $M = 4.2$ ,  $t = 3.650$ ,  $p = .000$ ). They also agree, although less strongly, but yet more than board members with low impact, that the board is the overwhelmingly most important determinant of the effectiveness of the agency (high impact  $M = 3.6$ , low impact  $M = 3.3$ ,  $t = 3.815$ ,  $p = .000$ ). Hence the high-impact board members hold conflicting views. They subscribe to the myth and yet in part see through it.

Taken together, it was expected that the board's estimation of effectiveness would be decreased the more the board relied on the CEO. This was explored in the following form:

40. The more the relationship of board and CEO is described as being appropriate as measured by clearly demarcated lines of responsibility, satisfactory authority delegation, the centrality

of the CEO job at the organization and the shared responsibility for organization effectiveness; the greater will be the assessment of board effectiveness.

For board members, the subjective estimation of board effectiveness is substantially explained by aspects of the relationship between board and CEO. Having clearly demarcated lines of responsibility with the CEO ( $p = .000$ ), not having allowed the CEO more authority than would be ideal ( $p = .000$ ), and recognizing that the CEO shares responsibility with the board for effective functioning of the agency ( $p = .000$ ) explains 32.7% of the board members' assessment of board effectiveness ( $p = .000$ , Regression 36). When the unit of analysis is the board, the adjusted  $R$  squared increases to .460,  $p = .000$  (Regression 37). However, only having clearly demarcated lines of responsibility with the CEO ( $p = .004$ ) and not having allowed the CEO more authority than would be ideal ( $p = .001$ ) are significant. These variables also explain 39.1% of the CEOs' assessment of board effectiveness ( $p = .000$ , Regression 38). The same variables that are significant for the board are significant for the CEO ( $p = .003$ ). Thus, both constituencies agree that the relationship with the CEO is crucial in understanding the board's judgement of effectiveness.

These findings suggest that board members and CEOs hold conflicting and potentially confusing perceptions concerning

the appropriate relationship between board and CEO. The evidence is that, in part, they are captured by the rhetoric of the ideal model, as they subscribe to the myth of the role of staff to further the objectives of the agency and that the relationship between board and CEO is appropriate. At the same time, however, there is fairly strong support for the board alone being the singular determinant of agency effectiveness (the ideal model) and overwhelming support for joint responsibility for agency effectiveness. Add to this finding the appreciation by both constituencies of the centrality of the job of the CEO, and it appears that there is confusion and dual expectations over what is assumed to be clear. Moreover, the set of roles for the Board itself is complex.

#### The Interdependent Environment

In the ideal model, the board is an agent of the membership that serves as a "countervailing" force to the power of the board (Schoderbeck, 1982). However, about 1 in 4 organizations did not have the community base explicitly required. Of the 44 nonprofit organizations in the data set, 32 or 72.7% reported having a membership.

For those organizations with a membership, 16.7% reported between 1 and 20 members, 30% indicated between 21 and 200 members, another 30% cited between 200 and 600 members, and 22.3% reported more than 600 members. Contact

with the members was maintained through the annual meeting by 96.7% of those organizations reporting a membership, through a newsletter by 68.8%, through membership meetings by 25%, and through other means (unspecified) by 28% of the organizations. Hence the members would have only a few options through which to obtain information on the activities of the board. The ability of the membership to be a counter-balance to the board would be limited.

The ideal model assumes that the necessary resources to fund operations will be found by the board, traditionally from the board itself, from the members and through fund-raising activity. Yet 81.8% of the organizations did not rely at all on the board members as a source of revenue. For those organizations that indicated that they relied on the board members for funds, the extent to which they did so was minimal. More than 50% of the core budget was provided by organized funders for 75% of the organizations. Up to 25% of the budget was supplied by funders for 17% of the organizations whereas 7% of the organizations received between 26%-50% of their budget from organized funders.

Multiple funding arrangements were reported by 80.0% of the organizations in the sample (37.5% of which reported between two and four funders, 37.5% reported between 5 and 8 funders and 25% reported 9 or more funders). One funding relationship was reported by 20.0% of the organizations. Thus, there is evidence that nonprofit organizations have

substantial dealings with organized, third-party funders.

Further evidence of interdependency is the support to propositions by board members and CEOs that legislation and funders do constrain their organizations. The question supposed that there was extensive constraint, so means of less than 3 denote some flexibility. For these questions (Table 2) the means were between 2.2 and 3.0 for board members and 1.7 and 2.5 for CEOs. Board members perceived greater levels of constraint than did CEOs.

That board members and CEOs perceive the effect of contextual forces on the agency was confirmed. Board members ( $\bar{M} = 3.2$ ) and CEOs ( $\bar{M} = 3.0$ ) somewhat supported the statement that the board has to adapt to external pressure (Table 7). The data set was divided into two groups--those who supported (4 and 5 on 5-point scale) the position that the board has to adapt to external pressure and those who did not support this statement. An analysis ( $t$ -test) comparing the two groups produced no significant results.

A theme throughout the analysis of the effect of interdependence is that of the extent to which the nonprofit organization relies on third-party funding. To provide the data to test this theme, the percentage of core funding provided by other organizations was categorized. Two groups were created--those with extensive reliance on third-party funding and those with little reliance on third-party funding. What was extensive is, of course, a judgement. It

was established at a level where it would be clear that, without that proportion of its revenue, the existence of the nonprofit organization would be in jeopardy. Hence, extensive reliance was defined as 60% or more of the revenue originating from third-party funders. This is, of course, a conservative figure and introduces a downward bias in the finding.

Table 26

Mean Effect on Board Roles

By Extent of Reliance on Third-Party Funding

Statement on Questionnaire	Board Members				CEOs			
	Mean Reliance		t	p	Mean Reliance		t	p
	High <sup>a</sup>	Low <sup>b</sup>			High <sup>a</sup>	Low <sup>b</sup>		
As a board member, I am an advocate of the agency's operations	4.4	4.5	-1.168	--	4.2	4.3	-.698	--
As a board member, I am a constructive critic of the agency's operations	4.1	4.1	-.820	--	3.9	4.2	-1.225	--
In dealing with our funders we always try to present the agency in the best possible light	4.1	4.3	-1.168	--	3.7	4.4	-3.143	.003
As a board, we have the ultimate authority over the agency	3.5	4.0	-3.138	.003	4.3	4.4	-.281	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.

The two categories for extent of reliance on third-party funding were established by including agencies with 60% or greater reliance on third party funds in the high reliance category, and those agencies with less than 60% reliance on third-party funding in the low reliance category.

<sup>a</sup>n = 26. <sup>b</sup>n = 18.

The analysis explores the impact of extensive reliance on third-party funding in a number of areas: representativeness of the board, impact on its sovereignty and advocacy roles, and the possible introduction of expansion pressures on the organization. The predication that

reliance lessens the board's sense of its sovereignty was supported. The hypothesis proposed that:

42. The greater the board reliance on third-party funding, the less the board will perceive its role as sovereign.

Board members whose boards had less reliance on external third-party funding ( $\bar{M} = 4.0$ ) were significantly more supportive of the role of sovereign than were board members whose board had a more extensive reliance ( $\bar{M} = 3.5$ ) on third-party funding ( $t = -3.138$ ,  $p = .003$ ). This was not the case for CEOs, as both groups of CEOs provided support for the board being sovereign ( $\bar{M} = 4.3$  for the group with extensive reliance on third-party funding, and  $\bar{M} = 4.4$  for the other group). Further evidence of the erosion of the sovereign role is apparent in the heightened dependency on the funders. Although both constituencies disagreed with the expectation that other organizations should assume responsibility for their deficits, the boards in the group that heavily relied on third-party funding indicated ( $\bar{M} = 2.4$ ) more than boards in the lower levels of reliance on funders ( $\bar{M} = 1.9$ ) that it was appropriate to expect the funders to pick up deficits ( $t = 3.076$ ,  $p = .004$ , Table 27). There was also a significant difference (although weaker,  $t = 2.311$ ,  $p = .026$ ) for each group of CEOs. Thus, not only does extensive reliance on third-party funding affect the board members perception of the boards' sovereignty, it does so in the sense of engendering a sense of entitlement and

that deficits should be covered.

There is also evidence that the relationship with the funder is more important to the board than the relationship to the membership. Board members and CEOs agreed that the board was doing a good job of keeping the funders informed (means of 3.8 and greater). However, there was less support for the proposition that the board was doing a good job of keeping the members informed (means of 3.4 to 3.7 for CEOs and board members with and without extensive reliance on third-party funding). Moreover, both board members and CEOs in agencies with extensive reliance on third-party funding had higher means in agreement with keeping the funders informed than with keeping the members informed.

It was also predicated that reliance on third-party funding would impact the board's role as advocate. The hypothesis stated:

43. The greater the board reliance on third-party funding, the more the board will see it as its duty to represent the agency in the best possible light.

It was the CEO more than the board that identified this effect. Presenting the agency in the best possible light was more strongly supported by CEOs with limited reliance on third-party funders ( $\bar{M} = 4.4$ ,  $t = -3.143$ ,  $p = .003$ ) than for CEOs of agencies with extensive reliance ( $\bar{M} = 3.7$ ). While this effect was not in the intended direction (it was expected that board members would identify it, and that boards with extensive reliance on third-party funders would

find the role more strongly reinforced) an alternate explanation is possible. With established third-party funding, the board does not need to engage in improving the board's image to the same extent that it does in seeking revenue from non-organized sources. Or possibly, it is the CEO who assumes the responsibility to manage the agency's relationship with the funder's bureaucracy.

The third effect of interdependence was of possible expansionary pressures on the nonprofit organization. The hypothesis was framed as follows:

44. The greater the board reliance on third-party funding, the more board members and CEOs will identify expansionary pressures on the NPO.

There was little evidence to suggest that extensive reliance on third-party funding introduced expansionary pressures to the board. However, the CEO of an agency with limited reliance on third-party funding ( $\bar{M} = 3.7$ ) more so than the CEO with extensive reliance on third-party funding ( $\bar{M} = 2.8$ ,  $t = -2.078$ ,  $p = .044$ ) perceives ensuring the survival of the agency to be the most important job to be accomplished (Table 27). This finding suggests that the pressure of fund raising in an agency without core funding rests with the CEO. But fund raising is traditionally a board responsibility. Again the board role is eroding.

The other area for analysis explores the impact of interdependence on the representative nature of the board. It was proposed that:

41. The greater the reliance on third-party funding, the less representative the board will deem itself to be.

Table 27

Mean Assessment of Interdependence by Board Members and CEOs

By Extent of Reliance on Third-Party Funding

Statement on Questionnaire	Board Members				CEOs			
	<u>Mean Reliance</u>				<u>Mean Reliance</u>			
	High <sup>a</sup>	Low <sup>b</sup>	<u>t</u>	<u>p</u>	High <sup>a</sup>	Low <sup>b</sup>	<u>t</u>	<u>p</u>
Ensuring the survival of this agency is one of the most important things we do	3.9	3.8	.209	--	2.8	3.7	-2.078	.044
This board is accountable for the actions of the organization	4.2	4.3	-.386	--	4.4	4.4	-.198	--
As a board we feel that we must take advantage of all sources of available funding	4.1	4.0	.503	--	3.8	3.9	-.208	--
In providing programs, our agency must relate to many organizations and groups. As a board we feel accountable to a large number of such groups	3.2	3.1	.686	--	3.3	3.2	.398	--
This board adapts its policies to cope with external pressure. The agency has to expand its services to ensure adequate funding for survival	2.0	1.8	.546	--	2.2	1.9	.580	--
We expect other agencies (e.g., government) to assume responsibility for any liabilities this organization may incur (e.g., deficits)	2.4	1.9	3.076	.004	1.9	1.3	2.311	.026
We are doing a good job of keeping our members informed	3.6	3.7	-.575	--	3.4	3.7	-.942	--
We are doing a good job of keeping our funders informed	4.1	3.8	2.010	.051	4.2	4.0	.780	--
This board is overly constrained by legislation and regulation	2.5	2.2	1.515	--	2.0	1.7	.868	--
This board is overly constrained by requirements of funders	3.0	2.8	1.343	--	2.4	2.5	.145	--
This board is overly constrained by our parent organization	2.2	1.9	1.532	--	1.6	1.4	.966	--
This board has difficulty in getting information about changing community needs	2.2	2.4	-1.324	--	2.4	2.4	-.168	-

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.

The two categories for extent of reliance on third-party funding were established by including agencies with 60% or greater reliance on third party funds in the high reliance category, and those agencies with less than 60% reliance on third-party funding in the low reliance category.

<sup>a</sup>n = 26. <sup>b</sup>n = 18.

Several variables were considered to assess the effect on representation. These included: assessment of representativeness of the Board, nature of prior relationship with, and state of prior information about the agency. Results were weak.

The predication that the greater the reliance on third-party funding the less the sense of the board being representative of the community was not confirmed. There was no significant difference in the assessment of representation by the degree of reliance on third-party funding. Furthermore, representation was categorized into high and low, and tested against the extent of reliance on third-party funding. There was no significant difference. Each group had means of 2.3.

The last area for exploration was to assess the effect of having a membership base on the perception of being representative. As was earlier noted, about 1 in 4 boards are affiliated with organizations without a membership base. A Chi-square test on the relationship between the extent to which there is representation and the presence of a membership was not significant and hence no further analysis was undertaken. However, for those organizations with memberships, there was greater emphasis on keeping the funder informed ( $\bar{M} = 4.0$ ) than on keeping the membership informed ( $\bar{M} = 3.4$ ).

Table 28

Mean Assessment Of Board Effectiveness by Board Members  
and CEOs by Extent of Reliance on Third-Party Funding

Statement on Questionnaire	Board Members				CEOs			
	Mean Reliance		<u>t</u>	<u>p</u>	Mean Reliance		<u>t</u>	<u>p</u>
	High <sup>a</sup>	Low <sup>b</sup>			High <sup>a</sup>	Low <sup>b</sup>		
This board is carrying out its responsibility effectively & efficiently	3.8	3.8	.154	--	3.7	4.2	-2.391	.022

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
The two categories for extent of reliance on third-party funding were established by including agencies with 60% or greater reliance on third party funds in the high reliance category, and those agencies with less than 60% reliance on third-party funding in the low reliance category.  
<sup>a</sup>n = 26.    <sup>b</sup>n = 18.

The summary hypotheses related the perceived impact of the board on the agency with the extent of involvement by third-party funders as follows:

- 45. The greater the board reliance on third-party funding, the less effective the board will perceive itself to be.

In terms of board effectiveness (Table 28) it is the CEO who identified the effect of reliance on third-party funding. For the CEOs, a board with extensive reliance on third-party funding is less effective (M = 3.7) in fulfilling its responsibilities than is the board with less reliance on organized funders (M = 4.2, t = -2.391, p = .02). There is no significant difference in the board members' assessment of board effectiveness as a function of the boards' reliance on third-party funding.

In general, it was anticipated that the relationship

with the funder would erode some of the traditional linkages for the board. There is some evidence to support the predictions. The sense of sovereignty is lessened for board members and CEOs identify the importance of the advocacy role. There is thus, some evidence that reliance on third-party funding challenges the adequacy of the ideal model.

#### Goal Clarity in the Nonprofit Organization

It is a fundamental proposition of the ideal model that the goals of the agency should be clear for members of the nonprofit organization. Board members agree that goals are clear-76.3% agree strongly and very strong that their board was clear in its understanding of agency goals (4 and 5 on a 5-point scale). Moreover, CEOs also indicated that goals were clearly understood ( $\bar{M} = 3.7$ ). However, it was argued that, on numerous counts, goal clarity could not be assumed, and for 1 in 4 board members goals were not clear.

One linkage that is assumed in the ideal model to be important for the effective board is with the organization's clients. Some 52.5% of the board members reported no contact with the clients, while 47.5% reported some client contact (1 to 5 hours monthly [there were a few outliers]). Two groups were created: those with client contact and those with no client contact. T-tests run to compare the perceptions of each group.

Results were weak: there were few significant

differences between the two groups (Table 29). However, priorities were perceived to shift with changing board membership, more for the board members with client contact ( $\bar{M} = 2.4$ ) than for those with no client contact ( $\bar{M} = 2.2$ ,  $t = 2.331$ ,  $p = .020$ ). Also, board members with client contact ( $\bar{M} = 4.1$ ) agreed that board goals were debated more than board members with no client contact ( $\bar{M} = 3.9$ ,  $t = 2.314$ ,  $p = .020$ ).

Table 29

Mean Assessment by Board Members of  
Goal Clarity as a Function of Client Contact

Statement	Mean Contact with Clients		$t$	$p$
	Contact <sup>a</sup>	No Contact <sup>b</sup>		
The board is clear in its understanding of agency goals	4.1	4.0	1.241	--
The board has difficulty in getting information about changing community needs	2.2	2.3	-.434	--
I believe there are better ways of furthering the agency's objectives than the current services	2.5	2.4	1.462	--
The priorities of our board shift with the changing membership from year to year	2.4	2.2	2.331	.020
In making program and policy decisions, we explicitly consider what would be required by our clients should they use our services	4.2	4.3	-1.392	--
This board discusses or debates the fundamental goals of the agency	4.1	3.9	2.314	.020
The decisions taken by the board are designed exclusively with the interests of the client in mind	3.7	3.7	.247	--
The board and the staff share a common view of our priorities	3.8	3.7	1.625	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal. Those respondents who had contact were collapsed into one category, whereas while those with no contact were grouped in the other category.  
<sup>a</sup> $n = 289$ . <sup>b</sup> $n = 355$ .

To test the relationship between contact with the

clients and goal clarity, the following hypothesis was proposed:

48. The less information the board has concerning community needs and the clients, the less clear the goals of the nonprofit organization will be to the board members.

Three variables captured the adequacy of information about the client groups. These were: whether the board debated the goals that would serve to make more explicit the desired outcome for clients, the extent to which the decisions are taken with the clients' interests in mind, and the extent to which the board has adequate information about community needs. These variables explained 21.9% of the variance in goal clarity for board members,  $p = .000$  (Regression 39). All variables were significant ( $p = .000$ ). The adjusted  $R$  squared increased to .349 when the unit of analysis was the board, again  $p = .000$  (Regression 40). However, debating the agency goals did not continue to be significant. For the CEO these variables on contact with the client explained little of the goal clarity (adjusted  $R$  squared .060, regression not significant, Regression 41).

Thus, for nonprofit board members, clarity on goals is enhanced to the extent that the board considers the clients in its decisions, debates the goals of the agency, and has little difficulty in getting information on community needs. The perspective of the CEO is different.

Table 30

Mean Assessment by Board Members and Chief Executive Officers of Goal Clarity in the NPO

Statement on Questionnaire	Means			
	Boards <sup>a</sup>	CEOs <sup>b</sup>	<u>t</u>	<u>p</u>
The board is clear in its understanding of agency goals	4.1	4.1	- .127	--
The board has difficulty in getting information about changing community needs	2.3	2.4	- .899	--
I believe there are better ways of furthering the agency's objectives than the current services	2.5	3.0	-2.916	.005
The priorities of our board shift with the changing membership from year to year	2.3	2.0	1.719	--
In making claims for funds for our agency, shortfalls that might result in other agencies are taken into account	2.3	2.1	1.307	--
In making program and policy decisions, we explicitly consider what would be required by our clients should they use our services	4.3	4.4	-1.672	--
This board discusses or debates the fundamental goals of the agency	3.9	3.7	1.600	--
The clients of this agency appeal to the board	2.6	2.6	.007	--
The decisions taken by the board are designed exclusively with the interests of the client in mind	3.7	3.7	.433	--
The board and the staff share a common view of our priorities	3.7	4.0	-1.682	--

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
<sup>a</sup>n = 680. <sup>b</sup>n = 44.

To further explore the factors that influence goal clarity, it was predicated that:

46. The greater the differences among board members in priorities on the board, the greater the board members disagree over strategies to further organizational goals, and the greater board members perceive a shift in priorities; the less clear the goals of the organization will be to board members.

This hypothesis was confirmed. These variables explain 38.2% of the variance in goal clarity for board members (p =

.000, Regression 42). All variables were significant ( $p = .000$ ). The level of explanation increased when the board was the unit of analysis. The less there is disagreement over the ways to deliver service, the less priorities shift from year to year, and the more there are shared priorities between board and staff, the clearer are the goals of the NPO for the board (adjusted  $R$  squared .530,  $p = .000$ ). All variables were significant ( $p \leq .019$ , Regression 43). The same analysis (Regression 44) for CEOs explained 35.8% of the variance,  $p = .000$  but only shared priorities was significant ( $p = .000$ ). Moreover, it was predicated that board members and CEOs would, given their different roles, have different perceptions over roles.

47. Board members and CEOs will have different perspectives on goals.

This hypothesis was not confirmed, as there were few differences on the goal statements attributable to role. The only significant difference was in terms of the belief that there were better ways to further the objectives of the agency than the current services. In this case it was the CEO ( $\bar{M} = 3.0$ ) more than the board members ( $\bar{M} = 2.5$ ,  $t = -2.916$ ,  $p = .005$ ) who held this perception.

