Examining Accountability in Socially Focused Non-Profit Organizations

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ABSTRACT

Over the past 30 years, as governments have outsourced to non-profit organizations many of the services previously delivered by public agencies, demands for these organizations to be accountable have grown. These demands have come from government, as well as from other funders and stakeholders. The challenge for non-profits is deciding what to track and measure in order to demonstrate accountability. These decisions are especially challenging because many socially focused non-profit organizations have difficulty observing both the efforts of employees and the outcomes of their work. In practice, many non-profits focus on a combination of process and outcome accountability. Process accountability refers to the tracking of practices used in an organization, while outcome accountability involves setting quantifiable targets to determine success.

The board chair, who provides leadership to the board of directors and is the primary contact with management, has the opportunity to observe accountability decisions. This thesis investigates the accountability approach used in socially focused non-profit organizations by examining the board chair's perspective on accountability choices and decisions. Based on semi-structured interviews with the board chairs of 21 non-profit organizations, the study examines the board's perspectives on the accountability challenges facing the organization and explores the relationship between board characteristics and the accountability approaches used.

One of the insights of this thesis is that boards use incentives and controls consistent with a principal-agent approach while still maintaining they have high trust in management, a belief that is consistent with stewardship theory. The prevalence of this dual approach is at odds with the predominant view that only one approach is used. The research also revealed that a board member's influence in matters of accountability depends on how relevant to the task at hand their knowledge and skills (professional or otherwise) are perceived to be by the other board members. In both high- and low-trust boards, board members may be willing to accept the status quo rather than question if the accountability approach needs to change. Additional insights from the research include: 1) board chairs are highly aware of the non-observability challenges that non-profit organizations face; 2) assessing performance in light of this non-observability is almost impossible; 3) decisions about accountability are often the result of informal dynamics; and 4) the board chair emerges as a key figure in assisting non-profits with accountability.

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CHAPTER 1 INTRODUCTION AND BACKGROUND

1.0 Accountability Challenges in Non-Profits and the Public Sector

In the last 30 years, governments have increasingly outsourced to non-profit organizations (non-profits, charities, and NGOs) many services previously delivered by public agencies (Smith, 2010). This increase has occurred in part because of the adoption of the New Public Management (NPM) approach, which promoted outsourcing services to non-profits and the private sector to improve efficiency. To ensure the contracted organizations demonstrate accountability, NPM also incorporated private sector governance and management practices (Hood, 1991; Osborne & Gaebler, 1992; Savas, 1987). The growth in formal collaborations between governments and non-profits has increased both the number and fragmentation of non-profits providing services to the public sector (Smith, 2009).

Accountability involves the implicit or explicit expectation that an individual or group must justify their beliefs and actions to another individual or group. Accountability also includes the notion that, if an individual or group fails to provide adequate justification, they will suffer negative consequences (Lerner & Tetlock, 1999; Stenning, 1995; Tetlock, 1992). For governments, accountability involves explaining to the public how services are contributing to the public good. This type of accountability, termed public accountability, involves instilling confidence in stakeholders that organizations and agencies providing public services have appropriate missions and are sustainable (Evans et al., 2005).

When public sector organizations fail, the public's demand for governments to show accountability increases. For example, the recent defund the police campaign arose from the Black Lives Matter movement in response to the killing of George Floyd by a Minneapolis police officer. One of the issues protest groups raise is that police officers are insufficiently trained to deal with social issues, conflict resolution, and community issues. Police forces are accused of focusing on training for law enforcement protocols at the expense of training for dealing with social and community issues, including personal training in diversity, bias, and racism. Another issue is whether increasing police budgets has come at the cost of employing an adequate number of social and community workers to assist in preventing crime (Jeon, 2020; Scher, 2020).

Another area in which the Canadian public has demanded accountability is health care. In recent years, public demands have increased for more reporting on health-related outcomes, performance measures, and transparency in health care services (Crowe, 2019). This need for more accountability in health care has been intensified by the Covid-19 pandemic for which many feel the health care system was ill prepared. An example of this lack of preparation is the broad failure to safely manage care homes and hospitals (CBC News, 2020).

One way in which governments demonstrate their accountability to the public is by mandating non-profit organizations funded by government to track and measure their own performance. Often termed administrative accountability, this process involves organizations demonstrating to funders that funds are being spent as stipulated in contracts (Evans et al., 2005). On a broader level, administrative accountability also focuses on the obligation organizations have to explain to funders, donors, governments, clients, volunteers, staff, and other stakeholders if and how the organization's mandate or mission is being achieved (Panel on Accountability and Governance in the Voluntary Sector, 1998).

To be successful, non-profits must demonstrate two types of accountability: public accountability, which they do by adopting a mission that is deemed appropriate to serve a public need; and administrative accountability, which they do by ensuring that the organization is operating efficiently and effectively and that the mission is achieved (Evans et al., 2005; Panel on Accountability and Governance in the Voluntary Sector, 1998). While both types of accountability exist in for-profit firms, their mission (increased profit) is more easily understood and accepted by the primary stakeholders (investors) (Jensen, 2010); thus, the focus in for-profit firms is almost always on administrative accountability.

There are differences in the way that non-profits and for-profits demonstrate accountability. Since non-profits apply for funding to support programming, program evaluation and success are integral to obtaining future funding contracts, thereby adding another level to the administrative accountability of non-profits (Ebrahim, 2010). Contrary to the single goal in for-profit firms and a single group of stakeholders, non-profits have multiple goals, such as serving an intangible mission while remaining financially viable, and are accountable to multiple stakeholders, such as governments, donors, clients, members (Miller, 2002; Smith, 2014; Young 2002), and the general public (Lee, 2004). Because non-profits must demonstrate to the public

that their social mission is both appropriate and being achieved, public accountability is prominent in non-profits (Moore, 2002).

In addressing public and administrative accountability, non-profits must also consider the interdependencies they have with other organizations. Non-profits exist in an ecosystem where the success of any one organization is dependent on the success of other organizations (Grant & Crutchfield, 2007; Bloom & Dees, 2008). This interdependence can make demonstrating public and administrative accountability more difficult, as non-profits attempt to demonstrate that their social mission is appropriate and that they are achieving their intended outcomes as a stand-alone entity, despite their reliance on the mission and performance of other organizations in the ecosystem.

How an organization addresses accountability (public and administrative) is reflected in its governance structure (Jensen, 2010; Tirole, 2001). By definition, "governance determines who has power, who makes decisions, how other players make their voice heard and how [an] account is rendered" (Institute on Governance, 2018, para. 2). Corporate governance is a system of rules, control mechanisms, and processes by which an organization is controlled and directed (Larcker & Tayan, 2015). Corporate governance relies on the board to oversee who makes decisions and whose voices are heard. Jensen (2010) argues that a board exists "at the apex of the internal control system [and] has the final responsibility for the functioning of the firm (p. 53). "Most important," Jensen continues, the board "sets the rules of the game for the CEO." In short, he concludes, "The job of the board is to hire, fire, and compensate the CEO, and to provide high-level counsel" (p. 53).

The importance of boards in non-profits is intensified because, unlike in for-profit firms, accountability in non-profits is not measured by success in financial markets. In for-profit firms, financial markets act as a primary control mechanism because, if a firm underperforms, the managers' performance will be called into question, and they will be replaced if need be. In for-profit firms, boards are one component of the control system, along with financial markets, legal and regulatory bodies, and product and factor markets (Jensen, 2010). Because non-profits are not beholden to financial markets and because their emphasis is on service not on products and factor markets (e.g., capital, raw materials), the board is the critical mechanism in their internal control system, ensuring the organization is accountable to government, funders, and the public (Miller, 2002; Tillotson & Tropman, 2014).

Legal and regulatory bodies also play an important role in the control system of non-profits by placing legal expectations on non-profit boards, which are mapped out in a board's fiduciary responsibilities. These responsibilities involve a duty to uphold a standard of care, including demonstrating honesty, transparency, and good faith. In this regard, board members share the responsibility for overseeing operations and assessing the performance of the organization and its programs. Boards that fail to ensure proper mechanisms are in place to track and assess the performance of the organization are negligent in their fiduciary responsibilities (Gibelman & Gelman, 2001).

Governance failures by boards to ensure proper oversight of organizations and to enact fiduciary duties have been shown to be the underlying issue in the wrongdoings of many non-profits. Examples of these governance failures include "improper delegation of authority, neglect of assets, failure to ask the 'right questions,' lack of turnover of board members, lack of oversight of the Chief Executive Officer (CEO), failure to institute internal controls, absence of 'checks and balances' in procedures and practices, and isolation of board members from staff, programs, and clients" (Gibelman & Gelman, 2001, p. 58).

When boards fail to ensure proper oversight of management and to perform their fiduciary duties, organizations are put at risk. One example of a board failure involved the CEO of the United Way of America (UWA), William Aramony, who, in the 1990s, was indicted by a federal grand jury for filing false tax returns and falsifying records to hide his use of UWA money to support a lavish lifestyle. Although Aramony's questionable behaviour received national attention for many years, the board failed to act and only did so when external pressure from the media began to escalate. In 1995, Aramony was sentenced to seven years in prison. The impact of the board's inaction was severe for the organization, for even before Aramony's sentencing, charitable contributions to the UWA and its affiliates dropped by 30% in some regions, putting the mission of the organization at risk. This example shows non-profit boards' responsibility for ensuring public accountability (Gibelman & Geman, 2001; Glasser, 1993; Tillotson & Tropman, 2014).

Another example of a board failing to ensure accountability occurred at the Association of Community Organizations for Reform Now (ACORN), where CEO Wade Rathke was discovered to have embezzled $948,670 in 1999 and 2000. In previous years, the board had become fractured with an in-group privy to information that other board members did not have

access to. When members of the in-group found out about the theft, they kept it from the other boards members for fear of alerting the law and causing negative publicity. Eventually, the Rathke family agreed to make payments on the funds taken while still being employed by the organization. Wade Rathke continued as CEO, paying only $210,000 of the amount owed, until 2008, when a whistleblower alerted the media of his wrongdoings. According to the whistleblower, two board members in the out-group who had tried to investigate the embezzlement were removed by the board president. In 2010, Louisiana Attorney General Caldwell discovered that the final amount believed to have been embezzled was $5 million. This was considered to be a substantial portion of the USD $25 million-dollar annual budget reported by ACORN in 2008. Along with a significant cost to the organization, the board's failure to act put the organization at great risk reputationally (NBC News, 2009; Tillotson & Tropman, 2014).

A positive example of a board reacting quickly to protect the organization occurred at the American Red Cross when Mark Everson had to resign in 2007 only months after he was hired. The board acted within 10 days of discovering that the CEO had made an employee pregnant. The board acted quickly partly because the organization was already being scrutinized over its handling of disaster relief funds and other finances. The board believed it was protecting the organization from reputational harm by forcing the CEO to resign (Tillotson & Tropman, 2014).

A key mechanism by which boards ensure accountability in non-profits is by recruiting effective managers and holding them accountable (Gilbelman & Gelman, 2001; Tetlock et al., 2013; Tillotson & Tropman, 2014; Tirole, 2001). To ensure managers are performing as needed, boards engage in two separate activities: monitoring and advising. Monitoring/oversight involves the board (the principle) tracking and assessing the actions of management (the agents). Boards are expected to question the actions of management where needed and to determine if the organization is performing as planned (de Andres & Valleledo, 2008; Linck et al., 2008; Pathan & Skully, 2010). Advising is about helping managers make effective decisions related to strategy and planning. In this regard, boards are expected to direct managers on developing the process for tracking and measuring the performance of the organization (Brudney & Nobbie, 2002; Shekshnia, 2018).

The weighting the board attaches to its advising vs. monitoring/oversight role influences the board's approach to management (Brudney & Nobbie, 2002; Linck et al., 2008). For

example, a board may enter into what might be called a stewardship arrangement with the manager, one that involves less oversight of management and more advising. In this case managers are trusted to report on the performance of the organization (Viader & Espina, 2014). Although this approach may generate benefits by creating a strong sense of management ownership and buy-in, it also leaves the organization subject to possible opportunistic behaviour by managers (Davis et al., 1997; Miller & Sardais, 2011; Yan et al., 2002; Zardkoohi et al., 2015).

The board could also view its relationship with its manager in principal-agent terms, with managers viewed as opportunistic and not to be trusted to correctly report on the performance of the organization. Boards that hold this view may focus more on monitoring and oversight and less on advising. As managers are not trusted to report on the performance of the organization, they are incentivized and constrained from engaging in opportunistic behaviour, with their performance being assessed through quantifiable measures (Viader & Espina, 2014). Focusing on quantifiable data creates a risk that the intangible processes in the organization will be missed, leading to an inadequate assessment of progress toward the mission (Sawhill & Williamson, 2001).

Overall, the important role of non-profit boards in satisfying both public and administrative accountability requirements position boards to see both the complementarities and tensions that exist between administrative and public accountability. Of all board members, the board chair has the greatest ability to observe complementarities and tensions in relation to administrative and public accountability in non-profits. Only the board chair is positioned to help guide both the board and management through important decisions related to accountability (Barlow 2017; Leblanc & Gilles, 2005; Shekshnia, 2018; Stamm 2017). This positioning between the board and management gives the board chair unique opportunities to influence accountability decisions and to observe how public and administrative accountability is demonstrated in non-profits.

Generally, board chairs complete three important functions that position them to observe and influence accountability issues and decisions. First, a key responsibility of board chairs is to assess what information about organizational performance is relevant for board discussions. Lack of quality information was flagged as a major concern by board members in the 2015 Stanford Business School survey (Larcker et al., 2015). Second, the board chair acts as the primary liaison

between management and the board (Shekshnia, 2018). The board chair and CEO share power and leadership in advancing the mission; they work as strategic partners, with one overseeing the organization and the other overseeing the board (BoardSource, The Role of the Chair, 2016; Shekshnia, 2018; Stamm, 2017). Third, the board chair leads and facilitates board discussions. This role positions the board chair both to affect the social systems of boards (Leblanc & Gilles, 2005) and to frame issues in a way that stimulates mindful, constructive, and productive discussions. Each of these functions is further discussed below.

Board chairs operate at the center of a nexus of relationships that include the CEO/ED, board members, governmental and non-governmental stakeholders, and the media (Barlow, 2017; Shekshnia, 2018;). Of these relationships, the one between the board chair and management is the primary way the board becomes aware of and has insight into the challenges of managers as they operationalize the mission (Shekshnia, 2018; Stamm, 2017). Because they are positioned between the board and management, board chairs can assess what information should go to the board. A board chair's decision on what to share with the board is influenced by a host of factors, such as the relationship the board chair has with board members and management, the outcome of previous board discussions, and the board chair's perspective on the priorities of the organization.

As the primary liason between the board and management, the chair is also the key negotiator and consensus builder between the board and management (Barlow, 2017; Shekshnia, 2018;). For example, the CEO/ED is likely to have a vested interest in providing information and interpretations that suggest the organization is performing well. This selective information may include subjective or objective measures depending on what information tells the best story (Nadler, 2004). The board chair can both validate the approach of the CEO/ED for the board or suggest to the CEO/ED that another approach is needed.

Much of the board chair's work also involves guiding board processes, which can include managing the viewpoints of various board members and input from managers. Forbes and Milliken's (1999) description of board processes as complex and intangible provides insight into the types of informal discussions and negotiations the board chair manages. Understanding how board chairs manage board processes may shed light on how accountability relates to intangible aspects of board governance, such as the type of relationship a board chair has with board

members and management, the nature of the board dynamic, and the process by which boards make decisions.

1.1 Challenges with Assessing Performance in Socially Focused Non-profits

Although, the word "non-profit" is often used to refer to member non-profits, charities, and NGOs (Salamon & Anheier, 1992), there are notable differences in how these organizations operate. According to the Government of Canada, "Registered charities are charitable organizations, public foundations, or private foundations that are created and resident in Canada. They must use their resources for charitable activities and have charitable purposes" (Government of Canada, 2016, Registered Charity, para. 1). The Government of Canada explains that charitable purposes include categories such as "the relief of poverty, the advancement of education, the advancement of religion and other purposes that benefit the community" (Government of Canada, 2016, Registered Charity, para. 1).

Non-profit organizations "are associations, clubs, or societies…that are organized and operated exclusively for social welfare, civic improvement, pleasure, recreation, or any other purpose except profit" (Government of Canada, 2016, Non-profit Organizations, para. 1). Non-profits do not operate exclusively as charitable organizations, do not go through a registration process for incomes taxes, and have no charitable registration number (Government of Canada, 2016). Types of non-profit organizations include "social, recreational, or hobby groups (bridge clubs, curling clubs, and golf clubs), certain amateur sports organizations (hockey associations, baseball leagues, and soccer leagues), certain festival organizations (parades and seasonal celebrations" (Government of Canada, 2016, Non-profit Organizations, para. 1).

NGOs are international, national, or regional non-profits that are incorporated non-government entities and whose mission is to serve the public. Usually large organizations that have a contractual relationship with government, NGOs have a community focus such as employment and training, economic development, housing, education, and health and welfare (Kirk, 2006). Mercer (2002) explains that NGOs are "organizations that are officially established, run by employed staff (often urban professionals or expatriates), well-supported (by domestic or, as is more often the case, international funding), and that are often relatively large and well-resourced" (p. 7).

In both Canada and the United States, non-profits (charities, NGOs, and non-profits) have increased their role in public services. In the US, the number of non-profits registered with the

IRS in 2016 was approximately 1.54 million, an increase of 4.5 % since 2011. Two-thirds of these registered non-profits were public charities. In 2008, there were over one million public charities, and this number grew to 1.08 million by 2016. From 1995 to 2009, public charities in social service categories also doubled (NCCS, 2019; Smith, 2010). In a study of 311 chief administrative government officers surveyed in the state of Georgia, 54.3% reported collaborating with at least one non-profit for the delivery of services, and of 285 non-profit executives surveyed, 49.8% reported working with local government agencies (Gazley & Brudney, 2007). As collaboration between non-profits and governments has increased in the US, so has government funding (Smith, 2003). In many cases, non-profits have also adjusted their missions and behaviours to align with government funding opportunities (Smith, 2003).

In Canada, over 170,000 socially focused charities and non-profit organizations work in various areas, representing 8.5% of Canada's GDP and employing 11% of the labour force (Imagine Canada, 2018). Government-funded non-profits account for 73.2% of the economic activity in Canada's non-profit sector (Imagine Canada, 2019). Globally, socially focused advocacy and operational NGOs have also been on the rise for many years as a result of globalization, natural disasters, and protest movements, all of which have increased demand for public services (Teegen et al., 2004; van Tuijl, 1999).

The rise in the number of non-profits and the important role they play in the public sector has increased the call for accountability, with the goal of improving performance and transparency (Smith, 2010). The fragmentation of non-profits delivering public services has also made it difficult for governments to understand how to assess performance in organizations of different types and sizes and with different missions. Although government officials continue to seek ways to ensure accountability in the management and governance of socially focused non-profits (Smith, 2009), addressing accountability in these organizations is fraught with challenges. For example, confusion often exists around to whom a non-profit is accountable. Non-profits often must report to government funders and donors, along with other stakeholders such as clients and members, resulting in a need to balance divergent values and priorities (Miller, 2002). Non-profit boards and managers also often make trade-offs such as satisfying the needs of a donor to ensure short-term financial viability at the expense of the mission of the organization (Miller, 2002; Teegen et al., 2004).

Scholars have argued that one way non-profits can improve accountability is to establish a clear mission that provides direction to the organization (Lynch & Walls, 2009; Miller & Wesley, 2010; Oster, 1995). A mission can assist with balancing the need to serve a social cause with limited financial resources (Choi & Gray, 2010). A clear mission can also help define operational boundaries, determine who controls a non-profit (Miller, 2002; Oster, 1995), and motivate employees and other stakeholders by rallying them around the organization's ideology. The social goals included in missions also replace profit goals for success. Many believe that social goals are key in evaluating a non-profit's performance by establishing clear criteria for success (Oster, 1995; Sawhill & Williamson, 2001). Finally, missions provide a mechanism for aligning the purpose of the organization in the external environment with the resources available within the organization (Maghroori & Rolland, 1997).

Although missions can assist with determining accountability in socially focused non-profits, a 2015 survey of 924 non-profit board directors by Stanford School of Business revealed that a majority of respondents believed their fellow board members lacked an understanding of the organization's mission and strategy (Larcker et al., 2015). The report offers many recommendations, including the need both to ensure the board and management understand the mission and to assess the mission using appropriate goals and measures.

Another challenge is that having a clear mission does not mean an organization will achieve this mission. Moore (2000) argues that non-profit organizations need to address three elements to achieve their mission. First, they need to create social value—i.e., they need to make the world better. Second, they need to develop and maintain legitimacy. In other words, those funding the organization must perceive the value the managers and board propose for the organization as legitimate. Funders must also believe that the organization is performing in an appropriate manner and trust that the board and management will continue to do so. Third, mission organizations need strong organizational capacity; they must either have or be able to obtain the capabilities needed to deliver the social value and assure legitimacy and support. Inherent in Moore's (2000) argument is that, although these elements are critical to the performance of a mission organization, there is no established way to determine if these elements are being met. For instance, while the social value may be well-stated and viewed as legitimate, the key question of whether this social value is being created is difficult to measure.

