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# Board Accountability

## Lessons from the Field

*Thomas P. Holland*

*Accountability has become a major issue in the nonprofit sector. Numerous external and internal approaches to strengthening performance in this area exist, and many nonprofit boards expect their executives to account for use of their organizations' resources. However, few boards apply any such expectations to themselves. Qualitative analysis of records from interviews, consultations, and meeting observations with 169 board members of thirty-four diverse nonprofit organizations revealed six sets of practices that foster board accountability. They include setting clear expectations and standards for the group and for its members, actively using policies regarding conflicts of interests, identifying and staying focused on priorities, maintaining strong two-way communications directly with constituency groups, conducting assessments of meetings and board performance, and experimenting intentionally with new approaches to their work. The experiences of these boards provide numerous examples of practical steps that others may consider when they seek to increase the value they add to their organizations as well as to strengthen public trust.*

**A**CCOUNTABILITY has become a major issue throughout the nonprofit sector. Numerous approaches to strengthening performance in this area exist, and many nonprofit boards expect their executives to account for use of their organizations' resources. However, few boards apply any such expectations to themselves. As a result, they send inconsistent messages to their staff, consumer, sponsors, and the public. Finding ways to strengthen board performance in this area is crucial to the health of every nonprofit organization.

*Note:* I deeply appreciate and would like to thank the following colleagues for their extensive contributions to this work: Dick Chait, Barbara Taylor, Roger Ritvo, Tony Kovner, David Hester, Doug Jackson, and Don Leslie.

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The efforts of nonprofits to develop public trust and gain resources for their programs confront rising public expectations and frequent criticisms of their performance from many quarters. The media offer periodic sensational stories of abuses of privilege or misuse of resources, such as the indictments of leaders of the Salt Lake City Olympic Committee or the bankruptcy of the Allegheny Healthcare System (Burns, Cacciamani, Clement, and Aquino, 2000). In many states, the office of the attorney general or secretary of state regularly reports on the disturbingly high proportion of fundraising campaigns that return to nonprofits only very small percentages of the gross amounts that professional solicitors raise on their behalf (for a recent example, see Mantius, 1999). Public reactions to such situations fuel increasing demands for greater accountability, sharper legislative controls, tighter regulations, and fewer tax exemptions for nonprofits. They argue that these constraints are necessary to ensure that executives and boards will apply their resources efficiently to pursue the organizations' purposes and become more accountable for their decisions.

The literature's definitions of accountability overlap one another considerably, but scholars show little agreement on how to develop and sustain it. Applying economic theory to nonprofits, Bogart (1995) suggested that accountability implies identifying constituencies or groups to whom the organization owes compliance, specifying the interests of those groups, and communicating information about how well the organization is serving those interests. Lawry (1995) presented an ethical framework for nonprofit accountability that emphasized similar issues: identifying to whom accountability is due, understanding and reconciling expectations that may be both legitimate and divergent, setting reasonable standards, providing accessible information by which to assess compliance, and modeling or demonstrating integrity in decisions and actions.

Drawing on the organizational development literature, Fry (1995) approached the matter in terms of clarifying expectations, developing respect for one another, making plans public in order to encourage scrutiny and feedback, demonstrating a track record of implementing promises, and developing consequences for behavior. Carver (1997) stressed the importance of boards understanding the needs and interests of the constituencies of their organizations and shaping goals, purposes, and policies on those grounds. It is in the organization's interests to help constituency groups formulate and communicate their interests to the organization's leaders and then monitor their behavior "because of the credibility such monitoring provides both to the managers and to the organization" (Bogart, 1995, p. 160).

When we move from definitions to actions that will strengthen accountability, we find much less agreement on how to proceed. The literature provides multiple prescriptive approaches to strengthening accountability, but the nonprofit sector rigorously applies few of these.

External approaches emphasize stricter laws and keener watchdogs, whereas internal approaches stress clearer expectations and fuller reporting. Many nonprofit board members come from the for-profit sector, where accountability is buttressed by public laws, competition for consumers, and equity markets. Scrutinizing larger corporations and their boards are watchdog organizations such as CalPERS and *Business Week*, which have informed rising shareholder demands for improvements in performance. However, efforts to tighten regulations, impose stricter standards, or subject nonprofits to stronger legal standards are likely to undermine the motivation and creativity of staff, volunteers, and trustees and result in more harm than good, cautions Chisholm (1995). Instead, she recommends fuller disclosure of information to the public as the most promising approach to improving nonprofit accountability.