Board members with high impact hold significantly different perceptions on a number of goal related statements than do board members with low impact (Table 31). Board members with high impact ( $\bar{M} = 2.7$ ) agreed more strongly than did board members with low impact ( $\bar{M} = 2.3$ ) that there were

better ways of furthering the agency's objectives than the

Table 31

Mean Assessment by Board Members of Goal

Clarity as a Function of Influence of the Board Members

Statement	Mean Influence		<u>t</u>	<u>p</u>
	High <sup>a</sup>	Low <sup>b</sup>		
The board is clear in its understanding of agency goals	4.1	4.0	1.518	--
The board has difficulty in getting information about changing community needs	2.2	2.3	- .197	--
I believe there are better ways of furthering the agency's objectives than the current services	2.7	2.3	3.308	.001
The priorities of our board shift with the changing membership from year to year	2.3	2.3	.216	--
In making program and policy decisions, we explicitly consider what would be required by our clients should they use our services	4.3	4.1	3.642	.000
This board discusses or debates the fundamental goals of the agency	4.2	3.7	6.487	.000
The decisions taken by the board are designed exclusively with the interests of the client in mind	3.9	3.6	3.068	.002
The board and the staff share a common view of our priorities	3.9	3.7	1.938	.053

Note. The scale was: 1 = disagree strongly, 5 = agree strongly. For some of the questions the scale was one of extent. In that case, 1 = not at all and 5 = a great deal.  
 To establish the two categories for influence, those respondents at or above the mean ( $M = 9.345$ ) were grouped as high influence and those with scores less than the mean were grouped as having low influence.  
<sup>a</sup> $n = 271$ . <sup>b</sup> $n = 323$ .

current services ( $\underline{t} = 3.308$ ,  $\underline{p} = .001$ ). As well, board members with high impact ( $\underline{M} = 4.2$ ) believed more strongly than did board members with limited impact ( $\underline{M} = 3.7$ ) that goals were debated ( $\underline{t} = 6.487$ ,  $\underline{p} = .000$ ). Clients were more specifically considered by members with high impact.

High impact members ( $\underline{M} = 4.3$ ) agreed more strongly than members with low impact ( $\underline{M} = 4.1$ ) that the board explicitly considers what would be required by clients ( $\underline{t} = 3.642$ ,  $\underline{p} = .000$ ). As well, high impact members ( $\underline{M} = 3.9$ ) indicated more strongly than did board members with low impact ( $\underline{M} =$

3.6) that decisions were taken with the interests of the clients in mind ( $\underline{t} = 3.068$ ,  $\underline{p} = .002$ ).

One other procedure that could link a board to its clients was explored-that of appeal. Traditionally, clients who wish to appeal decisions of the agency do so to the board. There was only limited support for the proposition that clients appeal to the board ( $\underline{M} = 2.5$  for board members,  $\underline{M} = 2.6$  for CEOs).

One consequence of goals, that of externalities, was not expected to be salient to board members and CEOs. The hypothesis stated:

49. Board members and CEOs will not indicate that they include consideration of externalities in their decisions.

This hypothesis was supported (board member  $\underline{M} = 2.3$ , CEO  $\underline{M} = 2.1$ ). Hence, there is some evidence that board members become aligned and do not consider possible externalities of their decisions.

To integrate the findings on goals, a summary hypothesis drew together the set of variables used to explore goal clarity for the board to explain the perception of effectiveness. The hypothesis stated:

50. The greater the uncertainty regarding goal clarity, the greater the disagreements over strategies to further organizational goals, the greater the shifts in priorities, the less the sufficiency of the information concerning the community, and less the goals of the organization are debated; the less effective the board will be deemed to be.

This hypothesis was confirmed. For board members,

these variables explained 34.9% of the variance in board effectiveness ( $p = .000$ ). Two variables (considering the needs of the clients in decisions and priorities shifting year over year) were not significant. However, the more the board debated the goals ( $p = .000$ ), the less there are disagreements over ways to further goals ( $p = .000$ ), the more there is a shared set of priorities ( $p = .000$ ), and the better the information on community needs ( $p = .000$ ), the more effective the board was deemed to be (Regression 45). When the unit of analysis is the board, 58% of the variance is explained by these factors ( $p = .000$ , Regression 46). Only shared priorities ( $p = .000$ ) and information on community needs ( $p = .008$ ) continued to be significant. For the CEOs, the explanation was less powerful: 18.9% of the variance was explained ( $p = .032$ , Regression 47). Only shared priorities was significant ( $p = .013$ ).

Goal clarity appears to be an important attribute in the subjective estimation of effectiveness for board members. Clarity of goals is explained by the appropriateness of correct services and both consistent and shared priorities between board and staff.

### The Ideal Model Revisited

To integrate the analysis, two hypotheses were structured that apply the revisionist assumptions. In effect, the propositions or attributes of the ideal model

were replaced by the factors that were proposed from the application of public choice theory to nonprofit boards. One hypothesis explored effectiveness and the other the effect of the board on the nonprofit organization. The hypotheses predict that the same set of factors will explain both effectiveness and impact of the board on the agency.

51. The fewer the problems with information, the clearer the relationship with the bureaucracy, the less the tension over formal goals, the less the priorities shift, the greater the desire for the board to be seen to be doing well, the clearer the accountability, the more goals are debated, and the greater the difference between benefit and cost; the more board members and CEOs will assess the board as being effective.
52. The fewer the problems with information, the clearer the relationship with the bureaucracy, the less the tension over formal goals, the less the priorities shift, the greater the desire for the board to be seen to be doing well, the clearer the accountability, the more goals are debated, and the greater the difference between benefit and cost; the greater will be the impact of the board on the NPO.

These factors are related to the propositions of the ideal model. Indeed, the focus of the search has been to look behind the ideal model to determine what is going on from a behavioural point of view. However, whereas these factors are related to the ideal, they are neither central nor essential to it.

Both hypotheses were confirmed. For the board members, the sense of effectiveness was strongly explained by substituting factors that flow from the revisionist set of assumptions (adjusted  $R$  squared .471,  $p = .000$ , Regression

48). The board's effectiveness was explained by information being circulated appropriately, the board having clearly demarcated lines of responsibility with the CEO, the less there were disagreements over service provision, the board and staff sharing a common set of priorities, the board being accountable and desirous of being seen to be doing a good job (all significant at  $p = .000$ ), and a positive benefit-cost differential ( $p = .013$ ). Debating the goals was not significant.

When the regression was run at the level of the board (with the benefit-cost variable excluded) 64.1% of the variance was explained ( $p = .000$ , Regression 49). At the level of the board, debating the goals becomes significant in explaining an effective board ( $p = .02$ ). Possibly the board becomes a team and accepts a unified notion of the job to be accomplished by debating the goals. In other words, the job is defined. Having clearly demarcated lines of authority with the CEO and it being important to have the board be seen to be doing a good job did not remain significant when the board is the unit of analysis.

For CEOs, the same set of factors was also significant (adjusted  $R$  squared .282,  $p = .007$ ), although less powerfully so (Regression 50). In contrast to the board members, for CEOs only one variable was significant: having clearly demarcated lines of authority with the CEO ( $p = .014$ ). It would seem that the perspective of board members

and CEOs over board effectiveness differ somewhat, and are explained by different factors. The CEOs want clarity on their authority.

By this point, it is obvious that the revisionist assumptions are useful in clarifying the factors that lead board members to assess their board as effective. The factors are relevant, but less so, for CEOs. Board members and CEOs are playing a different game in the nonprofit organization. The model that emerges is behavioural and reveals the dynamic interaction of boards of directors.

However, the real question is the extent to which the revisionist assumptions explain the impact of the board on the agency. At the outset of the paper, it was argued and demonstrated that the ideal model has little explanatory power concerning the impact of the board decisions on the organization. The ideal model, it was found, did not explain this practical dimension of effectiveness. To be useful, the revisionist assumptions and the model that is developed, need to explain actual effectiveness or the impact of the board on its agency. The analysis regressed the revisionist factors that explain board effectiveness against the index of board impact. That index includes variables which explore the effect of board decisions in the agency. The same factors which explained 64.1% of the variance in the board's subjective estimation of its effectiveness explain 36.0% of the actual impact of board

decisions ( $p = .000$ , Regression 51). With the individual as the unit of analysis, these factors explain 14.4% of the variance,  $p = .000$  (Regression 52). But for the CEO, these factors explained none of the impact of the board on the agency (adjusted  $R$  squared  $.000$ ,  $p$  not significant, Regression 53). The CEO has different information, different incentives, and is involved in a different game than are the board members.

Board members perceive that boards are influential at their organization if they debate the goals ( $p = .000$ ), if there are not shared priorities and values ( $p = .001$ ), if there is some disagreement over the direction of services and that other means might better achieve goals ( $p = .057$ ). In other words, the board is influential if there is a job to be done and it is clear what that job is (Regression 51). The individual board member perceives himself or herself to have impact if the goals are debated, if there are other ways to provide services, and if it is important to have the board seen to be doing well. Shared priorities and values are not significant in the regression for board members (Regression 52). This variable is significant and negative in the regression for boards. For the CEOs, this set of variables does not explain their impact (Regression 53).

Applying the revisionist assumptions results in a model of boards of directors of nonprofit organizations that not only explains the perception of effectiveness by board

members but also the perception of having impact in the decisions for the agency. This is a marked improvement over the ideal model. Both models substantially explained the board's perception of effectiveness (75.8% for the ideal model, 64.1% for the revisionist model). But the ideal model explained nothing of the impact of the board on the nonprofit organization (adjusted  $R$  squared .000). The model based on revisionist assumptions quite powerfully explains the impact of the board on the agency (adjusted  $R$  squared .360).

The conclusion is that the ideal model is flawed and insufficient to guide governance in the nonprofit organization. The revisionist assumptions are useful in explaining the behaviour of actors in the nonprofit organization, the sense of being effective and the actual impact of the board on the organization. Hence, they offer greater utility in providing guidance for nonprofit governance and management.

## Chapter 6

### CONCLUSION

Nonprofit organizations are major social actors, albeit, it has been argued, not well understood. In a general sense, the premise of this paper is that management and governance of nonprofit organizations has been guided by under-specified and atheoretical models. Knowledge has been practice-based: a conventional wisdom. The issue of adequate theory and knowledge to guide nonprofit organizations is salient, as the sector has been invited by governments to participate in the search for solutions to current social ills. Moreover, the sector is itself a major social actor. Its role may increase with privatization and the general readjustment in service provision. Clearly, to take advantage of opportunities and to deliver effective services, the NPOs need to be functioning well.

The conventional wisdom was presented as a set of attributes: an ideal model. The ideal model was described as having the following form:

- . the board as autonomous and sovereign;
- . the board as representative of the community and having clear, ongoing and open linkages with that community in order to respond to the community's changing needs;

- . the board as having clear objectives that members hold to be important (shared goals);
- . the board (and its members) as accountable for the actions and those undertaken in their name;
- . the board comprised of members who are volunteers and without self interest in the agency or its services;
- . the board and its members as having a clear statement and understanding of its job;
- . the board having jobs that are manageable for the board members;
- . the board as being organized to do the job;
- . the board having appropriate and clear linkage with the other components of the nonprofit organization (i.e. paid or volunteer staff).

It was argued that the ideal model was flawed on three counts. Assuming a unitary preference structure (altruism) among organizational members leads to a simplistic view of people. Assuming the bureaucracy to be a neutral extension of the board leads to a simplistic model of organization. Omitting contextual forces on the board and organization is a simplistic picture of interdependence. The findings showed that board members brought mixed motives to their positions and hence reliance on altruism alone to explain behaviour in nonprofit organizations was not warranted. Moreover, the CEO was shown to have greater influence in

his/her position than did board members. In a number of important areas, the perspective of the CEO was significantly different than that of the board members. To understand behaviour in a nonprofit organization, the board and bureaucracy must be viewed as separate constituencies, and the interdependent relationship understood.

Most fundamentally, the ideal model failed, for it could not explain the board's contribution to the agency: its decisions. Hence, the basic prediction of this paper—that the ideal model fails, in some substantial areas, to explain board performance—was confirmed.

However, the ideal model, flawed though it is, is the veil through which practitioners perceive the entity with which they are involved and through which they deliver service. Board members and CEOs supported the description of nonprofit boards as outlined in the ideal model. In fact, it was so strongly supported that board members and CEOs are captured by it. The ideal model, while pervasively held, is inadequate to effectively guide governance of nonprofit organizations.

To understand and appreciate nonprofit governance, a revisionist approach is necessary. With board output defined as its decisions, governance may be understood to be a collective good. Modelling governance in this fashion permits selected concepts from public choice and social dilemma paradigms to be applied to the ideal model to

develop a series of hypotheses. The strategy was to look behind and beyond the attributes of the ideal model in order to explain the behaviour of those involved in the nonprofit organization. In so doing, a set of revisionist assumptions adapted from public choice was applied. These are as follows:

- . that people are rational, expected value maximizers;
- . that people exhibit a range of preference structures;
- . that information is costly to obtain and imperfect when obtained;
- . that resources are scarce and choice constrained;
- . that the bureaucracy has independent incentives;
- . that roles may conflict; and
- . that contextual forces impact decisions and priorities.

The findings challenge the ideal model on a number of fundamental levels. In point of fact, the challenge to the ideal is almost sufficient to develop a model that is the converse of the ideal. Applying these revisionist assumptions to the ideal model proved to have power in looking beyond the rhetoric of the myth.

In one important respect, the findings have important implications for public choice. The public choice

literature does not incorporate psychic payback as a behavioral factor. However, it was found that feeling valued as a volunteer does significantly explain one's benefit-cost differential (Regression 15). It explains 34% of the variance in the benefit-cost differential and the variable (feeling valued as a volunteer) was significant ( $p=.000$ ). This form of psychic payback can enter a public choice model; it is merely difficult to measure.

The decision to contribute to the board was found to be complex. Board members make differential levels of investment to the board, and some board members were seen to be contributing less than necessary for effective performance. There was evidence that board members, while wanting the board to be seen as doing well, were not as concerned with the adequacy of their own performance. This was not the case for the CEO. The CEOs indicated that it was important that both the individual and the board be seen as doing well.

Moreover, there is evidence that board members calculate their benefit-cost differential in determining the level of investment to the board. Hours invested are, in part, explained by feeling valued as volunteers (which had several components), being individually influential in changing policy, having a personal stake (individually desiring to do well). There was also the sense of being needed when the board is not performing well.

Information was determined to be a major factor in the effective functioning of boards of directors. At the outset, it was demonstrated that both board members and CEOs have naive expectations concerning information. Board members expect to be kept fully informed and CEOs accept this premise. However, the greater the problems with the supply and nature of information (timeliness, sufficiency, appropriateness, and volume), the less board members deemed the job of board member to be manageable. There was some evidence of professionalising of the board. And those with greater impact on the board invested more effort in getting appropriate information. Problems with the information variables were significant in explaining difficulty in clarifying the output of the board.

Three roles were outlined for the board—those of sovereign, advocate, and constructive critic. While all three roles were accepted, board members were less inclined than CEOs to see the board as sovereign. Yet this is a fundamental role since they do have that legal responsibility.

These three roles were found not to integrate into a tidy package. Each role has different information requirements and different performance incentives. Together, the incentives for each role significantly explained the understanding of the board job for board members.

When the CEO and bureaucracy are introduced, it becomes apparent the CEO role is central to the agency. While both board members and CEO agree that the job of the CEO is to further the wishes of the board, it was the board more than the CEO that described the CEO's job as being central. CEOs, more than the board members, described themselves as being influential in the agency. Moreover, that influence was in the board's sphere of policy. Structurally, the board's dependence on the CEO for information was confirmed.

Both board members and CEOs (CEOs slightly more so) strongly agreed that the CEO shares responsibility with the board and is also accountable for agency effectiveness. This position is diametrically opposed to the principle of the ideal model that the board is the overwhelmingly most important determinant of agency effectiveness. The subjective estimation of board effectiveness was decreased as the CEO shared traditional board responsibilities.

Furthermore, the external environment was shown to impact on the functioning of the board. First of all, the funder assumed greater importance in the eyes of board members than did the traditional base for the agency: the membership. Secondly, the more the board relied on third-party funding, the less the board described itself as being sovereign and the more important the advocacy role became (at least in the eyes of the CEO). There was a sense of entitlement, as if the funder should provide for the agency

whatever resources it needed. The findings did not confirm that third-party funding engendered expansion pressures. The results in terms of representation were unclear. Moreover, third-party funding did not appear to affect the board's impact on the agency. However, it is clear that the nonprofit board does not operate in a vacuum, but rather is impacted by forces and relationships in the external environment.

The effectiveness of board performance was strongly explained by the clarity with which organizational goals were held. Goal clarity was explained by shared and consistent priorities for all members in the organization (board and CEOs), and by acceptance of current services. Clarity on goals was also enhanced with information on the clients of the organization. Considering the impact of decisions on the clients, debating goals and having information on community needs all were factors in the perception of clear goals. Interestingly, 52.2% of all board members had had no contact with clients. No significant findings emerged between board members with or without contact with the client except that priorities tended to shift more the less there was contact with the clients.

A cornerstone of the ideal model is accountability of board members for the products and services produced by the nonprofit organization for which they are sovereign. Board

members view accountability to be comprised of a number of factors: collective investment in the board, appropriate relations with the CEO, clear goals, clear representation, and an understanding of the board job.

The revisionist set of assumptions from public choice proved useful in clarifying some of the reality rather than the rhetoric of the nonprofit form of governance. With board governance modelled as a collective good and the actors in a social dilemma relationship, it was possible to explicate some of the fundamental issues for the board and its agency. The factors that explained information, roles, goal clarity, and relationship with the bureaucracy, explained the board's subjective estimation of board effectiveness (adjusted  $R$  squared .641,  $p=.0001$ ). The same set of factors was less useful in explaining the CEOs' sense of effectiveness (adjusted  $R$  squared .299,  $p=.03$ ). Moreover, the same set of factors explain 36.0% of the impact of the board on the organization ( $p=.000$ ). Thus the model based on the revisionist assumptions is able to explain both the boards' perception of effectiveness and the practical dimension of effectiveness (the impact of the boards' decisions on their organizations).

Clearly, governance is more complex than envisioned in the ideal model. It is a dynamic interaction rather than a static process. In such a dynamic interaction, understanding the incentives and implications of the

relationships can serve to empower the board as an actor. It is at this point premature to articulate a revisionist model for the board. That would require more extensive study and replication in other areas of practice (health, rural areas, education, arts and culture, and recreation, for example). However, it is possible to suggest some tentative directions.

The revisionist assumptions are useful. No longer is altruism a necessary assumption for voluntary contributions to nonprofit boards. Separating the board and its bureaucracy is crucial, for each has independent incentives and different perspectives. For the purposes of analysis, combining the board and CEO in one data set introduced noise and confusion in the results. Taking each constituency independently revealed the contribution of each actor. It appears that the board model can withstand the challenge of dealing with the revisionist assumptions, for the boards from which the board members were drawn for this study are functioning at an adequate level of effectiveness in the opinion of the board members and CEOs.

Taking the critical perspective of the individual and allowing for mixed motives enables prediction to be made concerning the level of contribution to the collective good of governance. The advantage is that this approach does not require sole reliance on attributes of the individual. A form of psychic payback does play a role. The general

instruction is to maximize the difference between the benefits and the costs.

The ability of the board to do its job has been shown to depend on information. Here modelling the board's output as its decisions, information was shown to be a central factor in the board's production function. Moreover, information is critical in terms of the myriad roles carried by boards. These roles have differing incentives, and hence, call forth different behaviours. It is no longer possible to assume that the job of board member is either understandable or manageable. Program evaluation technology may offer some useful tools and approaches as the board seeks to develop appropriate information for its governance function.

Crucial to the discussion of information is the structural reliance on the agency and CEO for information. Indeed it was shown that the CEOs emerged as the central figures in the nonprofit organizations. There appear to be incentives for them to seek power and incentives for the boards to defer to the CEOs. Hence, these findings serve to confirm the centrality of the board/CEO relationship. A model that establishes the board as sovereign and the CEO as servant lacks credibility. Both board and CEO support the proposition that the CEO shares in responsibility for the effectiveness of the agency. This change in perspective must be built into any developing model. The current

approach minimizes, or even protects, the CEO from accountability. Taken together, these factors suggest that the board of directors is diminished in its impact on the agency it directs. Moreover, the board has to maintain extensive and complex interdependent relationships.

The legitimacy for this form of governance is derived from the board being representative of its community. While the findings in terms of representation are weak, it is not clear that board members see themselves as being representative. The key relationship to the community, that of the membership, has been shifted. It is now the funder that is more important. Consequently community ownership of nonprofit boards appears to be eroding (but baseline data is not available).

But it is from the legitimacy of the nonprofit form of organization that the board derives the authority to establish goals and to direct activity on behalf of others in the community—the authority to be a social change agent. Rather than the board having clear goals, there is evidence that board goals are malleable and impacted by roles and information.

