BOARD MEMBERS' INVOLVEMENT IN NONPROFIT GOVERNANCE

LECTURER
SCHOOL OF SOCIAL SCIENCE
QUEENSLAND UNIVERSITY OF TECHNOLOGY
BRISBANE

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Over the past decade, the nonprofit sector has vigorously engaged in developing its management capacity and expertise, resulting in part in the growth of normative literature devoted to excellence in nonprofit management. However, doubts have been expressed about the empirical and theoretical basis of this literature (Fink, 1989., Middleton, 1987, 1991). Furthermore, while advice directed specifically at the management of and functioning of voluntary boards is developing, again it is primarily prescriptive as opposed to empirical (Chait and Taylor, 1989, Drucker, 1990).

Scholarly attention to date has largely focussed on the role of boards in organization-environment linkage processes, particularly in what is regarded as an increasingly turbulent environment (Middleton, 1987, Provan, 1980, Pfeffer, 1973). Despite this, a singular lack of academic attention has focussed on nonprofit boards. Anheier (1990) notes that of the 1,185 nonprofit sector research projects conducted between 1982 and 1985 in the United States, only two examined boards and trustees. Similarly, of the `154 working papers published by Yale's Program on Non-Profit Organizations (between 1978 and early 1990), only three have specifically focussed on boards of trustees' (Hall, 1990a: 149-150).

Nevertheless, nonprofit boards clearly play a significant role in the functioning of nonprofit organizations, either by action or inaction. Trice Gray (1988), for example, in a national survey on nonprofit accountability in the United States, found that both chairpersons and executive directors reported that board activities played a significant role in accountability and organizational effectiveness. Clearly, the governance system and process in any organization has a significant impact on organizational outcomes, no less so in nonprofit organizations. However, the peculiarities of nonprofit governance, particularly the existence of voluntary boards, renders both the processes and capacities of board governance problematic.

Lipsky and Rathgeb Smith (1990), for example, argue that voluntary boards display remarkable tendencies to allow their organizations to make up deficits by spending endowments, being, they argue, surprisingly tolerant of management that incurs annual losses. Such peculiarities, they say, are largely a function of voluntary leaders' commitment to the pursuit of desirable consumer or issue based outcomes, an argument also put forward by Chait and Taylor (1989). Another example comes from Fink (1989) who found, among other things, that only a small proportion of boards in his sample

were knowledgable of both their role and their responses based upon accepted standards.

What boards should be doing is fairly clear. Kramer (1981, 1984) argues that there are two dimensions of board responsibility; responsibility for the performance of certain functions, and responsibility to others for organizational outcomes. Consequently, boards are said to be specifically responsible for such activities as policy making and long term planning, recruitment and oversight of executive personnel, responsibility for legal and fiduciary matters, public relations, program evaluation and personnel policies. Indeed, boards bear the ultimate responsibility for all programs, policies and activities of the organization (Abzug, DiMaggio and Gray, 1992).

However, there exist several broad reasons for harbouring some concerns about the capacities of boards to fulfil their governance responsibilities. The first reason can be found in the shifting context or environment in which nonprofit organizations exist. One way of conceptualising these changes is through the notion of the restructuring of the welfare state; optimistically described as a reconstitution of civil society (Pierson,1991) or more critically, the development of the `shadow state' (Wolch, 1990). Observing the effects of policy directions of conservative national governments, some scholars notice disturbing trends. Billis and Harris (1991, 1992) for example, note that boards feeling increasingly burdened by the increased expectations placed upon them are experiencing serious difficulties in recruiting and retaining members. As they argue, this results in a paradox; nonprofit organizations expanding their activities, becoming in the process subject to complex external monitoring procedures, are failing to recruit the very people they need to successfully manage evolving organizational complexities.

Focussing on the same trend but from a slightly different perspective, Considine (1988) argues that the evolving dominance of `managerialism', the corporate management framework in state-nonprofit relationships, is creating new methods of accountability. These methods, developed with a particular organizational form as the focal referent, sits uneasily and perhaps destructively on nonprofit organizations.