Advocates in the corporate sector recommend a variety of internal approaches, including total quality management, business process reengineering, flat organization, customer focus, continuous quality improvement, as well as older approaches such as management by objectives, zero base budgeting, and others (Shapiro, 1996). Drawing from the field of public administration, Light (2000) describes other approaches. Among them are (1) liberation management: outcomes should guide organizations, no matter how they are configured; (2) war on waste: save costs through mergers, acquisitions, shared administrative services, contracting out selected functions; and (3) watchful eye: expose organizations to public scrutiny as a disciplining tool.

Midway between external and internal approaches are the efforts of umbrella associations of nonprofits, which try to strengthen accountability through setting common standards for local affiliates, overseeing their work, and periodically assessing their compliance with those standards (Young, Bania, and Bailey, 1996). A national meeting of leaders from a number of major nonprofit associations formulated a list of standards for accountability of nonprofit organizations. Their report (Young, 1995) stressed the importance of showing evidence that the organization has a clear mission and applies its resources effectively to pursue that mission, enhances the well-being of communities and society, exercises strong stewardship of resources, and maintains quality and excellence in all aspects of the organization.

One or another model that promises to improve performance and accountability has no shortage of advocates, but surprisingly little more than anecdotal evidence exists of the impacts or benefits of any of those models for nonprofits and their boards, beyond compliance with the demands of funders or accrediting bodies. Recommended reforms keep changing, adding to the challenges of managers and trustees. In practice, sustained attention to any of the approaches seems lukewarm at best, driven more by resignation than determination.

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Even when the nonprofit board addresses accountability, it seems to focus attention only on the executive, seldom on the board itself. Although some board members are interested in setting standards for and expectations of performance by the executive, most appear to ignore or neglect holding themselves to any similar requirements. As Light (2000, p. 85) observes, "most boards don't want to spend enormous time on defining themselves when they have real work to do and are hoping this will all go away." Board members may briefly discuss the model du jour when a national scandal comes to light, and some may like the sense of legitimacy from using business language in some approaches, but many just dismiss the whole matter as a waste of time. "One comes away from even a brief reconnaissance musing about the lack of an indigenous commitment to any particular reform" (Light, 2000, p. 88).

Few empirical studies focus on how nonprofit boards actually deal with accountability. Herman, Renz, and Heimovics (1997) reported that effective boards used such practices as having clear criteria for selection of their board members, written policies regarding expectations of performance, and periodic self-evaluations and feedback. Brudney and Murray (1998) found that boards making intentional efforts to improve their performance often worked on clarifying board responsibilities and modifying committee structures, but the type of change they made least often was in improving board relationships with external constituents such as funders or interest groups. Many of the boards reported that their efforts had been prompted by confusion over the board's responsibilities, members' meddling with operational issues, limited engagement, and considerable absenteeism and turnover in membership. The more serious these problems were, the less likely was the success of efforts at planned change, especially among boards with gaps in skills among members. McDonald (1997) concluded that common constraints on accountability among the sites she studied involved limitations of participants' knowledge, skills, and willingness to work on the issue; structures and roles that limited attention to accountability; historical legacies of ignoring the matter at hand; and reactive monitoring of performance.

Why boards experience such ambivalence or inconsistency with accountability and what might be done to strengthen their efforts were the concerns that prompted the present study. Are boards as inattentive to matters of their own accountability as it seems? Do some boards that are addressing the area well have experiences that may benefit their peers elsewhere? Are their efforts dependent on outside pressures or experts, or are some initiating changes internally? What practices in the field might others adapt? To explore possible answers to such basic questions, the author undertook an analysis of extensive transcripts and notes developed in recent field demonstration projects with nonprofit boards, seeking instructive examples and benchmarks for others to consider.

## Study Methods

A recent series of larger research projects on board performance (Chait, Holland, and Taylor, 1993, 1996; Holland and Jackson, 1999) interviewed board members and executives of nonprofit organizations regarding their boards' customary practices and behaviors. Located in larger cities all across the eastern United States, the participating organizations included a diversity of sizes, ages, and fields, including education, health care, religion, and social services. The authors examined these with regard to practices of governance, and they identified and described wide variability in performance.

Readers cannot consider the sample of boards, as they all had consented to participate on the basis of their interest in being part of studies on board performance. Hence, the sample is biased in the direction of those already interested in the issues, which is desirable for locating good practices but inappropriate for drawing generalizations.

The author of this article reexamined the interview records and consultation notes from 169 trustees of 34 of those boards, this time looking for descriptions of practices specifically relating to accountability. He used qualitative analysis methods to examine these records (Glaser and Strauss, 1974; Klemm and McClelland, 1986; Strauss and Corbin, 1990; Miles and Huberman, 1984; Yin, 1984). The author carefully searched documents for board actions, sets of practices, and examples of activities these boards had undertaken relating to any aspects of board accountability.