With governance defined as a collective good, it may be difficult for individual board members to perceive the effect of their contribution. Individual accountability was not a crucial factor for many board members. Yet it is individual responsibility that is the cornerstone of the

board model.

Nominal definitions of responsibility suggest many of the attributes of the ideal model. Included are elements such as accountability, duty, meeting obligations. These have the flavour of sovereignty, trusteeship and accountability. Responsibility further incorporates concepts such as the capacity to differentiate right and wrong, ethics, and morality. In the ideal model the rough equivalent would be the idea that the board members would not benefit from involvement and would act for the good of the group.

Acting responsibly, that is, "exhibiting a special awareness of and concern for the effects of [one's] decision and policies on others" (Goodpaster & Mathews, 1982), is a cooperative strategy. And Axelrod (1984) has demonstrated that small areas of cooperation can impact the larger society.

In nonprofit organizations some of the collective good provision of society is being, or has been, devolved to freely formed local level governance organizations in which every member of society may be involved. People make a choice to become involved. Responsible people, empathetic people (for they do care) using the nonprofit form of governance can and do provide the services that add so much to the quality of Canadian life. The revisionist assumptions and the emerging understanding of the forces in

the nonprofit organization show that the behaviour of the board is defined in part by the attributes of its actors (psychological factors) and in part by the structural interdependence over collective goods in a social dilemma (structural factors). The very structure of the social dilemma, the interdependence between and among board members, influences behaviour. No longer need the nonprofit model of governance rest solely on the attributes of individuals.

From this study, a view of nonprofit governance emerges that substantially differs from the ideal model. It has the following form:

- . The output of the board on its nonprofit organization is its decisions, and these provide for the nonprofit organization the collective good of governance.
- . The board is autonomous and sovereign in establishing the nonprofit organization but carries complex and interdependent internal and external relationships. Moreover, the board is impacted by its relationship with the external constituency.
- . The board need not be representative of the community and may have only limited linkages with its community.
- . The board objectives are clear to the extent there

are consistent and shared priorities and values among board and staff, and acceptance of current services.

- . The board is collectively accountable for their actions and those undertaken in their name; but board members still accept individual responsibility.
- . The board is comprised of members who are volunteers who have complex and mixed motives in the decision to serve.
- . Information is a major factor in the production function of the board, and the manageability of the job of board members varies with the adequacy of the information.
- . The roles for the board are complex with diverse pressures; roles for board members may conflict; different roles call for different behaviours and hence the job of the board may not be clear to board members and CEOs.
- . The board need not have appropriate and clear linkage with the other components of the nonprofit organization (i.e. paid [or volunteer] executives and staff). Rather, there are independent and separate incentives for each constituency, and the output for the agency is the result of the interaction between these constituencies (outcome

of a nested game).

- . There may be no universal standard of board effectiveness for the performance of any board is the outcome of its dynamic interactions. The static premises of the ideal set of attributes are not sustainable. Moreover, responsibility for agency effectiveness is shared between board and staff.
- . Both the perception of effectiveness and impact of the board on the NPO are explained by the factors discussed above.

These findings offer guidance to increase the participation in, and effectiveness of, boards of directors:

- . clarify the relationships and linkages as identified in this new view of boards;
- . influence the valuation that board members put on the job:
  - . appreciate the variety of reasons for serving and seek as is feasible to enable the individual to fulfill his or her reason for serving. For example, as some members serve for social reasons, social occasions could be built into the board practice;
  - . increase net difference between benefit and cost; identify the relevant factors;
  - . keep the goals, the "good" clearly before the

- board members (for the goals are valued);
- . build a team, a sense of community and collective commitment;
- . differentiate the individual's contribution from the collective, and enhance the sense that the individual's contribute matters;
- . recognize information as a factor in the board's production function:
  - . teach program evaluation tools and techniques as a means of assessing information and programs, and identify the correct question to be asked;
  - . equip the board with material to assess its functioning;
  - . provide information appropriate to the various uses that the board has;
  - . ensure alternate sources of information (possibly having other staff meet the board);
- . recognize multiple roles and complex incentives:
  - . identify the role which is being fulfilled and be clear on the incentives;
  - . differentiate the information requirements for each role;
  - . negotiate the relationship with the bureaucracy;
- . acknowledge and deal with interdependence and

reliance on third-party funders:

- . negotiate information requirements with the funder;
- . be clear on the effect of the relationship with board;
- . be aware of the various roles (consumer and agent) and the implications for board performance;
- . clarify the goals:
  - . debate the goals and build a team/community consensus;
  - . define outcomes that are to be sought (operationalize goals in measurable terms);
  - . be aware of which set of goals are being acted upon at any point in time, and the relationship with the other goals;
  - . clarify priorities, values;
  - . demarcate the bureaucracy: the relationship with the CEO;
  - . define shared responsibility.

The results of this study offer both hope and a challenge. The hope is that some of the illusion surrounding nonprofit governance can be lifted. The challenge is that the continued viability of this form of collective activity requires attention to, and resolution of, the issues identified.

APPENDIX 1  
QUESTIONNAIRE TO BOARD MEMBERS  
AND  
QUESTIONNAIRE TO EXECUTIVE DIRECTORS

## QUESTIONNAIRE TO BOARD MEMBERS

THE FOLLOWING ARE SOME QUESTIONS WHICH INQUIRE ABOUT YOU AND THE BOARD ON WHICH YOU ARE SERVING. PLEASE EITHER INSERT THE RELEVANT ANSWER, OR CIRCLE THE APPROPRIATE RESPONSES. IF YOU SERVE ON MORE THAN ONE BOARD, PLEASE ANSWER IN TERMS OF THE ONE WHICH IS NOTED ABOVE.

1. Are you presently: President \_\_\_ Officer\_\_\_ Committee Member\_\_\_ Other\_\_\_
  
2. Which of the following applies prior to your joining this Board?
 

a) Committee member or volunteer.	1. yes	2. no
b) Staff member of this agency.	1. yes	2. no
c) Staff member of related agency.	1. yes	2. no
d) Client of this agency.	1. yes	2. no
e) Member of the agency.	1. yes	2. no
f) No direct contact with agency.	1. yes	2. no
  
3. Were you appointed to this Board \_\_\_\_\_ or elected at an annual meeting \_\_\_\_\_ or sit as a representative of another organization \_\_\_\_\_?
  
4. Did you seek membership on this Board?                      1. yes    2. no
  
5. Please indicate the approximate number of hours a month you are involved on behalf of the Board. \_\_\_\_\_ (hours)
  
6. Please estimate the approximate number of hours you spend in preparing for each Board meeting. \_\_\_\_\_ (hours)

THE FOLLOWING ARE A FEW QUESTIONS ABOUT YOURSELF. THIS WILL HELP US DESCRIBE MEMBERS OF THE COMMUNITY WHO SERVE AS BOARD MEMBERS

1. Are you:    a) male        b) female
  
2. Which of the following categories includes your age?
 

a) 18-24	b) 25-34	c) 35-44	d) 45-54	e) 55-64	f) 65 and over
----------	----------	----------	----------	----------	----------------
  
3. Compared to the rest of your Board, how would you rank yourself in terms of the effort you put into the Board?
 

well above average _____	above average _____	average _____
below average _____	well below average _____	
  
4. What is the approximate number of hours a month that you spend in direct contact with clients of this agency. \_\_\_\_\_ (hours)
  
5. What is your highest level of education?
 

a) less than high school	d) some college or university
b) high school	e) completed university
c) technical/trade	f) professional designation

THE FOLLOWING IS A SERIES OF STATEMENTS REPRESENTING COMMONLY HELD OPINIONS ABOUT BOARDS. THERE ARE NO RIGHT OR WRONG ANSWERS. YOU WILL PROBABLY DISAGREE WITH SOME AND AGREE WITH OTHERS. PLEASE INDICATE THE EXTENT TO WHICH YOU AGREE OR DISAGREE WITH EACH OF THE FOLLOWING STATEMENTS BY SELECTING THE NUMBER ON THE AGREE/DISAGREE SCALE THAT MOST CLOSELY REFLECTS YOUR OPINION. CIRCLE THAT NUMBER ON THE LIST TO THE RIGHT OF THE QUESTION.

- |                   |   |   |   |   |   |                |
|-------------------|---|---|---|---|---|----------------|
| disagree strongly | 1 | 2 | 3 | 4 | 5 | agree strongly |
|-------------------|---|---|---|---|---|----------------|
1. This Board is representative of the community in which I live. 1 2 3 4 5
  2. This Board is clear in its understanding of the agency's goals. 1 2 3 4 5
  3. This Board is accountable for the actions of the organization. 1 2 3 4 5
  4. This Board has a clear understanding of its job. 1 2 3 4 5

	disagree strongly	1	2	3	4	5	agree strongly
5. This Board has a manageable job.							1 2 3 4 5
6. This Board is carrying out its responsibility efficiently and effectively.							1 2 3 4 5
7. This Board is clearly demarcated lines of responsibility with the Executive Director.							1 2 3 4 5
8. This Board and our staff share a common view of our priorities.							1 2 3 4 5
9. This Board is overly constrained by legislation and regulation.							1 2 3 4 5
10. This Board is overly constrained by requirements of funders.							1 2 3 4 5
11. This Board's decisions are heavily influenced by Board members who are professionals in the area of services provided by the agency.							1 2 3 4 5
12. This Board is less accountable than it could be due to the community's lack of information regarding its activities.							1 2 3 4 5
13. This Board has difficulty in getting information about changing community needs.							1 2 3 4 5
14. This Board receives less information than is needed to do an adequate job.							1 2 3 4 5
15. This Board has allowed the Executive Director more authority than would be ideal.							1 2 3 4 5
16. It is important to me to be viewed by other Board members as doing a good job.							1 2 3 4 5
17. I believe there are better ways of furthering the agency's objectives than the current services.							1 2 3 4 5
18. The Board makes major changes in policy recommendations of staff.							1 2 3 4 5
19. It is difficult to really know what we are doing for our clients, and to ensure that services are appropriate and effective.							1 2 3 4 5
20. As a Board we have the ultimate authority over this agency.							1 2 3 4 5
21. I knew a lot about the agency when I decided to accept membership on the Board.							1 2 3 4 5
22. I expect the Executive Director to know what is going on at the agency and to be able to tell me.							1 2 3 4 5
23. The effectiveness of this Board is the overwhelmingly important determinant of the effectiveness of this agency.							1 2 3 4 5
24. The agency has to expand its services to ensure adequate funding for survival.							1 2 3 4 5
25. The advice of the professional is valued more than the advice of volunteer Board members.							1 2 3 4 5
26. We should use the techniques and approaches of the private sector in order to improve management of the agency.							1 2 3 4 5
27. We expect other agencies (e.g., government) to assume responsibilities for any liabilities this organization may incur (e.g., deficits).							1 2 3 4 5
28. Most of the new ideas and initiatives for this agency originate from the Board.							1 2 3 4 5
29. The Executive Director shares responsibility with the Board and is also accountable for agency effectiveness.							1 2 3 4 5
30. I rely solely on sources internal to the agency for information.							1 2 3 4 5
31. I support training for Board members; it should be available and we should use it.							1 2 3 4 5
32. We are doing a good job of keeping our members informed.							1 2 3 4 5
33. We are doing a good job of keeping our funders informed.							1 2 3 4 5
34. As a Board member, I expect to be kept fully informed.							1 2 3 4 5

disagree strongly      1 2 3 4 5      agree strongly

35. This Board has many people who spend less time on their tasks than is required to do an adequate job. 1 2 3 4 5
36. It is important to me that the Board should be seen as doing a good job. 1 2 3 4 5
37. I have been influential in changing policy at my agency or maintaining policy in the face of a threat. 1 2 3 4 5
38. This Board has difficulty in evaluating the performance of our Executive Director. 1 2 3 4 5
39. The atmosphere of most Board meetings is pleasant and business like; there is limited argument. 1 2 3 4 5
40. Ensuring the survival of this agency is one of the most important things we do. 1 2 3 4 5
41. This Board is overly constrained by our parent organization. 1 2 3 4 5
42. Problems in the agency's program can best be solved by seeking expert advice. 1 2 3 4 5
43. In dealing with our funders (or outsiders), we always try to present the agency in the best possible light. 1 2 3 4 5
44. As a Board we feel that we must take advantage of all sources of available funding. 1 2 3 4 5
45. The priorities of our Board shift with the changing membership from year to year. 1 2 3 4 5
46. In providing programs, our agency must relate to many organizations and groups. As a Board, we feel accountable to a large number of such groups. 1 2 3 4 5
47. The decision taken by the Board are designed exclusively with the interests of the client in mind. 1 2 3 4 5
48. The job of the Executive Director is the most important at the agency. 1 2 3 4 5
49. The job of staff is to further the objectives of the agency. 1 2 3 4 5

THE FOLLOWING IS A SERIES OF STATEMENTS WITH REGARD TO YOUR AGENCY, ITS SERVICE AND ITS ORGANIZATION. EACH STATEMENT INQUIRES REGARDING THE EXTENT TO WHICH IT IS APPLICABLE TO THE SITUATION OF YOUR AGENCY. CIRCLE THE NUMBER THAT APPLIES AT THE RIGHT OF THE STATEMENT.

Please use the following scale in answering

not at all      1 2 3 4 5      a great deal

1. In making claims for funds for our agency, shortfalls that might result in other agencies are taken into account. 1 2 3 4 5
2. In making program and policy decisions, we explicitly consider what would be required by our clients should they use our services. 1 2 3 4 5
3. This Board discusses or debates the fundamental goals of the agency. 1 2 3 4 5
4. This Board adapts its policies to cope with external pressures. 1 2 3 4 5
5. As a Board member, I am an advocate of the agency's operations. 1 2 3 4 5
6. As a Board member, I am a constructive critic of the agency's operations. 1 2 3 4 5
7. The clients of this agency appeal to the Board. 1 2 3 4 5
8. Much of what I do for this Board draws on my expert or professional skills. 1 2 3 4 5
9. I feel appreciated and valued as a volunteer. 1 2 3 4 5
10. Decisions are often reconsidered. 1 2 3 4 5
11. It is hard to determine exactly what the output of this Board is. 1 2 3 4 5
12. In making decisions, I am provided with several alternative courses of action from which to select. 1 2 3 4 5

- |   | not at all | 1 | 2 | 3 | 4 | 5 | a great deal |
|---|------------|---|---|---|---|---|--------------|
| 13. It is the preference of this Board that an overwhelming number of Board members agree in any decision.                            |            |   |   |   |   |   | 1 2 3 4 5    |
| 14. Debates on matters before the Board result in changes in the original proposals.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 15. There is information that could make our job easier.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 16. I receive an enormous amount of material to review and to read related to agency business.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 17. Material required for the Board meeting is pre-circulated to members in adequate time.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 18. I have made a point of asking for information beyond that provided to the Board before agreeing to a Board decision.              |            |   |   |   |   |   | 1 2 3 4 5    |
| 19. There are some people on the Board who seem to really know what is going on, and they are exceptionally influential on the Board. |            |   |   |   |   |   | 1 2 3 4 5    |
| 20. Board members place their reputations and financial resources at risk by agreeing to be Board members.                            |            |   |   |   |   |   | 1 2 3 4 5    |
| 21. There are pressures on the Board to provide additional services.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 22. Board members are expected to, and do take, an active role in implementing decisions taken by the Board.                          |            |   |   |   |   |   | 1 2 3 4 5    |
| 23. Taking all things into account the personal rewards I have received from being a member of the Board outweigh the costs.          |            |   |   |   |   |   | 1 2 3 4 5    |

THE FOLLOWING ARE COMMONLY REPORTED AS REASONS FOR SERVING ON A BOARD. ANY, MANY OR NONE OF THE STATED REASONS MAY APPLY TO YOUR DECISION TO SERVE. PLEASE INDICATE THE EXTENT TO WHICH EACH WAS IMPORTANT TO YOU IN YOUR DECISION TO BECOME A BOARD MEMBER, USING THE FOLLOWING SCALE:

- |   | very unimportant | 1 | 2 | 3 | 4 | 5 | very important |
|---|------------------|---|---|---|---|---|----------------|
| 1. MY REASONS FOR SERVING ON THIS BOARD ARE:  |                  |   |   |   |   |   |                |
| a) Desire to serve the community.   |                  |   |   |   |   |   | 1 2 3 4 5      |
| b) Desire to feel productive.   |                  |   |   |   |   |   | 1 2 3 4 5      |
| c) Pleasure of working with other people.   |                  |   |   |   |   |   | 1 2 3 4 5      |
| d) Personal experience with the need for the service provided by the agency.                          |                  |   |   |   |   |   | 1 2 3 4 5      |
| e) Desire to meet other members of the community.   |                  |   |   |   |   |   | 1 2 3 4 5      |
| f) Belief in the importance of the service offered by the agency.                                     |                  |   |   |   |   |   | 1 2 3 4 5      |
| g) Being on a Board could be helpful in my career.  |                  |   |   |   |   |   | 1 2 3 4 5      |
| h) Desire to influence the running of the agency.   |                  |   |   |   |   |   | 1 2 3 4 5      |
| i) Professional interest in the service.  |                  |   |   |   |   |   | 1 2 3 4 5      |
| 2. How long have you been a member of this Board? _____ (years)                                       |                  |   |   |   |   |   |                |
| 3. Overall, including this board, what is the number of other boards of which you are a member? _____ |                  |   |   |   |   |   |                |

THANKS FOR YOUR HELP

PLEASE FEEL FREE TO ADD ANY ADDITIONAL COMMENTS

PLEASE RETURN THE COMPLETED QUESTIONNAIRE  
IN THE ENCLOSED STAMPED, SELF-ADDRESSED ENVELOPE

## QUESTIONNAIRE TO EXECUTIVE DIRECTORS

THE FOLLOWING ARE SOME QUESTIONS REGARDING THE AGENCY. AS EXECUTIVE DIRECT OR YOU ARE BEING ASKED TO COMPLETE THEM TO PROVIDE A BRIEF PROFILE OF YOUR AGENCY.

1. How would you categorize the area of service of this agency? \_\_\_\_\_
2. How many positions are there on your Board? \_\_\_\_\_
3. Does your agency have the following:
 

a) Formal by-laws or constitution.	1. yes	2. no
b) Incorporated status.	1. yes	2. no
c) Liability insurance for Board members.	1. yes	2. no
d) Liability insurance for staff.	1. yes	2. no
e) Statement of service philosophy.	1. yes	2. no
f) An established appeal process for clients.	1. yes	2. no
g) Secure funding basis.	1. yes	2. no
4. What is the approximate annual budget of your agency?  
\_\_\_\_\_ (in thousands)
5. With how many funding organizations does your agency deal? \_\_\_\_\_
6. Approximately what percentage of your core funding is provided by other organizations (e.g., Province, Federal Government, United Way)? \_\_\_\_\_
7. How many programs does your agency offer? \_\_\_\_\_
8. What is the approximate number of clients served in 1986? \_\_\_\_\_
9. Is your agency a branch of a national or provincial organization? 1. yes      2. no
10. What percentage of your activity is in each of the following categories:
 

a) Direct service _____	b) Advocacy _____
c) Fund Raising _____	d) Community education _____
e) Other (specify category and amount) _____	
11. Number of staff overall? \_\_\_\_\_  
 What percentage of your staff is paid? \_\_\_\_\_  
 What percentage of your staff is professionally trained? \_\_\_\_\_  
 Do you use volunteers? 1. yes      2. no
12. How would you rank your Board in terms of overall effort they put into Board?
 

well above average _____	above average _____
average _____	below average _____
well below average _____	
13. What is the approximate number of hours a month that you spend in direct contact with clients of this agency?  
\_\_\_\_\_ (hours)
14. Please estimate the approximate number of hours you spend in preparing for each Board meeting: \_\_\_\_\_ (hours)
15. What percentage of your clients pay for services?
 