The difficulty in measuring the social value of a non-profit occurs partly because employees in many of these organizations complete intangible work to achieve intangible outcomes. Socially focused non-profits align with the description of coping agencies as defined by Wilson (1989). Wilson (1989) categorized public agencies based on the ability to observe two things: (1) the efforts and outputs by employees; and (2) the outcomes in the social and physical environment that occur as a result of these efforts and outputs. Using these two criteria, Wilson (1989) offered a typology of four different agencies: production, procedural, craft, and coping.

Production agencies are those where both the effort/outputs and outcomes are relatively easy to observe. Examples of production agencies include the Internal Revenue Service (IRS) in the US, the Canada Revenue Agency (CRA), and national postal services. In all these agencies, employee efforts (e.g., time) and outcomes (e.g., audits, tax returns, and letter delivered) are easily observable.

Procedural agencies are agencies where the efforts/outputs are observable, but outcomes are not because the effect of the work employees do is not immediate. The military during peacetime offers an example where efforts to train personnel and test weaponry would be observable but the outcomes of these efforts would not. Another example of a procedural agency would be a regulatory body with a mandate to protect the public good in areas such as medicine, psychology, physiotherapy, and others. The mandate of these organizations usually includes a licensing function, a process for ensuring standards are upheld, and a mechanism for investigating and disciplining practitioners.[1] While it is possible to observe the efforts/outputs of employees in ensuring standards are upheld and disciplinary procedures are followed, the outcomes of this work toward protecting the public good is difficult to observe.

A craft agency is one where the efforts/output of employees are not observable, but the outcomes are. Examples of craft agencies would be the Federal Bureau of Investigation (FBI) and the Canadian Security Intelligence Services (CSIS), where much of the work done by operatives is intangible and secretive and, therefore, often not observable even to those working alongside each other. Although operatives cannot be assessed on the work they do, they can be assessed on observable outcomes in terms of solving crimes, the number of successful convictions, and whether the information they gather assists in preventing terrorist attacks.

[1] For an example of organization's mandates see College of Physicians and Surgeons of Saskatchewan (2020)

Wilson (1989) gave the title coping agencies to those government agencies in which it is difficult to observe both the efforts/outputs and the outcomes of employees' efforts due to the intangible nature of the work. Examples of coping agencies would be those involved in foreign diplomacy where the work done by foreign diplomats is hard to observe, as are the outcomes of this work (Resh & Cho, 2019). Much of the work in health care might also be considered coping in nature as the work done caring for patients may not be observable to senior leaders who are not involved directly with patients. Also, the outcomes of spending time with a dying patient may also be difficult to assess.

Socially focused non-profits can be categorized as coping organizations because, as Moore (2002) explains, these organizations often have intangible/social missions focused on solving societal problems. Employees in these organizations often engage in many intangible or unobservable activities when delivering a service. These organizations must also demonstrate that the outcomes of the work done by employees is accomplishing a mission that funders deem valuable. However, the work conducted by employees is both hard to observe and measure in terms of outcomes (Dormer, 2011). Thus, non-profits find it challenging to demonstrate how the intangible work by employees is linked to achieving the mission (Rose & Cray, 2010), which is usually itself intangible and aimed at solving a societal problem (Moore, 2000).

For a further illustration of a coping organization, consider a social service organization that has a dual mission of protecting children from harm and providing them with a safe and secure home life. Although the time put in by the employees of this organization would be observable, the efforts/outputs of this work in coaching and assisting families through relationship and trust building activities may not be. The social results of the work are also likely to be difficult to observe, since they would include difficult-to-measure outcomes such as improving the quality of home life for children and assuring their safety. Although it is possible to measure the number of children in custody or care, doing so does not reveal anything about the effort/output made by employees, nor about whether the agency is successful at improving the quality of life for these children.

Wilson's work is relevant today because he offers accurate descriptions of how organizations work. According to Melnick (2012), Wilson's work is still highly pertinent because he explains and generalizes the tensions, challenges, and dynamics of organizations and governments. Specifically, Wilson's explanation of non-observability in organizations allows

researchers to examine how non-observability may influence other factors in organizations (see Resh & Cho, 2012). Wilson's (1989) description of coping organizations is particularly relevant in the wake of public movements such as the defund the police campaign, the desire for performance measures in health care, and the demand for more transparency in funding models in non-profits. Wilson argues that the conundrum of non-observability in coping organizations leads managers to want to measure the things that are visible to assess performance. By seeking to measure things that are observable, managers begin to treat coping organizations as if they were production organizations.

One industry in which coping organizations are potentially treated as production organizations is health care. Recent health care reforms in Canada have attempted to apply the principals of lean manufacturing to various health regions and systems. While lean principles are effective at tracking processes that are observable, the intangible work involved in patient care, such as comforting people who are near death, has often been ignored in these reforms (Rider et al., 2018).

Non-observability is further exacerbated because non-profits exist in an ecosystem of organizations serving the public good. In this ecosystem, organizations are interdependent and the success of any one organization depends on other organizations achieving their mission (Grant & Crutchfield, 2007; Bloom & Dees, 2008). The difficulty in assessing both the performance of other organizations and the impact they have on any specific non-profit reinforces the inability of non-profit organizations to assess the intangible outcomes and social value in their mission.

To further understand the challenges of assessing performance in socially focused non-profits, it is helpful to examine the type of information and activities that can be tracked and measured in non-profits, the preference funders (governments, donors, and other funders) have for tracking different types of information, and the role the board chair has in decisions about what type of information get tracked and measured in non-profits. Each of these ideas are examined below.

1.1.1 Understanding the Type of Information and Activities Used by Non-Profits

As Wilson argues (1989), the intangible work done in socially focused non-profits can create observability challenges for these organizations. The inability to observe employee efforts and outcomes makes it difficult for boards and managers to identify relevant information to

assess organizational performance. When organizations face dilemmas in what to measure and evaluate, they often focus on some combination of processes or outcomes (Patil et al., 2014; Tetlock et al., 2013).

Process accountability evaluates the activities and operations of a program and determines if best practices are being used (Rossi et al., 2004). For example, social workers in a family services organization may be asked to demonstrate that they are following best practices when assessing child safety and wellbeing. Outcome accountability assesses the success of a program by measuring the effectiveness of employees in meeting outcome targets that are quantified (Patil et al., 2014; Rossi, et al., 2004). For example, a family service organization may determine success in its mission by counting the number of families served, the number of people enrolled in their workshops, the number of formal assessments completed, and the number of children provided with foster homes.

Those who favour process accountability argue that employees should be evaluated on the activities they complete and not on statistical quotas (Patil et al., 2014; Siegel-Jacobs & Yates, 1996). They also suggest that tracking employee practices provides important feedback for helping employees improve their performance (Rubin et al., 2001). Process accountability is also believed to foster a socially safe environment because people feel they can explain the importance of the processes they engage in (Siegel-Jacobs & Yates, 1996). For example, in a family services organization, social workers may explain that certain practices should be followed for building positive relationships with people they are serving, such as travelling to their homes to visit them before completing an official assessment. Although these preliminary meetings are time intensive, social workers can argue that such meetings are important in building a trusting relationship with clients, which makes it easier to complete a formal assessment and to make recommendations for change.

However, process accountability also carries the challenge of assessing whether the practices that employees have selected as being important to their work are serving the interests of the clients or the employees' own interests. For example, it might be difficult to assess if the practice of social workers visiting people's homes for preliminary meetings actually contributes to their ability to complete formal assessments and make recommendations for change. The inability to observe the intangible component of this work makes it difficult to determine if

employees need to follow this practice. It might be that such activities are, in fact, not linked to the objective of their jobs.

Those who favour outcome accountability suggest that, unlike process accountability, outcome accountability does not depend on the degree to which agents can be trusted to determine if processes are needed. These scholars and stakeholders suggest that outcome accountability accurately represents performance because adoption of best practices does not necessarily ensure good outcomes (Patil et al., 2014; Tetlock et al., 2013). They add that, because quantified outcomes are easier to observe and track than processes and practices, employees evaluated using outcomes are less likely to be confused about what work is considered important in the organization (Patil et al., 2014; Tetlock et al., 2013).

Scholars have questioned if quantifiable outcomes can be used to assess employee work in socially focused non-profits. As Phillips and Carlan (2018) point out, measuring outcomes may not be possible as it involves determining if people's lives have been impacted by the work of the organization. It can take years, the authors argue, to know the true impact of a program on someone’s life. While the debate on how to define and measure these impacts continues, funders and social investors, seeking to know if and how their contributions are helping people, have prioritized standard indicators. Phillips and Carlan (2018) maintain that these indicators often ignore the unique context and mission of each non-profit organization and how intangible factors such as culture, leadership, and the type of work being completed contribute to the impact of an organization.

Overall, there is a lack of consensus among public sector stakeholders as to whether individuals should be evaluated based on how they do their jobs (process accountability) or based on what they accomplish (outcome accountability) when they do their jobs, as assessed through measurable targets (Patil et al., 2014). A key debate around the use of process versus outcomes centres on whether processes can reveal anything about an organization’s performance (Patil et al, 2014; Tetlock et al., 2013) and whether quantifiable data can assess social outcomes (Phillips & Carlan, 2018). The type of data an organization tracks and measures can reveal insights into an organization’s philosophy of performance and how it views the achievement of its social mission (Patil et al., 2014; Tetlock et al., 2013).

The debate about whether to track processes or outcomes in organizations with non-observability tensions poses unique challenges for boards in non-profits. According to Dixit

(2002), organizations within the public sector exist in a multilayered system where actors try to gather appropriate information from those below them to report upward. In the case of a non-profit, boards try gather appropriate information about the organization to report to funders by working through their CEO/ED (see BoardSource, The Role of the Chair, 2016; BoardSource, Board Responsibilities and Structures, 2016; Shekshnia, 2018; Stamm, 2017). Program level work, aimed at achieving the organization's mission, is run by the department head/assistant director with several staff or volunteers who report to them (Magloff, 2014). Work completed by these teams at the lower levels of the organization can be difficult for the CEO/ED to observe and assess, partly because supervisors tend to advocate and form coalitions with their teams when reporting (Tirole, 1986). Since boards rely on the CEO/ED for their information they are further removed from being able to observe what is happening within the lower levels of the organization. Boards, in having less observability than managers, must decide for themselves how to interpret the information managers provide about the tracking of processes and outcomes at the program level when assessing the success of the organization's social mission.

1.1.2 The Preference of Funders for Outcome Accountability

When applying Wilson's (1989) description of government agencies to non-profits, it is important to note that non-profits are significantly different from government agencies: non-profits compete in an open market for funding through grant applications, whereas government agencies usually compete for internal funds only. Because non-profits need to secure ongoing funding, they often align with funders' preferences for information and activities that are measurable, influencing the accountability approach of non-profits (Carman, 2010; Dormer, 2011; Hatry, 2001).

The preference of funders for outcome accountability, as well as their influence, is well known in practice. For example, Social Solutions, an organization that assists non-profits with managing data, reports that 97% of the funders it works with prioritize the need for organizations to show impact. These funders presume that showing impact requires outcome data that focuses on the effectiveness of the mission (Social Solutions, 2020). The preference of funders for outcome data is supported by other practitioner sources (see National Council of Nonprofits, 2020; Strategic Grants, 2018).

Funders' preference for outcome accountability is also evident in various grant proposals that directly request outcome data. For example, the final grant report template for the G. Murray

and Edna Forbes Foundation explicitly asks for outcome data as the first item to report (South Saskatchewan Community Foundation. 2018). A focus on outcomes plays out not just at the local level but also internationally. For example, the Grant Review Committee of the International Monetary Fund, which offers funding to large non-profit organizations that provide education on and assist with economic development (International Monetary Fund, Guidelines for Grant Request, n.d.), requests outcome data in the final report format, as shown in this quote below (International Monetary Fund, Grant Final Report Format, n.d.):

> *"Briefly restate the measurable outcomes as outlined in the original request. What progress have you made toward achieving these outcomes during this period? If outcomes have changed from those originally proposed, please explain why. What has been the effect of any changes?"*

Most accountability mechanisms such as audits, forecasts, and risk assessments also focus on outcome-based reporting (Behn & Kant, 1999; Forsythe, 2001; Smith, 2009; Smith 2010).

The focus by funders on outcomes is based on the philosophy of 'what gets measured gets done.' Funders' adoption of this approach can be partially explained by a government shift from a procedural- to a performance-based approach in legislation and decision making. Laforest and Phillips (2018) maintain that, during the 1960s and 70s, Canada's federal government assumed the responsibility for safeguarding social justice and civil rights. As a result, the authors argue, choices by the government were viewed as legitimate when developed with input from an adequate representation of various interest groups. In the 1990s, as the government began to use market mechanisms to deliver services to the public, less emphasis was placed on incorporating voters' input into government policies. Instead, the outputs of these policies, usually assessed through financial measures, were emphasized. Although, as Laforest and Phillips maintain, this preoccupation with the financial impacts of services can help secure donors, it can also sideline services for which there is a need but whose output results are hard to measure. Taken to an extreme, this approach means that only those organizations with winning results receive funding. Unsurprisingly, non-profits have been directly affected by this shift in government thinking (Laforest & Phillips, 2018).

The performance-based approach of the Canadian government occurred almost in tandem with a similar approach in the United States. In the 1990s, the US federal government passed a set of legislation requiring performance measurement activities in government agencies. In 1993,

the Governance Performance and Results Act (GPRA) specifically outlined a difference between activities/efforts put into a program and the outcomes/results of a program and placed more emphasis on outcomes expressed through quantitative data. Although intended for federal agencies in the US, the GPRA became the template for non-governmental organizations to follow when reporting on the performance of programs. The GPRA's influence in organizations occurred for two reasons: first, the US government provides 52% of revenue to social service non-profits in the United States; and, second, the performance contracting approach (where non-profits do not receive funding unless they meet prescribed targets) and outcome-based measures have become increasingly popular in the US (GPRA, 1993; Lynch-Cerullo & Cooney, 2011).

According to Hatry (2001), the impact of government performance-based philosophy on non-profits is evidenced by the fact that non-profits are regularly asked to develop measures and collect data that are outcome based. Most often, non-profits collect these data for grant activities and funder requirements, but these organizations frequently do not use outcome data to assess their own programs. Carman (2010) refers to this phenomenon as the accountability movement and argues that outcome data do not assist with improving services or the organization. Such data are only used to meet the requirements of funder grants or contracts. Although funders are satisfied with these data, true learning and growth require an internal examination of non-profit organizations.

The expectations of funding agencies and donors for outcome data are particularly difficult to satisfy in coping organizations, where, as we have seen, it is difficult to observe both employee efforts and the outcomes of this work. Dormer (2011) argues that outcome measures do not offer public service boards the information needed to assess strategy because often these measures are not connected with what is happening on the front lines of an organization. To illustrate, Dormer (2011) presents a case study of a child welfare agency in New Zealand in which, despite objective performance measures on tangible inputs and outputs requested by government funders, performance by those working on the front line was understood subjectively through social interactions, anecdotal storytelling, and consensus. This description suggests a potential conflict between funders and employees on the types of information deemed valuable for assessing performance.

1.1.3 The Role of The Board Chair in Deciding What to Track and Measure in Socially Focused Non-Profits

Wilson's (1989) categorization of agencies presumed that they would be operating under or closely with a government's bureaucracy. He did not assume a separate governing board. In contrast to the government agencies described by Wilson, non-profits are governed by independent boards with fiduciary duties to provide monitoring and oversight of the organization and ensure the success of its mission (Ebrahim, 2010; Gibelman & Gelman; 2001; Leblanc & Gilles, 2005).

As part of their monitoring and oversight role, boards inform accountability of a non-profit when they incorporate evaluation data into strategic decisions and provide feedback on the quality of evaluations for learning purposes (Phillips & Carlan, 2018). Broadly defined, evaluations are evidence-based assessments of programs aimed at determining how relevant, efficient, and sustainable a program is and how well a program aligns with an organization's strategy (Phillips & Carlan, 2018). Carman and Frederick (2010) argue that organizations fall into three clusters when it comes to evaluations. The first cluster uses evaluations to inform the strategic planning process, the second sees evaluations simply as part of the process of complying with funders, and the third does very little evaluation because of resource issues and the inability to coordinate evaluation processes. In organizations that use evaluation as part of strategic decision making, boards play an important role in the accountability of the organization by continually requesting, reviewing, and providing feedback on evaluation data.

In a socially focused non-profit, the important role the board plays in ensuring accountability positions the board chair to offer unique insight and influence in accountability tensions around tracking information. In guiding board process, a board chair will likely have to assist with reconciling competing ideas in board discussions about whether and how performance can be measured. For example, some managers, believing that measuring performance in socially focused organizations is difficult, if not impossible, will advocate to the board for a blend of process and outcome accountability to mitigate against the weaknesses of both approaches (Tetlock et al., 2013). Other managers may view employee consensus about practices and anedcotal stories from the front lines as providing a clearer understanding than outcome data of what is working and what is not (Dormer, 2011). Still other managers may "assume that outcome accountability is harder to game than process accountability—and therefore more

appropriate for less conscientious or honest agents" (Patil et al., 2014, p. 7). The expectations of funders for outcome accountability will be founded on the idea that measuring performance is possible (Dormer, 2011).

A key challenge board chairs face in leading accountability discussions in non-profits is that the non-observability of employee efforts/output and outcomes makes tracking both processes and outcomes difficult, if not impossible. Even if boards and managers in non-profits recognize that outcome measures may be ineffective and prioritize process accountability, the difficulty in observing the intangible work suggests that even process accountability will be inadequate for performance assessment. Although process accountability is likely to lead to a more informed understanding of what employees report as the work they do, it will do little to determine the validity of this reporting or the outcomes of their work (Patil et al., 2014; Tetlock et al., 2013). In this situation, board chairs may have to accept and communicate to the board that assessing performance in coping organizations is not possible, despite funders believing it is.

1.3 Problem Statement

The proliferation of non-profit organizations delivering public sector services raises accountability issues — the need to assess if the funds they are receiving are being used appropriately. The challenge for non-profits with social missions is that their work and the outcome of this work is difficult, and possibly impossible, to measure. However, accountability — whether it focuses on process or outcome — is still required.

The key question investigated in this thesis is "How do non-profit organizations that experience process or outcome non-observability stay accountable?" Specifically, how is accountability in these non-profits understood and practiced? How is it affected by external pressures from funders? By organizational characteristics? By internal board dynamics?

To address these questions, the thesis explores the evidence for and against a series of propositions that examine how board characteristics affect accountability decisions. Board characteristics expected to incline a board toward outcome accountability include having mainly professionals on the board and taking a principal-agent approach to management. Conversely, characteristics expected to incline a board toward process accountability include having mainly non-professionals on the board and taking a stewardship approach to management. The influence of the level of trust between board members and a board's inclination toward process or outcome accountability is expected to be indeterminant. While there may be a relationship between these

variables, it is not clear whether high-trust or low-trust boards will favour process or outcome accountability. Lastly, boards in coping organizations are expected to adopt outcome accountability measures that align with funders' expectations, even if there is pressure from managers and employees for process accountability.

The evidence used to examine these propositions and questions is obtained from in-depth interviews with board chairs. Board chairs, in being responsible for managing relationships within the board, between the board and management and with other stakeholders, are well positioned to observe the tensions around the non-observability of employee efforts/outputs and outcomes. The positioning of board chairs suggests that they are likely aware of the pressures and expectations exerted by funders on matters of accountability. Board chairs can also observe board and organizational characteristics linked to the propositions and questions above. Finally, because board chairs are well positioned to influence the board about accountability through framing, providing information, and helping board members to understand the intangible aspects of the mission, this study also examines the strategies that chairs use to address accountability challenges.

This exploratory, qualitative study has been designed to acquire an understanding of how board chairs address and understand accountability. The study also seeks to learn from the narratives that chairs provide about their accountability discussions with board members, managers, and funders. To gather the information needed for this study, 21 interviews with board chairs of various socially focused organizations were carried out. This number of interviews corresponds with the number suggested for a qualitative approach of this nature where the goal is to identify themes that may foster understanding and future research (Crouch & McKenzie, 2006).

A random sampling process was used to identify organizations. The sample was drawn from a population of 756 organizations. Both registered charities and member non-profits that had a social mission and provided health, social, or educational services were included in the group from which the sample was taken because these organizations are likely to experience non-observability tensions around employee efforts/outputs and the outcomes of this work. All organizations were assessed first through online research for non-observability tensions. This preliminary assessment was confirmed in the interview with board chairs before the organization was included in the study. If the researcher determined that an organization did not experience

non-observability tensions, it was excluded from the sample. The interview questions were linked directly to the propositions. Coding was done using NVivo, with the interviews first coded to the propositions directly. Interview data within each proposition were then coded again to uncover other insights.

The next chapter presents the key literature about accountability, coping aspects of organizations, the board chair role, board processes, and various governance models. This chapter also explains the rationale and assumptions for the propositions examined in this study. Chapter 3 outlines the methodology, including the processes used for sampling, question building, interviewing, and coding. Chapter 4 examines board chair perspectives on various accountability challenges in non-profits. Chapter 5 explains how participant answers address each proposition and discusses additional insights that emerged. Chapter 6 provides the predominant strategies board chairs reported for dealing with accountability challenges. Chapter 7 provides a discussion of key insights, future research, and limitations of the study.