The first round of exploratory analysis sought practices that appeared to relate to any of the published definitions or dimensions of accountability or reflected a new way of approaching the issue. The author directed his attention at actions of the board regarding its own work, not just board directives to the executive. He gave particular attention to reports from those boards that earlier research had identified as more effective in overall performance. These organizations were characterized by positive reputations among constituencies and strong financial performance. The author identified a variety of practices and patterns relating to accountability, examined them, and grouped them into clusters. After identifying an initial list of practices, the author reexamined the records in order to refine the categories and themes, organize them conceptually, and identify useful examples.

Analysis of the transcripts and notes from these sites revealed a variety of approaches that boards had taken with regard to their accountability. Although most of these boards did not do anything to address the matter directly, a few exemplary sites were dealing with this responsibility in various intentional and productive ways. Although none of the boards made use of all of the following practices, pulling them together into a set is instructive, offering possibilities for others to consider for adaptation to local circumstances and suggesting approaches that warrant further study and testing.

## Findings

Many trustees expressed discontent about their boards' performance, but only a few had any clear ideas about how to go about improving their situations. For some boards, the indifference and lack of determination to create and realize a vision and to nurture public trust presented great obstacles to change. Organizations seemed to assign few penalties for poor performance, and most members had little at stake. While they generally realized their board was collectively responsible for the organization, trustees seemed virtually unaccountable as individuals. Motivations to improve board performance were limited by complacency with customary practices and by ambiguous expectations of the board as a whole and of individual members. Direct communications with constituencies were often lacking or haphazard.

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When we asked interviewees to identify the board's constituencies—those stakeholders whose concerns the board should hear directly and with whom its members should communicate—a surprisingly large number of respondents simply could not identify a single such group. Particularly those on self-perpetuating boards (those that select their own members as opposed to those whose members are elected and appointed by outsiders) often responded that the board was responsible to no one but, perhaps, itself. On further questioning, some went on to say that any communications with anyone outside the board about their concerns or about the board's work was the duty of the executive or senior staff, not the board.

Furthermore, most boards seldom explicitly discussed issues of identifying specific goals for the board to pursue, values on which its decisions were grounded, methods for dealing with competing or conflicting interests, or ethical standards for the board's work. Many respondents were hesitant to acknowledge any ill-timed or ill-informed decision by their boards whatsoever. Only when some egregious violation became public did they report having acted, and then the typical pattern was to place all blame on some individual offender, replace him or her, and get back to work. Respondents seemed rarely to have examined group practices of the board that might have allowed such problems to occur nor any responsibility the board might have had to prevent them in the future.

### Clear Expectations

In contrast with such situations, a few boards did address issues of accountability explicitly and thoughtfully. First, some boards had developed explicit statements of expectations and responsibilities of the board as a whole as well as of its individual members (consistent with the findings of Brudney and Murray, 1998). These boards detailed specific duties and obligations for membership, sometimes framed as a trustee job description. Usually these statements were grounded

directly in the mission of the organization and the values and purposes it served. Some statements included the ideas of stewardship and the board's holding resources in trust for others. They recognized donors, sponsors, staff, and consumers as having important claims and interests that the board was responsible for considering.

Respondents from these sites explained that the board's stewardship entailed moral obligations and fiduciary responsibilities to carry forward the organization's mission and to ensure that its resources were used for the intended beneficiaries. In keeping with what Smith (1995) advocated, these trustees clearly understood that integrity and accountability for their actions were basic requirements undergirding all of their work, and they offered examples of specific situations where those principles had guided the board in making difficult decisions.

These boards used their statements of expectations and responsibilities in recruiting and nominating new members for the board. Nominating committee members or others engaging in discussions with potential candidates said they drew upon these documents to explain what the board expected of its members and what context of mission, values, and obligations underlay its work. Further, they repeated these expectations and value commitments in orientations of new members, reinforcing a strong groundwork for service and accountability.

Subsequently, board members gave frequent and direct attention in their meetings to the organization's mission, the core values on which it was based, and the board's responsibilities as the essential framework for every decision it made. In the middle of intense discussions on some complex issue before the group, it was not unusual for someone to remind others of how their mission, core values, and ethical responsibilities were key guideposts in these deliberations. In a variety of ways, members of these boards recognized that their board's actions were the embodiments of those values and their meetings the place where they could translate mission and values into responsible decisions on behalf of the organization, its sponsors, beneficiaries, and other constituents.

### **Policies on Conflicts of Interest**

Although many boards had a boilerplate section in their bylaws that addressed their policies on conflicts of interest, most respondents could not recall any occasion on which the board had even discussed the matter. In contrast, a few boards not only had such policies on record but talked about them periodically and insisted on everyone's assent. They expected every member to understand and consistently adhere to the policies, in spirit as well as letter.