1. less than 20%	2. 21% to 40%	3. 41% to 60%
4. 61% to 80%	5. 81% to 100%	

16. On an average basis for what percentage of your clients are you completely successful in meeting your objectives?
1. less than 20%                      2. 21% to 40%                      3. 41% to 60%  
 4. 61% to 80%                          5. 81% to 100%
17. This question deals with the length of Board terms:
- What is the term of office; the length a Board member may serve in one term?
- 1 year \_\_\_                      2 years \_\_\_                      3 years \_\_\_  
 more than 3 years \_\_\_      not specified \_\_\_
- What is the maximum number of consecutive terms permitted a Board member?
- 1 year \_\_\_                      2 years \_\_\_                      3 years \_\_\_  
 more than 3 years \_\_\_      not limited \_\_\_
18. Does your Board have Committees?      1. yes                      2. no
- If so, what is the membership of the committees?
- a. From Board solely \_\_\_  
 b. From Board and community \_\_\_  
 c. From Board, community and agency staff \_\_\_  
 d. From Board, community, users and agency staff \_\_\_
19. This question deals with the nominating procedure. Are Board Members:
- a) Nominated by slate \_\_\_  
 b) Nominated by slate and from the floor \_\_\_  
 c) Solely from the floor \_\_\_  
 d) Other, please describe \_\_\_
20. Do your by-laws or procedures require that you have one or many of the following on your Board? (Please check those that are applicable.)
- a) Staff of your agency \_\_\_  
 b) Staff of related agencies \_\_\_  
 c) Clients \_\_\_  
 d) Members of your organization \_\_\_  
 e) Appointees by other organizations \_\_\_  
 f) Representatives of other organizations \_\_\_
21. Does your organization have a membership?      1. yes                      2. no
- a) If yes, approximate number: \_\_\_\_\_
- b) What is the nature of contact with the general membership? (Please check those that are applicable.)
- Annual meeting \_\_\_  
 Newsletter \_\_\_ (frequency) \_\_\_\_\_  
 Regular membership meetings \_\_\_  
 (frequency) \_\_\_\_\_  
 Other (specify) \_\_\_\_\_

22. What percentage of your staff is unionized?
1. less than 20%                      2. 21% to 40%                      3. 41% to 60%  
 4. 61% to 80%                        5. 81% to 100%
23. Are Board meetings open to other than Board Members as a regular practice?                      1. yes                      2. no
- a) If so, what percentage of time do non-Board Members attend?
1. less than 20%                      2. 21% to 40%                      3. 41% to 60%  
 4. 61% to 80%                        5. 81% to 100%

THE FOLLOWING IS A SERIES OF STATEMENTS WITH REGARD TO YOUR AGENCY, ITS SERVICE AND ITS ORGANIZATION. EACH STATEMENT INQUIRES REGARDING THE EXTENT TO WHICH IT IS APPLICABLE TO THE SITUATION OF YOUR AGENCY. CIRCLE THE NUMBER THAT APPLIES AT THE RIGHT OF THE STATEMENT.

Please use the following scale in answering

not at all      1 2 3 4 5      a great deal

- |  |           |
|--|-----------|
| 1. The goal of our service is to achieve fundamental change in client behaviour.                   | 1 2 3 4 5 |
| 2. Our clients initiate the demand for service.  | 1 2 3 4 5 |
| 3. Service is directed primarily to our members.   | 1 2 3 4 5 |
| 4. Target of change is the individual.   | 1 2 3 4 5 |
| 5. Target of change is the community.  | 1 2 3 4 5 |
| 6. We serve clients who could be described as vulnerable.  | 1 2 3 4 5 |
| 7. We compete with several other agencies in our field of endeavour.                               | 1 2 3 4 5 |
| 8. We can control or limit intake, that is, those to whom service is offered.                      | 1 2 3 4 5 |
| 9. We have routine ways of reporting adequacy of service.  | 1 2 3 4 5 |
| 10. Our agency uses short-term grants, e.g., Canada Works.   | 1 2 3 4 5 |
| 11. Our service requests originate from other agencies.  | 1 2 3 4 5 |
| 12. Our organization relies on Board Members for financial contributions to cover operating costs. | 1 2 3 4 5 |
| 13. The community is satisfied with our services.  | 1 2 3 4 5 |

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disagree strongly                      1 2 3 4 5                      agree strongly

- |   |           |
|---|-----------|
| 1. The Board of this agency is representative of the community in which it is based.                    | 1 2 3 4 5 |
| 2. The Board of this agency is clear in its understanding of the agency's goals.                        | 1 2 3 4 5 |
| 3. The Board of this agency is accountable for the actions of the organization.                         | 1 2 3 4 5 |
| 4. The Board of this agency has a clear understanding of its job.                                       | 1 2 3 4 5 |
| 5. The Board of this agency has a manageable job.   | 1 2 3 4 5 |
| 6. The Board of this agency is carrying out its responsibility efficiently and effectively.             | 1 2 3 4 5 |
| 7. The Board of this agency has clearly demarcated lines of responsibility with the Executive Director. | 1 2 3 4 5 |

	disagree strongly	1	2	3	4	5	agree strongly
8. This Board and our staff share a common view of our priorities.							1 2 3 4 5
9. The Board of this agency is overly constrained by legislation and regulation.							1 2 3 4 5
10. The Board of this agency is overly constrained by requirements of funders.							1 2 3 4 5
11. The decisions of the Board of this agency are heavily influenced by Board Members who are professionals in the area of services provided by the agency.							1 2 3 4 5
12. The Board of this agency is less accountable than it could be due to the community's lack of information regarding its activities.							1 2 3 4 5
13. The Board of this agency has difficulty in getting information about changing community needs.							1 2 3 4 5
14. The Board of this agency receives less information than is needed to do an adequate job.							1 2 3 4 5
15. The Board of this agency has allowed the Executive Director more authority than would be ideal.							1 2 3 4 5
16. It is important to me to be viewed by Board Members as doing a good job.							1 2 3 4 5
17. I believe there are better ways of furthering the agency's objectives than the current services.							1 2 3 4 5
18. The Board makes major changes in policy recommendations of staff.							1 2 3 4 5
19. It is difficult to really know what we are doing for our clients, and to ensure that services are appropriate and effective.							1 2 3 4 5
20. The Board has the ultimate authority over this agency.							1 2 3 4 5
21. Individuals coming on the Board know a lot about the agency before coming on the Board.							1 2 3 4 5
22. The Board expects me as Executive Director to know what is going on at the agency and to be able to tell them.							1 2 3 4 5
23. The effectiveness of this Board is the overwhelmingly important determinant of the effectiveness of this agency.							1 2 3 4 5
24. The agency has to expand its services to ensure adequate funding for survival.							1 2 3 4 5
25. The advice of the professional is valued more than the advice of volunteer Board Members.							1 2 3 4 5
26. We should use the techniques and approaches of the private sector in order to improve management of the agency.							1 2 3 4 5
27. We expect other agencies (e.g. government) to assume responsibility for any liabilities this organization may incur (e.g. deficits).							1 2 3 4 5
28. Most of the new ideas and initiatives for this agency originate from the Board.							1 2 3 4 5
29. As Executive Director I share responsibility with the Board and am also accountable for agency effectiveness.							1 2 3 4 5
30. Board members rely solely on sources internal to the agency for information.							1 2 3 4 5
31. I support training for Board Members; it should be available and they should use it.							1 2 3 4 5
32. We are doing a good job of keeping our members informed.							1 2 3 4 5
33. We are doing a good job of keeping our funders informed.							1 2 3 4 5
34. Our Board Members expect that I should keep them fully informed.							1 2 3 4 5

- |   | disagree strongly | 1 | 2 | 3 | 4 | 5 | agree strongly |
|---|-------------------|---|---|---|---|---|----------------|
| 35. The Board of this agency has many people who spend less time on their tasks than is required to do an adequate job.                   |                   |   |   |   |   |   | 1 2 3 4 5      |
| 36. It is important to me that the Board should be seen as doing a good job.  |                   |   |   |   |   |   | 1 2 3 4 5      |
| 37. I have been influential in changing policy at my agency or maintaining policy in the face of a threat.                                |                   |   |   |   |   |   | 1 2 3 4 5      |
| 38. This Board has difficulty in evaluating the performance of the executive director.  |                   |   |   |   |   |   | 1 2 3 4 5      |
| 39. The atmosphere of most Board meetings is pleasant and businesslike; there is limited argument.  |                   |   |   |   |   |   | 1 2 3 4 5      |
| 40. Ensuring the survival of this agency is one of the most important things we do.   |                   |   |   |   |   |   | 1 2 3 4 5      |
| 41. The Board of this organization is overly constrained by our parent organization.  |                   |   |   |   |   |   | 1 2 3 4 5      |
| 42. Problems in the agency's programs can best be solved by seeking expert advice.  |                   |   |   |   |   |   | 1 2 3 4 5      |
| 43. In dealing with our funders (or outsiders), we always try to present the agency in the best possible light.                           |                   |   |   |   |   |   | 1 2 3 4 5      |
| 44. We must take advantage of all sources of available funding.   |                   |   |   |   |   |   | 1 2 3 4 5      |
| 45. The priorities of our Board shift with the changing membership from year to year.   |                   |   |   |   |   |   | 1 2 3 4 5      |
| 46. In providing programs, our agency must relate to many organizations and groups. We feel accountable to a large number of such groups. |                   |   |   |   |   |   | 1 2 3 4 5      |
| 47. The decisions taken by the Board are designed exclusively with the interests of the client in mind.                                   |                   |   |   |   |   |   | 1 2 3 4 5      |
| 48. The job of the Executive Director is the most important at the agency.  |                   |   |   |   |   |   | 1 2 3 4 5      |
| 49. The job of staff is to further the objectives of the agency.  |                   |   |   |   |   |   | 1 2 3 4 5      |

THE FOLLOWING IS A SERIES OF STATEMENTS WITH REGARD TO YOUR AGENCY, ITS SERVICE AND ITS ORGANIZATION. EACH STATEMENT INQUIRES REGARDING THE EXTENT TO WHICH IT IS APPLICABLE TO THE SITUATION OF YOUR AGENCY. CIRCLE THE NUMBER THAT APPLIES AT THE RIGHT OF THE STATEMENT.

Please use the following scale in answering

- |   | not at all | 1 | 2 | 3 | 4 | 5 | a great deal |
|---|------------|---|---|---|---|---|--------------|
| 1. In making claims for funds for our agency, shortfalls that might result in other agencies are taken into account.                |            |   |   |   |   |   | 1 2 3 4 5    |
| 2. In making program and policy decisions, we explicitly consider what would be required by our clients should they use our service |            |   |   |   |   |   | 1 2 3 4 5    |
| 3. The Board discusses or debates the fundamental goals of the agency.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 4. This Board adapts its policies to cope with external pressures.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 5. Our Board Members are advocates of the agency's operations.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 6. Our Board Members are constructive critics of the agency's operations.   |            |   |   |   |   |   | 1 2 3 4 5    |
| 7. The clients of this agency appeal to the Board.  |            |   |   |   |   |   | 1 2 3 4 5    |
| 8. Much of what the Board does for the agency draws on their expert or professional skills.   |            |   |   |   |   |   | 1 2 3 4 5    |
| 9. I think our Board Members feel appreciated and valued as volunteers.   |            |   |   |   |   |   | 1 2 3 4 5    |



**APPENDIX 2**  
**SURVEY LETTERS**

INITIAL REQUEST FOR NAMES  
DEPARTMENT OF PUBLIC POLICY LETTERHEAD

November 19, 1986

Dear Sir/Madam:

I am writing to introduce to you a project on understanding the role of Boards of Directors in Nonprofit Organizations. This project is funded by the Social Sciences and Humanities Research Council of Canada and is being carried out by the faculty and students of the Department of Public Policy, Faculty of Management, University of Manitoba.

Nonprofit organizations are a major and often neglected component of our society. Only recently has attention been directed to understanding how organizations such as yours are managed and relate to other elements of the economy. This project is directed to developing a framework for understanding these processes.

As an initial step, a survey is being undertaken of members of Boards of Directors and Executive Directors of Nonprofit Organizations in the Winnipeg area. In order to carry out this project, it is necessary to identify members of boards and the Executive Directors. Therefore, we are writing to you and other selected Nonprofit Organizations asking for:

- o a list of Board members, with addresses and telephone numbers; and
- o the name of the Executive Director.

These lists will be used to generate a sample. Those selected will receive a short survey on aspects of a Board member's job. Data collected will be kept confidential and will be used solely for the purposes of this project.

Please note that this is not a program evaluation, and will not be examining adequacy, efficiency or effectiveness of any specific agency service. Rather, the objective is to learn about the role of Boards of Directors in Nonprofit Organizations.

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Page 2  
November 19, 1986

It is expected that preliminary results will be available within the year. We will be happy to make an executive summary of the results available to you on request.

If you have any questions, please contact Isobel Garvie, research assistant at 474-8422 days.

We appreciate your cooperation and assistance. Please forward your lists in the enclosed self-addressed envelope at your earliest convenience.

Yours truly,

Norman Frohlich  
Professor and Head

SECOND REQUEST SOLICITING NAMES OF BOARD MEMBERS  
DEPARTMENT OF PUBLIC POLICY LETTERHEAD

Dear Sir/Madam:

I am writing further to my letter of November 19, 1986, requesting a list of your Board members in support of a survey I am undertaking. That letter, a copy of which is enclosed, introduced you to this project which deals with the operation of Boards of Directors of Nonprofit Organizations.

To date, we have developed a theoretical framework for clarifying the operation of Boards of Directors. The purpose of this phase of the project is to test this framework in the real world with real Board members. Since the model of questions is general, no analysis of, or reference to, any particular agency will be made. The results of the research will be made available to you if requested.

Since the research I am conducting will likely be of benefit to organizations such as yours, I would appreciate your consideration of the request. The project will be enhanced by comprehensiveness and it is important that as many social service organizations as possible participate.

In some cases, it might be the preference of your organization not to release the names of Board members. If so, simply let us know the number of Board members in your agency and we will send the questionnaires to your office for distribution. If you wish us to mail the survey directly to your Board members, please provide us with a list of their names and addresses.

If you have any concerns regarding my research assistant, Isobel Garvie, please contact me at the number above.

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Page 2

If you have forwarded your list of Board members, or made arrangements, please accept our thanks. If, by chance, you did not receive our earlier mailing, please accept our apologies.

Your support would be greatly appreciated.

Sincerely yours,

Norman Frohlich  
Professor and Head

Enclosures

INITIAL REQUEST TO RESPONDENTS  
DEPARTMENT OF PUBLIC POLICY LETTERHEAD

Dear Sir/Madam:

The organization with which you are associated has agreed to participate in a survey of Board members and Executive Directors. The Department of Public Policy of the Faculty of Management has received a grant from the Social Sciences and Humanities Research Council to undertake a project to study the management of Nonprofit Organizations. The purpose of this project is to develop an analytic framework to clarify the operations of boards of directors in these organizations--an area to which too little attention has been paid. To date, we have developed a theoretical framework for clarifying the operation of Boards of Directors. The responses to this survey will furnish real world data from Board members and Executive Directors.

This is not an evaluation of any particular agency. You are, however, requested to answer in terms of the agency with which you are associated. The questionnaires are identified by agency so that we can draw conclusions regarding the importance of such factors as size, area of service, etc. The questions are quite general, however, and NO ANALYSIS OF, OR REFERENCE TO, ANY PARTICULAR AGENCY WILL BE MADE. The data gathered will be released only in summary form for academic purposes. An initial, limited report of the findings should be available in late Spring, 1987. If requested, an executive summary on that phase will be made available to you. The second phase, a more detailed analysis, is expected to be completed by the end of 1987.

Since this research will likely be of benefit to organizations such as yours, we would appreciate your full cooperation. The more Board members and Executive Directors participate the better the results. By participating in this survey, you have the opportunity to have your opinion count.

The specific request, then, is that each of you complete the enclosed form. This should take just a few minutes of your time. The form should be returned directly to the Department by Monday, March 2, 1987, in the enclosed stamped

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Page 2

envelope. If you have any questions about the project or questionnaire, please do not hesitate to call Isobel Garvie, Research Assistant, at 474-8422 days.

Thank you in advance for your cooperation.

Sincerely,

Norman Frohlich  
Professor and Head

SECOND REQUEST TO RESPONDENTS  
DEPARTMENT OF PUBLIC POLICY LETTERHEAD

Dear Sir/Madam:

Recently, you were mailed a questionnaire regarding the board of a non-for-profit agency with which you are involved. If you have completed and returned the questionnaire, please accept our thanks. If you have not received it or have not found the time to complete it, enclosed please find another copy. Please complete it and return it as soon as possible. The project is strengthened by comprehensive response from those individuals who are serving on boards or work for nonprofit organizations.

If you have any questions, please contact either Isobel Garvie or myself at the Department of Public Policy, Faculty of Management, at 474-8422.

Thanks for your interest and help.

Yours truly,

Norman Frohlich  
Professor and Head

APPENDIX 3  
SAMPLE INFORMATION

## Listing of Nonprofit Organizations

The sample list was developed from three listings maintained by the Social Planning Council of Winnipeg--the Social Services Manual, Who's Where in Manitoba and Overviews on Field of Practice.

The Social Services Manual is described as "a useful resource handbook used on a daily basis by social workers, administrators, educators, health care providers, and related personnel to obtain up to date information about social service agencies and government departments in Manitoba" (Social Planning Council descriptive material). The Social Services Manual is a list of services available in the City of Winnipeg--a resource handbook. It is intended for general users in the community as a means of increasing information and access to services. It is therefore a service, not agency listing, and is categorized by the Council in nominal usage categories, that is, what they would expect the general community member to look for when seeking a service. It lists services provided by government, nonprofit organizations and in a few instances privately sponsored services of a special limited nature. It provides a brief description of services, as well as access information (agency name, address and program name).

Who's Where in Manitoba is a complementary listing to that of the Social Services Manual. It provides "address

lists in selected fields of service". Who's Where in Manitoba is described as "an 8.5" by 1" book that contains thirty-five lists and appendices of service providers in a mailing label format, which also includes phone numbers and additional information".

The Overviews of Human Services In Winnipeg is "a comprehensive inventory of over 200 services in Winnipeg published in seven binders ... Of particular interest to funders, service planners and service providers, each Overview profiles a broad field of service, with budget, staff, intake criteria, hours of service and other basic information for each service described. Brief comments on special issues and trends in each field of service are included". The Overviews reports data on services and resources available in Winnipeg. Services are categorized into six areas. The following are the descriptions provided by the Social Planning Council:

- . economic needs--needs for money, employment and financial security, including income support/financial support;
- . physical needs--needs for food, clothing, shelter, mobility, safety and protection;
- . health needs--needs for maintaining/reaching optimum health, largely through medically directed services;
- . education needs--needs for adequate knowledge and skills acquired through basic and continuing education or public awareness programs;

- . personal and group developmental needs--need for optimal individual, family and social support and development, including recreation and leisure services;
- . social organizational needs--needs for adequate ways of organizing ourselves for collective study and action on issues flowing from the proceeding five need areas.

The overviews provide detailed agency and program information. For example, a typical agency overview provides information regarding hours, description of services, agency staff number, volunteer use, expenditures and revenues, funding sources. This is extended in program overviews on each agency service including information on target population, eligibility ,personnel as well as agency information (auspices, mandate, area services).

The Social Planning Council no longer maintains these inventories. Similiar material is now managed by the Volunteer Centre of Winnipeg.

## Listing of Agencies

### Summary

Responded and questionnaire mailed	65	
agencies replying before January 31		
Reducing sample		
Refused	8	
Nondeliverable, no agency	17	
Not sent	3	
No board	23	
Special	2	
Outside scope	7	
Duplicate	5	
Received too late	5	70
Second mailing		43
Agencies accounted for		178
No contact		62
Total # of agencies		240

Responded and Questionnaires Mailed to:

1007 CITIZENS AGAINST IMPAIRED DRIVING  
1018 NORTH WEST WINNIPEG CHILD AND FAMILY SERVICES  
1021 JEWISH CHILD AND FAMILY SERVICES  
1024 BIG SISTERS ASSOCIATION  
1026 ROSSBROOK HOUSE  
1031 FAMILY SERVICES OF WINNIPEG INC.  
1032 CHILDREN'S HOME OF WINNIPEG  
1038 FLORA HOUSE  
1040 MAIN STREET PROJECT  
1045 UNION GOSPEL MISSION  
1050 FAMILY LIFE OF MANITOBA INC.  
1053 RIVER HEIGHTS FAMILY LIFE EDUCATION CENTRE  
1055 COMMUNITY DISPUTE CENTRE  
1056 COMMUNITY EDUCATION DEVELOPMENT ASSOCIATION OF  
WINNIPEG  
1069 UNITED CHURCH HALF-WAY HOMES  
1075 INTERFAITH PASTORAL INSTITUTE  
1081 CANADIAN RED CROSS SOCIETY  
1088 ASSOCIATION FOR COMMUNITY LIVING  
1089 CITIZEN ADVOCACY MANITOBA INC.  
1097 MANITOBA SPECIAL OLYMPICS INC.  
1099 ST. JAMES ASSINIBOIA INDUSTRIES INC.  
1102 CANADIAN PARAPLEGIC ASSOCIATION  
1103 COMMUNITY RESPITE SERVICE  
1109 SOCIETY FOR MANITOBANS WITH DISABILITIES INC.  
1110 SPINA BIFIDA ASSOCIATION OF MANITOBA  
1112 CANADIAN COUNCIL OF THE BLIND - MANITOBA  
DIVISION  
1113 CANADIAN NATIONAL INSTITUTE FOR THE BLIND  
1115 A.R.C. INDUSTRIES INC.  
1116 COM-SPAN DEVELOPMENTAL DAY CENTRE INC.  
1118 REACHING OUT EMPLOYMENT SERVICES INC.  
1119 SKILLS UNLIMITED  
1125 MANITOBA ASSOCIATION FOR CHILDREN (ADULTS)  
WITH LEARNING DISABILITIES  
1126 MANITOBA LEARNING CENTRE  
1130 E-QUALITY EMPLOYMENT  
1135 SENIOR CITIZENS JOB BUREAU INC.  
1138 CONCEPT SPECIAL BUSINESS ADVISORS INC.  
1149 COMMUNITY INCOME TAX SERVICE  
1156 ALZHEIMER FAMILY RESOURCE CENTRE  
1158 ANOREXIA NERVOSA & BULIMIA FOUNDATION OF CANADA  
1159 ARTHRITIS SELF-HELP GROUP INC.  
1160 ARTHRITIS SOCIETY  
1163 CANADIAN DIABETIES ASSOCIATION  
1166 CEREBRAL PALSY ASSOCIATION  
1171 KIDNEY FOUNDATION OF CANADA  
1173 MANITOBA HEART FOUNDATION  
1186 KINSMEN REH-FIT CENTRE

1187 MFL OCCUPATIONAL HEALTH CENTRE INC.  
 1188 MOUNT CARMEL CLINIC  
 1189 NOR'WEST CO-OP HEALTH & SOCIAL SERVICES CENTRE  
 INC.  
 1190 WOMEN'S HEALTH CLINIC INC.  
 1192 ST. JOHN AMBULANCE ASSOCIATION  
 1194 TACHE NURSING CENTRE  
 1202 MANITOBA INTERFAITH IMMIGRATION COUNCIL  
 1204 CANADIAN MENTAL HEALTH ASSOCIATION (MAN.)  
 1211 SARA RIEL INC.  
 1215 MA MAWI WI CHI ITATA CENTRE  
 1219 INDIAN FAMILY CENTRE INC.  
 1224 UNITED CHURCH NATIVE MINISTRY  
 1228 PREGNANCY DISTRESS SERVICES INC.  
 1229 VILLA ROSA INC.  
 1231 Y.M.H.A. JEWISH COMMUNITY CENTRE  
 1232 WINNIPEG BOYS AND GIRLS CLUBS INC.  
 1233 MANITOBA SOCIETY OF SENIORS INC.  
 1234 AGE AND OPPORTUNITY CENTRE INC.  
 1240 YOUNG WOMEN'S CHRISTIAN ASSOCIATION WINNIPEG

REFUSED

1002 ALCOHOLICS ANONYMOUS  
 1011 ALCOHOLISM FOUNDATION OF MANITOBA  
 1012 KIA ZAN INC.  
 1043 ST. MATTHEWS-MARYLAND COMMUNITY MINISTRY  
 1175 MULTIPLE SCLEROSIS SOCIETY OF CANADA  
 1210 PHONEX HOUSE  
 1230 YOUNG MEN'S CHRISTIAN ASSOCIATION OF WINNIPEG  
 1227 PLANNED PARENTHOOD MANITOBA INC.