CHAPTER 2 LITERATURE REVIEW AND PROPOSITIONS

2.0 Overview

Socially focused non-profits engaged in health, social, and educational services face the fundamental challenge of not being able to observe their employees' work and its outcomes. This inability is confounded by pressure from government funders to measure performance by reporting quantifiable information about the outcomes of programs (Carman 2010; Hatry, 2001; Heald & Steel, 2018; Lynch-Cerullo & Cooney, 2011; Teegen et al., 2004). This study examines the board chair's perspective on how accountability is dealt with in socially focused non-profits unable to observe the work of employees and the outcomes of this work. To better understand how board chairs lead boards to address accountability in non-profits, this chapter examines literature and information in the following areas: 1) accountability tensions in non-profits and 2) the important role of boards and board chairs in the accountability of non-profits. This chapter also provides a series of propositions and questions to guide our understanding of how board and organizational characteristics influence accountability decisions by boards.

2.1 Accountability Tension in Non-Profits

When we say we want non-profits to be more accountable, what do we mean? Accountability can apply to a person or agency/organization and in multiple contexts (Erkkila, 2007). For example, accountability has been discussed in relation to political, bureaucratic, personal, professional, performance, and deliberation contexts (Erkkila, 2007). Accountability is usually demanded when citizens, donors, or governments believe that funds could be better deployed or spent to serve the public interest. Not surprisingly, accountability often involves questions from donors about how funds are used and pressure from governments and regulators for organizations to demonstrate they are serving the public good (Evans et al., 2005).

Leaders in non-profits must decide how to manage the demands for accountability by various stakeholders with different expectations about accountability (Ebrahim, 2010). Ebrahim and Weisband (2007) argue that the accountability of a person or agency/organization to another person or organization/agency can include a combination of perspectives. First, accountability can be examined through the perspective of transparency, which, in the case of organizations and government, involves making sure information is collected and available to the public. A second perspective is answerability—clearly justifying actions and decisions, including discarded ideas, while a third is compliance—monitoring, evaluating, and reporting on processes and outcomes.

A final perspective is enforcement, which involves sanctions for failures in transparency, answerability, and compliance.

Despite the various perspectives from which it can be viewed, most agree that accountability involves the implicit or explicit expectation that an individual or group must justify their beliefs, actions, and feelings to another individual or group, along with the idea that if an individual or group does not provide adequate justification, they will suffer negative consequences (Lerner & Tetlock, 1999; Stenning, 1995; Tetlock, 1992). Put another way, an organization that holds an employee or group accountable expects them to account for their actions and make themselves available for questioning; the organization passes judgement on the account and may impose sanctions (Bovens, 2005; Erkkila, 2007).

The need for non-profits to account for actions and activities has intensified given their increasing role in the public sector (Smith, 2010). In this context, non-profits are accountable for setting goals that serve the public good. In keeping with definitions of accountability, non-profits must be able to be evaluated and have sanctions imposed if they are underperforming (Evans et al., 2005). The obligation to serve the public good and ensure performance of the organization at an operational level places non-profits at the intersection of two types of accountability: public accountability and administrative accountability.

Public accountability is founded on the idea that, in a modern democratic system, those in power must give account for their actions. Society must also be able to impose penalties if there are omissions or failures in the actions of those in power (Cameron, 2004). Thus, the authorities (e.g., governments and regulators) themselves are held accountable by being obligated to explain and justify their actions in public using specific forums (Bovens, 2005; Bovens et al., 2014). In practice, to be publicly accountable, a government must explain how the agencies and organizations they fund are sustainable, provide appropriate services (Evans et al., 2005), and demonstrate that the discretion and resources allotted to administrators are warranted and used effectively (Wang, 2002). Concerns have been raised about the ability of governments and their agents to ensure public accountability in a system that is complex with multiple layers of delegation (Bovens et al., 2008).

Administrative accountability refers to the system that governments use to hold administrators accountable for their performance. This system ensures that, first, administrators' actions are examined by groups (e.g., governments and other funders) that have entrusted them

with a service or task, and that, second, they take responsibility for their actions (Tao, 2005). The only way the organization can show accountability to government and funders is by accurately documenting what is happening inside the organization. Administrative accountability involves ensuring appropriate mechanisms for reporting on the mission, performance, processes, and structure of the organization (Cameron, 2004).

Demonstrating administrative accountability in non-profits—tracking the information to justify an organization's performance— has challenges. First, non-profits struggle with the idea of whom they are accountable to. Non-profits must consider accountability to multiple stakeholders such as governments, individual donors, funders, boards of directors, their clients, and others (Smith, 2014; Young 2002). Non-profits are also accountable to the general public, with the idea that improved reporting can help increase the confidence of citizens (Lee, 2004), but the question of how to improve reporting is unclear. Second, in demonstrating accountability to multiple stakeholders and deciding what to track for reporting, managers in non-profits must address competing and contradictory interests (Wang, 2002). Researchers have established that organizations either track outcomes, or processes, or a mix of both (Patil et al., 2014; Tetlock et al, 2013). Process accountability measures determine if employees are using best practices, whereas outcome accountability measures gauge whether they are meeting quantified outcome targets (Patil et al., 2014; Tetlock et al, 2013). By tracking processes or outcomes, managers hope to appease the public demand to know whether these organizations are providing value to the community and being run efficiently and effectively. The challenge is to find the right balance between processes and outcomes that demonstrates effective management (Cameron, 2004).

Managers are often reluctant to report only outcomes because they believe, first, that processes provide key information about programs and, second, that failure to track program activities may lead to confusion about how a program benefits a public cause and a community (Century et al., 2010; Dobson & Cook, 1980; Dormer, 2011). As a result, managers usually prefer a hybrid version that blends process with outcome targets by attempting to measure how strategies and initiatives generate results (Patil et al., 2014; Tetlock et al., 2013).

One of the challenges managers face in seeking a blend of process and outcome accountability is that process and outcome information require different efforts and resources to collect and track. For example, when process accountability measures are used, employees

justify the inputs (efforts and tactics) used to achieve outcomes. Tracking process accountability is time consuming and nuanced because employees must explain their thought processes and how they comply rules. Outcome accountability measures gather quantitative data on results with the idea of achieving a goal, often using information technology (IT) to collect this data, while ignoring employee processes. Overall, seeking a blend of process and outcomes requires that managers take perspectives and engage in processes for gathering data that appear to be contradictory at times (Tetlock et al., 2013).

Another challenge managers face is appeasing funder and employee preferences for tracking processes or outcomes. Government funders favour outcomes, believing they are easier to track, measure, and justify, whereas employees typically favour process accountability because it tracks what they actually do (see Carman, 2010; Dormer, 2011; Hatry, 2001; Lynch-Cerullo & Cooney, 2011). These conflicting demands may be one reason managers favour a mix of process and outcome accountability to assess organizational performance (Patil et al., 2014).

Regardless of whether managers in socially focused non-profits track processes or outcomes, or a blend, they struggle to assess performance of their mission because services in these organizations are often intangible and difficult to observe and evaluate (Smith, 2014). The inability to observe the intangible work completed in socially focused non-profits aligns with the description by Wilson (1989) of coping organizations in which it is difficult to observe employee efforts and the outcomes of these efforts. When non-profits exhibit coping characteristics, it becomes very difficult to report data that demonstrate these organizations are fulfilling their social mission.

Campbell's (2002) study of three non-profit organizations supports the argument that socially focused non-profits are coping organizations. The goal of this three-year study was to determine if non-profit organizations see an advantage in linking their outcomes to communitywide indicators and if there are any challenges in making this link. In the first phase of this study, Campbell worked closely with employees of non-profits on some of their projects to determine what outcomes and indicators were being used. In the second phase, Campbell compiled a list of 51 community development indicators. These indicators were then rated by funders and key stakeholders for their "importance, clarity, achievability, and data feasibility" (p. 248). Lastly, a focus group with funders, workers from non-profits, and other key stakeholders was held to discuss the findings. The study revealed that non-profits' intangible work could not

be assessed using a results-based approach and that quantitative indicators were inadequate for assessing the impact of programs in the community. This assessment was almost impossible because the impacts often occurred over a very long time. Campbell (2002) also found that participants did not view outcome-based assessments as helpful for determining impacts, often creating blind spots by limiting evaluation to pre-set indicators.

Despite the challenges non-profits face in observing performance, the accountability mechanisms established by governments have focused on measurable outcomes, with the idea that non-profits can easily observe such outcomes (Smith, 2014). The notion that outcome measures can motivate non-profits to address social problems more effectively was examined in a study by Benjamin (2008). The study explored the impact of outcome measures on three different types of non-profits (neighborhood development, social services, and grassroots non-profits). The results varied among the three different types of non-profits, with outcome measures having the least effect in changing the performance of the social service non-profits. In this case, employees advocated against outcome data in favour of their own mechanisms for tracking their intangible work. The key point is that intangible work in social service organizations makes it difficult to use outcome measures to determine performance.

By choosing to track outcomes, governments are adhering to a results-based mentality for assessing organizational performance (Carman, 2010; Dobson & Cook, 1980; Dormer, 2011; Hatry, 2001; Kusek & Rist, 2004; Lynch-Cerullo & Cooney, 2011; Melde et al., 2006; Nielson & Eljer, 2008; Patil et al., 2014; Rist, 2006). Beyond reporting outcome data, organizations must also assess the relevance and appropriateness of programming to the organization's mission (Nielsen & Eljer, 2008). Programs must be evaluated to assess their relevance and appropriateness, identify unintended consequences, and justify why certain results are needed (Nielsen & Eljer, 2008). Program evaluation looks specifically for three key components: 1) valid and reliable measures, 2) an appropriate sampling and research design, and 3) an understanding of the fidelity of program implementation (Summerfelt 2003; Melde, Esbensen & Tusinski 2006). The non-observability challenges that Wilson (1989) identifies in coping organizations become salient when organizations seek valid and reliable measures for tracking intangible efforts and outcomes. Assessing the fidelity of a program can also prove difficult because fidelity often focuses specifically on the intangible outcomes of a program (Melde, et al, 2006). Fidelity involves assessing whether a program is improving or changing pre-identified

social conditions and is examining intangible elements (Melde et al., 2006; Rossi et al., 2004; Summerfelt, 2003). By focusing solely on the quantified outcome data linked to programming as requested by governments and other funders, boards and managers face two obstacles to demonstrating the accountability of their organization.

First, tracking program accountability does not necessarily equate to organizational accountability, as the sum of programs is not always indicative of the success of the mission. If leaders in non-profits focus on project or program level outcomes only, they risk missing the larger question of how the organization is accountable overall, and if the organization is contributing to the larger goals valued by the public (Benjamin, 2008).

Second, by focusing on quantified outcomes, a non-profit or government agency may ignore important intangible processes linked to the mission of the organization and its role in the community (Knutsen & Brower, 2010; Smith, 2014). Policing offers a clear example of how key intangible processes have been disregarded by police organizations focused on measurable outcome data. In the 1990s, accountability procedures in police forces in many countries changed to focus on measurable statistics for tracking performance by officers and units. The rationale for this approach was that outcome data could be easily understood by oversight and regulatory bodies (Chan, 1999; David & Hancock, 1998). The long-term effect of this approach is that police are trained and evaluated on actions that are observable, such as number of arrests and complaints investigated, rather than their intangible work on community and social issues (Mazowita & Rotenberg, 2019). However, a focus on observable actions has not increased accountability. Instead, it has increased public demand for system changes such as better training, more transparency, and better oversight by public bodies. It has also raised the question of whether public funding might be better allocated to hiring more social and community workers than to increasing police budgets for more law enforcement (Burch, 2011; Currie, et al., 1990; Simmons, 2009; Walker, 2006; Zhao, 2014). The question of whether police budgets should be reduced so that more social and community workers trained in de-escalation and crime prevention techniques can be hired has again been raised in the recent defund the police campaign (Jeon, 2020; Scher, 2020).

The preference by government funders for outcome evaluation creates a risk that the intangible activities and processes of socially focused non-profits will go unnoticed, resulting in a lack of understanding of the impacts of their programs (Century et al., 2010; Dobson & Cook,

1980). Lerner and Tetlock (1999) argue that the relationship a group or individual has with an audience to which they report, as well as the type of accountability requested, affects the decisions made about accountability. For example, when decision makers report to an audience interested in outcomes rather than processes, they are more likely to focus on outcome accountability. If non-profits seek to continually appease funders with outcome data, they can end up losing their community focus and even compromising their mission (Knutsen & Brower, 2010; Smith, 2014).

The impact of outcome data on the mission and community focus by non-profits is noted in the political tensions around the funding of these organizations, as each organization must give a verification account to funders to demonstrate they have met agreed upon commitments (Benjamin, 2008). To protect against punitive measures and from being inspected further, non-profits carefully construct their narrative to explain failed expectations and, when needed, challenge these expectations (Benjamin, 2008). Included in narratives around accountability are the ongoing challenges non-profits face to demonstrate they are instrumental to society in some manner while still expressing their self-perceived value and identity in their community (Knutsen & Brower, 2010). The need to demonstrate their self-perceived value and identity often involves collaboration and interdependencies with other organizations (Bloom & Dees, 2008). Non-profits face significant barriers to collaborations: philosophical differences on how to provide social value, a fear of being co-opted by other organizations, and competition for resources (Hodges and Hardiman, 2006). Factors related to funding such as inflexible funding contracts, the level of interest of funders in the social value of each non-profit, the fear a losing funding, and lack of funding for resource collaborations are also believed to potentially influence the willingness and ability of organizations to collaborate and coordinate activities (Shier and Handy, 2015). Although many non-profits aspire to collaborate for social change, the various pressures noted above result in these organizations focusing on demonstrating their own accountability to ensure access to scarce resources for their own sustainability (Grant & Crutchfield, 2007).

Despite many non-profits resisting collaborations, Grant and Crutchfield (2007) argue that high impact non-profits understand the importance of helping other organizations succeed. These organizations recognize that in any eco-system the success of any one organization is dependent on the success of other organizations (Grant & Crutchfield, 2007; Bloom & Dees, 2008). While mutual dependence suggest collaborations are essential, it also adds complexity

with respect to accountability because of the difficulty in assessing the impact of any one non-profit on a social cause; the problem is made even more difficult when intangible outcomes can only be assessed over a long period of time (Dillenburg, Green ad Erekson 2003; Polonsky & Grau, 2008). Overall, the reliance of non-profits on their ecosystem further complicates their ability to assess the social value in their missions, reinforcing the notion that their performance cannot be assessed through simplified and quantified outcome targets associated with any one program (Grant & Crutchfield, 2007; Bloom & Dees, 2008; Century et al., 2010; Dobson & Cook, 1980; Moore, 2002).

In response to pressure from funders to demonstrate outcomes, non-profits have adopted an array of tools to provide more outcome information (Benjamin, 2008). One tool is benchmarking against other non-profits, which has been somewhat ineffective due to the difficulty of comparing non-profits in different contexts with different challenges. Another tool is a balanced score card used by non-profits with mixed results, given the difficulty in obtaining accurate data on their intangible services. Logic models, which create a performance strategy that maps inputs from employees to long-term program goals, are also ineffective because these models focus on program-level performance rather than on community relationships and governance (Smith, 2014). The Social Return on Investment (SROI) measure provides a more inclusive approach to outcome measures by including the benefit and savings to society of the services offered by non-profits. For example, a person trained and employed by a non-profit produces a long-term benefit to society because of their skills and experience. In theory, by focusing on intangible outcomes, the SROI attempts to bridge the gap between program level analysis and community impact. However, a key challenge with the SROI calculation is the difficulty in assessing the intangible and indirect benefits to society included in the calculation (Smith, 2014).

Another tool used by health care systems around the world to assess outcomes in agencies and organizations is the Triple Aim, which aims to improve the health of the population, enhance the individual experience of care, and reduce the capital costs (Berwick et al., 2008; Hildebrandt et al., 2015). One challenge with this approach is that it is difficult to pursue all three aims because all are interdependent and changing one goal could impact the other two. For example, enhancing the care individuals receive could increase costs (Berwick et al., 2008). Another challenge is that although the Triple Aim approach is outcome focused, many

of the outcomes are social and intangible or so broad based that collecting data is difficult. For example, assessing the health of populations requires that health data be available; assessing the individual experience requires finding ways to gather these data that are subjective and based on self-recall; measuring per capita capital costs can also prove difficult because all relevant expenditures must be captured (Berwick et al., 2008; Prior et al., 2014). Few instruments can successfully measure intangible outcomes such as quality of life and self-care skills. While many innovative tools are being developed to track and assess data, consensus is needed on how to approach intangible outcomes in the Triple Aim. Reaching consensus across organizations for these measurements has not proven easy as it requires system-level coordination (Prior et al., 2014).

In recent years, governments have begun to adapt their results-based approach to understanding the importance of tracking processes (e.g., activities) (Rist, 2006). For example, Melde et al. (2006) note that outcome evaluations in public sector programs, such as determining the success of school-based prevention programs in changing behavior, have been strengthened recently, with the use of process evaluations in many cases. Process evaluations provide insight into the activities that are delivered and help determine if these activities match the intention of the program.

As we have seen in this section, non-profits face a significant challenge when funders determine outcome measures (Smith, 2014). If accountability mechanisms are to be successful, they must align with the mission of the organization and be responsive to the needs of those being served. This requires a bottom-up approach in which accountability is focused on the issues that matter to the clients being served and employees on the ground (Boven et al., 2008). The ability to stay true to the mission depends on whether the leadership can withstand demands for outcome data from funders and other stakeholders, pressure that can cause the organization to deviate from its core mission (Young, 2002).

2.2 The Important Role of Boards and Board Chairs in the Accountability of Non-Profits

Given that accountability refers to the process by which an individual or group has to justify, explain, or report its conduct to another individual or group (Lerner & Tetlock, 1999; Tetlock, 1992), boards can be viewed as the mechanism through which managers justify their behaviour. Boards in turn have an obligation to their shareholders or members, clients, and governments to ensure that the organization is being run appropriately (Bevir, 2008; Gill, 2005).

This obligation requires that boards place the organization's interests over their own and ensure the mission is achieved (Ebrahim, 2010).

The accountability of boards is outlined in their fiduciary duties to care for the organization (Ebrahim, 2010). To carry out these duties, boards have been given the power to appoint management, delegate responsibilities, and oversee strategy and the direction of the organization (Leblanc & Gilles, 2005). Fiduciary duties oblige boards to comply with legal requirements, put proper controls in place, and provide an effective strategy for the organization. Thus, boards must guarantee the following: funds are spent appropriately, the organization is in compliance with auditing regulations, an appropriate social mission is in place, and a sound strategy is developed to achieve this mission. Boards are expected to regularly review the mission, assess operations, and revise the mission if needed (Ebrahim, 2010). Board members must also ensure that they have the correct information to make decisions and that decision processes are legitimate (Axelrod, 2005). In overseeing that standards and controls are upheld and directing management to run the organization appropriately, boards are positioned at the centre of the accountability process. By adhering both to the expectations of government and those of management, they exist at the intersection of public accountability and administrative accountability (Ebrahim, 2010). The need for the board to have a positive relationship with management (Shekshnia, 2018; Stamm, 2017) highlights the importance of the board chair in the accountability of non-profits.

Board chairs carry out several key functions. First, to advance the mission of the organization, the chair must build a productive and collaborative relationship with the CEO. This relationship involves a division of power: the board chair oversees the board, while the manager oversees the organization. The information exchanged by the CEO and board chair is also shaped by this division of power, with the CEO as the gatekeeper for the staff and the chair having the same role for the board (BoardSource, The Role of the Chair, 2016; Shekshnia, 2018; Stamm, 2017). Second, the board chair acts as the primary liaison between the board and stakeholders (Shekshnia, 2018), including implementing communication initiatives about the organization's strategy and any new major initiatives. For example, the board chair plays an important role in communicating with stakeholders about large-scale decisions and socially responsible activities to mitigate reputational risk and build legitimacy (Bebbington et al., 2008; Fuente et al., 2017; Schlegelmilch & Pollach, 2005). Third, the board chair, in leading the board as a first among

equals, oversees internal controls and compliance with regulations by setting the agenda and overseeing the implementation of policies, such as conflict of interest, confidentiality, and proper orientation of board members (BoardSource, Board Responsibilities and Structures, 2016; Shekshnia, 2018). Fourth, as Knecht and Bass (2012) argue, the board chair also has a pivotal role in the development of board culture, including helping the group understand its role, encouraging open communication, resolving conflict, providing honest feedback, working through issues, and modelling trust and respect.

These leadership responsibilities of a board chair are unique in an organization. Former CEOs have, in fact, been shown to struggle when they become the board chair because the skills that made them effective as CEOs (e.g., visioning, directing people, being responsible for outcomes) do not apply to the board chair role. While CEOs are trained to seek answers to problems and be individually accountable, board chairs must practice restraint and patience in a facilitating role that promotes discussion (Shekshnia, 2018).

As leaders, board chairs face the challenge of having minimal authority in dealing with board members while still being responsible for board processes. Managing these processes in relation to accountability can be especially challenging for board chairs. Research has shown that accountability adds tension to social systems such as boards by affecting the judgements and choices of those in the system (Lerner & Tetlock, 1999; Tetlock, 1992). The influence of accountability on the judgements and choices of individuals is showcased through predicted behaviours. Tetlock (1992) shows three behaviours that are relevant to various situations boards may face in relating to their funders and managers. The first behaviour is that people are prone to adopting the position of those they are accountable to simply because little effort is expended in doing so. Another behaviour is flexibility and multi-dimensional thinking, which tend to occur when people do not know the view of those to whom they are accountable and are not under pressure to justify their actions and behaviours. Lastly, if people have already committed to a path or action, accountability is predicted not to inspire flexibility but instead to encourage rigidity and defensiveness (Tetlock, 1992).