Respondents from these sites emphasized that all the board's decisions should be carried out with integrity and serve the best interests of the organization and its constituencies. Discussions of

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the area directly addressed possibilities of dual relationships, in which a trustee may have a business or personal interest in an organizational matter before the board, and they followed specific guidelines on how to proceed in such circumstances. At a minimum, these boards required the member to make known such interests up front and then to refrain from voting on such matters. Others went further to exclude that person from even participating in discussions of the matters.

Members of these boards considered their activities in light of how others might view them. “We try to avoid even the appearance of self-dealing in our work and to remain impartial and objective in our decision making, so we can sustain others’ trust and confidence in us,” explained one respondent. On the other hand, we found some of the most problematic, ineffective boards and situations of distrust among constituencies in sites where the board had ignored or neglected to deal explicitly with conflicts of interest.

### **Identifying and Staying Focused on Priorities**

We found another set of practices that supported accountability among those boards that focused their time and attention on identifying the most important issues facing the organization, setting priorities and goals among those issues, and then intentionally keeping their work focused on those matters. Rather than consuming their time in fighting fires or second-guessing the administration on operational matters, these boards were heavily invested in planning for the long-range future of the organization and setting specific goals for it and for themselves.

Most of the boards we studied were content merely to review and critique their executives’ plans and decisions. Others were more active participants in identifying the most important issues facing the organization and setting priorities among them for the board’s attention. They specified their expectations of staff in pursuing these priorities, and a few went on to specify objectives and tasks for the board itself in working toward the overall goals they had for the whole organization. Recognizing that the board was one key component of the organization as a system, these boards intentionally focused on active involvement in the accomplishment of strategic goals, in partnership with the executive and staff. Toward that end, they took the time to formulate annual objectives and action steps to strengthen the board itself.

Then these boards were careful to put in place procedures that would help them keep their time and attention focused on their own goals and deal with attempts to divert energy to other issues. For example, one board printed its own goals in large letters on poster board hung at the front of the meeting room, so all eyes would be on them as discussions proceeded in every meeting. Their goals provided the framework for the board’s agenda on an annual basis, with one or more goals providing the focus of each meeting of the year.

As Bogart (1995) recommended, a few boards sent out periodic reports to staff, sponsors, and other stakeholders, telling them of the board's goals and inviting their feedback on its work. "We send out progress reports every year. They document what we've done over the previous year, identify what we have completed and what remains undone. We present our goals for the coming year, and we ask for their comments on any aspect of our work," explained one board chairperson.

### Communications with Constituencies

Most boards relied solely on the executive to communicate the board's decisions to others or to report their concerns to the board (often with a controlling executive's encouragement). However, several boards identified as a key responsibility their own development and maintenance of strong, open, two-way communications directly with their organizations' stakeholder groups. The leaders of those groups (such as staff, donors, program or service recipients, legislators, leaders of related organizations, and others) were well known to these trustees, and their concerns were often the focus of board attention and discussion. Some of these boards periodically invited representatives of those groups to observe board meetings and to address the board on issues of concern to them. Others regularly included representatives of constituencies on various board committees or task forces, especially when the issue before them related to the interests of those groups.

One approach to making such communications a part of the board's structure was to ask individual board members to partner with the executive in maintaining regular communications with each of the organization's stakeholder groups. They met periodically with those respective groups to discuss the issues facing the organization and to seek their feedback regarding those matters as well as other concerns of the group. "They report back to us on the views of those groups and help us think about the potential impacts of our decisions on them," said one trustee. When board members were not clear about how a constituency group that could be affected by a decision under consideration might receive that decision, the board postponed action on the matter until it could obtain such information and make it available to the full board. These boards demonstrated by their actions that the concerns of other stakeholders were crucial to their work, thus building and sustaining credibility and trust among them.

### Assessments of Meetings

Another set of practices supporting board accountability has to do with assessment of the board's own performance. A few boards described themselves as committed to excellence in their work, and they expressed this through periodic evaluations of their meetings. Most did not have any such activity.

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Well over half of the respondents said they seldom if ever received any clear feedback about either their individual efforts or that of the group as a whole. They gave various excuses for inattention to this matter, ranging from disbelief in the usefulness of such assessments to skepticism that members wanted or would benefit from it. The most frequent response was that there was "just no time for such things, as this board already has too much work to do." Others maintained that they had no clear criteria for such assessments in the first place, so evaluation would be impossible. The fact that they were all volunteers seemed to some to preclude attention to assessments, whereas others maintained they already knew enough to do the job. Probing questions about the relationship between such assumptions and the board's expectations of evaluations and continuous improvement for staff led to ambiguous or tangential responses in some of the interviews, though other respondents quickly dismissed the whole matter as irrelevant.