The second broad reason for concern can be found in the lack of empirical data about boards and their processes upon which to make predictive assessments, resulting in a repeated call for research to focus on nonprofit governance (Lyons, 1991., Krammer,

1990). That empirical work which has been conducted is disturbing. For example, Middleton (1987) quoting Fenn's (1978) study highlighted several important points. Firstly, the board members in his study saw themselves not as leading the organization, but as following the

direction of staff. Secondly, a singular lack of clarity about board-staff roles and boards' legal responsibilities existed.

Other scholastic research activity has revealed a number of related themes and issues about board involvement in their governance functions. Firstly, individual board members may not have both sufficient and appropriate knowledge and experience necessary to engage in their roles. Leat (1988, 1990) illustrates board members' lack of capacity to ask both the right questions and assess the adequacy of the answers, often a result she says, of imbalances of knowledge between boards and staff. These imbalances are illustrated graphically in quotations from nonprofit staff members:

> *The voluntary sector is very odd - your manager and employer is less experienced than you are. (Leat, 1988: 63)*

> *There is some discussion but it isn't really very challenging because they never go to the heart of things and ask the questions that need to be asked - I don't think they understand enough to do that. (Leat, 1988: 64)*

A related issue, also raised by Leat (1988), is the complexity and multiple foci of accountability in nonprofit organizations. One common scenario is the recruitment of board members to maximise one particular type or focus of accountability, for example, to the community or to consumers. While particular board members may possess characteristics uniquely suited to maximising a particular focus, the capacity for organizations to recruit and retain board members possessing the characteristics to address all types of accountability is severely limited.

Two related themes are evident in the literature about this issue. On one hand, board composition is said to be changing as recruitment policies focus upon attracting those with financial and corporate management expertise, a function of the drive for survival in an increasingly illiberal environment. One result of this, it is claimed, is an increasingly limited capacity for boards to manage the `service focus' of the nonprofit organization (Hall, 1990b., Stern and Gibelman, 1990). At the same time, those nonprofit organizations directly participating in welfare service delivery, particularly in the purchase

of service mode, are experiencing demands to incorporate user control or involvement mechanisms (Billis and Harris, 1992), thus encouraging them to emphasise another focus of accountability.

In addition, building on board members' lack of knowledge and experience, is the growing awareness that nonprofit boards may not be particularly involved within the organization (Harris, 1984., Peatfield, 1991). Peatfield's study (1991) paints a familiar picture of board members being led rather than leading, and of organizational managers conducting organizational business without oversight or supervision from the board.

Furthermore, debunking the applicability of managed-system theory in favour of a social constructionist view of nonprofit organizations, Heimovics and Herman (1990) argue that it is executive officers, not boards and their chairpersons, who control governance and primarily influence organizational outcomes. As they say,`the servant is often the master' (Heimovics and Herman, 1990: 70).

Finally Middleton (1987) notes that processes within the board itself can act to minimise board criticality. This can, she claims, occur in a number of ways. Firstly, boards tend to be self-selecting, homogeneous and self-perpetuating (Nason, 1977, Kramer, 1965). Secondly, the internal functioning of the board can impact on the degree to which diverse opinions are expressed (Nason, 1977).

In the Australian context, nonprofit organizations and their governing boards participate in public and social life similarly to other OECD countries. Unlike the United States, Great Britain and Western Europe, Australia has only recently begun to engage in sustained academic inquiry into the nonprofit sector. Lyons (1991: 15), developing a comprehensive agenda for scholastic inquiry points out, among other things, that:

> *We also need to know a lot more about the forms of governance adopted by nonprofit organizations and, related to that, the forms of accountability which these embody.*

The purpose of this study is two fold. Firstly, it collects descriptive data about board members of nonprofit charitable organizations. Secondly, it proposes and tests three models of participation by board members in governance functions. The theoretical rationale proposes that a number of factors (independent variables) at both the individual and organizational level effect the participation of board members in organizational

management. In addition, several dimensions of the governance function are tested (dependent variables).

The demographic composition of nonprofit boards is of interest both in its own right and as an independent variable in the models. Board participation is a part of the public world. Traditionally, it was seen as the preserve of men, usually from a particular social class. Kramer (1981) in his study of voluntary organizations in four countries found that business and professional men comprised from two thirds to three quarters of board members. Women's participation varied from less than 20% in the Netherlands to approximately one third in the United States, Israel and England. Finally, board members in the United States were about ten years younger than their counterparts in the other countries, where ages ranges from forty to sixty.