Since accountability is expected to create tensions that influence the judgement and decisions of those asked to demonstrate accountability (Tetlock, 1992), a key question is how accountability pressures influence board processes and board decisions. In leading board process, the board chair can observe how certain characteristics of boards influence accountability

decisions. For example, boards can exhibit propensities, such as being passive and bowing to the will of management, or they may be confused and unclear about the direction of the organization, or they may be very clear on their interpretation of what is good for the organization and the community being served (Young, 2002). As leader of the board, a board chair is positioned to observe these characteristics and how they may influence accountability decisions.

A seminal work by Forbes and Milliken (1999) suggests that the board process is comprised of three components: effort norms, cognitive conflict, and the presence and use of knowledge and skills. Each component offers insight into how board characteristics may influence accountability in non-profits and the positioning of the board chair to observe such phenomenon. Effort norms are the group's expectations around the level of effort individuals should put toward completing tasks (Forbes & Milliken, 1999). The board chair is likely to be well-placed to observe effort norms in all aspects of the board's work including work related to accountability. When addressing accountability in coping organizations, board members have to face the reality that no effort will overcome the challenge of not being able to observe employee efforts/outputs and outcomes (Wilson, 1989). Despite board chairs working collaboratively with management to secure the best information possible for the board (BoardSource, The Role of the Chair, 2016; Shekshnia, 2018; Stamm, 2017), it will be very difficult, if not impossible, to overcome non-observability challenges.

According to Forbes and Milliken (1999), cognitive conflict refers to the degree to which board members engage in constructive, critical investigation in board meetings. Cognitive conflict is seen as positively affecting boards because when board members challenge each other's viewpoints, they develop effective questions for management and consider alternative strategies (Forbes & Milliken, 1999). One factor that contributes to constructive cognitive conflict is whether boards have interpreted information correctly (Forbes & Milliken, 1999; Nadler, 2004). In being responsible for managing board discussions (Shekshnia, 2018), board chairs must create an environment in which it is psychologically safe for participants to ask questions about the information they receive. Psychological safety occurs when participants in a group feel safe to express their viewpoints, raise questions, and assume that good questions will be followed up (Kahn, 1990; Walumbwa & Schaubrock, 2009).

Forbes and Milliken (1999) describe the presence and use of knowledge and skills in board process as the ability of the board to recruit board members with appropriate skills and to ensure an effective process for coordinating board members' contributions to completing tasks. If board members are to perform tasks well, they must be able to integrate their knowledge of the firm with the knowledge they have acquired from their professions and experience. Board members are effective at using their knowledge and skills when they can apply their professional knowledge and experience to address issues in the organization (Forbes & Milliken, 1999).

According to Miller (2002), board members in non-profits often struggle to use their knowledge and skills to assist in board process because they lack clarity about the objectives of the organization and whether these are being achieved. In coping with this lack of clarity, board members have been shown to request documents and information that align with their professional competencies because they are comfortable assessing these. An accountant might be expected, therefore, to request accounting data as a way to ensure accountability, while a lawyer will request policies and legal documents. In other words, when experiencing uncertainty about organizational objectives, board members rely on their training and professional views (e.g., law, accounting, human resources) to help them make good decisions for the organization (Miller, 2002).

Boards in socially focused non-profits that offer difficult-to-observe intangible services are expected to experience high uncertainty around how to assess the organization's performance, resulting in board members prioritizing their own professional competencies (Miller, 2002). When services are intangible, board members are often highly dependent on the executive director/CEO for information and interpretations (Young, 2002). This dependence may test the dynamic between the board and management in relation to the professionalism of the board. Boards comprised primarily of non-professionals often defer to the perspectives of management, while professional board members often bring stronger ideas about the direction of the organization and express these outright to management (Young, 2002).

The confidence professional board members have in their ideas can have unintended consequences on a board's decision making. First, professional board members may overestimate their skills and knowledge and fail to see the ways in which their understanding of the organization is limited (Young, 2002). Second, research has shown that humans are susceptible to various cognitive biases, the heuristics or short-cuts our minds develop to help us

do things efficiently (Russo & Schoemaker, 1992). These short-cuts may result in board members valuing the opinions of professional members above other relevant information the board should consider. For example, if, in accountability discussions, board members place importance only on the opinions of professionals and experts when dealing with uncertainty, the board as a whole might become susceptible to an anchoring bias. This type of bias occurs when people fix on an initial judgement and refer to it for subsequent discussion and decisions, resisting change even when additional and contradictory information is added (Mercer, 2005; Russo & Schoemaker, 1992). Another kind of bias is availability bias, a tendency to focus on information that is readily available over other information (Russo & Schoemaker, 1992). When board members defer to the opinions of experts, they may do so because this information is the easiest to access. These examples of bias suggest that there are multiple traps into which board members may fall that can hinder their ability to demonstrate accountability.

As well as being careful to avoid bias, boards need to pay attention to the cohesiveness of the board. According to Forbes and Milliken (1999), board cohesiveness occurs when board members are motivated to constructively work together. Cohesiveness is assessed by how well board members believe they can contribute their ideas in discussions and during procedures. Board members in socially focused non-profits face cohesiveness issues when they struggle to arrive at a collective understanding of the social objectives of the organization (Miller, 2002). When boards struggle to be cohesive, they are not effective at decision making (Forbes & Milliken, 1999).

Cohesiveness can only occur on boards through interpersonal interactions fostered by high trust between board members (Forbes & Milliken, 1999). Trust has been defined as the "willingness to accept vulnerability based on positive expectations of the intention or behavior of others" (Nilsson & Mattes, 2015, p. 231; see also Rousseau et al., 1998). When trust is high in a group, members feel psychologically safe to express their perspective without fear of negative repercussions (Kahn, 1990; Walumbwa & Schaubrock, 2009). Trust building on boards is likely to be a challenge because board members only meet periodically for compressed time periods. Research on trust building in business teams spread across geographical areas reveals that temporary spatial proximity and a physical co-presence are essential to building trust on these teams and a belief in future cooperation (Dayan & Di Benedetto, 2010; Growe, 2019). Nilson and Mattes (2015) also argue that trust based on factors such as the safeguards in place and the

reputation and positioning of others is fragile because it involves no first-hand knowledge of other actors. In contrast, gradual trust, built over time through frequent interactions between actors, is more resilient.

Gradual trust fosters resilience because it requires that people be co-present and evolve together over time through shared experiences (Growe, 2019; Nilson & Mattes, 2015). When actors share experiences, they have the potential to learn more about each other and find commonalities. For example, trust increases if the experiences actors share are positive, if their knowledge about each other and the ability to predict each other's actions increase, and if emotional bonds and shared values also develop (Lewicki et al., 2016). Sharing experiences also facilitates valuable moments among a group, which are described as moments of undivided attention. Valuable moments, in turn, facilitate the completion of work and demonstrate an appreciation for those involved, thereby increasing trust (Growe, 2019).

In addition to cohesion and trust, another measure of board effectiveness is the board's ability to perform control and service tasks (Forbes & Milliken, 1999). Control tasks refer to decisions the board makes about the hiring, compensation, and replacement of senior leaders and the approval of major initiatives brought forth by management. Service tasks refer to major decisions such as acquisitions and restructuring, as well as to activities such as strategic planning and examining strategic alternatives, all of which involve the board's expertise and willingness to guide and advise. Boards use control and service tasks to advise and monitor/oversee management (Brudney & Nobbie, 2002; Linck et al., 2008). According to Forbes and Milliken (1999), the ability of a board to successfully complete control and service tasks is enhanced when the board has a positive relationship with management. Unsurprisingly, a positive relationship usually develops when management does what the board asks and provides accurate and relevant information for the board to assess performance (Nadler, 2004). Miller (2002) argues that a positive relationship is usually evident when the board has a clear understanding of management's intentions.

2.3 Theories and Models Applied to Accountability in Board-Management Relationships in Non-Profits

Boards adopt different approaches to accountability relationships with management based on their assessment of the degree to which a CEO/ED and other managers value serving the organization (Donaldson & Davis, 1991). Principal-agent theory explains that information

asymmetry exists between the principals (members or shareholders) and agents (managers) and that, because managers are believed to be self-interested with few residual claims on the organization, they are expected to act opportunistically and in a way that is not advantageous for the organization. If, as boards meet their fiduciary obligations, managers are perceived to behave opportunistically, the board will favour increased incentives and controls (Dixit, 2002; Miller & Whiteford, 2002).

In cases where managers are believed to place high value on serving the organization to the point where their own intrinsic needs are met by the organization's success, a board will not seek increased incentives and controls but rather will focus on providing the CEO/ED with the necessary autonomy (Donaldson & Davis, 1991). Stewardship theory explains that some managers are intrinsically motivated to do what is in the best interest of the organization. Agents that are intrinsically motivated to be good stewards of the organization are not primarily self-interested and opportunistic. Stewardship theory describes a situation in which the goals of managers are aligned with the objectives of the principals. Furthermore, in a situation where a CEO experiences intrinsic satisfaction from the success of the organization, implementing excessive controls may erode this satisfaction (Davis et al., 1997).

Identity theory, which suggests that individuals can receive intrinsic satisfaction from identifying with a group or organization, partly explains how the intrinsic needs of a steward can be linked to an organization's success. According to identity theory, individuals can develop an understanding of their own identity through working with others in groups, departments, and organizations. Individuals also derive satisfaction from activities that align with their self-perceived identity in the group. For example, if managers see themselves as over achievers in a group or organization, they will obtain satisfaction from playing this role (Ashforth & Mael, 1989). The need to play out one's identity within an organization may partially explain how CEOs might identify with the success of the corporation as a whole and align their personal goals with what is best for the organization.

Along with a board's assessment of the intentions of managers, the relationship a board has with management is also likely to be influenced by the type of board governance model an organization has in place. An organization's governance model outlines the responsibilities and reporting structures of all stakeholders (Baret et al., 2013). These reporting relationships influence an organization's overall approach to accountability. For example, Leduc and Block's

(1985) “conjoint directorship model” focuses on the quality of the relationship between managers and board members. In this model, accountable governance is achieved through board members and management sharing roles and responsibilities as they work closely together. Board members and managers work as a group when completing tasks, which requires co-operation, the exchange of information, and shared decision making. The proximity of the board to operations facilitates the tracking of processes, resulting in a stronger focus on process accountability.

The most widely used board governance model is the Policy Governance Model or Carver Model (Carver, 1990; Carver & Carver, 2006). The Carver Model positions the board as the primary mechanism in achieving accountability throughout the organization by ensuring appropriate relationships between the owners (or members in non-profits), board directors, and managers. The model further suggests that a board is responsible for three tasks: 1) connecting with the owners/members to understand their values; 2) developing policy to provide guidance to the board and organization; and 3) assuring the organization is progressing toward its desired purpose. A key premise of the Carver Model is that a board performs these jobs by creating various policies.

The Carver Model offers 10 principles to guide the creation of policies for governing the organization. A key point expressed in these principles is that although the board takes steps and measures to ensure the organization is run appropriately, it does not run the organization. The focus on polices that identify outcomes for the organization and methods of management has meant that those who follow this model are referred to as strategic/governing boards (Carver, 1990; Carver & Carver, 2006). Because they are removed from the operations of the organization while still identifying and monitoring organizational outcomes (Carver, 1990; Carver & Carver, 2006), strategic boards could favour outcome accountability. In other words, the separation between the board and the organization could lead the board to seek outcome data from managers to document performance.

In contrast to the strategic/governing board, an operational board, sometimes called a working board, becomes involved with operations and often does the work that is normally done by employees. Operational boards usually form in small, newly incorporated non-profits, which typically lack resources and have few, if any, employees. Board members, having a high concern for the cause/mission, are typically willing to help the organization get started. This work usually

focuses on setting a vision, creating policies and bylaws, and ensuring support through advocacy. Board members can also get involved in fundraising and day-to-day operations. Once an organization is set up and running and seeks to grow its impact, these boards usually evolve into strategic/governing boards focusing more on strategy, oversight, and advising and less on operations (Gill, 2005).

Bradshaw et al. (2007) offer a very different perspective on governance from the models examined above. The Constituent/Representative Model of Board Governance describes broad and active participation by individuals and groups from different backgrounds in decision making within the organization. This model emphasizes relationships between board members and the constituents (e.g., community members and clients) of the organization by having these constituents represented in the composition of the board. The implications of this model for accountability is that constituents have some input into and control over how decisions are made. Success in gathering the voices of constituents depends on how well the multiple interests represented on the board can be balanced and whether board members can be convinced to pursue a shared interest rather than the interest of their constituent. In this model, board members are likely to have a pulse on the broader issues related to the mission because of input gathered from their constituents. They are also likely to participate in decentralized committees focused on operational tasks (Bradshaw et al., 2007). Having constituent board members involved in operational tasks who are also aware of the broader issues related to the mission suggests they could focus on both outcome and process accountability.

2.4 Propositions and Ideas Examined in this Study

This section addresses how accountability views and practices by boards in coping organizations are affected by internal board dynamics and other factors such as external pressure from funders. Outlined below is a set of board characteristics expected to influence how boards interpret, discuss, and decide on their accountability approach. This section also investigates how non-observability challenges influence the assessment of the mission. The propositions and areas investigated formed the basis of the questions posed in the interviews. The questions and the process for selecting interviewees is presented in Chapter 3 on methodology.

2.4.1 Philosophy of the Board Toward Management: Principal-Agent versus Stewardship

The general approach of the board to management and accountability will influence the specific strategies it uses to assess the performance of the organization. For example, it is likely that stewardship relationships between the board and the manager will be accompanied by less oversight of management and more advising (Viader & Espina, 2014). A board in this situation will likely believe that the perspective of managers is more important than specific data points and that managers can be trusted to accurately describe and evaluate internal practices (Donaldson & Davis, 1991).

Given the intangible work of employees, managers can be expected to focus on reporting employee stories of work from the front line as well as on employee consensus about processes (i.e., which processes worked and which did not; Dormer, 2011). As a result, these boards can be expected to focus on process accountability based on the belief that trusting managers to supply this information will foster buy-in from management and ensure that processes are implemented and tracked appropriately.

> *Proposition #1:* If a board has a stewardship approach toward management, it is more likely to favour process accountability.

Alternatively, if the board views its relationship with the manager more in principal-agent terms, the board can be expected to believe that managers will act opportunistically, resulting in the board putting more effort into monitoring and oversight (Viader & Espina, 2014). Boards with a principal-agent mindset will favour implementing proper incentives and controls. The overarching idea is that compensation of agents should be linked to measurable goals balanced with constraints expressed in policies that track activities and limit behaviours such as spending (Dixit, 2002; Miller & Whiteford, 2002). Since CEOs are expected to set company goals in areas such as fundraising, internal efficiencies, and compliance, it follows that boards will assume that these goals can be tracked, measured, and assessed (Gabrielsson et al., 2007). As a result, a board with a principal-agent approach can be expected to favour an outcome accountability approach.

> *Proposition #2:* If a board has a principal-agent approach toward management, it is more likely to favour outcome accountability

2.4.2 Influence of Board Composition on Accountability Approaches

The board composition may influence accountability strategies adopted by the board and board chair. Miller (2002) found that when performance measures are lacking, board members default to their own professional competencies (e.g., accounting, law) rather than examining the performance of the mission directly. Young (2002) also determined that professional board members can be expected to bring stronger ideas than non-professionals about the direction of the organization and to express these outright to management. Boards consisting primarily of non-professionals often defer to the perspectives of management (Young, 2002). If the board consists primarily of people *without* a professional competency (e.g., accounting, human resources, or law), who do not regularly analyze evidence-based data as part of their job, the board will likely favour a process accountability approach. Since non-professionals are less likely to have a specific competency, area of training, or designation that guides how they deal with organizational challenges and different types of data, they will favour managers' reports about employee consensus on what processes work and do not work and anecdotal stories as evidence of the processes being used.

> *Proposition #3:* A board consisting mostly of non-professional people is likely to favour process accountability.

If most people on the board have professional competencies (e.g., accountants, human resource professionals, and lawyers) and regularly analyze evidence-based data, the board will likely favour an outcome accountability approach. This approach will be founded on the idea that performance in organizations can be measured by using specific types of data and tools for gathering data (Benjamin, 2008; Smith, 2014). These professionals will favour the type of data that aligns with their own competencies as the means to assess performance (Miller, 2002). For example, an accountant is likely to believe that financial data are critical, while a human resource professional may want to see employee surveys.

> *Proposition #4:* A board consisting mostly of people with professional competencies is likely to favour outcome accountability.

2.4.3 How Trust Between Board Members May Influence Accountability Approaches

According to Forbes and Milliken (1999), interpersonal trust makes boards more cohesive, which refers to how well board members believe they can contribute their ideas in discussions and constructively work together. Interpersonal trust is developed through experiences between actors working together. As discussed earlier, gradual trust develops through repeated face-to-face meetings and the sharing of experiences and ideas. Repeated and frequent meetings between actors can also facilitate valuable moments (moments of undivided attention), which contribute to work getting done and increasing trust among group members (Dayan & Di Benedetto, 2010; Growe, 2019; Nilsson & Mattes, 2015).

The infrequency with which boards meet poses a challenge to developing interpersonal trust among board members because boards are unlikely to share many experiences and valuable moments. As a result, boards may struggle to develop a shared understanding of their accountability issues and non-observability challenges, thereby complicating the role of the chair in guiding board discussions about accountability. It is possible that some boards, however, through repeated meetings and shared experiences, will develop a high level of trust.

It is difficult to determine the influence that trust among board members will have on a board's accountability decisions in assessing performance. If board members have low levels of trust, they may prioritize concrete measures as a mechanism to overcome the lack of trust. This mindset will push board members towards the idea that organizational performance can be measured, resulting in an approach that favours outcome accountability. The lack of trust among board members may also cause board members to distrust the measures suggested by others. As a result, board members may seek a diversity of approaches to assess accountability to offset the possibility of some measures aligning more with the competencies and experience of certain board members (e.g., accountants).

A high level of trust among board members will result in more consensus-based decision making because board members are more likely to have confidence in each other and in their collective ability to discuss problems. The propensity of high trust boards to engage in discussion about problem solving may have two effects. First, when addressing non-observable tasks in coping organizations, some board members may be reluctant to challenge their colleagues, leading to group think (Janis, 1983) and a tendency to adhere to only one approach to accountability. Second, boards that engage in extensive discussion may also use this opportunity

to listen to the perspectives of other board members. The inclusion of more perspectives in the accountability approach may result in more diversity in what is tracked and measured.

> *Proposition #5:* The level of trust among board members has indeterminant influence on the accountability approach.

2.4.4 The Relationship Between a Board's Governance Model and Accountability Approach

The board's governance model may influence the board chair's approach to guiding a board in dealing with accountability. For example, the Policy Model of Governance, which ensures the board provides hands-off oversight and monitoring, often leads to what are termed governing/strategic boards. These boards differ from operational boards in that they seek to oversee the organization without becoming involved in operations (Carver, 1990; Carver & Carver 2006; Gill, 2005). This focus on oversight typically convinces the board to align with outcome accountability as a way of compensating for their lack of knowledge about operations. It is not clear how other governance models, such as the Constituent/Representative Model of Board Governance, which emphasizes relationships between the board and constituents in the community (Bradshaw et al., 2007), might influence accountability choices around processes versus outcomes. Although no proposition is offered here, the thesis will explore if the particular governance model a board adopts—governance/strategic, operational, or constituent—influences how a board views accountability, including the mix of process versus outcome accountability.

2.4.5 How Coping Characteristics Affect Assessment of the Mission

Other parts of this study will examine how well board chairs understand the challenges associated with having a social mission with intangible goals and how non-observability may influence the ability to assess a social mission. Undoubtedly, board chairs will vary in their awareness of non-observability challenges in coping organizations and how these challenges may hamper the ability to assess the achievement of the mission. Regardless of their understanding of non-observability, some board chairs may believe that it is possible to determine if intangible social goals are being achieved. Asking board chairs to provide evidence for this belief may lead to insights into how board chairs view a social mission. This discussion may also highlight mechanisms that contribute to some understanding of the performance of organizations with a social mission.

2.5 Chapter Summary

This chapter has examined literature on public and administrative accountability and explored how these ideas relate to the accountability of socially focused non-profits. As documented in the literature, socially focused non-profits face tensions because the efforts of employees and the outcomes of these efforts are difficult to observe and evaluate. Despite experiencing non-observability challenges, these organizations must choose whether to track processes, quantified outcomes, or both when reporting on the performance of the organization. This decision is often influenced by the preference funders have for outcomes to be tracked and reported.

The fiduciary obligations of boards to make sure that standards and controls are upheld and to direct management to run the organization appropriately positions boards at the centre of the accountability process. Board chairs play a critical role in accountability choices by building a collaborative relationship with management, acting as the primary liaison between the board and stakeholders, overseeing internal controls and compliance of regulations by the board, and developing the board culture.

Based on the literature review, the remaining chapters examine propositions that a board’s accountability choices are influenced by various key factors including the board's trust in management, the composition of the board, and the trust among board members. It is expected that the degree to which a board trusts management (i.e., principal-agent vs stewardship philosophy) will influence whether process or outcome data are preferred, that professionals will request outcome data that align with their background and training, and that, while trust is expected to influence the way boards discuss accountability, the impact of this influence cannot be determined. The type of board governance model an organization adopts is also expected to influence accountability choices in some manner.