Board members from several other sites believed useful ways existed to get, give, and make constructive use of evaluative feedback about the board itself (consistent with the findings reported by Herman, Renz, and Heimovics, 1997). They described various practices of assessment that provided them feedback about the group's own performance and suggestions about how to strengthen it. At the simplest level, several of these boards customarily took some time at the conclusion of meetings for oral or anonymous written comments about the session they had just completed. As one trustee put it, "We just take a few minutes to invite everyone to comment informally on aspects of the meeting that seemed to go well, aspects that did not, and offer suggestions for improving future sessions." The oral discussions tended to be more open-ended, and the written approaches sometimes made use of brief questions that covered various dimensions of board performance.

Examples of dimensions that such questionnaires addressed included the relative importance of items on the meeting agenda, the clarity of linkages between each agenda item and the board's priorities, and the relevance and helpfulness of background materials, reports, or other resources provided. Other dimensions were the clarity of questions put to the group, the adequacy of opportunity for members' input, the over- or underuse of meeting time for participants' discussions, the clarity of conclusions, the feasibility of action plans, the structure or processes of the meeting, and the roles and actions of the leaders. At the end of one such questionnaire form was space for comments and suggestions about desirable changes that could strengthen future meetings.

Chairpersons of these boards, sometimes along with others on the executive committee, said they collected these assessments at the end of each meeting, identified and discussed shared concerns, reported back the highlights at the next meeting, specified the modifications to meeting structure or procedures based on the feedback,

and then invited further assessments regarding the impacts of those changes. They demonstrated that they took feedback seriously. By doing so, these boards came to build into their meeting expectations some time for direct attention not only to the substance of the board's work but also to its quality—how well the group was carrying out that work.

### Formal Evaluations

A few of these boards went even further and conducted more extensive and systematic assessments of their performance annually or biennially. Some of them approached this task by making use of evaluation tools available in the literature or from many national associations, for example, the Association of Governing Boards of Universities and Colleges (1986) and the National Center for Nonprofit Boards (Sleisinger, 1999). They used the findings to discuss various areas of board responsibility, including the clarity of the board's mission and purpose, its evaluation and support of the executive, its monitoring of programs and services, fundraising and management of financial resources, involvement in strategic planning, orientations for new members, board-staff relationships, communications with constituencies, risk management, board operations, and use of members' time and talents.

Some of these boards used such tools just as they are, whereas others adapted them, tailoring and expanding the questions to address local needs and circumstances. The existing instruments had been used to stimulate discussion and ideas about what should go into the board's self-assessment process. These respondents said their discussions had included specification of the major tasks and duties the board expected of itself, the goals and purposes it wanted to fulfill for the organization, and other important aspects of how it intended to do its work.

The boards used the lists of expectations to formulate a series of statements or questions that composed the tailored assessment questionnaires. They provided an evaluative response format with each item, inviting participants to rate the quality of the board's performance on that dimension. The board collected members' responses, summarized them, and then reported them for discussion by the full group. Often these discussions took place in the context of sessions devoted to identifying lessons the board might draw from the previous year's experiences and formulating objectives for improving the board's performance in the coming year.

Of those that made use of regular assessments of their groups' work, two boards went on to extend the questions to include individual performance. "We ask everyone to rate the quality of his or her own work over the past year in each dimension and then to identify some ways they could improve in the coming year," said one board chairperson. Another of these boards asked its nominating committee to add on responsibilities for continuing to develop the

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leadership skills of all members after they came onto the board. That group was responsible for collecting the individual assessments, discussing each member's self-assessment and plans for the coming year in light of the needs of the full board, and then meeting with each one to offer suggestions for ways they could further strengthen the quality of their contributions to the group and develop greater leadership skill.

Examples of some ways that individual members of this board had planned to strengthen their contributions to the board included rotating committee assignments; serving as an understudy for another board role; attending a conference or workshop on a specific issue facing the board; reading books or articles on an area of concern, then leading a discussion of the highlights and applications for this board; and talking with members of other boards to identify alternative approaches to a complex issue.

Other practices of assessment identified in a few sites included inviting individuals from other boards or from regional or national associations to observe board meetings and offer feedback and suggestions on performance. Some boards asked senior staff and leaders of constituency groups for their evaluative feedback and suggestions. One had previously brought in a consultant to conduct systematic interviews and survey all members, constituency leaders, and others, and then to report back major findings and recommendations to the full board.

### **Experimenting with New Ways of Working**

Whatever the approach, these boards made use of their experiences, assessments, and feedback to identify aspects of their performance that needed attention and then to plan and experiment with new ways of conducting their business. They described steps of letting go old and familiar habits and substituting new approaches that enabled them to add greater value to the organization, drawing on a wide range of resources for ideas about alternative practices. Changes they reported included such aspects as committee structure, use of meeting time, clarity of charges to committees, communications within or outside the board, and identification of substantive topics or skills on which members wanted educational sessions (such as how to read financial statements or what demographic and economic changes they could anticipate in the future of the region).