Often it is assumed that board members are a relatively homogeneous group; male, middle aged, graduates of tertiary institutions and engaged in professional occupations (Tourigney, 1979). However, some recent commentators argue that boards are becoming more heterogeneous, less the preserves of local elites (DiMaggio and Anheier, 1990., Hall, 1990a). Tourigney (1979), for example, notes that those organizations in her sample (oriented primarily towards poverty amelioration), tended to have boards with more varied membership; that is, more younger women primarily engaged in the domestic sphere with low educational levels and low annual family incomes. The gender of board members is pertinent, both as an indicator of changes in the manner in which women participate in public life, and, as an important variable impacting on the manner in which that participation is structured (Burton, 1987, Harris, 1990, Babchuk, N, Morsey, R and Gordon, W, 1960). Zald (1969), for example, argues that the participation of women on boards is very much affected by societal role definitions associated with gender. The individual variables gathered and tested in this instance are: age, gender, board tenure, level of education, and the degree to which a board member's occupation (either currently or before retirement) incorporated organizational management functions.

Occupation and board tenure also provide some indicators of the type and extent of knowledge and experience that board members bring. However, board members' experience of organizational management and of board processes is included as a separate variable to directly assess its impact. Finally, the amount of time devoted to

the organization per month by board members was included.

Several variables at the organizational level are incorporated in the model; organizational size, warmth and sociability. Addressing size first, the literature generally is agreed that the larger and more complex an organization, the lower the influence of its board members (Zald, 1969, Stein, 1961, Kramer,1983). Secondly, Billis (1989) argues convincingly that nonprofit organizations occupy a unique niche between the bureaucratic and associational world. As such, the characteristics of the associational world retain considerable importance, characteristics such as membership, mission, informality and democracy. The importance of affective satisfaction from board participation has been acknowledged for some time (Chambers,1971). Harris (1989:10), for example, reports that the existence of good relationships and harmony is considered central to board effectiveness by board chairpersons; that the committee conduct its business `in a fairly amicable and sociable way'. Finally, Widmer (1989) concludes that board members are motivated to participate by a complex mix of material, social, developmental and ideological incentives. Of these, social and developmental incentives appear the most stable. Consequently, two sub-constructs of organizational climate; warmth and sociability, are included in the model (Litwan and Stringer, 1968, Payne and Pheysey, 1971).

It was argued previously that the governance function in nonprofit boards is multi-dimensional (Kramer, 1981, 1984). Furthermore, Herman (1989) argues that the gap between board members prescribed roles and what they actually do in practice exists for all board functions. Consequently, several constructs have been incorporated to measure board members involvement (the dependent variables); involvement in financial management, in policy development and personnel management. Finally, an overall measure of participation in decision making on the board was incorporated (White and Ruh, 1973). In conclusion, the model proposes that a number of individual and organizational factors affect board members involvement in nonprofit governance.

METHODOLOGY

Instrument

Three variables were measured by adapting pre-existing instruments: *organizational*

warmth (Litwan and Stringer, 1968), *organizational sociability* (Payne and Pheysey, 1971) and *participation in board decision making* (White and Ruh, 1973). The variables *participation in financial management* and *participation in personnel management, policy development and planning* were measured by a series of questions. *Organizational size* was measured by asking about the number of people involved on a paid and voluntary capacity, and, about annual expenditure. *Organizational management and board process experience* was measured by four questions reflecting previous experience. These five measures were treated as scales, the responses being summed and averaged. The *individual variables* were measured by single items, those measured at nominal levels being dummy coded. Cronbach's alpha for all the scales employed exceeded .7 indicating that overall, the measurement instrument was reliable.

Sample

A questionnaire was sent to the 1218 nonprofit organizations registered under the Queensland Collections Act (1966), accompanied by a letter explaining the purpose of the research. Of these, two hundred and forty two useable responses were returned. Given that all organizations within the population field were sampled, the sampling technique encourages confidence in the generalizability of the forthcoming data.

Data Analysis and Results

Tables 1 to 13 report the means, standard deviations and frequencies for all variables. (All variable labels used in this section are given their full titles in an end note).