UNABLE TO CONTACT, RETURNED, ETC.

1005 ALCOHOL & DRUG DEPENDENCY INFO. & COUNSELLING  
 1025 RAINBOW SOCIETY INC.  
 1030 DAY CARE VOLUNTEER PROGRAM  
 1047 YOUTH ACCESS CENTRE  
 1061 CATHOLIC WELFARE BUREAU  
 1074 FAMILY PASTORAL SERVICE  
 1080 TOUGHLOVE  
 1083 MANITOBA COMMITTEE ON WIFE ABUSE  
 1101 WINSERV INC.  
 1114 MANITOBA FEDERATION OF THE VISUALLY HANDICAPPED  
 1131 HELP PROGRAM  
 1132 JOB FINDING SERVICES INC.  
 1136 BUSINESS OF LIVING INC.  
 1141 YOUTH BUSINESS LEARNING/DEVELOPMENT CENTRE INC.  
 1157 AMYDIROPHIC LATERAL SCIEROSIS SOCIETY OF CANADA  
 1170 HUNTINGTON'S DISEASE RESOURCE CENTRE  
 1218 C.A.R.E. CENTRE FOR NATIVE YOUTH INC.

NOT SENT

1191 SANATORIUM BOARD OF MANITOBA  
1020 CHILD AND FAMILY SERVICES OF WINNIPEG WEST  
1073 EMOTIONS ANONYMOUS

AGENCIES WITHOUT A BOARD

1001 ADOPTEES ANONYMOUS  
1009 YOUTH FAMILIES ANONYMOUS  
1022 CHILD GUIDANCE CLINIC OF GREATER WINNIPEG  
1052 PARENT CHILD CENTRE  
1155 ALLERGY SUPPORT ORGANIZATION  
1058 RENEW  
1070 VICTIM-WITNESS ASSISTANCE  
1095 ST. FRANCIS DE SALES MAN.  
1108 PARKINSON FOUNDATION OF CANADA  
1121 WINNIPEG VOLUNTEER READING AIDES  
1128 REHABII CENTRE  
1137 CAREER OPPORTUNITY AND PREPARATION FOR  
EMPLOYMENT  
1139 CORE AREA TRAINING & EMPLOYMENT AGENCY  
1140 FORT GARRY COMMUNITY CAREER RESOURCE CENTRE  
1153 LAURENT CENTRE  
1168 CYSTIC FIBROSIS FOUNDATION  
1178 PARENTS OF CHILDREN WITH HEART PROBLEMS--  
Tender Hearts  
1180 STROKE PARTNERS  
1184 HEALTH ACTION CENTRE  
1198 IMMIGRANT ACCESS SERVICES  
1203 MEDIATION SERVICES  
1214 WALNUT RECEPTION HOME  
1235 COMMUNITY HOME SERVICES

SPECIAL

1063 ELIZABETH FRY SOCIETY OF MANITOBA  
1179 SOCIETY FOR MANIC DEPRESSION OF MANITOBA

OUTSIDE SCOPE OF STUDY

1059 SOCIAL PLANNING COUNCIL OF WINNIPEG  
a central planning agency; did  
not meet the operational definition  
of social services  
1087 THE COMPASSIONATE FRIENDS OF CANADA  
sent a listing of the national board

1144 PHILLIPINE ASSOCIATION OF MANITOBA INC.  
 appeared on review to be more of a  
 multicultural organization

1236 ST. ANNE'S COMMUNITY OUTREACH PROJECT  
 not an agency

1154 MENNONITE CENTRAL COMMITTEE  
 provincial board of regional  
 representatives; scope of service  
 beyond Manitoba

1129 S.C.A.L.E. TUTORING SERVICES  
 for profit

1044 SALVATION ARMY \*  
 both funder and service provider;  
 decided to exclude from eligibility

1127 MANITOBA SOCIETY FOR AUTISTIC CHILDREN  
 president unsure if appropriate to the  
 survey; asked that she send in board  
 names; not received

DUPLICATE

1176 MULTIPLE SCLEROSIS SOCIETY OF CANADA - WPG.  
 CHAPTER

?? one board list, no agency identification

1169 MANITOBA LUNG ASSOCIATION  
 possible duplicate with Sanatorium Board

1054 YOUNG PARENTS COMMUNITY CENTRE  
 duplicate with Pregnancy Distress; a  
 project of that agency; shared board

NAMES RECEIVED, NOT SENT--SECOND MAILING

1015 CHILD AND FAMILY SERVICES (Central)

1016 CHILD AND FAMILY SERVICES (East)

1019 WINNIPEG SOUTH CHILD AND FAMILY SERVICES AGENCY

1023 BIG BROTHERS ASSOCIATION OF WINNIPEG INC.

1029 CUDDLES INFANT CENTRE

1034 KNOWLES CENTRE INC.

1036 MACDONALD YOUTH SERVICES

1039 HOPE CENTRE INC.

1046 WEST BROADWAY COMMUNITY SERVICES INC.

1064 JOHN HOWARD SOCIETY

1068 UNICORN GROUP

1071 CHRISTIAN COUNSELLING SERVICE

1076 FATHERS ASSOCIATION TO HAVE EQUAL RIGHTS (MAN.)

1082 KLINIC INC. - COMMUNITY HEALTH CENTRE

1084 RONALD MCDONALD HOUSE

1091 HOUSING WITH AN INDEPENDENT DIFFERENCE INC.

1094 KIWANIS CENTRE OF THE DEAF

1096 WINNIPEG CHURCH OF THE DEAF

1106 MANITOBA RIDING FOR THE DISABLED ASSOCIATION  
 INC.  
 1111 TEN TEN SINCLAIR HOUSING INC.  
 1133 NATIVE EMPLOYMENT SERVICES OF WINNIPEG INC.  
 1134 PREMIER PERSONNEL CORPORATION  
 1146 MANITOBA ANTI-POVERTY ORGANIZATION INC.  
 1147 COMMUNITY CONSUMER CREDIT COUNSELLING  
 1148 COMMUNITY UNEMPLOYED HELP CENTRE  
 1150 CHRISTMAS CHEERBOARD OF GREATER WINNIPEG  
 1152 WINNIPEG HARVEST INC.  
 1161 CANADIAN CANCER SOCIETY  
 1162 CANADIAN CELIAC ASSOCIATION  
 1164 CANADIAN FOUNDATION FOR ILEITIS/COLITIS  
 1172 MANITOBA EPILEPSY ASSOCIATION INC.  
 1181 WINNIPEG OSTOMY ASSOCIATION  
 1183 CLINIQUE YOVILLE INC.  
 1193 VICTORIAN ORDER OF NURSES  
 1195 MEALS ON WHEELS OF WINNIPEG INC.  
 1197 CITIZENSHIP COUNCIL OF MANITOBA INTERNATIONAL  
 CENTRE  
 1212 ALYAWIN CORPORATION  
 1213 KINNEW HOUSING CORPORATION  
 1223 PROJECT NEECHEEWAM INC.  
 1225 INDIAN AND METIS FRIENDSHIP CENTRE  
 1237 VOLUNTEER CENTRE OF WINNIPEG  
 1238 FORT GARRY WOMEN'S RESOURCE CENTRE

INTERESTED BUT LISTINGS NOT RECEIVED IN TIME OR NO COMMITMENT  
 MADE

1060 NATIVE CLAN ORGANIZATION INC.  
 1202 LEGAL AID MANITOBA  
 1037 MARYMOUND INC.  
 1222 NATIVE WOMEN'S TRANSITION CENTRE  
 1105 MANITOBA LEAGUE OF THE PHYSICALLY HANDICAPPED  
 INC.

NOT RESPONSE--NO BOARD LIST WAS RECEIVED

1003 AL-ANON CENTRAL SERVICES  
 1004 ALATEEN INFORMATION SERVICES  
 1006 ALCOHOLIC RECOVERY COMMUNITIES FOUNDATION INC.  
 1008 FAMILIES ANONYMOUS  
 1010 WINNIPEG ANTI SNIFF COALITION INC.  
 1013 ST. NORBERT FOUNDATION INC.  
 1014 WINNIPEG CHILD ABUSE ASSOCIATION INC.  
 1027 WINNIPEG GRANDPARENTING PROGRAM  
 1028 A-BAH-NU-GEE CHILD CARE INC.  
 1033 HYDRA HOUSE  
 1034 KNOWLES CENTRE INC.  
 1035 LEMAY HOUSE

1041 MISSIONARIES OF CHARITY  
1042 NORTH END COMMUNITY MINISTRY  
1048 IMMACULATE CONCEPTION DROP-IN CENTRE  
1049 FAMILY DROP-IN CENTRE  
1051 FORT GARRY FAMILY LIFE INFORMATION CENTRE INC.  
1057 MANITOBA INTERCULTURAL ALLIANCE  
1062 CRIME VICTIMS ADVOCACY ORGANIZATION INC.  
1065 MANITOBA SOCIETY OF CRIMINOLOGY  
1066 NATIVE BROTHERHOOD SOCIETY  
1067 OPEN CIRCLE  
1072 COMMUNITY OF SEPARATED/DIVORCED CATHOLICS  
1077 PARENT TO PARENT WINNIPEG INC.  
1078 PARENTS ANONYMOUS  
1079 PARENTS WITHOUT PARTNERS INC.  
1085 TEEN TOUCH  
1086 COMFORTING OTHER PARENTS IN NORMAL GRIEVING  
1090 DISABLED PEOPLE'S INTERNATIONAL DEVELOPMENT  
OFFICE  
1092 INDEPENDENT LIVING RESOURCE CENTRE  
1093 ASSOCIATION FOR DEAF & HEARING IMPAIRED  
CHILDREN OF MAN  
1098 OPPORTUNITIES FOR INDEPENDENCE INC.  
1100 S.P.I.K.E. INC.  
1104 MANITOBA AMPUTEE SPORTS & RECREATION  
ASSOCIATION  
1107 MANITOBA WHEELCHAIR SPORTS AND RECREATION  
ASSOCIATION  
1117 DORAY ENTERPRISES INC.  
1120 PROJECT FOR ADULT LITERACY  
1122 YOUTH ACTION PROJECT (Y.A.P.) SCHOOL  
1123 ASSOCIATION FOR BRIGHT CHILDREN  
1124 KNOWN THE F.C.I.S. MANITOBA  
1142 YOUTH EMPLOYMENT CORE PROGRAM  
1143 INDO-CHINA CHINESE ASSOCIATION  
1145 UKRAINIAN CANADIAN SOCIAL SERVICES  
1151 AGAPE TABLE  
1165 CANADIAN HEMOPHILIA SOCIETY  
1167 CONSUMERS HEALTH ORGANIZATION OF MANITOBA  
1174 MANITOBA STROKE CLUB INC.  
1177 MUSCULAR DYSTROPHY ASSOCIATION OF CANADA  
1182 WINNIPEG PARENTS GROUP OF CANADIAN DIABETIES  
ASSOCIATION  
1185 HOPE CENTRE HEALTH CARE INC.  
1196 CANADIAN POLISH CONGRESS  
1199 IMMIGRANT EMPLOYMENT ASSISTANCE CENTRE  
1200 IMMIGRANT WOMEN'S EMPLOYMENT SERVICE  
1205 CANADIAN MENTAL HEALTH ASSOCIATION (WPG.)  
1206 MANITOBA FRIENDS OF SCHIZOPHERNICS INC.  
1207 P.A.L. INC.  
1208 SCHIZOPHRENIA TREATMENT & RESEARCH FOUNDATION  
OF MANITOBA INC.  
1209 MORRIS CENTRE  
1216 ANISHINABE FELLOWSHIP

1217 ANISHINABE R.E.S.P.E.C.T.  
1220 KATERI TEKAWITHA MISSION  
1221 NATIVE ALCOHOLISM COUNCIL OF MANITOBA  
1226 BROTHERHOOD OF INDIAN NATIONS  
1239 NORTH END WOMEN'S CENTRE

APPENDIX 4

VARIABLES AND RELATED STATEMENTS ON QUESTIONNAIRE

## LIST OF VARIABLES

### VARIABLES AND RELATED STATEMENTS ON QUESTIONNAIRE

As a guide to the analysis, an alphabetical list of variable names and the related statement from the questionnaire is provided.

The questionnaire to Board members and CEOs were essentially the same and hence these variable names apply to both questionnaires. The major differences were:

- o reasons for serving--asked of board members only
- o agency profile--asked of CEOs only.

<u>Variable</u>	<u>Statement on Questionnaire</u>
ACCT	This Board is accountable for the actions of the organization. C3
ACTGRP	In providing programs, our agency must relate to many organizations and groups. As a Board, we feel accountable to a large number of such groups. C46
ADV	As a Board member I am an advocate of the agency's operations. C5
AGE	Which of the following categories includes your age? B2
AGREE	It is the preference of this Board that an overwhelming number of Board members agree in any decision. D13
AGSURV	Ensuring the survival of this agency is one of the most important things we do. C40
APPEAL	The clients of this agency appeal to the Board. D7
ATMOS	The atmosphere of most Board meetings is pleasant and business like; there is limited argument. C39
AVFD	As a Board we feel that we must take advantage of all sources of available funding. C44
BC	Taking all things into account the personal rewards I have received from being a member of the Board outweigh the costs. D23 (Board members only)

BDIF As a Board member I expect to be kept fully informed. C34

BDVIEW It is important to me that the Board should be seen as doing a good job. C36

BOTH Overall, including this board, what is the number of other boards of which you are a member? E3

BYRS How long have you been a member of this Board? E2

CAREER Being on a Board could be helpful in my career. E1g (Board members only)

CC As a Board member I am a constructive critic of the agency's operations. D6

CHPOL I have been influential in changing policy at my agency or maintaining policy in the face of a threat. C37

CL The decisions taken by the Board are designed exclusively with the interests of the client in mind. C47

CLAIMFD In making claims for funds for our agency, shortfalls that might result in other agencies are taken into account. D1

CLDEM In making program and policy decisions, we explicitly consider what would be required by our clients should they use our services. D2

COMD This Board has difficulty in getting information about changing community needs. C13

CONSTFD This Board is overly constrained by requirements of funders. C10

CONSTLEG This Board is overly constrained by legislation and regulation. C9

CONSTPA This Board is overly constrained by our parent organization. C41

CURSERV I believe there are better ways of furthering the agency's objectives than the current services. C17

DEB This Board discusses or debates the fundamental goals of the agency. D3

DECREC Decisions are often reconsidered. D10

DIFCL It is difficult to really know what we are doing for our clients, and to ensure that services are appropriate and effective. C19

ED This Board has clearly demarcated lines of responsibility with the Executive Director. C7

EDAUTH This Board has allowed the Executive Director more authority than would be ideal. C15

EDJB The job of the Executive Director is the most important at the agency. C48

EDU What is your highest level of education. B5 (Board members only)

EDEDU What is your highest level of education. B5 (CEOs only)

EDIF I expect the Executive Director to know what is going on at the agency and to be able to tell me. C22

EDSEX Are you a) male b) female (CEOs only)

EDSHARE The Executive Director shares responsibility with the Board and is also accountable for agency effectiveness. C29

EFFBRD The effectiveness of this Board is the overwhelmingly important determinant of the effectiveness of this agency. C23

EFFORT Compared to the rest of your Board, how would you rank yourself in terms of the effort you put into the Board? B3

ELECT Were you appointed to this Board or elected at an annual meeting or sit as a representative of another organization? A3

EVAL This Board has difficulty in evaluating the performance of our Executive Director. C38

EXPADV Problems in the agency's programs can best be solved by seeking expert advice. C42

EXPD The agency has to expand its services to ensure adequate funding for survival. C24

EXTPR This Board adapts its policies to cope with external pressures. D4

FDIF We are doing a good job of keeping our funders informed. C33

GOALS This Board is clear in its understanding of the agency's goals. C2

HRCL What is the appropriate number of hours a month that you spend in direct contact with clients of this agency (hours)? B4

HRINV Please indicate the approximate number of hours a month you are involved on behalf of the Board. A5

HRPREP Please estimate the approximate number of hours a month you spend in preparing for each Board meeting. A6

IDEA Most of the new ideas and initiatives for this agency originate from the Board. C28

IFALT In making decisions, I am provided with several alternative courses of action from which to select. D12

IFCIR Material required for the Board meeting is pre-circulated to members in adequate time. D17

IFVOL I receive an enormous amount of material to review and to read related to agency business. D16

IMAGE In dealing with our funders (or outsiders), we always try to present the agency in the best possible light. C43

IMPL Board members are expected to, and do take, an active role in implementing decisions taken by the Board. D22

INFL The Board makes major changes in policy recommendations of staff. C18

INFO This Board is less accountable than it could be due to the community's lack of information regarding its activities. C12

INTIF I rely solely on sources internal to the agency for information. C30

JOBIF There is information that could make our job easier. D15

LESSINF This Board receives less information than is needed to do an adequate job. C14

MANJOB This Board has a manageable job. C5

MBIF We are doing a good job of keeping our members informed. C32

MOREIF I have made a point of asking for information beyond that provided to the Board before agreeing to a Board decision. D18

NBIND There are some people on the Board who seem to really know what is going on, and they are exceptionally influential on the Board. D19

NEED Personal experience with the need for the service provided by the agency. Eld (Board members only)

NOREL Prior to joining the Board...no direct contact with agency. A2f

OFFICE Are you presently: President; Officer; committee member, other. A1

ORGPR Debates on matters before the Board result in changes in the original proposals. D14

OTHAG We expect other agencies (e.g., government) to assume responsibility for any liabilities this organization may incur (e.g., deficits). C27

OTHER Pleasure of working with other people. Eld (Board members only)

OTPT It is hard to determine exactly what the output of this Board is. D11

PD Are you a) paid full time b) paid part time c) volunteer. (CEO only)

PRIOR This Board and our staff share a common view of our priorities. C8

PRIORIF I knew a lot about the agency when I decided to accept membership on the Board. C21

PRIV We should use the techniques and approaches of the private sector in order to improve management of the agency. C26

PRMB The priorities of our Board shift with the changing membership from year to year. C45

PROD Desire to feel productive. Elb (Board members only)

PROF This Board's decisions are heavily influenced by Board members who are professionals in the area of services provided by the agency. C11

PROFADV The advice of the professional is valued more than the advice of volunteer Board members. C25

PROFINT Professional interest in the service. Eli (Board members only)

PROFSK Much of what I do for this Board draws on my expert of professional skills. D8

PWR Desire to influence the running of the agency. E1b (Board members only)

RELCOM Prior to joining the Board were you a committee member or volunteer. A2a

RELCL Prior to joining the Board were you a client of this agency. A2d

RELMBR Prior to joining the Board were you a member of the agency. A2e

RELST Prior to joining the Board were you a staff member of this agency. A2b

RELSTRE Prior to joining the Board were you a staff member of a related agency. A2c

REP Board members place their reputations and financial resources at risk by agreeing to be Board members. D20

REPR This Board is representative of the community in which I live. C1

RESP This Board is carrying out its responsibility efficiently and effectively. C6

SEEK Did you seek membership on this Board?

