If nonprofit organizations are to be truly accountable to their communities and constituencies, democracy has to be at its core. Yet, by and large, the nonprofit sector has tended to replicate structures and processes that do not foster democracy within organizations, rather traditional governance models based on outdated top-down “command and control” paradigms continue to dominate. We are proposing a new approach to governance—a model in which governance responsibility is shared across the organizational system among the key sectors of an organization—that is, its constituents or members, staff and board. It is based upon principles of participatory democracy, self-determination, genuine partnership and on community-level decision-making. We will demonstrate the effectiveness of this model through the use a case study of a community-based organization that has undergone a significant transformation as a result of implementing this new emerging model of System-Wide Governance.
THE ROLE AND IMPACT OF CHAIRS OF NONPROFIT ORGANIZATION BOARDS OF DIRECTORS: AN EXPLORATORY STUDY
Yvonne Harrison Ph.D. and Vic Murray Ph.D.

Most research on nonprofit boards has tended to focus on the board as a whole and its role vis a vis the organization’s management. Comparatively little empirical attention has been paid to the role and impact of board chairs. This paper reports on a pilot study exploring the differences between highly effective and highly ineffective chairs as perceived by experienced Executive Directors and board members in a small sample of nonprofit organizations in Seattle WA and Victoria BC. The paper presents a conceptual framework for studying chair behavior, its impact and its determinants. Preliminary findings from this exploratory research suggest that there is considerable communality in the perceived qualities of very effective chairs and their opposites. Findings and future research are discussed.

Introduction

The criminal charges against the chair of the board of Hewlett Packard as “the boss who spied on her board members” have raised important questions about the role and impact of the board chair on the decisions and actions of a major public corporation (see story by Kaplan (2006) in Newsweek; Darlin in the October 5th, 2006 New York Times). While the story details leadership problems in one company, it represents a wider issue—that of the Chairs’ influence on board effectiveness. The significance of boards that become ineffective is great. For example one report by Donaldson (2003) estimates that board ineffectiveness “contributed to a US $7 trillion dollar loss in the aggregate market value of American corporations as of March 2003” (p. 16). No such estimates exist with regard to the impact of board effectiveness in nonprofit organizations however one can assume that it can be as great as in the for-profit world albeit perhaps not as significant in terms of money.

Unfortunately, there is little empirical research that focuses on the impact of the board chair on board performance. The limited studies that are available suggest that this impact is highly variable ranging from very little to very great and from highly beneficial to highly destructive (see Daily and Schwenk, 1998; Donaldson, 2003; Leblanc & Gillies, 2005; McNulty & Pettigrew, 1999; Mueller, Harvey & Howorth, 2003; Otto, 2003; Robinson & Elworthy, 1999; Stewart, 1991).

Our position, simply put, is that the role and impact of the board chair, as well as the determinants of this are in need of much additional research. The key questions addressed in the research project on which this paper is based are:

1. What are the general characteristics of board chairs?
2. How do board chairs carry out their work?
3. What is the direct impact of board chair behavior on the effectiveness of the board, CEO, and external stakeholders?
4. What is the indirect impact of board chair behavior on organizational effectiveness?
5. What factors influence board chair behavior?

The paper begins with background information on the nature of the role of the board chair and how it is different from other leadership roles. Next, we present a conceptual framework for analyzing the impact of board chairs. A description of the methodology used in the first phase of this project (grounded theory) and the initial findings of this phase follow. The paper concludes with a discussion of these findings and preliminary ideas about what factors shape board chair behavior and its impact. These form the basis for the second phase of the project which is currently in process.

Conceptual Framework

As a basis for designing research on the role and impact of chairs, the conceptual framework shown in Figure 1 was developed.
Influences On Chair Behavior  
<table>
<thead>
<tr>
<th>General characteristics of Chair in all situations</th>
<th>Behavior patterns specific to key relationships</th>
<th>Direct Impacts of Chair Behavior</th>
<th>Indirect Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Background of chair (experience, demographics, etc.)</em></td>
<td><em>Values</em></td>
<td><em>Chair--Board</em></td>
<td><em>On Board effectiveness</em></td>
</tr>
<tr>
<td><em>Background of other key actors</em></td>
<td><em>Attitudes</em></td>
<td><em>Chair--E.D./Staff/Vols</em></td>
<td><em>On CEO effectiveness</em></td>
</tr>
<tr>
<td><em>Org’s characteristics</em></td>
<td><em>Perceptions</em></td>
<td><em>Chair—External Stakeholders</em></td>
<td><em>On stakeholder support</em></td>
</tr>
<tr>
<td><em>Characteristics of org.’s environment</em></td>
<td><em>Personality traits</em></td>
<td><em>Actions</em></td>
<td>Outcomes re achievement of org.’s:</td>
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<tr>
<td></td>
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<td><em>Mission, goals,</em></td>
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<td></td>
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<td><em>Financial strength</em></td>
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<td><em>Staff/volunteers</em></td>
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</tbody>
</table>

It was realized that the behavior of chairs occurs within three broad sets of relationships:

1. Those with the organization’s CEO and, perhaps, to a lesser extent, his or her key subordinates (both paid staff and operational volunteers).
2. Those with the board itself, both: (a) as a whole during formal board meetings; and (b) on a less formal basis with specific individuals and committees of the board (including individuals who might be recruited to the board).
3. Those with key external stakeholders who can influence the organization’s performance. Typical examples would be connections with those who shape decisions by institutional funders such as governments, foundations, corporations, federated funders, e.g. United Ways, not to mention individual who might make major donations. Other key stakeholder connections would be with those who influence the development of policies impacting the organization in government, those who provide costly supplies and services, major clients or heads of client organizations and representatives of current or potential partner organizations.

It was expected that, within each of these sets of relationships chairs might engage in certain behaviors unique to each, hence it was important to explore each of them separately. However, it was also realized that they might have certain characteristics that are general to all settings, for example, certain attitudes, values, perceptions, personality traits and ways of acting that appear in more or less similar fashion no matter with whom the chair interacts.

As seen in Figure 1, the general characteristics and situation-specific behaviors combine to produce and immediate, short-term, impact on those with whom the chair interacts. These direct impacts may combine to have a more or less powerful influence on the organization’s performance, though of course they would only be one set of influences among many others. These are the indirect impacts shown in Figure 1.

Finally, although the exploratory research could not explore this in detail, the framework outlines some of the possible influences that might shape the behavior of chairs, such as their background (e.g. age, gender, education, previous leadership experience), certain characteristics of the organization (such as its age, mission or culture), and, characteristics of the larger environment in which the organization exists, such as its economic and political contexts, the climate of competitiveness or cooperativeness, etc.

Research Methodology and Results

The purpose of the research is to develop a theory that explains the nature and extent of leadership provided by chairs of nonprofit boards of directors. Development of a theory is possible through grounded theory research. The results that we present are incomplete or as Glaser & Strauss (1967) put it, are “an ever-
developing entity” an “imperfect product” so to speak. Furthermore, they are “written with the assumption that it is still developing” (p. 32). Our use of grounded theory mirrors this process.

**Discussion and Conclusion**

We conclude with a review of existing models of leadership, prior research, and a second phase of hypothesis-based survey research.