TABLE 1
Board Members' Age

Age	N	%
Less than 25	2	1%
26 to 34	22	9%
35 to 49	68	29%
50 to 64	83	36%
Over 65	59	25%
Total	234	100%

(Mean 3.74; SD .968)

TABLE 2
Gender of Board Members

Gender	N	%
Male	71	31
Female	162	69

(SD .547)

TABLE 3
Board Members' Education

	N	%
Secondary	113	49%
TAFE	44	19%
Uundergraduate Degree/Diploma	43	19%
Postgraduate Degree/Diploma	29	13%
Total	229	100%

(Mean 2.84; SD 1.16)

TABLE 4
Tenure of Board Members on Board

Tenure	N	%
Less than 1 year	34	15%
Between 1 and 3	75	32%
Between 3 and 5	21	9%
More than 5 years	102	44%

(Mean 2.84; SD 1.16)

TABLE 5
Extent to which Board Members' Occupational Role
Related to Organizational Management

(Note: A low score means low level of relationship to
organizational management functions).

Occupation	N	%
1	71	32%
2	87	38%
3	39	17%
4	30	13%

(Mean 2.14; SD 1.03)

TABLE 6
Board Members' Previous Board and
Management Experience (voluntary and paid)

(Note: A low score indicated little previous board or management experience)

Experience	N	%
1	55	24%
2	89	37%
3	67	29%
4	21	10%

(Mean 2.54; SD .909)

TABLE 7
Time Involved in Organizational Business per Month

Time	N	%
Less than 1 day	100	31%
1 to 2 days	61	38%
3 to 4 days	41	17%
More than 5 days	32	14%

(Mean 2.14; SD 1.03)

TABLE 8
Participation in Board Decision Making

(Note: A low score indicates low participation in decision making)

Participation	N	%
1	5	2%
2	24	11%
3	118	53%
4	77	34%
5	7	2.9

(Mean 3.62; SD .71)

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TABLE 9
Participation in Financial Management Processes

(Note: A low score indicates low participation)

Participation	N	%
1	29	13%
2	105	45%
3	81	35%
4	17	7%

(Mean 2.68; SD .75)

TABLE 10
Participation in Policy Development and Personnel Management

(Note: A low score indicates low participation)

Participation	N	%
1	27	12%
2	116	50%
3	72	32%
4	14	6%

(Mean 2.70: SD .70)

TABLE 11
Organizational Sociability

(Note: A low score indicates low sociability)

Sociability	N	%
1	21	9%
2	118	53%
3	84	38%
4	0	0%

(Mean 2.71; SD .56)

TABLE 12
Organizational Warmth

(Note: A low score indicates low warmth)

Warmth	N	%
1	2	1%
2	20	9%
3	125	54%
4	86	36%

(Mean 3.58; SD .49)

TABLE 13
Organizational Size

(Note: A low score indicates small size)

Size	N	%
1	150	65%
2	52	22%
3	19	8%
4	10	5%

(Mean 1.68; SD .83)

In summary, the descriptive data indicates that board members tend to be older people, predominantly women, who have been members of their board for several years. Nearly half have no more than secondary education, and their occupational roles bear little relationship to organizational management. Over half have little previous board or management experience. Furthermore, most respondents have limited involvement in organizational activities per month, low involvement in financial management, policy development and personnel management.   However, the majority report that they participate in board decision making at moderate to high levels. Board members rate the sociability of their organizations to be relatively low, while regarding them to have moderately warm climates. Finally, their organizations tend to be small.

Table 14 reports the correlation coefficients between all variables measured.

TABLE 14
Significant Pearson Product-Moment Correlations Between All Variables

	Age	Gender	Education	Tenure	Job
Age	1.000				
Gender		1.000			
Education	-.224**	.151*	1.000		
Tenure	.431**			1.000	
Job	-.207**	.475**	.509**	-.161*	1.000
Time				.147*	
OrgW	.262**			.210**	
Part-B		.199**	.236**		.311**
Part-F	.197**			.167*	.189**
Part-P&P				.143*	
Size		.241**	.231**		.324**
Experience		.424**	.250**		.552**
Social	.247**		-.227**		-.147*