A few respondents from these boards articulated their commitment to continuous learning, and they described intentional steps for developing and continuing to refine their performance as leaders of the organization. They sought out regular feedback from a variety of sources to identify topics and skills needing attention, developed appropriate learning opportunities and found resources to implement them, and expected all members to participate in ongoing educational sessions. Some reported having modified their meeting agendas and their committee structures to serve their intentions of working more effectively on the goals they had set.

For example, rather than sticking with old habits of hearing every committee describe its activities regardless of whether it had any important question or action to take, two boards reported having redesigned their meeting agendas around the priority of the issues and the objectives for the time together. “We expect each agenda item to be clearly linked with a specific priority, the question needing board attention clearly presented, and the necessary background information for working on it distributed well in advance of the meeting,” said the chairperson of one board. This group expected everyone to come to the meeting with a clear focus on the key issues and with adequate preparation for addressing them together. Without such thorough preparation, an issue was not ready for inclusion on the agenda.

Working from the principle that form follows function, one board also experimented with alternative committee structures that departed from the familiar pattern of standing committees that parallel administrative divisions of the organization. Instead, this group began with its goals and used them as the basis for appointing several ad hoc work groups or task forces to address each goal. It charged these task groups with moving the board forward with their respective goals, keeping the board informed of key actions, bringing unanticipated barriers or resources to the board for decisions, and then going out of business when they had attained the goal.

In sum, review of records from meeting observations, consultations, and interviews with a diverse sample of nonprofit boards and their members revealed a variety of practices relating to accountability. These practices included clarifying board expectations of members, following explicit policies on conflicts of interest, identifying priorities and staying focused on them, maintaining direct, two-way communications with constituencies, conducting assessments of their meetings and carrying out regular evaluations of their performance, and making use of feedback to identify and experiment with new approaches to their work. Those boards that addressed their responsibilities of accountability most extensively also reported having positive relationships with their constituencies and successful fundraising efforts. Such qualitative evidence demonstrates that board efforts to improve accountability are feasible, and it is consistent with the belief that accountability is linked to stakeholders’ trust and ultimately to organizational success.

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## Steps to Strengthen Accountability

The practices that these boards reported were similar to some of the key components of accountability stressed in the literature. However, not a single respondent ever mentioned any of the prescriptive models or frameworks for strengthening accountability that the experts advocate (though such influences may have shaped their efforts indirectly). Most trustees had little interest in board development or accountability per se, but some were interested in

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learning how to serve their organizations better. Complacency about the board itself appears to be the norm, and action the exception. If board leaders are interested in working on strengthening accountability, the experiences of the study sites offer a number of practical suggestions.

Some respondents said their boards began working on this area by taking advantage of a variety of familiar windows of opportunity. Usually at the recommendation of their CEO or board chairperson, they made use of common experiences in the life of any organization to discuss the board's role in them, including such events as a turnover in senior staff or board leadership, a change in revenue patterns, the completion of some major project or difficult task, or expressions of dissatisfaction over an action of a board, committee, or staff. In addition to solving a problem or celebrating a success, members of such boards went on to reflect together on what specific things had led to that success or problem. They examined what their assumptions and actions had been at the beginning of the situation, how the board influenced the sequence of events, when and how the group might have acted more productively in that process, and what lessons it could draw about its own performance so it would serve the organization more effectively in the future.

A group will have difficulty focusing on strengthening its skills at the same time it is working on solving a problem or dealing with a conflict, several of these respondents noted. But they felt that it was important to take the time to go back later and examine what the group could learn about itself from the experience and identify what changes it could make to be better prepared to handle or prevent similar situations in the future. Unfortunately, once a crisis is over, people have a tendency to return to business as usual rather than using the experience as an occasion for learning, thus missing a valuable window of opportunity.

Even if their board was not facing some problem or transition, other respondents described practices of setting aside some time periodically to talk about the challenges their organization would face in the year ahead and what the board should do to become prepared to deal with them effectively. Rather than demanding that the executive present solutions to every challenge, these groups used processes of mutual reflection to think out loud together about emerging issues well before they became items on the agenda. Such reflective discussions of emerging trends or anticipated challenges engaged the board in formulating and exploring the issues that it would later address more systematically. "Then we went on to identify the steps we needed to take in order to understand these issues better so we'd be prepared when they had to be faced," explained one trustee. Such steps enabled these boards to get ahead of the curve and become more proactive partners with their executives in leading their organizations into the future (as recommended for corporate boards by Pound, 1994).