CHAPTER 3 METHODOLOGY

3.0 Overview

This qualitative study explored how non-profits experiencing non-observability stay accountable. Specifically, the study examined board chair perspectives on how accountability in these organizations relates to various organizational characteristics, internal board dynamics, and pressure from funders. This study involved semi-structured interviews with 21 board chairs of socially focused non-profit organizations. The intention of the interviews was to understand the experience of the board chairs, as well as their thoughts, concerns, and strategies. Twenty-one interviews correspond with the number suggested for a qualitative approach where the goal is to identify themes that may foster understanding and future research (Crouch & McKenzie, 2006).

A random sampling process was used to identify organizations. First, an Internet search uncovered a number of socially focused organizations. Second, these organizations were reviewed to determine which of these were expected to face challenges observing employee efforts and the outcomes of these efforts. These organizations were then included in the group from which the sample was taken. Using NVivo, data excerpts were coded to align with key propositions. Interview data within each proposition and key area were then coded a second time to uncover themes and sub-themes. This section outlines the data sources used, explains how non-profit organizations were identified and board chairs recruited, reviews the interview process, data analysis, and coding procedures, and provides a summary of the type of information collected in each organization.

3.1 Identifying and Screening a Random Set of Organizations to Interview

3.1.1 Process for Compiling Data Set

Below I outline the process I followed for compiling a preliminary list of organizations that deliver social services and health services. Social service and health organizations were chosen for this study for two reasons: First, in these organizations, employees were likely to do intangible work, and second, the organizations had social missions and were therefore likely to be coping organizations. In selecting the organizations, I excluded any I had worked with as a professional consultant.

To develop a list of organizations from which a random sample could be selected, I drew from six different sources (see Table 3-1). Below, I outline the process used for each source and the number of organizations obtained from each source.

Table 3-1 Websites Used to Compile List of Possible Organizations

Website	URL
1. The Canada Revenue Agency (list of registered charities)	https://www.canada.ca/en/revenue-agency/services/charities-giving/charities-listings.html
2. The ISC (searchable corporate registry helpful for capturing Non-Profit (Member) Organizations that were not registered charities)	https://www.isc.ca/CorporateRegistry/Findanexistingbusiness/Pages/Search-find-information-on-an-existing-business.aspx.
3. Non-Profit Organizations (website) (2019).	Retrieved from http://saskatoon.preview.chambermaster.com/list/category/non-profit-organizations-5000
4. Charities and Non-Profit Organizations (website) (2019).	Retrieved from http://www.beautifulsaskatoon.ca/associations/assoc.htm
5. AMCnpo Solutions (website) (2019).	Retrieved from http://www.amcnposolutions.com/directory-of-canadian-not-for-profit-associations/saskatchewan/
6. Volunteer Regina (website) (2019).	Retrieved from https://volunteerregina.ca/nonprofit-organizations/

Compiling a List of Charities in Saskatchewan From the CRA Website

The Canada Revenue Agency (CRA) website lists all registered charitable organizations, public foundations, and private foundations that are created and reside in Canada (see Table 3-1). These organizations must use their resources for charitable activities and have charitable purposes. To compile a list from this website, I searched for registered charities in Saskatchewan and compiled this list into a data base. Using the coding system supplied by CRA for identifying different types of organizations, I extracted those organizations that potentially had social service- and health-related mandates. I next extracted those social services and health organizations that CRA listed under the categories and sub-categories supplied in Table 3-2, as these organizations were likely to have challenges observing employee efforts and outcomes. From this process, I compiled a primary list of 4,239 organizations in Saskatchewan and a list of 698 charities in Saskatchewan (See Table 3-3).

Table 3-2 List of Organizational Categories from CRA Used in This Study

CRA Category of Organizational Types	CRA Sub-Category of Organizational Types
Benefits to the community and other categories	• Community - charitable corporations • Community organizations - not elsewhere classified • Corporation funding registered Canadian amateur athletic associations
Health	• Health - charitable corporations • Health - charitable trusts • Health organizations - not elsewhere classified • Hospitals • Services other than hospitals

Table 3-3 Population of Possible Organizations with Coping Characteristics

	Total Non-Profits and Charities Listed by Websites	**Social Services and Health Organizations Extracted**
CRA Website Registered Charities in Saskatchewan	4239	698
ISC Non-Profits in Saskatchewan	446	42
Non-Profits List in Other Websites	-	16
# of Non-profits Compiled from Website Lists	**4685**	**756**

Compiling a List of Non-profit Member Organizations

The Information Services Corporation (ISC) website was used to identify non-profit member organizations in Saskatchewan (see Table 3-1). The ISC website has a searchable corporate registry from which I compiled a list of 446 non-profit organizations that potentially have social missions. The ISC includes a further typology of organizations that flags the types of services an organization provides (e.g., social services, health, recreation, education and research, environment). I was able to identify 42 non-profits in Saskatchewan with a health or social services mandate that could be coping organizations (see Table 3-3).

To ensure representation from member non-profits as well as charities and to add to the number of health and social services organizations included on the list, I also visited the remaining websites listed in Table 3-1 (the Non-profit Organizations website, Charities and Non-Profits Organizations website, AMCnpo Solutions website, and Volunteer Regina website). Since these websites include lists of organizations not categorized based on types of services offered, this process involved visiting websites for various organizations listed on these sites to see if they potentially fit with this study. Using this approach, I was able to identify an additional

16 social services and health non-profits that could potentially be coping organizations (see Table 3-3).

Description of the Compiled List of Charities and Non-Profits

The potential organizations with a health or social service mandate examined in this study totaled 756 (see Table 3-3). The list was weighted more to charities (n = 698) than to member non-profits (n = 58) simply because the CRA website offers a more exhaustive list of organizations that are a registered charity in Saskatchewan than websites that list non-profits. The ISC website was helpful for identifying potential non-profits because it offers a province-wide list of registered non-profits. Although the other websites visited for this study list non-profits in various areas, they do not provide an exhaustive list for the whole province, nor do they identify social services and health organizations. In summary, the CRA and ISC websites were most helpful for compiling a list of potential coping organizations because they offer access to charities and non-profits province-wide and provide the ability to identify social and health service organizations.

3.1.2 Process for Determining List of Organizations Included in the Study

To extract a random sample from the database of 756 possible organizations (see Table 3-3), I used the Rand function in Excel to assign a random number to each organization and then sorted the organizations using these random numbers. This process was followed to ensure that I did not bias the list toward organizations and sectors I have been contracted to work with or have volunteered to assist. This list was then my master list.

Once the master list was created, I started at the top and visited the website of each organization. To ensure that only organizations of which I had no preconceived knowledge and that could be categorized as coping organizations were included, I excluded organizations from the master list based on the following criteria (see below and Table 3-4):

- If I had previously consulted with them (based on my list of past clients in the non-profit sector).
- If, through a preliminary web search, they did not appear to have a social mission aimed at providing a public service.
- If, despite having a social mission, they did not exhibit characteristics associated with a coping organization when assessed through a preliminary web search.

When I encountered an organization that met the criteria for exclusion (see above), I excluded this organization from the master list and moved to the next organization on the list.

Table 3-4 Number of Organizations Considered and Interviews Conducted

	# of Organizations Considered
Total Number of Organizations Examined for Inclusion from Master List	200
Exclusions: 1) Those organizations I have consulted for	9
2) Organizations without a social mission 3) Those organizations determined as non-coping based on preliminary assessment of online materials	139
# of Board Chairs Invited to Participate	**52**
# of Interviews Conducted	24
# of Interviews Excluded	3
# of Interviews Included	**21**

3.1.3 Number of Possible Coping Organizations Considered & Interviews Conducted

Whenever I found an organization that met the criteria for inclusion, I contacted the board chair to request an interview while continuing at the same time to examine more organizations from the master list against the criteria for inclusion. I continued organization selection and contact until I had reached the target number of interviews set out in the study, which was approximately 20. In total I examined 200 organizations of which 52 were invited to participate and, of this number, 24 agreed to take part in the study (See Table 3-4 above).

Nine organizations were excluded because I had previously worked with the organizations, and 139 were excluded either because they either did not have social missions or did not exhibit the characteristics of a coping organization, or both (see Table 3-4 above). When assessing organizations through their websites, it was often not possible to accurately assess the social mission and coping factors separately. These characteristics were interrelated and determining if one existed without the other required information beyond what websites offered. For this reason, it was difficult to parse out exactly how many of the 139 organizations were excluded because they lacked a social mission, did not exhibit coping qualities, or both. Also, organizations that did not have adequate financial resources and organizational capacity to have a functioning website were not included.

Three organizations were assessed by the researcher to be inappropriate because, once the interview began, it become apparent that the organizations did not exhibit the characteristics of

coping non-profit organizations. Despite suggesting it was a non-profit on its website, one organization was not registered as a non-profit but was incorporated under a different Act. The second organization was excluded because, although at least some of its employees' work was not observable, the outcomes of employee work appeared easily observable. The third organization excluded from the study was very small, with almost no funding and run completely by board members. Since the board was involved in operations, the non-observability of frontline work did not apply. There were also no opportunities to ask about relationships with managers, funders, and process versus outcome measures. This organization, although a non-profit with a social mission, did not exhibit coping characteristics.

3.2 Recruiting Participants and Conducting Interviews

3.2.1 Process for Recruiting Participants

I designed this study with a target of approximately 20 interviews. The rationale in targeting 20 interviews was to conduct enough interviews to identify phenomena across organizations while still maintaining a number that allowed for rigorous analysis of each interview. As suggested by Crouch and McKenzie (2006), 15-20 interviews allows for a thorough analysis of data while also ensuring enough saturation to develop themes, which is the suggested practice for a qualitative study of this nature.

Participants were recruited in three ways. First, once I determined that an organization was appropriate for a possible interview through the random selection process, I looked on the organization's website to see if the board chair and contact information were listed. If the chair was listed with contact information, I emailed a standard email approved by the Research Ethics Board at the University of Saskatchewan to ask for their participation. I tracked which organizations I contacted through email and, if they did not respond, I sent one follow-up email. I was able to secure eight interviews using this approach. Second, if the chair was listed but no contact information was offered on the website, I checked LinkedIn to see if the person had an account. If the person had an account, I sent a message through LinkedIn to ask for participation and repeated the tracking process noted above. This was an effective way to secure participants as I was able to secure 10 interviews with this approach. Lastly, if an organization came up and no contact information or LinkedIn account existed, I reached out through my contacts to see if anyone knew who the chair of the board in question was and could forward me the person's email. I was able to get six interviews using this approach. All in all, participants were eager to

participate because they considered it as an opportunity to talk about their knowledge, strategies, and experiences, as well as to contribute to good governance of non-profits more generally.

3.2.2 Semi-Structured Interviews

Semi-structured interviews were used in this study to allow for subsequent probing questions to be asked to obtain more detailed and distinct answers (Fontana & Frey, 2005). Given that participants were encouraged to explain and add any information they thought might be relevant to the discussion, a major component of the interview involved listening to stories about significant events related to board process and board chairs completing their role. This allowed for the discovery of information that may not have been considered in the research design stage, such as specifics about what the board chair does in relation to board processes.

The list of questions was created in consultation with my supervisor and committee and was structured to ensure that the questions directly aligned with the propositions or to key elements of accountability. Before finalizing the list of questions, a pilot was run with three interviews to see if the questions were clear and appropriate and if any additional questions were needed. Based on feedback from this pilot, the phrasing of some of the questions was updated (see Appendix A – Propositions and Interview Questions). The questions were grouped to provide participants with information to help them answer the follow-up questions related to the proposition or topic and provide evidence. Grouping the questions in this way ensured participants examined situational and behavioral events through a lens related to the corresponding proposition about accountability.

The questions were designed to develop an understanding of the board chair's perspective of the board's and organization's approach to accountability. While it is possible, and indeed likely, that management may offer different answers to these questions, this study was primarily concerned with the unique perspective of board chairs in performing functions that enable them to engage with various stakeholders, including the CEO/ED, board members, governmental and non-governmental stakeholders, and the media. Working with these stakeholders on accountabilty issues uniquely positions the board chair to observe tensions at various levels related to accountability. The questions also probed for specific strategies board chairs use in leading the board to address the performance of a coping organization.

Interviews were conducted by phone and in person, and all participants were informed of the nature of the study and asked to consent to the interviews. All participants were also sent an

electronic copy of the consent form through email prior to the interview. Interview sessions were audio recorded and then transcribed. See Appendix A for a list of questions and corresponding propositions.

3.3 Coding and Analysis

3.3.1 Multiple Coders

Given the qualitative approach of this study and my own experience in organizations, I used a second coder to ensure that coding and identifying themes would be rigorous by involving more than one perspective and allowing for discussion of areas where agreement was low. Many consider this tool to be adequate for increasing rigor in qualitative research because it helps reduce bias and is particularly helpful when participants are asked the same questions (Barbour, 2001; Berends & Johnston, 2005; Morse, 2015).

Multiple coders have been used in large studies to analyze statistical measures for determining intercoder/inter-rater reliability (Berends & Johnston, 2005; Wallace et al., 2003). The approach of using two coders in a smaller study, like this one, is in keeping with Barbour's (2001) explanation that, despite the lack of statistical data available in smaller studies to show agreement, using multiple coders still provides a helpful mechanism for discussing coding disagreements and refining coding frames. In a study such as this one, two coders usually conduct analysis, meet regularly to discuss agreements and disagreements in coding, and determine key themes (Berends & Johnston, 2005; Fromme et al., 2004).

The second coder had a Master's degree in applied social psychology and was experienced in qualitative analysis. However, this individual had only limited knowledge of governance and board composition, which helped provide an outside, unbiased perspective. According to Berends and Johnston (2005), using coders from different backgrounds helps to overcome the potential for a researcher's background to influence how the researcher views the data.

We initially coded the first six interviews to identify possible codes to be used for all interviews. We then met to discuss and agree on the initial set of codes. We continued coding each interview separately and meeting periodically to re-examine the codes and adjust as necessary. By using this approach, we were able to quickly identify areas where there was high agreement on codes and themes and to discuss areas where there was low agreement.

Agreement was determined in NVivo using coding stripes that flagged the coding done by each user (first coder versus second coder). In cases of low agreement, we discussed the rationale for our placement of that excerpt until agreement was reached. In some cases, new themes or sub-themes were created to accommodate these excerpts. This process followed the best practice of having ongoing coding discussions between coders to decrease ambiguity around the coding process, including identifying reasons for disagreements, code repetitions, and reasons for omissions (Barbour, 2001; Berends & Johnston, 2005). The identity of each organization was kept confidential from everyone except the second coder, the manager of the SSRL labs at the University of Saskatchewan, and me. The second coder was hired through the SSRL and bound by the confidentiality agreements with the lab.

3.3.2 Coding Process

The data was transcribed by the Social Science Research Laboratory (SSRL) and then coded using NVivo 12 Pro software to identify patterns that were then grouped into themes and sub-themes (Braun & Clark, 2006). Coding involved looking for textual data and assigning a code to snippets of the text that expressed the key idea of the text in relation to the research questions in this study (Strauss & Corbin 1998). Using NVivo software enabled the coding and annotating of hundreds of excerpts through three steps:

Step One - The data were first coded in an open/exploratory manner to ensure the interview data could be examined for all patterns arising in the interviews (e.g., frequency, sequences, emotions, significant events) and not just the expected patterns linked to the propositions. The term ‘open’ explains that the researcher remains open to new concepts relevant to a phenomenon or research question (Strauss & Corbin, 1998).

Once patterns had been identified using open/exploratory coding, it became evident through the initial meetings with my co-coder that the structuring of the interview questions to align with the propositions had already created a coding system within the data. The propositions and corresponding interview questions had already divided the interviews into areas that could be examined. For example, areas such as trust between board members and number of professional people versus non-professional people on boards were already flagged in the propositions with specific questions. The propositions provided an effective manner in which to group data so that key themes and sub-themes in each area could be identified. Where there was no proposition but a set of focused questions (e.g., examining mission and coping characteristics

of the organization), the area linked to those questions was used to group data. This was done to align with the targeted questions developed previously to address each proposition and key area (see Appendix A - Propositions and Interview Questions).

Step Two – Once the data was coded to each proposition, the excerpts grouped under each proposition and key area were examined for themes and sub-themes. One technique used to identify themes and sub-themes was to examine the narratives arising from stories that were told about events (e.g., specific board decisions) (Frank, 2000). Our use of narrative specifically involved considering the way stories were told, including the sequence and timing of events, how the storytellers positioned themselves in the story, and the beginning and endpoints. Importance was also placed on frequency of information in stories and why some events featured more prominently than others. This was especially helpful when identifying strategies used by a board chair in different situations related to accountability challenges.

Step Three - Analysis of the information involved examining the data and discussion from open coding and thematic and narrative analysis to determine if the propositions were supported. These findings were then compared against the information collected on each organization to see if other findings could be identified. For example, the type of accountability used by organizations was compared with case information such as whether participant responses differed in large or small organizations. Overall, the process outlined above allowed me to move easily from a textual level analysis to a broader understanding and explanation of what was occurring.

3.4 Anonymous Aggregated Synopsis of Data

3.4.1. Description of Organizations

The organizations included in this study focused on a wide variety of social issues, providing services for those in need of counseling, early childhood development resources, services for those with disabilities, services for Indigenous individuals, cultural resources, services for the elderly, services for parents and programs for children, services for newcomers and immigrants, and advocacy and awareness of specific diseases.

Table 3-5 displays details on the organizations' demographics. Sixteen of the organizations were registered charities (76%), and five were member non-profits (24%). None of the organizations were large enough to be considered NGOs, and none were defined by those interviewed as NGOs. Most organizations were small organizations defined as 10 employees or

less (48%; n = 10). Only two of the organizations were considered very large, with employees in the hundreds. Most organizations had either a CEO (43%; n = 9) or an Executive Director (43%; n = 9); however, three organizations were working boards and, for this reason, did not have an ED or CEO (14%).

The two predominant types of organization offered social services and health services, with the majority providing social services through implementing programs (62%; n = 13). The organizations (charities and member non-profits) included in this study were also likely to offer services related to facilitating employment and amenities (86%; n = 18), education (81%; n = 17), and advocacy (48%; n = 10). A small number were counselling organizations (24%; n = 5), while a few (14%; n = 3) were involved in funding other organizations to provide services.

Three organizations were Indigenous groups (14%; n = 3) that offered counseling, education, and outreach services to assist with physical, spiritual, and social needs of Indigenous people or conservation of nature and advocacy for Indigenous issues. The remaining organizations focused on providing more tangible supports for people such as assisting people with rehabilitation issues, providing housing to the elderly, providing tools for financial and employment challenges, and supporting sick kids and their families. Please see Appendix B for a brief synopsis of each organization.

Most organizations were funded from federal (57%; n = 12) or provincial funding (57%; n = 12), as well as from private donations and fundraising events (52%; n = 11). Other sources of funding included city funding (24%; n = 5), grants that did not specify provincial or federal funding (10%; n = 2), as well as corporate sponsors or other forms of revenue (52%; n = 11). Most boards had more than 10 members (62%; n = 13). Overall, the study provided a good cross section of organizations to consider (see Appendix B: Synopsis of Organizations, Appendix C: Description of Data, and Appendix D: Organizational Demographics).

Table 3-5 Non-Profit Organization Demographics

Organization Demographic	Frequency	Percent (%)
Type of Non-Profit		
Non-Profit	5	24%
Charity	16	76%
Organization Size		
Small	10	48%
Medium	4	19%
Large	7	33%
Has a CEO or Executive Director		
CEO	9	43%
Executive Director	9	43%
Neither	3	14%
Organization Type		
Social Services Implementing Programs	13	62%
Social Services Policy-Based Advocacy	3	14%
Health Services Implementing Programs	2	10%
Health Services Policy-Based Advocacy	3	14%
Type of Services*		
Facilitating Employment and Amenities	18	86%
Education	17	81%
Lobbying	10	48%
Counseling	5	24%
Type of Funding*		
Provincial Funding	12	57%
Federal Funding	12	57%
Private Donations/Fundraising	11	52%
City Funding	5	24%
Non-governmental Grants	2	10%
Other	11	52%
Primarily Funds Other Organizations		
Yes	3	14%
No	18	86%
Indigenous Organization		
Indigenous	3	14%
Non-Indigenous	18	86%
Number of Board Members		
10 or less	8	38%
11 or more	13	62%

*For some organizations, multiple categories applied for Types of Funding and Types of Service.

3.4.2 Aggregated Board Characteristics Collected from Interviews

The aggregated board characteristics are presented in Table 3-6 below, as reported by board chairs in the interviews. Most board chairs reported their boards (76%; n = 16) to be strategic rather than operational. Most board chairs also reported viewing their managers as trusted stewards (81%; n = 17). Almost half of board chairs (48%; n = 10) stated that their board consisted primarily of professionals rather than non-professionals (43%; n = 9). Many board chairs reported high levels of trust among board members on their board (67%; n = 14). These results must be considered in relation to the analysis in Chapter 4 and 5 (See also Appendix E: Board Characteristics).

Table 3-6 Board Characteristics as Collected in Interviews

Board Characteristics	Frequency	Percent (%)
Type of Board		
Strategic	16	76%
Operational	5	24%
Board Philosophy		
Stewardship	17	81%
Principal Agent	3	14%
Missing	1	5%
Mix of Professionals		
Primarily Professionals	10	48%
Primarily Non-Professionals	9	43%
Both	2	10%
Degree of Trust		
High	14	67%
Medium/Low	7	33%
Total	**21**	**100**

3.5 Chapter Summary

This thesis explored board chair perspectives and narratives on how non-profit organizations with non-observable processes or outcomes stay accountable. Qualitative analysis focused on how accountability relates to various organizational characteristics, board processes, and decision making in socially focused non-profits. Twenty-one board chairs recruited through a random selection process were interviewed. Only organizations with both social missions and employees doing intangible work were selected, as they were likely to be coping organizations. Sixteen were registered charities and five were member non-profits. Most offered counselling or education services, with some offering both. Three were Indigenous groups offering counseling, education, and outreach.