TABLE 14 CONTINUED

	Time	OrgW	Part-B	Part-F
Time	1.000			
OrgW		1.000		
Part-B	.243**		1.000	
Part-F	.255**	.158*	.459**	1.000
Part-P&P	.442**	.239**	.455**	.463**
Size		-.258**	.144*	
Experience			.439*	.378**
Social		.443**		.186

TABLE 14 CONTINUED

	Part-P&P	Size	Experience	Social
Part-P&P	1.000			
Size		1.000		
Experience		.232**	1.000	
Social				1.000

* significant at < .05

** significant at < .01

Table 14 indicates that a range of factors are associated with participation in financial management functions, personnel management and policy development functions. Specifically, these are the affective climate of the organization, board members' degree of previous board and organizational experience, board members' education, age, tenure, occupational relevance and amount of time spent in the organization per month.

However, Table 14 also indicates that different patterns exist for each of the management functions. Looking at each in turn, *participation in board decision making* is strongly and positively associated with the extent to which members' occupational roles incorporate or have incorporated management functions. It also shows relatively strong associations with the amount of education a board member has, and, the amount of time per month spent in organizational activities. A weaker, but still significant association exists between decision making participation and gender, indicating that men are, on the whole, more likely to participate in this management function.

All variables significantly associated with participation in board decision making were entered into a hierarchical regression equation. The purpose of this was to test the relative contribution of each to variance in this management function. The results of this are reported in Table 15.

TABLE 15
Hierarchical Regression of Variables Significantly Associated
With Participation in Board Decision Making

STEP ONE		B	Beta
Education		.101	.165***
Gender		-.020	-.017
Job		.009	.014
Time		.165	.266*
Size		.007	.009
Experience		.294	.394*

R^2 .276
F 12.96*

(At Step Two, only those variables reaching significance at both Steps are reported.)

STEP TWO

		B	Beta
Education		.119	.194**
Experience		.220	.296*
Part-F	.172		.187**
Part-P&P		.314	.313*

R^2 .415
R^2 Change .137
F Change 23.69*

*	significant at < .001
**	significant at < .005

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At step one the non-management variables were entered into the equation, and of these, board members' previous experience with organizational management and board membership contributed most to variance in participation in decision making, followed by the amount of time spent in the organization per month and board members' degree of education. When the two management variables were entered at step two (that is participation in financial management and personnel management and policy development), both of these contributed significantly to variance in the dependent variable.   Both board members' education and previous experience remained significant. These four variables acting in concert explained 42 percent of variance in participation in board decision making, and of the non-management related independent variables, board members' previous experience contributed most strongly. From this we can conclude that the most important individual indicators of board members' participation in board decision making is their previous experience in similar settings and processes, and, the extent of their education.

Participation in financial management is, according to the correlation coefficients reported in Table 14, strongly associated with the amount of time board members spend on organizational activities per month. Table 14 also indicates that older board members, those with greater organizational tenure, and those whose occupation contained management functions are more likely to be involved in financial management functions. Finally, the affective atmosphere, the extent to which board members experience the organization as warm and sociable is related to this type of participation. Again the relative contribution of each of these variables was tested by hierarchical regression techniques, the results of which are displayed below in Table 16.

TABLE 16
Hierarchical Regression of Variables Significantly Associated
with Participation in Financial Management Functions

STEP ONE	B	Beta
Age	.043	.054
Tenure	.059	.092
Job	.047	.065
Time	.164	.241**
OrgW	.112	.076
Social	.131	.097
Experience	.272	.336*

R^2 .265
F 8.86*

(At Step Two, only those variables

reaching significance at both Steps are
reported).

STEP TWO	*B*	*Beta*
Experience	.198	.244**
Part-P&P	.385	.352*
Part-B	.199	.182***

R^2 .396
R^2 Change .132
F Change 21 .353*

*	significant at < .001
**	significant at < .005
***	significant at < .05

Step one indicates that when tested together, only board members' previous experience of organizational management and board processes and the amount of time spent in the organization per month contributes significantly to variance in participation in financial management processes. When tested in concert with the other two management functions, only board members' previous experience remains significant. Overall, these three variables explain 40 percent of the variance in the dependent variable. Again, we can conclude that the most important demographic variable predicting participation in financial management processes is the amount of previous experience board members' have had in board processes and organizational management functions.

