Board Design and Small Group Conflict: Preliminary Results

Barbara Duffy
University of Wisconsin-Milwaukee

Douglas M. Ihrke
University of Wisconsin-Milwaukee

E. Grant Macdonald
Dalhousie University

John Paul Finan
University of Wisconsin-Milwaukee

Abstract:

The nature of conflict on nonprofit boards is of real importance to those interested in the development of the nonprofit sector. Board effectiveness depends on meaningful conversation, creativity and wise decision-making.

Nonprofit boards bring together people with strong convictions and often different points of view. These differences can be experienced as constructive or destructive. Managed well, they can be a source of energy and innovation. Managed poorly, differences on the board, expressed or unexpressed, can damage personal relationships and diminish organizational effectiveness.

This study seeks to measure conflict and to determine how nonprofit board members experience differences of opinion and styles in the boardroom. What is the nature and extent of board conflict? What types of conflict are more common? Do boards that differ in their design experience conflict differently?

Overview of Relevant Literature

This research is being carried out in part as a response to the challenge issued by David Renz to “conduct empirical research to validate [his] framework and test its utility for board design and development.” (2004, p. 4). In this research we make use of the Renz framework to examine the relationship between board design and conflict. We also argue that much of what scholars have learned about small groups and teams in organizations can be applied to nonprofit boards.

Research by Gabris and Davis (2004) indicates that it is plausible to compare the behavior and patterns of interaction among city council members to
that of members of small groups. We believe the same comparisons can be made
between nonprofit board members and members of other small groups in
organizations.

There is a considerable literature on the kinds and sources of conflict.
Amason (1996) and others have written about task and relationship conflict.
Moore (1989) has identified data, interest, structural, value and relationship
conflicts. The management literature is full of articles on team conflict and how to
manage it.

This paper will focus on three types of conflict on nonprofit boards—
relationship, task and process (Jehn 1997), and then try to uncover the facts that
explain them. It will also consider the validity of Renz’s (2004) framework in
terms of the relationship between board design and conflict.

Methodology

This study, to be conducted in early 2011, will be based on a survey of
executive directors, board chairs and board members of nonprofit organizations in
Milwaukee, Wisconsin. Given that nonprofits may vary in terms of level of
conflict based upon what they do, we will employ a stratified random sample of
about 300 organizations so that there is representation from all subsectors.

The unit of analysis in our study is the organization. In order to get a better
and more comprehensive understanding of conflict on nonprofit boards, we intend
to survey executive directors, board chairs, and one board member (a non-officer)
from each organization. This approach, which has been used by other scholars in
studies of local governments (e.g., Gabris, Golembiewski and Ihrke, 2001; Ihrke,
Proctor and Gabris, 2003) will allow us to garner three different perspectives of
conflict on nonprofit boards. This three-dimensional picture should prove
insightful as we explore the nature, extent, causes and consequences of conflict on
nonprofit boards.

Results

The study will explore the extent to which conflict varies across organization
and board types, the extent to which boards rely on themselves or their executive
director to manage differences, and the impact of disagreements on board
effectiveness. How is conflict, for example, impacted by the level of trust,
understanding, confidence and skills of those around the board table?

The research is important because we predict that conflict will be on the rise
on nonprofit boards as competition for funding increases and government
regulation and oversight becomes more intense in the coming years. Moreover,
nonprofit organizations continually struggle to recruit board members, often from a
declining pool of candidates, many of whom have not had good board experiences.
Understanding the nature and extent of conflict across different kinds of organizations with different board designs is an important step in devising intervention strategies and learning resources that can help to improve the experience of volunteers in public life and the effectiveness of nonprofit organizations in strengthening our communities.