CHAPTER 4 BOARD CHAIR PERSPECTIVES ON ACCOUNTABILITY CHALLENGES IN NON-PROFITS

4.0 Overview

This chapter describes board chairs' understanding of accountability as reported in interviews. This understanding sheds light on the relationship between accountability and both organizational characteristics and board processes. Chapter 5 examines these relationships presented as propositions, and Chapter 6 presents strategies board chairs use for dealing with accountability challenges. This chapter highlights a series of key insights that outline how accountability is being thought about in socially focused non-profits.

4.1 How Board Chairs View and Define Accountability for Their Organization

Board chairs were first asked about accountability challenges in their organization and if accountability to funders and other stakeholders results in a preference for outcome or process accountability. The following definitions of process and outcomes accountability were used to guide interviews and participants:

- Process accountability focuses on whether the organization prioritizes the processes being used in the organization (e.g., a focus on best practices) when assessing organizational performance.
- Outcome accountability focuses on whether the organization prioritizes how well it meets outcome targets when assessing organizational performance.

Table 4-1 outlines the questions asked in the interviews related to the understanding board chairs had about accountability and the key insights that emerged.

Table 4-1 Accountability Challenges- Questions Asked and Key Insights

Interview Questions	1. Accountability is extremely important these days, with everyone from funders to the general public wanting to know what organizations do and what they achieve. What accountability challenges does your organization face? 2. When you consider your organization's accountability to funders and other outside parties, would you say your organization focuses more on assessing the processes being used in the organization (i.e., a focus on using best practices) or would you say your organization focuses more on the outcomes being produced (i.e., effectiveness at meeting targets) or is it a mix of both? What evidence do you have for this view?
Key Insights from Analyzing Board Chair Reponses on Accountability Approach	1. Board Chairs View Accountability in Relation to an Effective Board Structure and Board Process Rather than to Tracking Processes or Outcomes 2. Board Chairs Suggest Their Boards Favour Outcome Accountability Over Process Accountability 3. Although Board Chairs Report Outcome Accountability, Further Investigation Suggests Many Organizations Use Process Accountability

4.1.1 Key Insights from Analyzing Board Chair Reponses on Accountability Approach

Key Insight #1: Board Chairs View Accountability in Relation to an Effective Board Structure and Board Process Rather than to Tracking Processes or Outcomes

Many participants challenged the notion that accountability should be limited to a discussion of process versus outcome accountability. The board chairs had varied ideas about what constituted an accountability challenge that went beyond discussing process versus outcomes accountability. For example, they reported that accountability challenges included issues such as maintaining confidentiality, ensuring transparency with all stakeholders, and doing work that is appropriate to the mission and the expectation of funders. The quotes below indicate the types of accountability challenges flagged across interviews. Most board chairs made no reference to collecting data (process or outcomes) as an accountability challenge, although they were provided with definitions of process and outcome accountability during the interview:

> *"I think a big one was maintaining confidentiality of our clients – lots of them were in high-risk scenarios – while trying to still hold together data that we could use in a meaningful way for forward planning." (Interview 12)*

"I mean, on one side it's internal accountability – these are all volunteers but they have to physically do work in order for us to be successful. And I mean, on the other side, it is making sure that we're an open book." (Interview 9)

"Well, I think that we're always trying to ensure that we are meeting the needs of those that we serve is a big priority, that we're being good stewards of money that's donated to us by donors, also that we're meeting the terms of all contracts we have with funders." (Interview 11)

In some cases, board chairs referred to accountability as being about making sure that board members completed work as promised:

"I mean, the two of us hold everybody else a little bit more accountable in terms of both – mainly in terms of tasks and doing what individuals on the board say they're gonna do, again, because we're a working board, everybody's accountable to the board." (Interview 9)

Only two board chairs explained accountability challenges that were related to processes and outcomes. The first referenced the difficulty of measuring the impact or difference made in people's lives:

"So, with family service organizations, I feel like many of the strategies or the services that are provided [are] sort of soft services. We're not selling a product then we can measure how many products are sold… And the accountability our funders and stakeholders are really looking for was not how many people did you see but what difference did seeing them make. It's a false measure, it's hard to measure. And so I feel really privileged that as a board chair I was working with an organization where the ED and staff were really on top of that." (Interview 8)

The second board chair spoke about the pressure from funders to emphasize outcome-based reporting and the challenge with measuring intangible outcomes such as changes to people's behavior:

> *"They both talk a lot about outcomes-based, and they want us to try to emphasize outcomes in our grant proposals, and in our reporting, and those kinds of things. The reality, though, I think, is that we don't really do that good of a job of measuring outcomes because they're difficult and expensive to measure properly. 'Cause you're really looking at changes in peoples' behavior, and the funders who want outcomes-based stuff won't give us the funding to properly do the research and analysis to make sure we're actually doing that. So, although they kinda talk a good game about outcomes-based and we have to talk about it a lot, I'm not sure we're really doing it." (Interview 14)*

The interview itself provided many participants with a lens or frame from which to view accountability. Once the interviewer provided more in-depth explanations and asked probing questions, some participants indicated that they had gained further knowledge of processes and outcomes. The participant below suggested that the interviewer had helped the participant to see the value in understanding whether one is tracking process versus outcomes and how this may be relevant going forward:

> *"I: Okay and do you think there's a mix? Do you do some sort of process reporting?*
> *P: Now what do you mean by process? Explain that to me.*
> *I: I mean the processes within the organization, the things you're doing, so like we know we're doing a good job because we have these programs and these processes in place versus these are the amount of people or the types of outcomes we're looking for; process versus outcomes.*
> *P: Yeah. I would say that we're more invested—I haven't seen a lot of process-based evaluations or accountabilities.*
> *I: Right, okay.*
> *P: Something to consider, certainly" (Interview 20).*

Most board chairs viewed accountability through the lens of their own role and the role of the board, focusing on how well they and the board were completing tasks and upholding values such as confidentiality and transparency. Many board chairs still preferred to explain accountability through this lens even after the definitions of process and outcome accountability were provided.

Key Insight # 2: Board Chairs Suggest their Boards Favour Outcome Accountability Over Process Accountability

After the board chairs understood the distinction between process and outcomes, they were asked to explain which of these their organization was predominantly using. Board chair responses suggested a pattern that prioritized outcome accountability. Among the 21 organizations, 11 board chairs reported that their organization used outcome accountability (52%), three that their organization used process accountability (14%), and seven that their organization used both process and outcome accountability (33%). Most board chairs favoured outcome accountability because they viewed it as an effective method to determine whether the organization was achieving its targets and positively impacting the lives of those receiving services. As shown in the quotes below, board chairs often indicated that outcomes offered a visible and important way of tracking performance:

> *"I think outcomes are certainly more important." (Interview 20)*

> *"I would say, because we're dealing with healthcare, families and children's health, I think it's outcome based. 'Cause that's very visible, very tangible." (Interview 21)*

In some cases, even in organizations primarily focused on process accountability, board chairs still viewed outcomes as important because tracking outcomes aligned with their corporate background. As suggested in this quote, ideas from the private sector can influence choices about accountability:

"The organization is heavily focused on processes, practices- very task-based reporting, and activity-based reporting, which I don't think is – y'know I think that's actually probably more common than not in the not-for-profit world. Coming with my corporate lens on, I'm very outcome-focused. And this became a challenge and a rub." (Interview 12)

Key Insight #3: Although Board Chairs Report Outcome Accountability, Further Investigation Suggests Many Organizations Use Process Accountability

Although several board chairs originally maintained their organizations focused on outcome accountability, probing questions indicated that they engaged in process accountability. For example, although this board chair originally stated that the organization used outcome targets, the description of the type of information reported suggests that the focus was on tracking processes:

"I: Okay. So, in terms of- so it's really outcome focused, then. You're looking at targets?
P: Absolutely. I mean, we report on a monthly – there in every meeting in terms of deliverables of our strategic plan. We also have agenda items and tasks that need to be completed that we report on. So, I mean, there is constant reporting and monitoring on what I'm doing and what we're doing as an organization.
I: And so are those tasks like processes that you're doing?
P: Some of them are process-related, for sure.
I: So would you say that the balance- what's the balance of the reporting of processes to, say, here's a targeted outcome that I achieved? I said I'd get 75 people through the door, or $75 for this, and I got it. What do you think is the difference? What's reported more?
P: Processes, for sure." (Interview 9)

Another board chair exhibited a similar discrepancy, originally reporting that the organization was outcome-focused, but when discussing the types of metrics used, described process activities conducted by employees:

"P: I think it's outcome based. 'Cause that's very visible, very tangible.

I: And what would that evidence look like? Like, would you report just targets, like number of people, or would you work for other things, process?
P: I think there's a long list and families are obviously the core of what we do, and then from there we report things like some of the programming that we support families with. One of the real popular ones is dinners for families, and organizations or people come in and cook a dinner for the families in the house. That's a growing program. That requires some assistance. It's all about supporting the families, the needs, providing what they need- sorry, go ahead.
I: So that sounds like it's a mix, then? You're doing both sort of-
P: Formal process and results, yeah." (Interview 21).

One board chair from a large well-funded organization reported using both process and outcome accountability, a mix that depended on the type of program and what clients viewed as most relevant to measure:

"*I think it depends on the program area. So in [one program] it's often a combination of best practices and outcomes. And sometimes it's really best practices that everyone is interested in. So if you're a [client] you're interested in yeah you want good outcomes you want people to move up, but the core to that is best practice. I would say another area is it's probably pretty much like a bums in seats approach. The board I think is interested in something broader than that or some kind of mix of we want results partly because that tells us reasonably 'cause our main accountability is to our clients. Members on one end clients on the other." (Interview 5)*

Regardless of whether the organization used process or outcome accountability, many board chairs said that performance was assessed using anecdotal evidence rather than hard, statistical data. The quotes below illustrate that anecdotes and stories were a key mechanism for assessing the organization's performance:

"But a lot of times, how we measure things is by the stories of the people that were coming into our organization, and the reports back from the different program areas.

That's how we kinda measure our success when the people are using our services. A lot of times, people are allowed to just be in our building and if they're using our services, we feel that that's meeting their needs." (Interview 4)

"And that's where it gets expensive because you rely, certainly on anecdotal evidence, successes, people who win awards, y'know all those kinds of things and who're willing to come back and say, 'I'll tell you if it wasn't for [de-identified, 00:45:48] I'd still be y'know kind of living hand to mouth.'" (Interview 5)

Overall, board chair responses suggested that while their organizations sought to track outcomes, they actually focused on processes due to the difficulties associated with tracking outcomes in coping organizations. Because they could not track employee work and its outcomes, they resorted to unique approaches for tracking processes, such as anecdotes and stories.

4.2 How Coping Characteristics Impact the Assessment of Missions in Socially Focused Non-Profits

Socially focused non-profits included in the study were all classified as coping organizations. Organizations are termed coping when it is difficult to observe the intangible activities of employees and to determine if the work completed is accomplishing the mission (Wilson, 1989). This section reports results of questions on whether board chairs could accurately determine if the organization was achieving its mission. Board chairs' answers revealed interesting insights about how they viewed the mission and characteristics of coping organizations.

Table 4-2 outlines the questions asked in the interviews related to assessing the mission of the organization and the key insights that emerged.

Table 4-2 Degree of Coping – Questions Asked & Key Insights

Interview Questions	1. What is the mission of your organization? 2. As the board chair do you feel it is possible to accurately measure the degree to which your organization achieves this mission? Why or why not? 3. Is the board able to accurately describe the type of work employees do in this organization and how effective they are at it? Why or why not? 4. Do you believe the board can assess if the work done by employees is having an impact on accomplishing the organization's mission? If so, how? If not, why?
Key Insights from Analyzing Board Chair Reponses About Assessing the Mission of the Organization	1. Most Board Chairs Believe They Can Accurately Assess the Degree to Which the Organization is Achieving its Mission 2. Board Chairs Who Do Not Believe They Can Assess the Achievement of the Mission Emphasize the Impossibility of Tracking Intangible Outcomes 3. Board Chairs Who Believe They Can Assess the Mission's Achievement Acknowledge Challenges with Observing Employees' Efforts and Outcomes of Work 4. Some Board Chairs Acknowledge the Inability to Observe Employees Work and Its Outcomes

4.2.1 Key Insights from Analyzing Board Chair Reponses About Assessing the Organization's Mission

Key Insight #1: Most Board Chairs Believe They Can Accurately Assess the Degree to Which the Organization is Achieving its Mission.

Participants were first asked to describe their organization's mission and state if they believed the mission could be assessed. They were next asked about the board's ability to observe employees' work and its outcomes. Since most board chairs outlined missions that were broad, far-reaching, and intangible, they often included components that were difficult to thoroughly assess. A few examples of the missions are provided below:

> *"To ensure that every individual with [specific] syndrome is able to achieve their fullest quality of life." (Interview 9)*

> *"To promote inter-culturalism, diversity, and harmony amongst all peoples, and to provide services and support to [our clients]." (Interview 14)*

"Our mission statement is to ensure that all families and their children develop in a healthy and productive manner." (Interview 2)

Some board chairs indicated that they could adequately assess whether the mission had been achieved. Others had varying answers as to whether they believed the employees' efforts (i.e., processes), and the impact of these efforts (i.e., outcomes) could be observed. Sixty-seven percent of participants (n = 14) indicated that they could accurately measure the degree to which their organization was achieving its mission, 67% (n = 14) that they could describe the type of work employees do, and 43% (n = 9) that they could assess the impact of this work. However, across all organizations, only 33% indicated that they could accurately measure the success of the mission, AND see efforts of employees, AND see the impact of these efforts (n = 7) (see Table 4-3).

Table 4-3 Board Chair Beliefs About Assessing the Mission

Board Chair Beliefs	Frequency	Percent (%)
Board Chair Belief That They Can:		
Assess Achievement of Mission	14	67%
Observe Efforts of Employees	14	67%
Assess Impact of Efforts	9	43%
All Aspects (Assess Mission + See Efforts + See Impacts)	7	33%
Total	**21**	**100**

These findings suggest that most board chairs exhibited confidence in assessing the success of the mission despite being aware of the challenges with observing the efforts and outcomes of employees' work.

Key Insight #2: Board Chairs Who Do Not Believe They Can Assess the Achievement of the Mission Emphasize the Impossibility of Tracking Intangible Outcomes

Although board chairs seemed confident about assessing the mission's success, further probing revealed that many felt their missions were, in fact, difficult to assess because the process involved assessing intangible and complex outcomes regarding how the organization was benefitting peoples' lives:

"I: Do you feel you're able to accurately measure the degree to which your organization achieves this mission, specifically things like the sense of community? Do you think you're able to measure that?
P: Not well." (Interview 11)

One board chair explained how difficult it was to determine whether the organization was achieving its social mission because the organization helped people in many intangible and overlapping ways, making measurement difficult:

"But it's messy. It's not a clear-cut measurement, right? It would be sort of a complicated measurement . . . There's no one single measure that would indicate whether or not we're accomplishing the mission . . . I think a lot of times when you're dealing with non-profits and their missions, I don't know how easy it is to sum up whether or not you're meeting your mandate with one simple measure because things are dynamic, they shift, they change. You're dealing with people. It's messy. It's hard to measure." (Interview 20)

Another board chair indicated that the intangible outcomes of the work done by employees in the organization could not be tracked or measured:

"We can measure how many [services offered] and we can . . . have families come forward and speak about how we've influenced their lives and let's make it as tear-jerking as possible, so that we can get donations among other things, but the fact is, no, it's impossible to really measure and that's also kind of the beauty of what we're doing. We're talking about people, here, and the infinite thoughts that people have, the infinite experiences that people have and that's kind of the cool thing about it. I don't know how it affects people. I hope it affects them well." (Interview 17)

Another board chair admitted that they could not track either the work done by employees or the outcomes of this work:

> *"We didn't know how all people were truly performing and we weren't aware of what impact that was actually having." (Interview 12)*

Board chairs also recognized that understanding the mission by focusing on organizational practices did not relay information about outcomes of the work. The following quotes indicates that many board chairs understood that the visible aspects of employees' work (e.g., counting how many people attended) did not provide information on the intangible outcomes outlined in their missions:

> *"Ah. Comes back to really properly measuring outcomes as opposed to outputs. And as I said before, do we really know? I don't think we do." (Interview 5)*

> *"I: You're counting numbers of people that attend and the surveys… Can you assess though, if they've actually learned something?*
> *P: No. Our assessments would not go that far." (Interview 18)*

In summary, many board chairs were highly aware of the challenges involved with assessing the success of their coping organization's mission. They understood specifically that tracking intangible outcomes was not possible because it involved investigating how people's lives were changed. These board chairs also understood that tracking observable outputs would not lead to an understanding of outcomes, nor an ability to assess the mission.

Key Insight #3: Board Chairs Who Believe They Can Assess the Mission's Achievement Acknowledge Challenges with Observing Employees' Efforts and Outcomes of Work

Some board chairs indicated that they could assess the degree to which they were achieving their mission, as well as see the efforts and impact of their organization (n = 7) (see Table 4-3 above). However, they simultaneously outlined the difficulties in doing so. For

example, one board chair suggested that developing reporting structures to accurately assess the mission was time consuming, costly, and required trading off resources that should be focused on delivering the mission:

> *"The end of the day there's only so much human energy both at your board level and at your staff level and every time you're looking for increased reporting it takes time away from them delivering the mandate." (Interview 1)*

Another board chair explained how the organization had recently invested resources in software to track the actions of employees. Although the board chair felt strongly that this assessment tool would assist with assessing performance, they admitted that such tools have limitations:

> *"No tool's perfect, and probably in ten years we'll say, 'Wow, here's a better tool,' or 'Maybe this tool didn't tell us anything that we needed,' but in the meantime, it's what we have and I never buy into this is the ultimate tool. To me, it's like no, it's a tool. There might be another tool that comes along that's better, but it's helpful and it might lead us to a better tool. It might lead us to an answer that shows us a different tool." (Interview 17)*

Yet another board chair indicated that the board engaged in education sessions at each board meeting. However, the information presented did not accurately address non-observable work and outcomes. In the quote below, the board chair admitted that the board's knowledge about the organization was limited mostly because they did not interact with and manage staff directly:

> *"We have board education sessions at virtually every board meeting we have, so it'll be on different programs and services that we provide and we also try to have our board meetings at our various branches, so we get to see the services in process, not all of them, of course . . . the board doesn't do oversight on staff from that regard. That's a management process." (Interview 10)*

When pressed further, the same board chair suggested that a member survey provided needed information, but no evidence was offered about the type of information that can be gathered in a survey and if, in fact, it can address the non-observability issues in the organization:

> *"I: In other words, can you tell if the work done by employees is actually enhancing the lives of people experiencing disabilities?*
> *P: Yes, because the people getting the service tell that us it is, in the survey." (Interview, 10)*

In the end, the same board chair suggested that knowing if the mission was being achieved came down to trusting staff and that community members would complain if the mission was in question:

> *"I: Other than the survey, you wouldn't be able to tell though? Is that what you're saying?*
> *P: I don't know. I would like to think that we could trust our staff to let us know and I think if we didn't, we would be getting some feedback. I think there'd be pushback from the community." (Interview 10)*

A different board chair suggested that board members were able to assess the success of the mission. However, the description below suggested that there was no formal assessment process:

> "*I: And that's how you know those anecdotal stories? Okay. So let me ask you this. Is the board able to accurately describe the type of work employees do in the organization and how effective they are at it? And by that I don't just mean describe their job description, but the intangible part. The counselling, and the-*
> *P: Yeah. I hope so. I haven't challenged it board member by board member if they could, but I would be very comfortable if somebody asked them to explain exactly what you're asking, in a social setting y'know. I think part of our board culture is, yeah, we meet once a month and there's some committee work behind the scenes, but the unwritten expectation is that the board member will actually spend some time at the house outside*

of the scheduled meetings, the scheduled committees. Just so there's a connection." (Interview 21)

When probed, the same board chair expressed certainty about the impact of the work done by the organization but struggled to articulate how they knew significant impact was occurring.

