Understanding the Governance of Nonprofit Boards of Directors in Metropolitan Milwaukee
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Statement of Problem/Issue to be Addressed

The governance functions of the boards of directors of nonprofit organizations are increasingly recognized as critical to the achievement of organizational mission, long-term organizational sustainability, and the life quality of the communities in which the nonprofits operate. As David Pointer and James Orlikoff argue, “The work of boards has significant consequences for the viability of institutions providing critical resources having a massive impact on community health and well-being.” Further, governance (responsibility of the board) should not be confused with management (responsibility of the CEO) if a nonprofit is to be effective. Despite the importance of governance, we are only now beginning to undertake empirical studies of nonprofit governance and the roles and performance of boards of directors. This paper will be an empirical study of nonprofit boards of directors in greater Milwaukee, with specific emphasis placed on how directors understand their own role and how they assess the performance of the board on a variety of indicators.

Literature Addressing the Issue

A growing literature both notes the importance of nonprofit boards and advocates for a variety of approaches and strategies that will enhance nonprofit board governance, including plans to enhance the efficiency of board operations, as well as the strategic planning and mission of boards. Arguments about the importance of boards have most often been made on the basis of reflection and experience, on what experts believe to be the case. To date, the empirical study of nonprofit boards has not been extensive.\(^2\) We have yet to empirically document and understand the composition of boards, how they function, their relationships with organizational executives and staffs, and their impact on mission achievement or overall organizational effectiveness.

Research Methods

This paper will be an empirical study that explores the operation and performance of nonprofit boards of directors operating in the greater Milwaukee area.\(^3\) The empirical base for this study is surveys completed by board directors of nonprofit organizations that were completed as part of broad-based organizational assessments being performed for individual nonprofits by the Nonprofit Management Fund, a collaborative of foundations, corporations and United Ways invested in building the capacity of nonprofit organizations in the greater Milwaukee area.

The organizational assessment process is recommended when: a crisis threatens organizational stability; an organization is undertaking a significant transition to a greater degree of sophistication; there was or will be a change in leadership; or, when the organization is at a self-defined major turning point.

Each organization assessment includes meetings with the executive director; attendance at two board meetings; facilitation of a staff meeting; review of a lengthy list of corporate documents; attendance at appropriate committee meetings; administration of a board self-assessment survey and a staff survey; analysis of all the data collected and information learned; and, production of a written report accompanied

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\(^3\) This area includes the counties of Milwaukee, Ozaukee, Washington and Waukesha, Wisconsin which together have a population of just more that 1.5 million residents; most nonprofits in this study are located within the City of Milwaukee.
by a verbal presentation to the board. The empirical data for this study were obtained through surveys completed by the boards of directors of a total of 43 organizations that participated in diagnostic clinics between 1998 and 2006. A total of 566 surveys were tabulated. The surveys addressed several governance practices and issues including: pursuit of mission, recruitment and orientation, the expertise that board directors bring to the organization, understanding of governance roles, and assessment of fulfilling governance responsibilities.

**Results**

The results of this study will include:

- Identification of the specific skills and talents that board directors perceive they bring to the board.
- Board assessment of mission fulfillment within nonprofit organizations.
- Effectiveness of board director recruitment and orientation.
- Board director assessment of board performance in specified governing responsibilities (i.e., affirming mission, setting policy, strategic planning, program assessment, financial management)
- Strength of board and executive staff relations.

**References**