SERNB Belief in the importance of the service offered by the agency. E1f (Board members only)

SERPR There are pressures on the Board to provide additional services. D21

SERV Desire to serve the community. E1a (Board members only)

SEX Are you: a) male b) female B1

SOC Desire to meet other members of the community.  
Elc (Board members only)

STJB The job of staff is to further the objectives of  
the agency. C49

TIME This Board has many people who spend less time on  
their tasks than is required to do an adequate  
job. C35

TR I support training for Board members; it should be  
available and we should use it. C31

ULTAUTH As a Board we have the ultimate authority over  
this agency. C20

UNSTJB This Board has a clear understanding of its job.  
C4

VALVOL I feel appreciated and valued as a volunteer. D9

VIEW It is important to me to be viewed by other Board  
members as doing a good job. C16

YRS For how many years have you been Executive  
Director of this agency. (CEOs only)

## QUESTIONNAIRE TO EXECUTIVE DIRECTORS

### Agency Profit Section

- APL Does your agency have an established appeal process for clients. 34
- APPBR Do your by-laws or procedures require that you have Appointees by other organizations on your Board. 20e
- BDOPEN Are Board meetings open to other than Board members as a regular practice? 23a
- BDPREP Please estimate the approximate number of hours you spend in preparing for each Board meeting. 14
- BRFIN Our organization relies on Board members for financial contributions to cover operating costs. B12
- BUD What is the approximate annual budget of your agency? 4
- CHCOM Target of change is the community. B5
- CHIND Target of change is the individual. B4
- CLBR Do your by-laws or procedures require that you have Clients on your Board? 20c
- CLCON What is the approximate number of hours a month that you spend in direct contact with clients of this agency. 13
- CLPAY What percentage of your clients pay for services. 15
- CLVUL We serve clients who could be described as vulnerable. B6
- COMMIT Does your Board have Committees? 18
- COMP We compete with several other agencies in our field of endeavour. C7
- COMSAT The community is satisfied with our services. B13
- CONST Does your agency have formal by-laws or constitution. (3)

CONSTER What is the maximum number of consecutive terms permitted a Board member. 17b

COREFD Approximately what percentage of your core funding is provided by other organizations (e.g., Province, Federal Government, United Way)? 6

DEMAND Our clients initiate the demand for service. B2

DIRSERV What percentage of your activity is in direct service. 10a

EFFT How would you rank you Board in terms of overall effort they put into the Board. 12

FDORG With how many funding organizations does your agency deal? 5

FDRAIS What percentage of your activity is in community education. (10c)

GL The goal of our service is to achieve fundamental change in client behaviour. B1

INCCORP Does your agency have incorporated status. (2b)

INSBD Does your agency have liability insurance for Board members. 2c

INSST Does your agency have liability insurance for staff. 2d

INTAK We can control or limit intake, that is, those to whom service is offered. C8

MBMT What is the nature of contact with the general membership? Regular meetings. 21b

MBMTR What is the nature of contact with the general membership? Regular meetings--frequency. 21b

MBOTH What is the nature of contact with the general membership? Other. 21b

MBCOM Composition of committees. 18abcd

MEMBAN What is the nature of contact with the general membership? Annual meeting. 20b

MEMBR Do your by-laws or procedures require that you have Members of your organization on your Board? 20d

MEMBNUM If yes, approximate number of members. 20a

NADV What percentage of your activity is in advocacy. 10b

NCL What is the approximate number of clients served in 1986? 8

NCOMED What percentage of your activity is in Community education? 10d

NEWS What is the nature of contact with the general membership? Newsletter. 20c

NEWSFREQ What is the nature of contact with the general membership? Newsletter--frequency. 20c(1)

NOMPR Nominating procedure. 19

NSERV How would you categorize the area of service of this agency? (1)

OPENATT Are Board meetings open to other than Board members as a regular practice? If so, what percentage of time do non-Board members attend? 23b

ORGMEMB Does your organization have a membership? 21

OTH What percentage of your activity is in other. 10e

PAORG Is your agency a branch of a national or provincial organization? 10

PDST What percentage of your staff is paid. 11b

PHIL Does your agency have a statement of service philosophy. 2e

PROFST What percentage of your staff is professionally trained. 11c

PROG How many programs does your agency offer? 7

POSNU How many positions are there on your Board? (2)

REPBR Do your by-laws require representation of other organizations?

REPORT We have routine ways of reporting adequacy of service. B9

SECFD Does your agency have secure funding basis. 3g

SERVAG Our service requests originate from other agencies. B77

SERVMB Service is directed primarily to our members. B3

STBR Do your by-laws or procedures require that you have Staff of your agency on your Board? 20a

STGR Our agency uses short-term grants, e.g., Canada Works. B10

STNUM Number of staff overall. 11

STRELBR Do your by-laws or procedures require that you have Staff of related agencies on your Board? 20b

SUCC On an average basis for what percentage of your clients are you completely successful in meeting your objectives. 16

TER What is the term of office; the length a Board member may serve in one term? 17a

UNION What percentage of your staff is unionized? 22

VOL Do you use volunteers. 11d

APPENDIX 5

REGRESSIONS

## LIST OF REGRESSIONS

- 1 Regression of Ideal Attributes Against the Perception of Board Effectiveness by Board members
- 2 Regression of Ideal Attributes Against Perception of Board Effectiveness by Boards
- 3 Relationship between the Impact of the Board and the Attributes--Board Member Perception
- 4 Relationship between the Impact of the Board and the Attributes--CEO Perceptive
- 5 Regression of Impact Variables and Subjective Estimation of Effectiveness--Board Member Perspective
- 6 Regression of Impact Variables and Subjective Estimation of Effectiveness--CEO Perspective
- 7 Regression of Reasons for Serving Against Board Effectiveness
- 8 Relationship of Altruism with Hours Contributed to the Board
- 9 Demographics and Hours Contributed to the Board by Board Members
- 10 Level of Contribution and Reasons for Serving on the Board
- 11 Benefit Cost Differential As a Function of the Importance of the Service and the Sense of Making a Difference
- 12 Benefit Cost Differential As a Function of the Importance of the Service
- 13 Benefit Cost Differential As a Function of the Sense of Making a Difference
- 14 Hours Invested by Board Member Impact
- 15 Relationship of the Benefit Cost Differential and Feeling Valued as A Volunteer
- 16 Feeling Valued as a Volunteer
- 17 Relationship of Hours Invested to Feeling Valued as a Volunteer and Benefit Cost Differential
- 18 Assessment of the Benefit-Cost Differential of Involvement on a Board

- 19 The Decision to Contribute
- 20 Manageability of the Board Job as a Function of Information Problems
- 21 Hours in Preparation for Board Meetings As a Function of Information Variables
- 22 Hours Involved with the Board As a Function of Information Variables
- 23 Perception of Free Riders on the Board as a Function of Information Variables
- 24 Influence on the Board as a Function of Professional Credentials--Board Perceptive
- 25 Impact on the Board as a Function of Professional Credentials--Board Perspective
- 26 Board Effectiveness as a Function of Information--Board Perspective
- 27 Board Output as a Function of Decision Variables
- 28 Authority of the CEO as a Function of Professional Credentials--Board Member Perspective
- 29 Authority of the CEO as a Function of Professional Credentials--CEO Perspective
- 30 Understanding of the Board Job as a Function of Responsibilities--Board Member Perspective
- 31 Understanding of the Board Job as a Function of Responsibilities--CEO Perspective
- 32 Accountability as a Function of Psychological and Structural Factors--Board Member Perspective
- 33 Accountability as a Function of Psychological and Structural Factors--Board Perspective
- 34 Accountability as a Function of Psychological and Structural Factors--CEO Perspective
- 35 Board Effectiveness as a Function of Roles
- 36 Board Effectiveness as a Function of Its Relationship to the CEO--Board Member Perspective
- 37 Board Effectiveness as a Function of Its Relationship to the CEO--Board Perspective

- 38 Board Effectiveness as a Function of Its Relationship to the CEO--CEO Perspective
- 39 Relationship of Client Information and Goals Clarity--Board Member Perspective
- 40 Relationship of Client Information and Goals Clarity--Board Perspective
- 41 Relationship of Client Information and Goals Clarity--CEO Perspective
- 42 Relationship of Goals and Priorities--Board Member Perspective
- 43 Relationship of Goals and Priorities--Board Perspective
- 44 Relationship of Goals and Priorities--CEO Perspective
- 45 Board Effectiveness as a Function of Goals--Board Member Perspective
- 46 Board Effectiveness as a Function of Goals--Board Perspective
- 47 Board Effectiveness as a Function of Goals--CEO Perspective
- 48 Effectiveness as a Function of Revised Factors--Board Member Perspective
- 49 Effectiveness as a Function of Revised Factors--Board Perspective
- 50 Effectiveness as a Function of Revised Factors--CEO Perspective
- 51 Impact of the Board as a Function of Revisionist Factors--Board Perspective
- 52 Impact of the Board as a Function of Revisionist Factors--Board Member Perspective
- 53 Impact of the Board as a Function of Revisionist Factors--CEO Perspective

## Regressions

This appendix presents the regressions used in the analysis. An alphabetical listing of the variables that were constructed from the questionnaire items is presented in Appendix 4.

### Pervasiveness and Utility of the Ideal Model

The following regressions assess the pervasiveness and utility of the ideal model.

The variables used in this set of regressions are:

REPR	This Board is representative of the community in which I live. C1
GOALS	This Board is clear in its understanding of the agency's goals. C2
ACCT	This Board is accountable for the actions of the organization. C3
MANJOB	This Board has a manageable job. C5
UNSTJB	This Board has a clear understanding of its job. C4
ED	This Board has clearly demarcated lines of responsibility with the Executive Director. C7
PRIOR	This Board and our staff share a common view of our priorities. C8
CONSTFD	This Board is overly constrained by requirements of funders. C10
CONSTLEG	This Board is overly constrained by legislation and regulation. C9
INFO	This Board is less accountable than it could be due to the community's lack of information regarding its activities. C12
COMD	This Board has difficulty in getting information about changing community needs. C13
PROF	This Board's decisions are heavily influenced by Board members who are professionals in the area of services provided by the agency. C11
RESP	This Board is carrying out its responsibility efficiently and effectively. C6
CLOUT	an index:
CHPOL	I have been influential in changing policy at my agency or maintaining policy in the face of a threat. C37
INFL	The Board makes major changes in policy recommendations of staff. C18
ORGPR	Debates on matters before the Board result in changes in the original proposals. D14

Regression 1  
Regression of Ideal Attributes Against the Perception of  
Board Effectiveness by Board members

DEP VAR: RESP N: 604 MULTIPLE R: .768 SQUARED MULTIPLE R: .591  
ADJUSTED SQUARED MULTIPLE R: .582 STANDARD ERROR OF ESTIMATE: 0.644

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	0.268	0.222	0.000	.	1.208	0.227
REPR	0.085	0.025	0.098	0.8547992	3.439	0.001
GOALS	0.141	0.043	0.141	0.3795391	3.296	0.001
ACCT	0.062	0.035	0.058	0.6663267	1.801	0.072
UNSTJB	0.289	0.044	0.296	0.3449851	6.613	0.000
MANJOB	0.130	0.035	0.125	0.6090442	3.692	0.000
ED	0.156	0.031	0.162	0.6624735	5.016	0.000
PRIOR	0.099	0.035	0.097	0.5827045	2.813	0.005
CONSTLEG	0.063	0.027	0.071	0.7658211	2.366	0.018
CONSTFD	-0.019	0.024	-0.024	0.7683776	-0.815	0.415
INFO	-0.028	0.027	-0.031	0.7697407	-1.048	0.295
COMD	-0.054	0.030	-0.055	0.7357818	-1.801	0.072
PROF	-0.021	0.022	-0.025	0.9628160	-0.929	0.353

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	353.185	12	29.432	71.022	0.000
RESIDUAL	244.915	591	0.414		

Regression 2  
Regression of Ideal Attributes Against Perception  
of Board Effectiveness by Boards

DEP VAR: RESP N: 66 MULTIPLE R: .896 SQUARED MULTIPLE R: .803  
ADJUSTED SQUARED MULTIPLE R: .758 STANDARD ERROR OF ESTIMATE: 0.278

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	0.907	0.674	0.000	.	1.345	0.184
REPR	0.015	0.085	0.014	0.6317591	0.179	0.859
GOALS	-0.125	0.162	-0.117	0.1616771	-0.773	0.443
ACCT	0.075	0.103	0.054	0.6789836	0.729	0.469
UNSTJB	0.502	0.152	0.447	0.2045158	3.312	0.002
MANJOB	0.229	0.110	0.210	0.3672725	2.086	0.042
ED	0.059	0.089	0.061	0.4299882	0.660	0.512
PRIOR	0.164	0.094	0.188	0.3249775	1.754	0.085
CONSTLEG	-0.000	0.071	-0.000	0.7019754	-0.001	0.999
CONSTFD	-0.059	0.070	-0.064	0.6361048	-0.837	0.406
INFO	-0.109	0.084	-0.127	0.3946658	-1.302	0.198
COMD	-0.150	0.093	-0.144	0.4655679	-1.615	0.112
PROF	0.053	0.067	0.055	0.7623164	0.787	0.435

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	16.686	12	1.391	17.957	0.000
RESIDUAL	4.104	53	0.077		

Regression 3  
Relationship between the Impact of the Board and the Attributes  
Board Member Perception

DEP VAR: CLOUT N: 557 MULTIPLE R: .272 SQUARED MULTIPLE R: .074  
ADJUSTED SQUARED MULTIPLE R: .054 STANDARD ERROR OF ESTIMATE: 1.901

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	6.124	0.675	0.000	.	9.070	0.000
REPR	-0.088	0.076	-0.052	0.8529706	-1.167	0.244
GOALS	0.011	0.130	0.005	0.3815120	0.082	0.935
ACCT	0.458	0.105	0.221	0.6638415	4.356	0.000
UNSTJB	-0.279	0.134	-0.147	0.3440871	-2.086	0.037
MANJOB	0.190	0.107	0.093	0.6117278	1.768	0.078
ED	0.206	0.094	0.110	0.6714705	2.189	0.029
PRIOR	0.104	0.108	0.052	0.5817303	0.965	0.335
CONSTLEG	0.038	0.082	0.022	0.7637442	0.461	0.645
CONSTFD	0.064	0.072	0.042	0.7676446	0.889	0.374
INFO	0.105	0.083	0.060	0.7634381	1.263	0.207
COMD	0.128	0.092	0.067	0.7340298	1.394	0.164
PROF	-0.049	0.069	-0.030	0.9621243	-0.711	0.477

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	157.304	12	13.109	3.629	0.000
RESIDUAL	1965.241	544	3.613		

Regression 4  
Relationship between the Impact of the Board and the Attributes  
CEO Perceptive

DEP VAR: CLOUT N: 66 MULTIPLE R: .422 SQUARED MULTIPLE R: .178  
ADJUSTED SQUARED MULTIPLE R: .000 STANDARD ERROR OF ESTIMATE: 0.811

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	10.226	1.965	0.000	.	5.205	0.000
REPR	-0.165	0.249	-0.104	0.6317591	-0.665	0.509
GOALS	-0.444	0.471	-0.292	0.1616771	-0.943	0.350
ACCT	0.606	0.301	0.305	0.6789836	2.015	0.049
UNSTJB	0.000	0.442	0.000	0.2045158	0.000	1.000
MANJOB	-0.066	0.320	-0.043	0.3672725	-0.208	0.836
ED	0.306	0.260	0.223	0.4299882	1.175	0.245
PRIOR	-0.367	0.272	-0.295	0.3249775	-1.348	0.183
CONSTLEG	0.057	0.206	0.041	0.7019754	0.276	0.784
CONSTFD	-0.040	0.205	-0.031	0.6361048	-0.197	0.844
INFO	0.053	0.244	0.043	0.3946658	0.218	0.828
COMD	-0.399	0.270	-0.270	0.4655679	-1.478	0.145
PROF	0.075	0.195	0.055	0.7623164	0.383	0.703

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	7.532	12	0.628	0.955	0.502
RESIDUAL	34.843	53	0.657		

Regression 5  
Regression of Impact Variables and Subjective Estimation  
of Effectiveness--Board Member Perspective

DEP VAR: RESP N: 599 MULTIPLE R: .066 SQUARED MULTIPLE R: .004  
ADJUSTED SQUARED MULTIPLE R: .000 STANDARD ERROR OF ESTIMATE: 0.993

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.556	0.210	0.000	.	16.900	0.000
CHPOL	0.047	0.036	0.054	0.9808822	1.310	0.191
INFL	0.018	0.036	0.020	0.9854695	0.494	0.622
ORGPR	0.024	0.048	0.021	0.9860968	0.506	0.613

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	2.529	3	0.843	0.855	0.464
RESIDUAL	586.763	595	0.986		

Regression 6  
Regression of Impact Variables and Subjective Estimation  
of Effectiveness--CEO Perspective

DEP VAR: RESP N: 41 MULTIPLE R: .145 SQUARED MULTIPLE R: .021  
ADJUSTED SQUARED MULTIPLE R: .000 STANDARD ERROR OF ESTIMATE: 0.943

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	4.357	0.890	0.000	.	4.897	0.000
CHPOL	-0.129	0.145	-0.148	0.9521694	-0.889	0.380
INFL	0.018	0.121	0.026	0.9279105	0.152	0.880
ORGPR	0.008	0.179	0.008	0.9738577	0.047	0.963

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	0.705	3	0.235	0.264	0.851
RESIDUAL	32.904	37	0.889		

Relaxing Assumptions of the Ideal Model

The following regression relates the board members' reasons with the subjective estimation of board effectiveness.

The variables used in this set of regressions are:

SERV Desire to serve the community. E1a  
 PROD Desire to feel productive. E1b  
 OTHER Pleasure of working with other people. E1d members  
 NEED Personal experience with the need for the service provided by the agency. E1d  
 SOC Desire to meet other members of the community. E1c  
 SERNB Belief in the importance of the service offered by the agency. E1f  
 CAREER Being on a Board could be helpful in my career. E1g  
 PWR Desire to influence the running of the agency. E1b  
 PROFINT Professional interest in the service. E1i  
 SEX Are you: a) male b) female B1  
 RESP This Board is carrying out its responsibility efficiently and effectively. C6

Regression 7  
Regression of Reasons for Serving Against Board Effectiveness

DEP VAR: RESP N: 643 MULTIPLE R: .367 SQUARED MULTIPLE R: .135  
ADJUSTED SQUARED MULTIPLE R: .121 STANDARD ERROR OF ESTIMATE: 0.930

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.603	0.317	0.000	.	5.054	0.000
SERV	0.031	0.046	0.028	0.7700902	0.664	0.507
PROD	0.026	0.037	0.032	0.6803804	0.721	0.471
OTHER	0.156	0.047	0.165	0.5437584	3.297	0.001
NEED	0.056	0.026	0.084	0.8935844	2.136	0.033
SOC	-0.012	0.035	-0.016	0.6618000	-0.352	0.725
SERNB	0.369	0.063	0.235	0.8451744	5.844	0.000
CAREER	-0.022	0.032	-0.030	0.7568973	-0.700	0.484
PWR	-0.103	0.032	-0.130	0.8366952	-3.222	0.001
PROFINT	0.027	0.017	0.063	0.8659837	1.596	0.111
SEX	-0.126	0.075	-0.064	0.9588507	-1.686	0.092

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	85.240	10	8.524	9.846	0.000
RESIDUAL	547.127	632	0.866		

Mixed Motives and the Decision to Contribute

The following regressions explore factors affecting the decision to contribute to the board.