These boards worked to find ways to identify the most important issues facing their organizations in the future, set priorities among those issues, get prepared to work on them, and then focus and sustain their attention on those priorities in their meetings. Instead of functioning as guardians of the past, second-guessing the executive on operational decisions, or struggling with an agenda that tried to deal with everything that came along, they positioned themselves to focus on those few most crucial priorities that would shape the future of their organizations.

In these discussions, executives and board chairpersons posed to the group such questions as these:

How is this group adding value to the organization, beyond the contributions of staff and administration?

Have we identified the most important issues facing this organization?

Are we spending our time and energy on those key issues?

Have we set clear priorities and then stuck with them in our meetings?

What specific expectations do we have for ourselves individually as members of this board and of the group as a whole?

Are the issues and questions coming before us clear, and do we have the right information for working on them?

Have we listened to the concerns of those who are affected by our decisions and understood the impacts of our work on them?

What specific steps should we take to improve the performance of this board and increase the value we add to this organization?

What criteria or indicators would be appropriate for monitoring and demonstrating the improvements in our group's performance?

How will we obtain and use such information to make further improvements in our work?

By bringing out the concerns of members and stakeholders for discussion by the full group, the leaders began to develop mutual ownership of governance issues and solutions. Such inclusive processes allowed every member to contribute to formulating the issues as well as to finding and implementing mutually acceptable solutions. Problems, solutions, and priorities belonged to the whole group, not just to some individuals, thus building shared responsibility for the group's performance.

In the course of these discussions, board chairpersons and executives told of intentionally raising the bar of expected performance in their meetings. They sought to improve the board's leadership of the organization by acknowledging problems openly, soliciting feedback, and engaging the group in seeking ways to work on vital issues with greater skill. Rather than avoiding criticisms of board practices or discussing them only in private, they brought out concerns about the board's work to the full group, invited open discussion of the matters,

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***Rather than  
demanding that  
the executive  
present solutions  
to every  
challenge, these  
groups used  
processes of  
mutual reflection  
to think out loud  
together about  
emerging issues  
well before they  
became items on  
the agenda***

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*Instead of functioning as guardians of the past, second-guessing the executive on operational decisions, or struggling with an agenda that tried to deal with everything that came along, they positioned themselves to focus on those few most crucial priorities that would shape the future of their organizations*

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expressed confidence to the group that it could find ways to perform at a higher level, and resisted efforts to blame individuals or accept superficial solutions. They refused to accept the fact that “we’ve always done it this way” as a reason for continuing any practice, as much for the board as for the staff. These respondents emphasized that it was a key responsibility of the board to make optimum use of all the resources entrusted to it, including the time and energy of its members—valuable and scarce resources of any organization—to accomplish the organization’s mission and purposes.

The views and concerns of their constituencies were important in these deliberations, so some of these boards made sure they had channels of communication with each of those groups and listened respectfully to negative as well as positive comments. Feedback from internal and external sources enriched the boards’ intentional examination of their concerns, challenges, commitments, work practices, and priorities for the future. Then they went on to specify the ways their boards would ensure that they would carry out the plans and promises they developed as well as how they would monitor, assess, and report on those efforts. Such practices are consistent with the recommendations found in the literature on how to improve board accountability and performance.

### Clarifying Expectations

In some of these boards, discussions of ways to improve their performance and become more accountable had been framed in the context of a commitment to integrity and consistency in all aspects of governance. Several respondents said their boards’ discussions of recent problems and conflicts had led to the realization that they had quite divergent views of what they were supposed to be doing and why. Rather than ignoring or glossing over those recurring differences, “we just decided to address directly the ambiguities and inconsistencies in our views about the board’s responsibilities. It took some time but was well worth the investment,” said one chairperson.

Such discussions often began by revisiting the organization’s mission and statements about the board’s duties in its bylaws. Then the group explored how it had expressed those principles in its recent actions; it also examined situations where the board might have acted in ways inconsistent with those values. Then board members proceeded to formulate a clear statement of what they could agree on regarding their expectations of the board as a whole as well as each of its members.

In a few sites, the boards’ conclusions emphasized a commitment to dealing with others in a fair and truthful manner as well as to conducting the board’s work with professional excellence. Board members saw provisions for dealing with conflicts of interest as especially important. These respondents stressed that the public and especially the organization’s stakeholders should be able to have confidence in the board’s integrity (as recommended by Kolb, 1999).

Such discussions served to reduce ambiguities in members' perceptions of the board's basic responsibilities and to clarify the core values it intended to undergird its work and the purposes it would serve. "We summarized our conclusions in a written report that was circulated to all members. It became a reference point in our meetings as well as in recruitment of new members," explained one respondent. It also laid the foundation for further steps to improve the board's overall performance and accountability.