"I: And do you know what the impact of that is?
P: Talk to a family, it's massive. They bring it home for dinner. They come in and cook a meal for a family. It's amazing what families, the things that they prioritize when they're there is obviously the care of their care of their child, but they sort of ignore their health and their dietary things." (Interview 21)

One board chair indicated that the mission could only be measured emotionally and not statistically:

"So, statistically, I can't measure the impact as somebody that has [de-identified, 00:27:20] syndrome, how they're gonna achieve their fullest quality of life . . . Emotionally, and even physically, like as an individual, we can and are starting to measure some of that." (Interview 9)

When assessing the intangible aspects of the mission, some board chairs indicated that it could be assessed in theory, but that, in practice, assessment would require immense investment of time and money. One board chair believed that assessing the mission would only be possible with unlimited resources. The board chair also suggested that funders would not contribute to initiatives on assessing the achievement of the mission:

"I: Is it possible?
P: Yes. But, as I've said, that kind of research – and it is research – requires money, and a lot of in-depth analysis and following people over, say, a five-year period. And nobody will pay- none of our funders will pay to do that." (Interview 14)

"I mean, it's possible. It's absolutely possible, but it's also challenging and difficult to do it. To measure real performance at least in an outcome-based way. And I don't think [we have] resources as an organization to do that properly, and so we don't do it to that level." (Interview 14)

The same board chair indicated that because it lacked the resources to measure outcomes over long periods, the organization mostly tracked which programs were run and how many people attended instead of seeking to measure true impact over time:

"So, we instead focus more on outputs than on outcomes, y'know, did we run that program, how many students did it have, what was their satisfaction, we don't follow up with them five years later to see how much they've changed over time." (Interview 14)

A good number of board chairs resorted to expressing a feeling or intuition about the success of their mission, rather than providing objective, concrete evidence. In the quote below, the participant offered a series of anecdotes and impressions about the success of the mission rather than any concrete measures:

"Well, I hope so. Maybe this is a philosophical question more than anything else, I would not have a lot of appetite for sitting on a board if I didn't feel like we could tell if the organization was making a difference. Perhaps that's a bit ephemeral and idealistic but… I mean, we made a concerted effort to meet with staff at least once a year and sometimes twice in a social setting with an opportunity for visiting. Our employees consistently talked about how much they loved working there… Then you meet with the employees and what they tell us at the Christmas social is, 'Gosh, I'm glad I was lucky enough to get a job here. I just feel like every single day I make a huge difference and that the people who come to us our teaching me all kinds of things about how to be a better community service professional.'" (Interview 8)

In summary, although they aspired to measure the degree to which the organization was achieving its mission, the board chairs acknowledged the difficulties in observing their

employees' efforts and the outcomes of these efforts. They were aspirational, yet practical, when probed about their limitations.

Key Insight #4: Some Board Chairs Acknowledge the Inability to Observe Employees' Work and Its Outcomes

Five board members directly identified non-observability challenges in a manner that corresponded with Wilson's (1989) explanation of non-observability of employee efforts and outcomes. One of these board chairs acknowledged that the employees' work and its outcomes were intangible (e.g., soft services) and difficult to measure:

> *"So with family service organizations, I feel like many of the strategies or the services that are provided are sort of soft services. We're not selling a product then we can measure how many products are sold… And the accountability our funders and stakeholders are really looking for was not how many people did you see but what difference did seeing them make? It's a false measure, it's hard to measure." (Interview 8)*

One board chair explained that despite government requests for more information, the board had to assert to government that obtaining information about the organization's work was not always possible:

> *"You get the piece of paper and it's like okay, here's the things and these are the things we're going to do and whatever machinations we did as a board to get to that and if the government says, "Okay, well we need this," then—and we have pushed back and said, 'We can't do that, we can't get that information.'" (Interview 2)*

Another board chair maintained that the impact on those served by the organization was impossible to track and measure:

> *"So, statistically, I can't measure the impact as somebody that has [de-identified, 00:27:20], how they're gonna achieve their fullest quality of life because every individual*

that has [de-identified, 00:27:26] is impacted differently. Emotionally, and even physically, like as an individual, we can and are starting to measure some of that. I mean, it's . . . seeing how those girls are interacting with their family, their friends, to see that we're actually making a difference with some of the things that we're doing." (Interview 9)

One board chair indicated that although emotional anecdotes captured the board's attention, it was impossible to assess what work was being done and the impacts of this work:

"The answer is no because yeah we can measure how many [services offered] and we can . . . have families come forward and speak about how we've influenced their lives and let's make it as tear-jerking as possible, so that we can get donations among other things, but the fact is, no, it's impossible to really measure and that's also kind of the beauty of what we're doing. We're talking about people, here, and the infinite thoughts that people have, the infinite experiences that people have and that's kind of the cool thing about it. I don't know how it affects people. I hope it affects them well." (Interview 17)

Interestingly, three of the four descriptions above involve detailed information about how each organization runs. This operational knowledge suggests that these board chairs were highly familiar with their organizations, which may have helped them understand non-observability issues. One participant discussed non-observability at length throughout the interview and seemed to have the firmest grasp on the general implications of a coping organization and the resulting accountability challenges:

"The reality, though, I think, is that we don't really do that good of a job of measuring outcomes because they're difficult and expensive to measure properly. 'Cause you're really looking at changes in peoples' behavior, and the funders who want outcomes-based stuff won't give us the funding to properly do the research and analysis to make sure we're actually doing that. So, although they kinda talk a good game about

outcomes-based and we have to talk about it a lot, I'm not sure we're really doing it." (Interview 14)

In conclusion, descriptions by the five board chairs who identified non-observability challenges align with Wilson's (1989) description of coping organizations. Further analysis of board chair responses suggests that the recognition and understanding of non-observability challenges may be enhanced when board chairs are knowledgeable about the organization's operations.

4.3 The Impact of Funder Preferences for Outcome or Process Accountability in Socially Focused Non-Profits

Lerner and Tetlock (1999) argue that the type of accountability requested by funders often influences the decisions people make about accountability. Table 4-4 outlines the questions asked in the interview related to the understanding board chairs had about funder expectations and the key insights that emerged.

Table 4-4 Funders- Questions Asked and Key Insights

Interview Questions	1. Boards often have challenges when reporting performance of the organization to funders. Do your funders have a preference for a specific balance of process versus outcome accountability? If so, what is this preference? How does the board address this balance? How do you as board chair address this balance? 2. How much importance does the board place on aligning with the expectations funders and other outside parties have around accountability? Please explain.
Key Insights from Analyzing Board Chair Reponses About Funder Expectations Related to Accountability	1. Board Chairs Place Varying Importance on Aligning with Funder Expectations for Outcomes 2. The Degree to Which the Organization is Dependent on Funders Influences the Importance Placed on Aligning with Funders 3. Aligning with Funder Expectations can Enhance the Credibility and Reputation of an Organization 4. Prioritizing Organizational Needs Reduces the Importance of Aligning with Funder Expectations

4.3.1 Key Insights from Analyzing Board Chair Reponses About Funder Expectations Related to Accountability

The insights below outline the key factors reported by participants that influenced how much importance organizations placed on aligning with funders.

Key Insight #1: Board Chairs Place Varying Importance on Aligning with Funder Expectations for Outcomes

Participant responses revealed that funders generally prefer outcome accountability (n = 11). This result is reflected in one board chair's explanation that the preference for outcome accountability has been a steady trend among funders:

> *I would say that, over the six years that I was there, we saw a marked shift away from funders that were satisfied with process and best practice accountability, towards outcome-based measures." (Interview 8)*

According to the participants, a few funders (n = 4) communicated a preference for using both process and outcome accountability. Additionally, one board chair reported that their funders had no accountability preference, and five board chairs stated that they were not aware of their funder's preferences. Although most boards valued aligning with funder expectations (n = 12) for outcomes, a significant number did not (n = 8), and one participant did not answer the question (n = 1). Board chairs admitted to aligning with funders' preference for outcome accountability even in organizations that measured both process and outcome accountability. In the quote below, the emphasis on outcomes is clearly linked to meeting the expectation of funders and those being served:

> *"It would be a mix of both because we have legal requirements to meet certain standards, so those have to be met, but it also is very, very important regarding the outcomes. We have expectations from funders and individuals who are taking the programs in terms of outcomes, so we have to monitor that." (Interview 10)*

Some board chairs directly linked their preference for outcome accountability with the need to secure more funding. The quote below illustrates that pressure from a government funder exerted through grant requirements was the main reason for the focus on outcome accountability:

"I would say, most definitely outcomes. Certainly, the grants that we received from the governments have requirements of course that we had . . . to ensure we had those outcomes." (Interview 11)

Some board chairs indicated that process accountability was better suited to their organization, and they reported tension in the organization about meeting the expectations of funders for outcome accountability. For example, in this next quote, the board chair suggested that, despite funders preferring outcome accountability, the organization focused on tracking processes:

"I think the organization itself focuses more on processes, but our two largest funders are very interested in outcomes-based analysis, well at least they say they are." (Interview 14)

Key Insight #2: The Degree to Which the Organization is Dependent on Funders Influences the Importance Placed on Aligning with Funders

It appears that boards' alignment with expectations of funders could be related to how dependent the organization is on the funder. Organizations that experience more funding challenges, and are consequently more dependent on their funders, may place greater importance on aligning with funder expectations:

"It's tricky right? Because if you don't have funding, the organization ceases to exist, so I think that we are quite reliant on government funding, in particular, and that has always been a bit of an issue for me because from a sustainability perspective, revenue diversification's incredibly important. It really depends on the mix of your fundraising or self-generated income as opposed to your government grant or funder grant income, so we're heavily weighted towards more of a granting or government funding or funding revenue stream, so therefore, what they want matters more. But I would like to see us, from a risk perspective, move towards other revenue streams so we're not as dependent on exactly what the funders are looking for." (Interview 20)

In some cases, organizations dependent on funders had challenges maintaining services and staff levels when government funding was cut back. The quote below outlines how one organization had to move from eight to three employees:

> *"The organization faced some funding challenges in its recent history, it had previously received funding from the province in a sort of set amount of a grant per year, pretty significant amount which . . . [in the] second year into being a member on the board we lost the funding . . . it had a significant impact on the ability to continue to sorta provide services. So when I first started six years earlier it had maybe eight employees . . . on my departure we were down to three." (Interview 1)*

Another organization experienced a similar challenge because it depended on funders. When funders changed their priorities, the organization had to change its priorities, reducing services to support those with a disease:

> *"Then when our funders all of a sudden do a 180 degree turn and stop funding into [this disease], then we have to either kind of change directions and make sure that our needs are being met, we have to massage our mandate." (Interview 4)*

Key Insight #3: Aligning with Funder Expectations can Enhance the Credibility and Reputation of an Organization

Those board chairs that prioritized meeting funder expectations often cited reasons related to the credibility or reputation of the organization. For example, in the first quote below, the board chair revealed that aligning with funders was critical because it fostered credibility with funders and confidence in the organization among board members. The second quote links meeting funder expectations with reputation:

> *"The board places a lot of [importance on aligning with funders] because that's our existence and our credibility… we take a lot of pride and this is our organization." (Interview 2)*

> *"Oh, absolutely, because it's our reputation is very important to us, obviously, and, I suppose, one of the ways we somewhat can see if we're meeting primarily the targets that they want … is by continued involvement and expansion of the programs that funders want us to provide." (Interview 10)*

Some board chairs indicated that when they were dealing with smaller donors, the reputation and credibility of the organization could be enhanced by engaging in proactive communication strategies. For example, the quote below explains that the organization felt responsible for informing volunteer donors about how their money was spent, mostly to enhance public perception:

> *"In principle, it's very high. Our donors are extremely important and of course the board would always want to ensure that we're using funds in accordance with what the donors would want….The donors like when we publish stories about building new houses and putting families in and so forth." (Interview 17)*

The practice of informing donors of how their money is being spent was echoed by another board chair:

> *"We do, we try through newsletters to keep [donors] abreast of the types of things we're doing so they understand where their money is going." (Interview 6)*

Key Insight #4: Prioritizing Organizational Needs Reduces the Importance of Aligning with Funder Expectations

Some board chairs indicated that accountability involved more than just aligning with the expectations of funders. Those who placed low importance on aligning with funder expectations often cited reasons related to the priorities of the organization. For example, one participant stated that the organization first focused on the needs of those being served, followed by the funders' expectations:

"Probably more in line with making sure that the needs of the clientele and the people that use the services, those are kind of our number one priority for sure, we want those needs to be met. Then we want to make sure that our funders [needs are addressed]." (Interview 4)

Another board chair said that accountability involved ensuring that funding supported the mission of the organization. Their organization was only interested in funders that supported the mission and strategic objectives of the organization, and they refrained from applying for funding that did not align with their goals. In this case, funder expectations were secondary to the strategy and not the other way around:

"I wouldn't say it so much we place importance on aligning with the expectations and funders as we place importance on making sure that the grants that we're going after and receiving align with our strategic objectives . . . we don't wanna be going after funding just for the sake of funding, if it doesn't support our mission." (Interview 14)

One board chair indicated that the needs of funders were only one of the organization's decision-making criteria:

"So we try to tilt our work based on also funders and expectations, as well also, really our need as a community – why do we need this project in the first place? Not only try to satisfy the funder's needs but also to ensure that we're actually doing what we believe that we need to do and just appraising some of the challenges or improving something that we believe that need to be [inaudible, 00:10:15, improved]." (Interview 21)

In other cases, board chairs were unaware of funder preferences because the funders had no say in how the funds were used, such as in cases of volunteer donations:

"No, I would say with our organization, there's really no donor input. Once the donation has been made, we really don't hear from them again unless they phone us up and tell us they're not going to donate again because of some issue, but apart from that, no, we get

the donations then it's up to the board to approve the use of those outside of the ordinary course." (Interview 17)

4.4 Chapter Summary

Only a few board chairs defined accountability in terms of tracking process versus outcomes. For most, accountability was a complex process that included addressing the expectations of funders and upholding the promises made to those working at and being served by the organization. Although several board chairs indicated that their organization focused on outcomes because funders and clients expected them to, it was apparent that many were in fact tracking processes or a hybrid of process and outcomes. Processes were favoured because it was difficult to track outcomes in these socially focused organizations. Board chairs were also aware that outcomes alone do not reveal whether the mission is being achieved.

Many board chairs were aspirational about their ability to assess their mission. However, rather than pointing to objective, concrete evidence, several based their views on intuition, reporting that their mission statement's intangible outcomes posed an assessment challenge. Tracking these intangible outcomes, they acknowledged, would require immense resources (i.e., time and money) because it would involve examining the behaviour or circumstances of former clients in real-life settings. Compounding the tracking difficulties is the fact that the impact of an organization on a client may not be known for years. These acknowledged limitations support Wilson's (1989) contention that coping organizations' intangible work and its outcomes create observability challenges.

Board chairs (and boards) were heavily influenced by funder expectations, viewing funders as power brokers that offer funding and legitimacy with the expectation that organizations will adopt outcome accountability approaches. Board chairs also suggested that organizations can experience tensions around how much importance to place on funder expectations. For example, although board chairs revealed that funders have a strong preference for outcome accountability, only a little over half prioritized aligning with funder expectations. Board chairs indicated that whether an organization adopts a funder's preferences for outcome data depends on how much it relies on that funder and whether the funds enhance its reputation. Board chairs who placed low importance on funder expectations did so because they put clients ahead of funders and because the funder's mission did not correspond with theirs.

To assess the success of their mission, socially focused non-profits seek a balance between appeasing funder expectations for tracking outcomes with their own need to track processes, suggesting that funders may not be getting the whole story and thus may sometimes be misinformed about performance.

CHAPTER 5 THE IMPACT OF ORGANIZATIONAL CHARACTERISTICS ON ACCOUNTABILITY IN NON-PROFITS

5.0 Overview

Chapter 4 provided an understanding of how board chairs define accountability in socially focused non-profits and relate to the struggle of assessing a social mission and dealing with expectations from funders. The purpose of this chapter is to provide board chair perspectives and narratives on how accountability relates to board and organizational characteristics and to assess each of the propositions developed in Chapter 2. Because this is an exploratory study, the goal was not to assess if each proposition was fully supported but to provide insights about the propositions from qualitative analysis of board chair responses. This chapter has four sections. The results in each section are divided into three parts. The first part reports on the support given to each proposition based on participants' responses to specific questions. The second part includes key insights derived by looking for themes and sub-themes in the data collected during semi-structured interviews. The third part includes additional insights: those not directly related to the propositions or accountability and/or for which there is insufficient evidence to report them as key insights of this study.

5.1 Board Philosophy of Management & Accountability

Boards adopt different approaches to accountability relationships with management based on their assessment of the degree to which a CEO/ED and other managers value serving the organization (Donaldson & Davis, 1991). A board may enter into what might be called a stewardship arrangement with the manager, viewing managers as honest agents who can be trusted to report on the performance of the organization (Viader & Espina, 2014). The board could also view its relationship with its manager in principal-agent terms, seeing managers as opportunistic and not to be trusted to correctly report on the performance of the organization (Viader & Espina, 2014). Table 5-1 outlines the two propositions and questions asked on management's approach to accountability and provides key insights.

Table 5-1 Board Chair Philosophy— Questions Asked and Key Insights

Propositions	*Proposition #1:* If a board has more of a stewardship approach management, it is more likely to favour process accountability *Proposition #2:* If a board has more of a principal-agent approach toward management, it is more likely to favour outcome accountability
Interview Questions	1. Boards have different beliefs about CEO/ED behaviour. Some believe that CEO/EDs can be trusted as stewards to do a good job and therefore need few incentives or controls. Others believe that a CEO/ED may act opportunistically and thus incentives and monitoring are required to limit such behaviour. Which of these beliefs best describes the relationship that your board has with the CEO/ED? 2. Does the belief that the board has about the CEO/ED influence how you work with the board to assess the performance of management? How you deal with funders and other outsiders?
Support for Propositions	1. Organizations with a Stewardship Approach Emphasize Outcome Accountability Over Process Accountability 2. Boards Engage in Performance Monitoring Regardless of Stated Board Approach to Management
Key Insights Related to Board Philosophy Toward Management	1. Boards are Highly Dependent on Management for Information About Funders and the Organization 2. Boards' Trust in Management is Dependent on Believing that Managers are Knowledgeable and That the Board can Assess Performance
Additional Insights	1. Board Chairs Express Uncertainty About What to Monitor Without Micromanaging 2. Negative Past Experiences Influence Board Philosophy and the Accountability Approach

5.1.1 Examining Whether Propositions about the Relationship Between Board Philosophy To Management and Accountability are Supported

Organizations with a Stewardship Approach Emphasize Outcome Accountability Over Process Accountability

Of the 18 board chairs who reported having a stewardship philosophy, only two emphasized a process accountability approach, suggesting that proposition #1—if a board has more of a stewardship approach to management, it is more likely to favour process accountability—does not hold true. Most of these 18 board chairs also reported having a CEO or ED, but, interestingly, their boards used practices more in keeping with a principal-agent approach than a stewardship approach. Despite reporting a stewardship philosophy, most boards formally or informally monitored management's performance. Not enough organizations reported a principal-agent philosophy to assess proposition #2— if a board has more of a principal-agent approach toward management, it is more likely to favour outcome accountability.

Boards Engage in Performance Monitoring (Formal and Informal) Regardless of the Stated Board Approach to Management

While 18 board chairs stated that their organizations took a stewardship approach to management, all engaged in some form of performance monitoring. Of these 18 "stewardship" organizations, seven engaged in formal performance monitoring, seven in informal performance monitoring, and four in both. Of the two organizations that stated they hold a principal-agent philosophy, one engaged in formal monitoring and one did not engage in performance monitoring but was moving towards formal monitoring practices.

The interviews with board chairs raised some interesting questions about the relationship between the philosophy of management and performance monitoring. For example, one would assume that if a board took a stewardship approach to management, it would have high trust in management and report little need for performance monitoring. However, as these two quotes reveal, those who favoured a stewardship approach supported performance monitoring:

> *"At every meeting, we'll have the CEO's report and with this particular CEO, we've sort of moved to a new, higher level of reporting and she naturally seems to do this, anyways, so it worked quite well. She'll provide us with quite detailed reports on her activities and the organization's activities and other staff member's activities and then obviously, we can ask her questions at the board meetings. There's a pretty high level of reporting." (Interview 17)*

> *"I think she's being sort of reviewed on a meeting-by-meeting basis on how she reports, what she reports, and we hold her accountable to annual reviews. The chair and the vice-chair sit down and go through with her, look at her previous template that she set out in her strategic plan on what she wants to do in the upcoming year, has she fulfilled all those duties, has she done everything she's hoped to do? If not, how come? And then we sorta- we don't give her a grade, but you sorta do. And then I bring that back to the board and say "she's on track to what she wants and the goals that she set out for herself." (Interview 21)*

In general, board chair responses indicated that, although they classified their management approach as stewardship, their boards needed to ensure that some form of monitoring was in place.