The variables used in this set of regressions are:

- SERV Desire to serve the community. E1a
- PROD Desire to feel productive. E1b
- OTHER Pleasure of working with other people. E1d members
- NEED Personal experience with the need for the service provided by the agency. E1d
- SOC Desire to meet other members of the community. E1c
- SERNB Belief in the importance of the service offered by the agency. E1f
- CAREER Being on a Board could be helpful in my career. E1g
- PWR Desire to influence the running of the agency. E1b
- PROFINT Professional interest in the service. E1i
- HRINV Please indicate the approximate number of hours a month you are involved on behalf of the Board. A5
- AGE Which of the following categories includes your age? B2
- SEX Are you: a) male b) female B1
- EDU What is your highest level of education. B5
- BC Taking all things into account the personal rewards I have received from being a member of the Board outweigh the costs. D23
- CLOUT an index:
  - CHPOL I have been influential in changing policy at my agency or maintaining policy in the face of a threat. C37

INFL The Board makes major changes in policy recommendations of staff. C18  
 ORGPR Debates on matters before the Board result in changes in the original proposals. D14  
 VALVOL I feel appreciated and valued as a volunteer. D9  
 VIEW It is important to me to be viewed by other Board members as doing a good job. C16  
 RESP This Board is carrying out its responsibility efficiently and effectively. C6

Regression 8  
 Relationship of Altruism with Hours Contributed to the Board

DEP VAR: NHRINV N: 651 MULTIPLE R: .093 SQUARED MULTIPLE R: .009  
 ADJUSTED SQUARED MULTIPLE R: .006 STANDARD ERROR OF ESTIMATE: 10.663

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	4.937	2.969	0.000	.	1.662	0.097
SERNB	0.504	0.652	0.031	0.9476750	0.773	0.440
NEED	0.586	0.290	0.081	0.9476750	2.019	0.044

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	646.636	2	323.318	2.844	0.058
RESIDUAL	73677.494	648	113.700		

Regression 9  
 Demographics and Hours Contributed to the Board by Board Members

DEP VAR: NHRINV N: 661 MULTIPLE R: .039 SQUARED MULTIPLE R: .002  
 ADJUSTED SQUARED MULTIPLE R: .000 STANDARD ERROR OF ESTIMATE: 10.633

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	7.082	2.645	0.000	.	2.678	0.008
AGE	0.299	0.322	0.038	0.9231220	0.929	0.353
NSEX	0.427	0.841	0.020	0.9783800	0.507	0.612
EDU	0.091	0.313	0.012	0.9403174	0.289	0.772

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	113.861	3	37.954	0.336	0.800
RESIDUAL	74277.122	657	113.055		

Regression 10  
Level of Contribution and Reasons for Serving on the Board

DEP VAR: HRINV N: 633 MULTIPLE R: .208 SQUARED MULTIPLE R: .043  
ADJUSTED SQUARED MULTIPLE R: .030 STANDARD ERROR OF ESTIMATE: 442.360

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	58.323	148.979	0.000	.	0.391	0.696
SERV	-15.387	22.187	-0.031	0.7769835	-0.693	0.488
PROD	59.524	17.485	0.160	0.6943179	3.404	0.001
OTHER	-38.162	22.677	-0.089	0.5548076	-1.683	0.093
NEED	27.546	12.570	0.091	0.8937597	2.191	0.029
SOC	18.786	16.747	0.054	0.6717943	1.122	0.262
SERNB	57.817	30.107	0.081	0.8531283	1.920	0.055
CAREER	-14.184	15.207	-0.042	0.7630220	-0.933	0.351
PWR	4.750	15.405	0.013	0.8388407	0.308	0.758
PROFINT	-11.975	7.909	-0.063	0.8760719	-1.514	0.130

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	5535301.480	9	615033.498	3.143	0.001
RESIDUAL	.121910E+09	623	195682.402		

Regression 11  
Benefit Cost Differential As a Function  
of the Importance of the Service  
and the Sense of Making a Difference

DEP VAR: LOGBC N: 596 MULTIPLE R: .320 SQUARED MULTIPLE R: .102  
ADJUSTED SQUARED MULTIPLE R: .099 STANDARD ERROR OF ESTIMATE: 0.330

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	0.003	0.170	0.000	.	0.020	0.984
LOGSER	0.539	0.083	0.255	0.9759433	6.486	0.000
LOGCL	0.243	0.061	0.157	0.9759433	3.993	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	7.376	2	3.688	33.837	0.000
RESIDUAL	64.636	593	0.109		

Regression 12  
Benefit Cost Differential As a Function  
of the Importance of the Service

DEP VAR: BC N: 673 MULTIPLE R: .336 SQUARED MULTIPLE R: .113  
ADJUSTED SQUARED MULTIPLE R: .111 STANDARD ERROR OF ESTIMATE: 0.983

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.624	0.267	0.000	.	6.085	0.000
SERNB	0.530	0.057	0.336	.100E+01	9.228	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	82.265	1	82.265	85.153	0.000
RESIDUAL	648.237	671	0.966		

Regression 13  
Benefit Cost Differential As a Function  
of the Sense of Making a Difference

DEP VAR: BC N: 598 MULTIPLE R: .174 SQUARED MULTIPLE R: .030  
ADJUSTED SQUARED MULTIPLE R: .029 STANDARD ERROR OF ESTIMATE: 1.035

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.207	0.206	0.000	.	15.584	0.000
CLOUT	0.093	0.022	0.174	.100E+01	4.305	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	19.871	1	19.871	18.537	0.000
RESIDUAL	638.892	596	1.072		

Regression 14  
Hours Invested by Board Member Impact

DEP VAR: HRINV N: 589 MULTIPLE R: .186 SQUARED MULTIPLE R: .034  
ADJUSTED SQUARED MULTIPLE R: .030 STANDARD ERROR OF ESTIMATE: 477.410

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	103.902	101.635	0.000	.	1.022	0.307
CHPOL	73.814	17.458	0.174	0.9794881	4.228	0.000
INFL	6.697	17.664	0.016	0.9860162	0.379	0.705
ORGPR	24.610	23.347	0.043	0.9850600	1.054	0.292

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	4760345.821	3	1586781.940	6.962	0.000
RESIDUAL	.133333E+09	585	227920.360		

Regression 15  
Relationship of the Benefit Cost Differential and  
Feeling Valued as A Volunteer

DEP VAR: BC N: 667 MULTIPLE R: .584 SQUARED MULTIPLE R: .341  
ADJUSTED SQUARED MULTIPLE R: .340 STANDARD ERROR OF ESTIMATE: 0.848

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.600	0.137	0.000	.	11.691	0.000
VALVOL	0.621	0.033	0.584	.100E+01	18.530	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	246.698	1	246.698	343.366	0.000
RESIDUAL	477.782	665	0.718		

Regression 16  
Feeling Valued as a Volunteer

DEP VAR: VALVOL N: 633 MULTIPLE R: .511 SQUARED MULTIPLE R: .261  
ADJUSTED SQUARED MULTIPLE R: .256 STANDARD ERROR OF ESTIMATE: 0.834

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	0.806	0.265	0.000	.	3.045	0.002
SERNB	0.209	0.055	0.138	0.9013454	3.813	0.000
VIEW	0.110	0.029	0.133	0.9624617	3.805	0.000
CHPOL	0.144	0.030	0.168	0.9616681	4.792	0.000
RESP	0.354	0.035	0.363	0.9094313	10.084	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	154.220	4	38.555	55.388	0.000
RESIDUAL	437.148	628	0.696		

Regression 17  
Relationship of Hours Invested to Feeling Valued  
as a Volunteer and Benefit Cost Differential

DEP VAR: HRINV N: 652 MULTIPLE R: .172 SQUARED MULTIPLE R: .030  
ADJUSTED SQUARED MULTIPLE R: .027 STANDARD ERROR OF ESTIMATE: 471.146

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	66.351	84.235	0.000	.	0.788	0.431
BC	34.413	21.846	0.075	0.6540842	1.575	0.116
VALVOL	57.055	23.297	0.117	0.6540842	2.449	0.015

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	4417590.103	2	2208795.052	9.950	0.000
RESIDUAL	.144064E+09	649	221978.633		

Regression 18  
Assessment of the Benefit-Cost  
Differential of Involvement on a Board

DEP VAR: BC N: 631 MULTIPLE R: .640 SQUARED MULTIPLE R: .410  
ADJUSTED SQUARED MULTIPLE R: .405 STANDARD ERROR OF ESTIMATE: 0.806

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	-0.046	0.258	0.000	.	-0.180	0.857
CHPOL	0.073	0.030	0.078	0.9249623	2.450	0.015
RESP	0.126	0.037	0.120	0.7848441	3.450	0.001
SERNB	0.236	0.054	0.144	0.8796682	4.399	0.000
VIEW	0.087	0.028	0.097	0.9418774	3.074	0.002
VALVOL	0.504	0.039	0.465	0.7404181	13.023	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	282.330	5	56.466	86.869	0.000
RESIDUAL	406.260	625	0.650		

Regression 19  
The Decision to Contribute

DEP VAR: HRINV N: 624 MULTIPLE R: .325 SQUARED MULTIPLE R: .106  
ADJUSTED SQUARED MULTIPLE R: .100 STANDARD ERROR OF ESTIMATE: 458.499

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	-37.388	101.964	0.000	.	-0.367	0.714
VALVOL	74.042	21.967	0.148	0.7479645	3.371	0.001
CHPOL	49.572	16.886	0.116	0.9309303	2.936	0.003
VIEW	88.229	16.180	0.214	0.9388503	5.453	0.000
RESP	-75.001	20.500	-0.154	0.8129674	-3.659	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	.153525E+08	4	3838127.617	18.258	0.000
RESIDUAL	.130127E+09	619	210221.582		

## The Board's Product--Its Decisions

The following regressions explore the effect of information on the effectiveness of the board.

The variables used in this set of regressions are:

MANJOB This Board has a manageable job. C5  
IFALT In making decisions, I am provided with several alternative courses of action from which to select. D12  
IFCIR Material required for the Board meeting is pre-circulated to members in adequate time. D17  
IFVOL I receive an enormous amount of material to review and to read related to agency business. D16  
LESSINF This Board receives less information than is needed to do an adequate job. C14  
HRPREP Please estimate the approximate number of hours a month you spend in preparing for each Board meeting. A6  
INTIF I rely solely on sources internal to the agency for information. C30  
HRINV Please indicate the approximate number of hours a month you are involved on behalf of the Board. A5  
TIME This Board has many people who spend less time on their tasks than is required to do an adequate job. C35  
BDIF As a Board member I expect to be kept fully informed. C34  
NBIND There are some people on the Board who seem to really know what is going on, and they are exceptionally influential on the Board. D19  
PROFADV The advice of the professional is valued more than the advice of volunteer Board members. C25  
PROFSK Much of what I do for this Board draws on my expert of professional skills. D8  
PROF This Board's decisions are heavily influenced by Board members who are professionals in the area of services provided by the agency. C11  
OFFICE Are you presently: President; Officer; committee member, other. A1  
RESP This Board is carrying out its responsibility efficiently and effectively. C6  
CLOUT an index:  
CHPOL I have been influential in changing policy at my agency or maintaining policy in the face of a threat. C37  
INFL The Board makes major changes in policy recommendations of staff. C18  
ORGPR Debates on matters before the Board result in changes in the original proposals. D14  
OTPT It is hard to determine exactly what the output of this Board is. D11  
ATMOS The atmosphere of most Board meetings is pleasant and

AGREE business like; there is limited argument. C39  
 It is the preference of this Board that an overwhelming  
 number of Board members agree in any decision. D13  
 DECREC Decisions are often reconsidered. D10  
 EDAUTH This Board has allowed the Executive Director more  
 authority than would be ideal. C15  
 EXPADV Problems in the agency's programs can best be solved by  
 seeking expert advice. C42

Regression 20  
 Manageability of the Board Job as a Function  
 of Information Problems

DEP VAR: MANJOB N: 68 MULTIPLE R: .528 SQUARED MULTIPLE R: .278  
 ADJUSTED SQUARED MULTIPLE R: .233 STANDARD ERROR OF ESTIMATE: 0.457

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.404	0.685	0.000	.	4.967	0.000
IFALT	0.168	0.141	0.145	0.7695887	1.192	0.238
IFVOL	-0.203	0.093	-0.282	0.6945986	-2.194	0.032
IFCIR	0.258	0.099	0.340	0.6721157	2.601	0.012
LESSINF	-0.235	0.132	-0.225	0.7254756	-1.787	0.079

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	5.087	4	1.272	6.077	0.000
RESIDUAL	13.184	63	0.209		

Regression 21  
 Hours in Preparation for Board Meetings  
 As a Function of Information Variables

DEP VAR: HRPREP N: 620 MULTIPLE R: .177 SQUARED MULTIPLE R: .031  
 ADJUSTED SQUARED MULTIPLE R: .023 STANDARD ERROR OF ESTIMATE: 166.563

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	89.885	42.285	0.000	.	2.126	0.034
IFALT	2.722	7.264	0.016	0.8972229	0.375	0.708
IFVOL	20.527	5.838	0.143	0.9541563	3.516	0.000
IFCIR	-14.595	6.848	-0.091	0.8696747	-2.131	0.033
INTIF	-5.377	4.136	-0.052	0.9920808	-1.300	0.194
LESSINF	6.922	6.465	0.045	0.8950928	1.071	0.285

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	549784.234	5	109956.847	3.963	0.002
RESIDUAL	.170344E+08	614	27743.333		

Regression 22  
Hours Involved with the Board  
As a Function of Information Variables

DEP VAR: HRINV N: 619 MULTIPLE R: .213 SQUARED MULTIPLE R: .045  
ADJUSTED SQUARED MULTIPLE R: .038 STANDARD ERROR OF ESTIMATE: 475.694

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	277.958	120.326	0.000	.	2.310	0.021
IFALT	16.660	20.790	0.033	0.9016818	0.801	0.423
IFVOL	65.095	16.709	0.157	0.9532136	3.896	0.000
IFCIR	-13.849	19.486	-0.030	0.8717690	-0.711	0.478
INTIF	-33.581	11.809	-0.113	0.9924628	-2.844	0.005
LESSINF	32.550	18.530	0.073	0.8979710	1.757	0.079

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	6602462.476	5	1320492.495	5.836	0.000
RESIDUAL	.138713E+09	613	226284.948		

Regression 23  
Perception of Free Riders on the Board as a  
Function of Information Variables

DEP VAR: TIME N: 68 MULTIPLE R: .567 SQUARED MULTIPLE R: .322  
ADJUSTED SQUARED MULTIPLE R: .267 STANDARD ERROR OF ESTIMATE: 0.530

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	5.364	1.219	0.000	.	4.399	0.000
LESSINF	0.405	0.153	0.326	0.7254171	2.652	0.010
IFCIR	-0.004	0.115	-0.004	0.6692339	-0.033	0.974
IFVOL	0.125	0.108	0.147	0.6849292	1.160	0.250
IFALT	-0.110	0.164	-0.080	0.7663654	-0.671	0.504
BDIF	-0.798	0.214	-0.393	0.9819677	-3.724	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	8.262	5	1.652	5.878	0.000
RESIDUAL	17.428	62	0.281		

Regression 24  
Influence on the Board as a Function of  
Professional Credentials--Board Perceptive

DEP VAR: NBIND N: 68 MULTIPLE R: .459 SQUARED MULTIPLE R: .211  
ADJUSTED SQUARED MULTIPLE R: .161 STANDARD ERROR OF ESTIMATE: 0.347

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.103	0.461	0.000	.	6.732	0.000
PROFADV	0.123	0.084	0.183	0.8126827	1.471	0.146
PROFSK	-0.045	0.073	-0.072	0.9467420	-0.622	0.536
PROF	0.222	0.081	0.348	0.7681000	2.728	0.008
OFFICE	-0.055	0.111	-0.056	0.9790653	-0.496	0.621

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	2.033	4	0.508	4.212	0.004
RESIDUAL	7.602	63	0.121		

Regression 25  
Impact on the Board as a Function of Professional Credentials  
Board Perspective

DEP VAR: CLOUT N: 68 MULTIPLE R: .315 SQUARED MULTIPLE R: .099  
ADJUSTED SQUARED MULTIPLE R: .042 STANDARD ERROR OF ESTIMATE: 0.803

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	8.007	1.065	0.000	.	7.517	0.000
PROFADV	0.067	0.193	0.046	0.8126827	0.349	0.728
PROFSK	0.434	0.169	0.316	0.9467420	2.572	0.012
PROF	-0.069	0.188	-0.050	0.7681000	-0.367	0.715
OFFICE	-0.051	0.257	-0.024	0.9790653	-0.200	0.842

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	4.467	4	1.117	1.732	0.154
RESIDUAL	40.608	63	0.645		

Regression 26  
Board Effectiveness as a Function of Information  
Board Perspective

DEP VAR: RESP N: 68 MULTIPLE R: .581 SQUARED MULTIPLE R: .338  
ADJUSTED SQUARED MULTIPLE R: .307 STANDARD ERROR OF ESTIMATE: 0.465

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	2.123	0.487	0.000	.	4.356	0.000
IFVOL	-0.323	0.090	-0.419	0.7534459	-3.577	0.001
IFCIR	0.373	0.098	0.459	0.7087951	3.800	0.000
IFALT	0.340	0.131	0.276	0.9239303	2.606	0.011

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	7.049	3	2.350	10.874	0.000
RESIDUAL	13.829	64	0.216		

Regression 27  
Board Output as a Function of Decision Variables

DEP VAR: OTPT N: 68 MULTIPLE R: .552 SQUARED MULTIPLE R: .305  
ADJUSTED SQUARED MULTIPLE R: .272 STANDARD ERROR OF ESTIMATE: 0.475

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	4.434	0.717	0.000	.	6.183	0.000
ATMOS	-0.537	0.116	-0.493	0.9561924	-4.622	0.000
AGREE	-0.054	0.066	-0.086	0.9865644	-0.824	0.413
DECREC	0.177	0.134	0.140	0.9677591	1.320	0.192

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	6.337	3	2.112	9.360	0.000
RESIDUAL	14.445	64	0.226		

Regression 28  
 Authority of the CEO as a Function of Professional  
 Credentials--Board Member Perspective

DEP VAR: EDAUTH      N:    638    MULTIPLE R: .226    SQUARED MULTIPLE R: .051  
 ADJUSTED SQUARED MULTIPLE R: .048    STANDARD ERROR OF ESTIMATE: 1.057

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.429	0.148	0.000	.	9.667	0.000
EXPADV	-0.008	0.039	-0.008	0.9779887	-0.217	0.828
PROFADV	0.218	0.038	0.227	0.9779887	5.805	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	38.092	2	19.046	17.062	0.000
RESIDUAL	708.849	635	1.116		

Regression 29  
 Authority of the CEO as a Function of Professional  
 Credentials--CEO Perspective

DEP VAR: EDAUTH      N:    44    MULTIPLE R: .064    SQUARED MULTIPLE R: .004  
 ADJUSTED SQUARED MULTIPLE R: .000    STANDARD ERROR OF ESTIMATE: 1.163

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	2.308	0.594	0.000	.	3.883	0.000
PROFADV	0.052	0.219	0.039	0.8894096	0.236	0.814
EXPADV	-0.074	0.186	-0.065	0.8894096	-0.396	0.694

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	0.228	2	0.114	0.084	0.919
RESIDUAL	55.499	41	1.354		

Multiple Roles and Conflicting Incentives

The following regressions explore the relationship of multiple roles and conflicting incentives.