Participation in policy development and personnel management is, as Table 14 indicates, strongly associated with the amount of time spent per month on organizational activities. It is also moderately strongly associated with the degree to which the organizational climate is perceived to be warm and welcoming, and, to the length of a board member's tenure on the board. Repeating the other two procedures, Table 17 indicates the relative importance of each of these variables in predicting variance in participation in personnel management and policy development.

TABLE 17
Hierarchical Regression of Variables Significantly Associated
with Participation in Personnel Management and Policy Development

STEP ONE	*B*	*Beta*
OrgW	.312	.223**
Time	.279	.434*
Tenure	.018	.030

R^2 .247
F23 .928*

(At Step Two, only those variables

reaching significance at both Steps are
reported).

STEP TWO	**B**	**Beta**
OrgW	.228	.163**
Job	.199	.309*
Part-B	.247	.254*
Part-F	.220	.239**

R^2 .402
R^2Change .154
F Change 27 .907*

*	significant at <.001
**	significant at <.005

Step one indicates that the amount of time a board member spends in the organization per month contributes most strongly to variance in participation in personnel management and policy development, retaining its relative strength at step two. In addition, the affective climate of the organization, the extent to which board members' experience it as a warm and friendly setting, contributes significantly at both steps.

Finally, not surprisingly, all three forms of management participation are positively and strongly associated with each other, and, act as significant predictors of each other in the regression equations. This indicates that participation in one governance function is likely to indicate participation in other governance functions.

Examination of some of the other associations illustrated by the correlations reported in Table 14, point to other some interesting features. Gender (male), for example, is strongly and positively associated with previous experience of boards and management, and, the degree of occupational relevance. Also, men tend to have higher levels of education. This indicates that male board members in this sample are more likely to possess those characteristics associated with participation in the three governance functions.

It is also interesting to note the negative association between age, education and occupational relevance, indicating that older people (who are more likely to be board members in this sample) do not possess two salient characteristics associated with management participation. Also, the negative association between occupational relevance and tenure indicates that the people who tend to stay on as board members are those whose previous occupations bore little relationship to organizational management.

Discussion

Two areas of discussion arise from the data; the current status of and ability of nonprofit boards to fulfil their governance functions plus the implications of this for welfare service delivery, and, prescriptive indications for maximising the governance capacity of nonprofit boards and organizations.

The descriptive and inferential data generated from this sample confirm largely experiential, but also academic concerns about the capacities of nonprofit board members to engage in wide ranging and increasingly complex governance functions (Billis and Harris, 1992, 1991., Leat, 1990, 1988). On one hand, the descriptive data gives us a clear picture of who board members are; older people (often women), without extensive formal educational qualifications and limited experience of organizational management or board processes, whose existing or pre-retirement occupational roles bear little relevance to the tasks at hand. Furthermore, the majority spend only limited amounts of time per month engaged in organizational activities, and, tend to stay on their boards for some years.

The inferential analyses on the other hand develop a series of models which enable prediction of which board members are most likely to engage in three types of governance functions; people with higher levels of education, experience of organizational management and board processes, those whose occupational roles incorporate management functions, and those who spend a number of days per month engaged in organizational activity. Overall, a gap exists between the characteristics of the majority of those currently sitting on boards and the characteristics of people most likely to engage in various governance functions.

This reality highlights a contradiction or contest between opposing processes. On one hand, in the professional and policy discourse associated with the delivery of personal social services, principles such as community and consumer participation and accountability increasingly gain currency as we attempt to challenge the existing patterns of disempowerment within the welfare state (Rees, 1991). On the other hand, the interpenetration of the nonprofit and charitable sector by the dominant discourse of the market contributes to demands for efficiency, effectiveness and accountability as it is understood in the corporate world (Considine, 1988).

As Bryson (1989) has suggested, this latter process probably constitutes the primary trend. As the forces of modernisation continue to invade sectors of society hitherto largely protected, the language, concepts and values of the market gain ascendancy, resulting in shifts in what is considered to be desirable outcomes. In nonprofit organizations engaged in the delivery of social and public goods, these dual processes have contributed to what Leat (1988) describes as the development of multiple foci of accountability.