### Using Feedback from Evaluations

Boards can take accountability an important step further by following the examples of those boards that made assessments a regular part of every meeting and each annual cycle. They made use of the findings from their assessments to identify areas, issues, or practices in which they wanted to strengthen the board's performance (Jackson and Holland, 1998, report one such approach).

Some respondents reflected that previous discomfort or unfamiliarity with giving and receiving feedback about performance openly had led some of their members to avoid the issue or prefer to address it only in private conversations. Underneath the many excuses seemed to lie a common human desire to save face and not engage in unfounded criticisms of others. "Probably the most dissatisfied ones just resigned for better uses of their time, leaving the ones more interested in making nice and not rocking the boat to serve," speculated a respondent wryly.

Some board members' reluctance to engage in evaluations may have stemmed from memories of past experiences in which others abused their authority, causing understandable hesitancy, said others. Many people can recall situations in which individual performance evaluations were superficial or arbitrary, or in which others used evaluations to blame individuals for situations that actually developed out of ambiguous expectations. A few experiences like that can leave a lasting suspicion of the value of performance assessments in any context.

Instead of approaching the matter of accountability in terms of forced compliance with external rules or avoidance of blame or public embarrassment, boards that conducted evaluations found it far more productive to approach the matter in terms of clarifying mutual expectations and developing shared commitments among members. Group conversations about shared goals, mutual promises, and steps they could take together to make sure they accomplished those goals served to build a climate of responsibility and commitment. This in turn allowed the identification of steps for monitoring progress and evaluating the results of their efforts (practices recommended by Fry, 1995).

Typically, these boards made use of annual retreats or other extended periods of time together to work on these issues. Initial retreats addressed clarifying expectations, setting goals, and

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*Rather than avoiding criticisms of board practices, they brought out concerns about the board's work to the full group, invited open discussion of the matters, expressed confidence, and resisted efforts to blame individuals*

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*Underneath the many excuses seemed to lie a common human desire to save face and not engage in unfounded criticisms of others*

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formulating steps to monitor progress, and in subsequent years the evaluation findings and their implications were the focus of sustained attention. These boards developed a regular cycle of coming together to review findings from assessments and identify aspects of their approach to work that needed improvement. Then they brainstormed alternative approaches, formulated an action plan for the coming year, and experimented with new structures and procedures for carrying out their work. They monitored these trials and assessed their consequences. As one board chairperson summed it up, "We tried a number of things, kept the ways that helped us do our work better, and discarded those that didn't." This board replaced old approaches that had become mere habits and customs with new approaches that were more productive.

These findings reinforce the conclusion that change is not a matter of a quick fix and that sporadic efforts cannot substitute for the day-to-day hard work of acting on commitments to improve performance in every meeting. Sustained improvements depended on regular attention to how the board was doing its work, as well as what it was working on. Identifying and staying focused on priorities, carrying out regular board education, periodically assessing their work, getting feedback from a variety of sources, taking time to reflect together on the implications of what was the board was learning, and continually working on improvement came to be integrated into the groups' basic understanding of who they were and what they were all about (Taylor, Chait, and Holland, 1996).

## Conclusion

Accountability is composed of practices of clarifying expectations, agreeing on goals and criteria for assessing progress toward them, and then providing information by which to assess performance. Feedback enables a group to monitor its work objectively and guides subsequent efforts at fine-tuning. Although boards approach these matters in a variety of ways, such basic practices underlie most models of accountability that the literature advocates, and those boards that are working to improve their own performance see them as vital. Consistent delivery on promises increases value and credibility within the group as well as with others outside.

Although the small, nonrandom sample used in the present study precludes drawing wider generalizations, it seems that many boards are ignoring these basic responsibilities, despite the admonitions of experts and critics. Carelessness and complacency of boards places them and their organizations at risk of conflicts, abuses, and mistrust. However much they may then try to shift the blame to others, inattention to their own accountability undermines public trust and fuels the demands for more rigorous external controls. On the other hand, boards that want to exercise strong leadership and be able to rely on internal controls for their efforts would do well to consider the

instructive examples of their peers who are dealing with this responsibility intentionally. Further research is needed on the antecedents and consequences of efforts to strengthen board accountability.

It appears that boards can provide powerful models for others and show how to lead and govern effectively. They do so by taking purposive efforts to understand their constituencies' concerns, setting explicit standards and goals for their own performance, and then holding themselves accountable for reaching them. Rather than just assuming they are working well or merely ordering others to be accountable, boards demonstrate their accountability for guiding their organizations and give evidence that they warrant the trust of others inside and outside. Boards that take such challenges seriously bolster the quality and value of every component of their organizations. They show the way to strong performance and solid credibility.

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