The following variables are used in this set of regressions:

- UNSTJB      This Board has a clear understanding of its job. C4
- ACCT        This Board is accountable for the actions of the organization. C3
- DIFCL       It is difficult to really know what we are doing for our clients, and to ensure that services are appropriate and effective. C19

IMAGE In dealing with our funders (or outsiders), we always try  
 to present the agency in the best possible light. C43  
 BDVIEW It is important to me that the Board should be seen as  
 doing a good job. C36  
 EDAUTH This Board has allowed the Executive Director more  
 authority than would be ideal. C15  
 GOALS This Board is clear in its understanding of the agency's  
 goals. C2  
 REPR This Board is representative of the community in which I  
 live. C1  
 RESP This Board is carrying out its responsibility efficiently  
 and effectively. C6  
 CC As a Board member I am a constructive critic of the  
 agency's operations. D6  
 ADV As a Board member I am an advocate of the agency's  
 operations. C5  
 ULTAUTH As a Board we have the ultimate authority over this  
 agency. C20  
 EDSHARE The Executive Director shares responsibility with the  
 Board and is also accountable for agency effectiveness.  
 C29  
 EDJB The job of the Executive Director is the most important  
 at the agency. C48  
 ED This Board has clearly demarcated lines of responsibility  
 with the Executive Director. C7

Regression 30  
 Understanding of the Board Job as a Function of Responsibilities--  
 Board Member Perspective

DEP VAR: UNSTJB N: 653 MULTIPLE R: .574 SQUARED MULTIPLE R: .329  
 ADJUSTED SQUARED MULTIPLE R: .326 STANDARD ERROR OF ESTIMATE: 0.834

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	2.050	0.229	0.000	.	8.968	0.000
ACCT	0.515	0.037	0.462	0.9173813	13.766	0.000
DIFCL	-0.207	0.029	-0.240	0.9409293	-7.246	0.000
IMAGE	0.028	0.038	0.024	0.9741293	0.731	0.465

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	221.789	3	73.930	106.240	0.000
RESIDUAL	451.620	649	0.696		

Regression 31  
Understanding of the Board Job as a Function of Responsibilities  
CEO Perspective

DEP VAR: UNSTJB N: 44 MULTIPLE R: .580 SQUARED MULTIPLE R: .336  
ADJUSTED SQUARED MULTIPLE R: .287 STANDARD ERROR OF ESTIMATE: 0.696

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.551	0.911	0.000	.	3.899	0.000
ACCT	0.239	0.119	0.276	0.8881655	2.016	0.051
DIFCL	-0.378	0.113	-0.452	0.9087769	-3.348	0.002
IMAGE	0.018	0.121	0.020	0.9111964	0.149	0.883

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	9.814	3	3.271	6.756	0.001
RESIDUAL	19.368	40	0.484		

Regression 32  
Accountability as a Function of Psychological and  
Structural Factors -- Board Member Perspective

DEP VAR: ACCT N: 639 MULTIPLE R: .589 SQUARED MULTIPLE R: .346  
ADJUSTED SQUARED MULTIPLE R: .341 STANDARD ERROR OF ESTIMATE: 0.743

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.549	0.216	0.000	.	7.190	0.000
BDVIEW	0.213	0.037	0.190	0.9329899	5.724	0.000
EDAUTH	-0.075	0.029	-0.089	0.8636399	-2.573	0.010
UNSTJB	0.294	0.044	0.325	0.4299042	6.633	0.000
GOALS	0.124	0.046	0.135	0.4195657	2.723	0.007
REPR	0.080	0.027	0.100	0.8991140	2.955	0.003

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	185.425	5	37.085	67.117	0.000
RESIDUAL	349.758	633	0.553		

Regression 33  
Accountability as a Function of Psychological and  
Structural Factors--Board Perspective

DEP VAR: ACCT N: 68 MULTIPLE R: .617 SQUARED MULTIPLE R: .380  
ADJUSTED SQUARED MULTIPLE R: .330 STANDARD ERROR OF ESTIMATE: 0.371

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.977	0.679	0.000	.	2.909	0.005
BDVIEW	0.368	0.108	0.346	0.9765967	3.416	0.001
EDAUTH	-0.194	0.092	-0.244	0.7530371	-2.118	0.038
UNSTJB	0.494	0.174	0.542	0.2762317	2.847	0.006
GOALS	-0.346	0.158	-0.417	0.2754071	-2.188	0.032
REPR	0.166	0.100	0.186	0.7974258	1.662	0.102

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	5.237	5	1.047	7.609	0.000
RESIDUAL	8.535	62	0.138		

Regression 34  
 Accountability as a Function of Psychological and  
 Structural Factors--CEO Perspective

DEP VAR: ACCT N: 44 MULTIPLE R: .395 SQUARED MULTIPLE R: .156  
 ADJUSTED SQUARED MULTIPLE R: .045 STANDARD ERROR OF ESTIMATE: 0.926

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.265	1.098	0.000	.	2.974	0.005
BDVIEW	-0.013	0.187	-0.012	0.7973710	-0.070	0.944
EDAUTH	-0.109	0.137	-0.131	0.8174129	-0.794	0.432
UNSTJB	0.353	0.229	0.307	0.5614145	1.543	0.131
GOALS	0.060	0.186	0.060	0.6616742	0.326	0.746
REPR	-0.049	0.135	-0.059	0.8321819	-0.363	0.719

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	6.024	5	1.205	1.404	0.245
RESIDUAL	32.612	38	0.858		

Regression 35  
 Board Effectiveness as a Function of Roles

DEP VAR: RESP N: 68 MULTIPLE R: .481 SQUARED MULTIPLE R: .232  
 ADJUSTED SQUARED MULTIPLE R: .196 STANDARD ERROR OF ESTIMATE: 0.501

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.965	0.903	0.000	.	2.175	0.033
CC	-0.375	0.165	-0.284	0.7728015	-2.276	0.026
ADV	0.846	0.206	0.510	0.7810191	4.117	0.000
ULTAUTH	-0.110	0.097	-0.125	0.9843562	-1.134	0.261

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	4.834	3	1.611	6.428	0.001
RESIDUAL	16.044	64	0.251		

Regression 36  
 Board Effectiveness as a Function of Its  
 Relationship to the CEO--Board Member Perspective

DEP VAR: RESP N: 634 MULTIPLE R: .576 SQUARED MULTIPLE R: .331  
 ADJUSTED SQUARED MULTIPLE R: .327 STANDARD ERROR OF ESTIMATE: 0.816

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.765	0.232	0.000	.	7.615	0.000
EDAUTH	-0.151	0.033	-0.165	0.8375460	-4.632	0.000
EDSHARE	0.175	0.042	0.151	0.8151529	4.172	0.000
EDJB	0.038	0.028	0.045	0.9384648	1.342	0.180
ED	0.389	0.035	0.408	0.8053624	11.228	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	207.731	4	51.933	77.976	0.000
RESIDUAL	418.919	629	0.666		

Regression 37  
Board Effectiveness as a Function of Its  
Relationship to the CEO--Board Perspective

DEP VAR: RESP N: 68 MULTIPLE R: .702 SQUARED MULTIPLE R: .492  
ADJUSTED SQUARED MULTIPLE R: .460 STANDARD ERROR OF ESTIMATE: 0.410

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	2.649	0.775	0.000	.	3.419	0.001
EDAUTH	-0.423	0.116	-0.432	0.5801972	-3.663	0.001
EDSHARE	0.094	0.170	0.067	0.5522724	0.553	0.582
EDJB	0.135	0.075	0.185	0.7681995	1.803	0.076
ED	0.296	0.097	0.329	0.6835991	3.031	0.004

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	10.279	4	2.570	15.273	0.000
RESIDUAL	10.600	63	0.168		

Regression 38  
Board Effectiveness as a Function of Its  
Relationship to the CEO--CEO Perspective

DEP VAR: RESP N: 44 MULTIPLE R: .669 SQUARED MULTIPLE R: .447  
ADJUSTED SQUARED MULTIPLE R: .391 STANDARD ERROR OF ESTIMATE: 0.698

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.036	0.856	0.000	.	3.548	0.001
EDAUTH	-0.313	0.100	-0.398	0.8696144	-3.117	0.003
EDSHARE	-0.032	0.113	-0.034	0.9883975	-0.287	0.776
EDJB	0.051	0.092	0.067	0.9800505	0.558	0.580
ED	0.371	0.118	0.402	0.8630889	3.135	0.003

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	15.408	4	3.852	7.896	0.000
RESIDUAL	19.024	39	0.488		

The Interdependent Environment

No regressions were run with the data on the interdependent environment.

The Problem of Goals

The following regressions explore the relationship of goals and board effectiveness.

The following variables are used in this set of regressions:

CL The decisions taken by the Board are designed exclusively with the interests of the client in mind. C47

COMD This Board has difficulty in getting information about changing community needs. C13

DEB This Board discusses or debates the fundamental goals of the agency. D3

CURSERV I believe there are better ways of furthering the agency's objectives than the current services. C17

PRMB The priorities of our Board shift with the changing membership from year to year. C45

PRIOR This Board and our staff share a common view of our priorities. C8

GOALS This Board is clear in its understanding of the agency's goals. C2

RESP This Board is carrying out its responsibility efficiently and effectively. C6

Regression 39  
Relationship of Client Information and Goals Clarity  
Board Member Perspective

DEP VAR: GOALS N: 656 MULTIPLE R: .472 SQUARED MULTIPLE R: .223  
ADJUSTED SQUARED MULTIPLE R: .219 STANDARD ERROR OF ESTIMATE: 0.877

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.088	0.191	0.000	.	16.159	0.000
CL	0.252	0.034	0.268	0.9269094	7.470	0.000
COMD	-0.261	0.034	-0.271	0.9770047	-7.749	0.000
DEB	0.159	0.035	0.165	0.9199179	4.593	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	143.570	3	47.857	62.221	0.000
RESIDUAL	501.479	652	0.769		

Regression 40  
Relationship of Client Information and Goals Clarity  
Board Perspective

DEP VAR: GOALS N: 68 MULTIPLE R: .615 SQUARED MULTIPLE R: .378  
ADJUSTED SQUARED MULTIPLE R: .349 STANDARD ERROR OF ESTIMATE: 0.441

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.377	0.593	0.000	.	5.690	0.000
CL	0.351	0.118	0.337	0.7649659	2.988	0.004
COMD	-0.388	0.104	-0.387	0.9020788	-3.732	0.000
DEB	0.069	0.107	0.072	0.7865644	0.646	0.520

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	7.580	3	2.527	12.985	0.000
RESIDUAL	12.454	64	0.195		

Regression 41  
Relationship of Client Information and Goals Clarity  
CEO Perspective

DEP VAR: GOALS N: 44 MULTIPLE R: .354 SQUARED MULTIPLE R: .125  
ADJUSTED SQUARED MULTIPLE R: .060 STANDARD ERROR OF ESTIMATE: 0.907

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	4.260	0.874	0.000	.	4.876	0.000
CL	0.177	0.193	0.146	0.8644671	0.917	0.365
COMD	-0.221	0.132	-0.266	0.8634365	-1.670	0.103
DEB	-0.079	0.139	-0.088	0.9011121	-0.567	0.574

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	4.711	3	1.570	1.908	0.144
RESIDUAL	32.925	40	0.823		

Regression 42  
Relationship of Goals and Priorities  
Board Member Perspective

DEP VAR: GOALS N: 634 MULTIPLE R: .620 SQUARED MULTIPLE R: .385  
ADJUSTED SQUARED MULTIPLE R: .382 STANDARD ERROR OF ESTIMATE: 0.781

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.006	0.172	0.000	.	17.443	0.000
CURSERV	-0.197	0.027	-0.244	0.8896292	-7.360	0.000
PRMB	-0.102	0.029	-0.115	0.9288470	-3.557	0.000
PRIOR	0.471	0.033	0.466	0.9102791	14.227	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	240.671	3	80.224	131.431	0.000
RESIDUAL	384.542	630	0.610		

Regression 43  
Relationship of Goals and Priorities  
Board Perspective

DEP VAR: GOALS N: 68 MULTIPLE R: .742 SQUARED MULTIPLE R: .551  
ADJUSTED SQUARED MULTIPLE R: .530 STANDARD ERROR OF ESTIMATE: 0.375

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.551	0.500	0.000	.	7.103	0.000
CURSERV	-0.174	0.072	-0.226	0.7968291	-2.409	0.019
PRMB	-0.244	0.097	-0.233	0.8228366	-2.525	0.014
PRIOR	0.408	0.083	0.481	0.7330293	4.917	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	11.038	3	3.679	26.178	0.000
RESIDUAL	8.996	64	0.141		

Regression 44  
Relationship of Goals and Priorities  
CEO Perspective

DEP VAR: GOALS N: 43 MULTIPLE R: .632 SQUARED MULTIPLE R: .399  
ADJUSTED SQUARED MULTIPLE R: .353 STANDARD ERROR OF ESTIMATE: 0.753

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	2.064	0.846	0.000	.	2.441	0.019
CURSERV	-0.049	0.115	-0.056	0.9027516	-0.431	0.669
PRMB	-0.177	0.138	-0.169	0.8793163	-1.280	0.208
PRIOR	0.632	0.155	0.541	0.8787419	4.085	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	14.677	3	4.892	8.628	0.000
RESIDUAL	22.114	39	0.567		

Regression 45  
Board Effectiveness as a Function of Goals  
Board Member Perspective

DEP VAR: RESP N: 623 MULTIPLE R: .596 SQUARED MULTIPLE R: .355  
ADJUSTED SQUARED MULTIPLE R: .349 STANDARD ERROR OF ESTIMATE: 0.801

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	2.450	0.228	0.000	.	10.730	0.000
DEB	0.123	0.033	0.129	0.8819408	3.737	0.000
CL	0.029	0.034	0.031	0.7811697	0.849	0.396
CURSERV	-0.135	0.029	-0.168	0.8236663	-4.700	0.000
PRIOR	0.389	0.039	0.387	0.7117809	10.088	0.000
PRMB	-0.035	0.030	-0.040	0.9276171	-1.197	0.232
COMD	-0.122	0.034	-0.126	0.8433836	-3.585	0.000

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	217.700	6	36.283	56.592	0.000
RESIDUAL	394.939	616	0.641		

Regression 46  
Board Effectiveness as a Function of Goals  
Board Perspective

DEP VAR: RESP N: 68 MULTIPLE R: .787 SQUARED MULTIPLE R: .619  
ADJUSTED SQUARED MULTIPLE R: .582 STANDARD ERROR OF ESTIMATE: 0.361

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	2.901	0.688	0.000	.	4.215	0.000
DEB	0.156	0.090	0.159	0.7403524	1.730	0.089
CL	-0.094	0.112	-0.088	0.5619329	-0.836	0.406
COMD	-0.269	0.097	-0.264	0.6859396	-2.764	0.008
CURSERV	-0.141	0.074	-0.180	0.7063388	-1.916	0.060
PRIOR	0.426	0.094	0.492	0.5269881	4.523	0.000
PRMB	0.004	0.097	0.004	0.7502645	0.041	0.967

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	12.931	6	2.155	16.542	0.000
RESIDUAL	7.947	61	0.130		

Regression 47  
Board Effectiveness as a Function of Goals  
CEO Perspective

DEP VAR: RESP N: 43 MULTIPLE R: .552 SQUARED MULTIPLE R: .304  
ADJUSTED SQUARED MULTIPLE R: .189 STANDARD ERROR OF ESTIMATE: 0.800

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.738	1.114	0.000	.	1.560	0.127
DEB	0.041	0.125	0.049	0.8655796	0.331	0.743
CL	0.079	0.176	0.069	0.8119450	0.450	0.656
COMD	-0.237	0.124	-0.303	0.7653982	-1.906	0.065
PRIOR	0.451	0.173	0.407	0.7955558	2.612	0.013
PRMB	0.091	0.153	0.092	0.8108185	0.597	0.554
CURSERV	0.090	0.124	0.108	0.8727588	0.725	0.473

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	10.096	6	1.683	2.626	0.032
RESIDUAL	23.067	36	0.641		

The Ideal Model Revisited

The following regressions deal with board accountability, board effectiveness and board impact.

The variables used in this set of regressions are:

RESP This Board is carrying out its responsibility efficiently and effectively. C6

CLOUT an index:

CHPOL I have been influential in changing policy at my agency or maintaining policy in the face of a threat. C37

INFL The Board makes major changes in policy recommendations of staff. C18

ORGPR Debates on matters before the Board result in changes in the original proposals. D14

DEB This Board discusses or debates the fundamental goals of the agency. D3

IFCIR Material required for the Board meeting is pre-circulated to members in adequate time. D17

ED This Board has clearly demarcated lines of responsibility with the Executive Director. C7

CURSERV I believe there are better ways of furthering the agency's objectives than the current services. C17

PRIOR This Board and our staff share a common view of our priorities. C8

BDVIEW It is important to me that the Board should be seen as doing a good job. C36

ACCT This Board is accountable for the actions of the organization. C3

BC Taking all things into account the personal rewards I have received from being a member of the Board outweigh the costs. D23

Regression 48  
Effectiveness as a Function of Revised Factors  
Board Member Perceptive

DEP VAR: RESP N: 616 MULTIPLE R: .691 SQUARED MULTIPLE R: .478  
ADJUSTED SQUARED MULTIPLE R: .471 STANDARD ERROR OF ESTIMATE: 0.715

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	0.311	0.243	0.000	.	1.282	0.200
DEB	0.029	0.030	0.030	0.8458611	0.944	0.345
IFCIR	0.136	0.029	0.145	0.9020545	4.695	0.000
ED	0.227	0.033	0.240	0.7136759	6.910	0.000
CURSERV	-0.117	0.025	-0.147	0.8874058	-4.711	0.000
PRIOR	0.243	0.035	0.241	0.7017230	6.889	0.000
BDVIEW	0.067	0.039	0.054	0.8512855	1.699	0.090
ACCT	0.180	0.037	0.165	0.7384111	4.847	0.000
BC	0.079	0.032	0.084	0.7648985	2.498	0.013

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	283.848	8	35.481	69.441	0.000
RESIDUAL	310.146	607	0.511		

Regression 49  
Effectiveness as a Function of Revised Factors  
Board Perceptive

DEP VAR: RESP N: 68 MULTIPLE R: .823 SQUARED MULTIPLE R: .678  
ADJUSTED SQUARED MULTIPLE R: .641 STANDARD ERROR OF ESTIMATE: 0.335

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	1.016	0.660	0.000	.	1.539	0.129
DEB	0.192	0.080	0.195	0.8081217	2.396	0.020
IFCIR	0.229	0.073	0.281	0.6678275	3.139	0.003
ED	0.079	0.090	0.088	0.5315083	0.873	0.386
CURSERV	-0.215	0.069	-0.274	0.6961029	-3.122	0.003
PRIOR	0.336	0.084	0.388	0.5657656	3.988	0.000
BDVIEW	-0.161	0.112	-0.123	0.7371203	-1.437	0.156
ACCT	0.193	0.109	0.156	0.6802195	1.761	0.083

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	14.158	7	2.023	18.058	0.000
RESIDUAL	6.720	60	0.112		

Regression 50  
Effectiveness as a Function of Revised Factors  
CEO Perceptive

DEP VAR: RESP N: 44 MULTIPLE R: .632 SQUARED MULTIPLE R: .399  
ADJUSTED SQUARED MULTIPLE R: .282 STANDARD ERROR OF ESTIMATE: 0.758

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	0.134	0.997	0.000	.	0.134	0.894
DEB	-0.045	0.116	-0.052	0.8919918	-0.384	0.703
IFCIR	0.117	0.099	0.156	0.9622003	1.187	0.243
ED	0.392	0.152	0.425	0.6187494	2.587	0.014
CURSERV	0.070	0.117	0.082	0.8812946	0.599	0.553
PRIOR	0.252	0.183	0.227	0.6096425	1.375	0.178
BDVIEW	0.044	0.155	0.042	0.7788074	0.286	0.777
ACCT	0.105	0.129	0.111	0.8914611	0.812	0.422

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	13.746	7	1.964	3.418	0.007
RESIDUAL	20.685	36	0.575		

Regression 51  
Impact of the Board as a Function of  
Revisionist Factors--Board Perspective

DEP VAR: CLOUT N: 68 MULTIPLE R: .653 SQUARED MULTIPLE R: .427  
ADJUSTED SQUARED MULTIPLE R: .360 STANDARD ERROR OF ESTIMATE: 0.656

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	5.837	1.295	0.000	.	4.509	0.000
DEB	0.911	0.157	0.631	0.8081217	5.802	0.000
IFCIR	0.168	0.143	0.141	0.6678275	1.178	0.243
ED	0.130	0.177	0.098	0.5315083	0.733	0.467
CURSERV	0.262	0.135	0.227	0.6961029	1.940	0.057
PRIOR	-0.590	0.165	-0.464	0.5657656	-3.571	0.001
BDVIEW	-0.296	0.219	-0.153	0.7371203	-1.347	0.183
ACCT	0.390	0.214	0.216	0.6802195	1.820	0.074

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	19.241	7	2.749	6.384	0.000
RESIDUAL	25.833	60	0.431		

Regression 52  
Impact of the Board as a Function of  
Revisionist Factors--Board Member Perspective

DEP VAR: CLOUT N: 569 MULTIPLE R: .395 SQUARED MULTIPLE R: .156  
ADJUSTED SQUARED MULTIPLE R: .144 STANDARD ERROR OF ESTIMATE: 1.812

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	3.690	0.638	0.000	.	5.779	0.000
DEB	0.399	0.081	0.210	0.8383987	4.949	0.000
IFCIR	0.015	0.077	0.008	0.8990101	0.195	0.846
ED	0.123	0.085	0.066	0.7224323	1.439	0.151
CURSERV	0.399	0.064	0.254	0.8919858	6.185	0.000
PRIOR	-0.057	0.092	-0.029	0.7067717	-0.624	0.533
BDVIEW	0.281	0.103	0.114	0.8555215	2.727	0.007
ACCT	0.230	0.096	0.107	0.7430230	2.382	0.018
BC	0.146	0.084	0.077	0.7660402	1.736	0.083

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	339.732	8	42.466	12.937	0.000
RESIDUAL	1838.265	560	3.283		

Regression 53  
Impact of the Board as a Function of  
Revisionist Factors--CEO Perspective

DEP VAR: CLOUT N: 41 MULTIPLE R: .235 SQUARED MULTIPLE R: .055  
ADJUSTED SQUARED MULTIPLE R: .000 STANDARD ERROR OF ESTIMATE: 2.050

VARIABLE	COEFFICIENT	STD ERROR	STD COEF	TOLERANCE	t	P (2 TAIL)
CONSTANT	9.905	2.816	0.000	.	3.517	0.001
DEB	0.201	0.321	0.112	0.8992861	0.626	0.535
IFCIR	-0.140	0.273	-0.089	0.9511366	-0.511	0.613
ED	0.203	0.417	0.105	0.6113886	0.486	0.630
CURSERV	0.104	0.318	0.059	0.8868603	0.328	0.745
PRIOR	-0.296	0.530	-0.122	0.5980162	-0.558	0.581
BDVIEW	-0.276	0.421	-0.125	0.7876948	-0.656	0.517
ACCT	0.280	0.359	0.141	0.8683651	0.779	0.441

ANALYSIS OF VARIANCE

SOURCE	SUM-OF-SQUARES	DF	MEAN-SQUARE	F-RATIO	P
REGRESSION	8.098	7	1.157	0.275	0.959
RESIDUAL	138.683	33	4.203		

APPENDIX 6  
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