Common responses by nonprofit organizations in the United States have been attempts to recruit board members with financial and corporate management expertise resulting in erosions in the capacity of boards to manage their service functions (Hall, 1990b., Stern and Gibelman, 1990). The data presented in this study graphically illustrate that existing nonprofit boards in Australia are poorly placed to manage their broadening accountability demands. This in turn suggests that nonprofit organizations in this country will probably be confronting serious difficulties in the near future. They may, as in the United States, attempt to change their recruitment patterns with subsequent losses to their service mission. Alternatively, or indeed simultaneously, they may be faced with an increasing shortage of people willing to act as board members, a trend noted in the United Kingdom (Billis and Harris, 1992, 1991). Clearly, both of these processes have serious implications for the Australian welfare state and the role of the nonprofit sector within that.

Although the data raises some disturbing issues about nonprofit governance, it also indicates some avenues for action at the organizational level which are potentially more productive than simple changes in recruitment patterns. Close examination of the models of participation in governance functions (Tables 15, 16 and 17) generate three recommendations. Firstly, all three models indicate that the amount of time board members spend in the organization per month significantly predicts involvement across the management functions, being most powerful as a predictor of personnel management and policy development. Consequently if nonprofit organizations can, perhaps through structured activities, increase the board members' active participation in daily activities, they may also expect increased participation in the associated governance functions.

Secondly, the data presented in Tables 14 to 17 clearly indicate that involvement in one governance function increases the likelihood of involvement in other functions.

Consequently, organizations should take care to involve new board members in at least one management activity, perhaps that most suited to individual interests and capacities. Over time, this should encourage broader involvement in more wide ranging activity. Thirdly, both Table 14 and Table 17 indicate that as predicted, the affective climate of the organizations is important in the encouragement of board participation. Reinforcing empirically what many people know experientially, the data indicates that a warm and friendly social environment increases the likelihood of participation. This in turn suggests that what to many may appear to be a natural by-product of nonprofit activity, may need to be the object of more deliberative processes. Table 14 illustrates that this warning is particularly relevant to large nonprofit organizations as in this sample, organizational size is inversely related to perceptions of warmth.

CONCLUSION

As with all empirical research, the data presented and the conclusions and recommendations flowing from it have to be qualified by methodological limitations. In this instance, while the sampling technique met the requirements of randomness thus maximising generalizability, the sample size was nevertheless relatively small. In addition, as the sampling frame consisted of organizations registered with the Queensland Collections Act, it inevitably excluded those nonprofit organizations who for what ever reason, fail to register under that act. Furthermore, readers should keep in mind peculiarities of geography and demography as the sample contains Queensland nonprofit organizations only. Queensland is a highly decentralised state, resulting in among other things, many small nonprofit organizations in many small towns.

Despite these limitations, the data does paint a fairly clear picture of the state of board members involvement in nonprofit governance. While on one level it confirms fears that nonprofit boards may not be able to engage fully in increasingly complex management functions, (limiting their capacity to meet various accountability requirements), it does however give some clear indications of steps which can be taken at the organizational level.

Equally if not more importantly, this data very clearly illustrates the current limits of nonprofit organizations in the delivery of services on behalf of the state. The ongoing educational and support needs of nonprofit organizations are thrown into sharp relief,

indicating to the various funding instrumentalities of the state that a sustained developmental process is urgently required. Ongoing commitment by the state to such principles as community and consumer participation and accountability are themselves dependent upon developing and maintaining a particular demographic profile on boards of management. Failure to address the educational and developmental needs of such boards will both contribute to and perhaps hasten the sorts of processes already experienced in the United States and Great Britain, processes antithetical to the principles of access, equity, participation, consumer participation and accountability.

End Note: Variable Labels

Age   Board member's age.
Education   Educational level.
Tenure   Amount of time on board.
Job   Degree of which repondant's occupation contains organizational management functions.
Time   Amount of time spent in the organization per month.
OrgW   Organizational Warmth.
Part-B   Participation in Board Decision Making.
Part-F   Participation in Financial Management Processes.
Part-P&P   Participation in Personnel Management and Policy Development Processes.
Size   Organizational Size.
Experience   Previous Experience of Organizational management or Board Processes.
Social   Organizational Sociability.

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