Both Formal and Informal Performance Monitoring Reported

Participants described performance monitoring that was both formal and informal. Formal monitoring was linked to legal requirements, obligations in bylaws, and other documents that outline proper controls and protocols to be followed:

> *"We believe and trust our Executive Director, but we also have controls in place because you can have all the trust you want, but if you don't have those kinds of controls—I'm sure our auditor would be quite upset with us. It's all laid out clearly in our board bylaws and we have a Code of Ethics." (Interview 2)*

The same board member reported that formal monitoring also involved tracking data for reports that relayed performance targets and objectives:

> *The financials have to go through the board every month, so we know what's going on financially and we have the option—and it's not always taken, depending on time—that a board member can sit in on hiring or personnel issues . . . we set that out, okay here's your performance objectives for the year and these are our expectations and then she gives us a report every three months on where she's at with these objectives and other things that are going on because sometimes things come at us out of the blue . . ." (Interview 2)*

Often the strategic plan and corresponding action plans/registers were referenced as a guide for formal monitoring and reporting on progress:

> *"We report on a monthly – there on every meeting in terms of deliverables of our strategic plan. We also have agenda items and tasks that need to be completed that we report on. So, I mean, there is constant reporting and monitoring on what I'm doing and what we're doing as an organization." (Interview 9)*

"We have like an action register, "So at the last board meeting [de-identified, 00:15:48], you said that you were going to reach out to [de-identified, 00:15:51] to see whether or not he would conduct a webinar on [de-identified, 00:15:53], have you done that yet?" We have an action register with the action, who's prime, and what the due date is." (Interview 6)

Informal monitoring involved the board providing verbal feedback to managers about their performance through their everyday interactions. Board chairs viewed this type of informal feedback as an effective mechanism for ensuring that reports were accurate, as shown in the descriptions below:

"We have an inner trust but then at the same point in time, we want to make sure that the CEO is doing their due diligence. Even when I'm signing checks, I wanna make sure that the CEOs not hiring her cousin, her aunty, or different things like that. We have to make sure there's not any kind of nepotism or things or anything . . . The other thing is, we get feedback from the community and say, "[de-identified, 00:21:18] does the community. She's either travelling around a lot or she's doing a lot of good work." So we kinda get that 360 review from people thinking that [de-identified, 00:21:26] a good job out there too." (Interview 4)

"Well we kinda collect and it's not a traditional kind of thing that we're going out there fishing for, feedback or whatever. But when we are out in the community, people just say… They'll ask me, "Are you still with [de-identified, 00:21:52]?" "Yeah, I'm chair of [inaudible, 00:21:54]." Just say, "How do you think she's doing? How do you think we're doing as an organization?" People just give you feedback, so I think it's good to be out there. As a chair, I think you can tell people you're a chair in your organization as well. (Interview 4)

Despite valuing informal monitoring, a few organizations indicated a shift in mindset to more formal monitoring:

"We don't have a formalized performance process for our Executive Director and it's something that we definitely—her and I have chatted about it. I've been in the chair role. I have one year left to go and she wants some sort of standard in terms of performance measurement and evaluation, as opposed to 'Hey, we think you're doing a good job. Everything appears be in order'. . . I really think that there's importance to having a formalized evaluation process of your Executive Director and we simply don't have that right now." (Interview 20)

5.1.2 Key Insights from Analyzing Board Chair Reponses About the Board's Approach to Management and Accountability

Key Insight #1: Boards are Highly Dependent on Management for Information About Funders and the Organization

Board chair responses indicated that, generally, boards had little involvement in operations and in dealing with stakeholders such as funders. In the quotes below, board chairs suggested that having management report information on these relationships and activities to the board created dependency on management:

"I can't report to funders or else I'd have to quit my job here and go do her job. All the data, all the things that are required, she gathers those. She reports to funders and then we get a report of our report." (Interview 16)

"If there was a problem with a funder, our Executive Director would identify that to us. If not, I suppose, there are instances where I would be contacted, directly. I'm often, I get copies of things from funders because I am the Chair and I do review whatever is sent to me. I do not discuss those issues with the Executive Director unless he flags them for me or I'm flagged by a funder. The Executive Director is left to deal with that with his staff and, or accounting staff in terms of financial things." (Interview 10)

The following quotes show the degree to which board chairs reported being dependent on management and how this dependency required a certain level of trust in management. First, boards must trust the CEO to have a positive relationship with funders:

> *"I think it strengthens [the trust]. To be honest, the board has full faith in her to go out and be the face of the organization. 'Cause I mean really, when you're putting your CEO out in front of a potential donor, then that's everything. I mean, she represents you and your organization, so we have full trust that that is represented well." (Interview 23)*

Second, the board does not have the capacity to run the organization and must trust the CEO to do this:

> *"I: Do you think it influences how you deal with funders or other outsiders? Do you trust her with government data more or the funders completely?*
> *P: Yeah absolutely and when it fails, it fails and there are missed opportunities. The organization flounders when you don't have someone who's got a grasp on all of that stuff, but we can't be doing it. We're a volunteer board made up of a diverse group of people with full-time jobs, in most cases, and we just can't be doing this stuff ourselves. We have to rely on our CEO and her team to do this stuff. We can't start getting into the kitchen, you know what I mean? . . . The nature of our board is that we just can't be getting our hands into this. We can't be physically doing this labor. We have to rely on our staff and CEO and if that doesn't work, then we have to replace them." (Interview 17)*

Some board chairs suggested that the dependency on management heightened the need to obtain accurate information. However, the options board chairs reported for obtaining this information were often limited to activities such as walking through the organization, as shown below:

> *"I: Do you feel those objectives are linked to—do you think you get an adequate insight into what's happening in your organization through those objectives? That you can see through those objectives what's been happening?*

P: Some days, I can't and then there is a level of trust that you have to have, but I do and other board members do. We make it a point to show up. We show up at the office. [Walk through the office?] Yeah, we come and say, "Hi" and they get to know us. (Interview 2)

The above quotes suggest that board chairs must trust managers to relay the appropriate information and to engage board chairs when needed. Dependency on management may create uncertainty about the accuracy of the information provided, possibly convincing board members to prioritize monitoring managers' performance, despite viewing them as trusted stewards.

Key Insight #2: Boards' Trust in Management Depends on Believing That Managers Are Knowledgeable and That the Board Can Assess Performance

Board chairs indicated that the need to monitor management's performance was influenced by the degree to which board members trusted a specific manager. While this insight is not surprising, the board chairs provided other interesting revelations. For example, a few reported having to place almost complete trust in the manager's opinion as the primary reporting mechanism:

"Oh, we fully believe that she acts in the interest of the organization . . . and of course you have to surround yourself with good people, right? I mean, that's the only way it all works." (Interview 21)

"I mean I approve [de-identified, 00:08:09] expenses and I would say that given the high amount of trust that we have, I perhaps could delve more deeply into those expense reports if it was something that I wanted to devote more time to… But given the trust that we've built up over the last number of years, I don't feel that I have to do that." (Interview 18)

The response below suggests that the trust boards place in managers is based on an implicit understanding that the manager was hired because they have the appropriate skills and must be trusted to run the organization:

"We have basically placed a massive amount of trust in this current CEO . . . this was a person that we wanted to attract with experience and so forth . . . we have to trust her to do her job. We're not on the ground. If she says someone's gotta go, then they gotta go and if she's wrong, then we'll find out and we'll evaluate that, so we place a great deal of trust in our CEO." (Interview 17)

Board chair responses also revealed interesting insights about the nuances of trusting managers. For example, some board chairs indicated that their belief in their manager's knowledge influenced how much they trusted this individual. For example, in the quote below, the board chair indicated not being stringent about reporting requirements because the organization had a knowledgeable and experienced manager:

"And I think that given our Executive Director's background, she's a former educator as well and highly regarded throughout her peers, but if we had somebody like let's say we hired an external Executive Director who really didn't have that past history and relationship, as an educator, then I think we would be handling things a little bit differently." (Interview 20)

In another case, a board chair described a scenario in which the board did not trust the CEO because board members believed that this individual lacked knowledge and networks. The board was involved with funders because the CEO did not have the relationships needed to be trusted to do appropriate fundraising work:

"The campaign when we raised the money was really at a time where we were without a CEO, the bulk of the money anyways, so a lot of our donor relations are intertwined with our board member relations and that's a tough one. Our new CEO doesn't have those relationships, some but not enough of them." (Interview 15)

In another example, a board chair reported a strong belief in the knowledge of the ED based on the ED having been a previous employee. This belief, combined with good communication, resulted in a high degree of trust from the board:

"It is a balance in our case. Our ED is a person that before was in another position in the organization, so there was a lot of easy transfer of workload, because she already was in the organization, so a lot of it she knew already. And we talked to – the communication between the board of directors and the executive director is quite good because we know each other from. . . So that makes it easy, but again, I am here in [de-identified, 00:24:14], they're in [de-identified, 00:24:15], so I don't go to the office to- that allows, because it's a provincial organization, it allows certain independence and trust." (Interview 13)

As shown in the quotes below, along with trusting managers, board chairs also believed that they could determine if a manager was performing well:

"Well I think we take a lot of our guidance from him. So if he comes back as he generally does and say, 'Yeah we worked through this we had an issue but we've got it going good stuff,' and the result often is the money that we get, that's a big indicator for us, we tend to accept what he has to say." (Interview 5)

One participant indicated that board trust in management was eroded because the board believed it was not receiving the appropriate information to assess performance. As a result, the board required more detailed reporting from management:

"I was starting to recommend that we may want to consider some sort of- looking at the conversation structure for our ED, and incentivizing in some ways, because- and pulling some of that out of base, because we were struggling a bit with getting what we wanted . . . It drove us to want more, like actual data, not the stories, and actually want hard data and outcomes and more formal metrics, which we never got. And that's a reflection on myself as the chair, but we were not successful in getting that." (Interview 12)

Overall, participant responses indicated that boards trust managers if they believe in their knowledge and have confidence in their ability to complete tasks. This trust is also based on

knowing that the board has the ability and appropriate information to assess performance. A combination of these factors appears to influence the monitoring approach boards adopt.

5.1.3 Additional Insights from Examining Board Philosophy and Accountability

Additional Insight #1: Board Chairs Express Uncertainty About What to Monitor Without Micromanaging

Although board chairs generally suggested a desire for performance monitoring, there were tensions around what to monitor, derived from a wish to ensure adequate monitoring while not interfering in operations. For example, the board chair below indicated that while the board had no desire to micro-manage the ED, some form of monitoring was expected:

> *"We don't believe in, kind of, micromanaging or making her submit detailed work plans and all of that kind of thing, and that's certainly my preference, personally, and I would say it's the board's preference for the way a board should be a higher level, more, of a policy and planning board and not so much involved in operations. Having said that, I mean, you do have to engage in sort of performance review and so on of the ED, and we certainly do that." (Interview 14)*

The same board chair reported that while seeking to not be involved in operations, the board had introduced in-depth performance reviews such as a 360 evaluation:

> *In fact, this year one of the things we're gonna work on is, sort of reviewing our performance review system . . . we definitely do performance reviews and we'll do something like a three-sixty evaluation every few years, so we stay on top of things and watch for that kind of thing . . . It's pretty informal most of the time, we don't schedule things. I'll just drop in to chat." (Interview 14)*

In the next quote, one board chair reports a hands-off approach in which guidelines and policies guide the relationship between the board chair and manager, with the understanding that the manager may contact the board chair for assistance as needed:

"We do have, in place, certain, I suppose if you will, checks and balances because that also protects the CEO . . . We put in place guidelines and policies and we get that reported back to us and we feel that that works for us . . . If there was a problem with a funder, our Executive Director would identify that to us. If not, I suppose, there are instances where I would be contacted, directly." (Interview 1)

The board chair below resisted micromanaging but maintained that management was expected to provide detailed activity reports (bordering on micromanagement):

"And he updates me on what he's done. However, I do not micromanage, he is our employee and I let him manage but I expect him to let me know what he's done, how many government officials he's met, how many families he's worked with, and it's more of a conversation . . . [other members are] ambivalent to even carry out a performance appraisal. They all say, "Oh he's doing a good job, [de-identified, 00:21:01], you and him are working well so we don't really need to evaluate him, we want to keep him another year." And what my job is, is to say, "No, we have to go through this process because nobody is perfect and he always has room to grow." So I make them go through it." (Interview 3)

Additional Insight #2: Board Philosophy and Accountability Approach is Influenced by Past History

Although 18 of 21 board chairs reported that their board had a stewardship philosophy, some were not completely clear as to which approach (stewardship or principal agent) best described the philosophy of their board. For example, the board chairs in interviews 1 and 3 suggested that their board's approach to management changed from one to another over time:

"I would've described our experience the first 'till our third as very much trusting our ED and really just being there as fiscal oversight and at a high-level reporting . . . We had a difficult experience with an ED who I think undermined our trust and we became in the last couple of years a lot more hands-on with our executive director and monitoring

and managing . . . My reporting to the board became a lot more detailed and regular … My communication level with the board increased as we had challenges." (Interview 1)

"P: I would say before I became president, it would be the first.
I: Trusting?
P: They were not trusting of the ED because there was little communication between the ED and the board of directors, specifically the chair of the president.
I: But now there's more trust?
P: There's a lot of trust and that trust is put into me being the chair making sure I communicate with our executive director at least once a month . . .
I: So do you believe that the belief the board has of the ED, this trust you're talking about, influences how the board assesses the performance of the ED?
P: Absolutely." (Interview 3)

In interview 1, a significant event undermined the board's trust in management, resulting in more monitoring and detailed reporting. In interview 3, trust increased because a new communication protocol required the ED to meet monthly with the chair. In both cases, managers failed to perform their duties adequately, resulting in a degradation of trust and the need for increased monitoring and communication. In these examples, negative past experiences appear to have taught boards that increased monitoring of managers is a prudent approach regardless of how much the manager is trusted. One board chair also highlighted how history can influence boards to impose fewer controls and less monitoring. In the quote below, the board chair explained that the board went too far with performance monitoring and became too controlling, resulting in a need to change the approach:

"We were a very controlling board and micromanaged our CEO . . . We have since changed . . . we questioned ourselves as a board on how hands on did we need to be and I think we were too involved. I think we crossed the line a little too often because we're an independent organization and we're accountable to days end." (Interview 15)

5.2 Ratio of Professionals to Non-Professionals on the Board and Its Effect on Accountability

Board demographics can influence how boards in non-profits make decisions about performance (Miller, 2002). Specifically, when faced with a lack of clear performance measures, instead of examining ways to assess the mission, board members have been shown to default to their own professional competencies (e.g., accounting, law) as the primary mechanism for monitoring performance of the organization (Miller, 2002). This section seeks to understand how board composition (the ratio of professionals to non-professionals) influences the accountability strategies adopted by the board. Table 5-2 outlines the questions asked in the interview about how this ratio related to the accountability approach of the organization and the key insights that emerged.

Table 5-2 Ratio of Professionals to Non-professionals — Questions Asked and Key Insights

Propositions	*Proposition #3:* A board consisting mostly of non-professional people is likely to favour process accountability. *Proposition #4:* A board consisting mostly of people with professional competencies is likely to favour outcome accountability.
Interview Questions	1. What percentage of your board members would be classified as professionals? Do you think the professionals dominate board discussion and decisions? What evidence do you have for this view? 2. How does the mix of professionals to non-professionals influence the type of accountability (process versus outcome) used by your organization? 3. Overall, how does the mix of professionals to non-professionals influence how you manage board process and board members when examining the performance of the organization?
Support for Propositions	1. The Choice of Process versus Outcome Accountability Is Not Dependent on Mix of Professionals versus Non-Professionals on a Board
Key Insights Related to Degree of Professional vs Non-Professionals on the Board	1. Board Member Influence in Accountability Discussions Dependent on The Relevancy of Their Knowledge and Skills to Issues Being Discussed Rather Than Professional Background
Additional Insight	1. Personality Traits Also Determine the Influence Board Members Have in Discussions

5.2.1 Examining Whether Propositions About the Relationship Between Ratio of Professionals to Non-Professionals on the Board and Accountability Are Supported

The Choice of Process Versus Outcome Accountability Does Not Depend on the Ratio of Professionals to Non-Professionals on a Board

This section reports results on answers given to questions that addressed professional qualifications. The questions were intended to solicit responses on whether non-professional board members would favour process accountability and professional board members would choose an accountability approach that aligned with their professional competency and training, thereby favoring outcome accountability. Generally, professionals included accountants, lawyers, human resources professionals, education professionals, engineers, doctors, nurses, social workers, and university professors, whereas non-professionals included teachers, ministers, artists, and executive directors with no other profession. Ten boards consisted mainly of professionals, nine mainly of non-professionals, and two had an even split of professionals and non-professionals.

As shown in Figure 5-1, the distribution of process, outcome, and both forms of accountability is roughly the same for the professional group as it is for the non-professional group. This pattern suggests that the use of outcome versus process accountability most likely is not related to the ratio of professionals to non-professionals on the board. Based on this observation, it appears that neither proposition is correct, supporting the conclusion that the choice of process versus outcome accountability depends on factors other than this ratio.

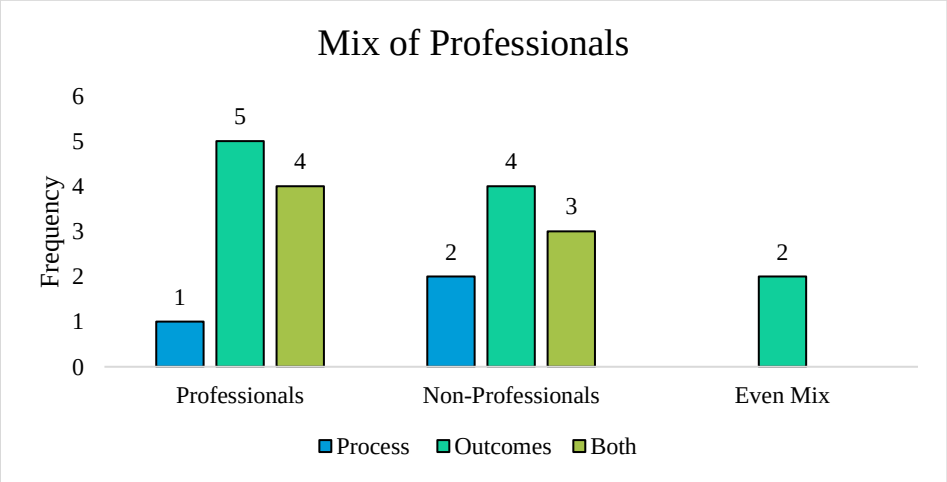

Figure 5-1 Mix of Professionals on Boards

The second question in this section of the interview probed the perspective of board chairs on the relationship between the ratio of professional to non-professional board members and the accountability approach of the organization. Five (27%) participants indicated that the ratio of professionals to non-professionals influenced the type of accountability used by their organization. Of these five, two indicated that professionals influenced the board by encouraging a focus on outcome accountability. One board member explained that the HR manager on the board preferred outcome-based accountability:

> *"He's the HR manager . . . so again, he's very outcome-based." (Interview 7)*

Another board chair explained that the accountant's focus on numbers was viewed as important for corresponding with funder expectations for outcome accountability:

> *"I'll tell you about the accountants, because the accountants, they know more about numbers …. which is the best alliance with the expectations of what or with donors because they understood how important it is to catch the numbers and how crucial it is to dig into that." (Interview 19)*

Seven (33%) board chairs expressed the view that, even though some board members preferred a certain type of accountability, this preference did not influence the organization's actual accountability:

> *"I don't think that really plays into it. We have set standards, we've set a standard so it just needs to be that way for each [de-identified, 00:19:46] and we've come to place that we're all comfortable with." (Interview 16)*

> *"I: The mix of professionals, you're saying, doesn't really affect how you measure performance?*
> *P: No, it doesn't…." (Interview* 5)

Six (29%) board chairs gave answers that did not shed light on whether the ratio of professionals to non-professionals influenced the choice of process vs outcome accountability. For example, one participant conflated process versus outcome accountability, with the idea of anecdotal data versus objective data:

> *"They were focusing more on the process rather than the- like the stories rather than hard numbers. Yeah." (Interview 12)*

Another board chair suggested that outcome targets and how programs are delivered were one and the same:

> *"That's why we are heavily weighted towards the outcomes because it's all about program delivery." (Interview 20)*

Three (14%) organizations were not asked this question as their board consisted of either 100% professionals or 100% non-professionals and, for this reason, they would not have been able to answer how the mix of professionals and non-professionals influenced accountability choices. Overall, participant responses revealed varied results as to whether the ratio of professionals to non-professionals influences the accountability approach a board adopts, making it difficult to identify a pattern in the response.

5.2.2 Key Insights from Analyzing Board Chair Reponses About the Ratio of Professionals to Non-Professionals on the Board and Its Effect on Accountability

Key Insight #1: Board Members' Influence on Accountability Discussions Depends on the Relevancy of Their Knowledge and Skills to Issues Being Discussed Rather Than on Their Professional Background.

Although board chairs indicated that the ratio of professionals to non-professionals on the board did not affect accountability choices, they did reveal that board members were likely to have more influence on accountability discussions and decisions if their expertise and skillsets were viewed as relevant to the issue. In other words, the influence was not derived solely from an individual's professional designation. For example, on topics related to finance, the questions

and opinions of accountants were more valued than those of others. This quote suggested that professionals likely had more influence because they asked questions that demonstrated their expertise on a topic:

> *"The person that works as an accountant, she'll ask different questions when the financials are presented that maybe other… The electrician may not ask . . . It just influences how you interpret." (Interview 3)*

The following quote from a board chair suggests that, while everyone was given equal opportunity to consider data, an expert in a field was given preference when interpreting data:

> *"No impact from a professional standpoint, except when it comes to financials, of course. We defer to the accounting people, the accounting types to interpret and guide us through . . . Same with construction, land management, that sorta thing, land acquisition, so everyone has their place and everyone respects the expertise of the other, but I wouldn't say it is an overall-everyone considers the data and everyone is given an equal opportunity to examine it." (Interview 17)*

The quote below similarly suggests that the professional background of an HR manager made this individual likely to take a leadership role in strategy and planning activities:

> *"There's another gentleman that sits on the board and he's the HR manager . . . he's very outcome-based and HR-based, so when we are making our strategic plan, it's essentially him and I that do all the talking and the rest are essentially followers." (Interview 7)*

Many board chairs cited examples to show that non-professionals also had influence in discussions. Again, in these cases, it was the relationship of the board member's expertise or knowledge base to the task at hand, rather than the individual's professional designation, that convinced others to defer to their opinion. The next three quotes demonstrate that this

relationship between topic and expertise is the reason why some board members have more influence than others in certain situations:

> *"I: Do you think the professionals dominate the board discussions and decisions?*
> *P: No, I wouldn't say that at all. I would say often it's the people with construction background. I suppose it depends on the topic being discussed, but we do have some people with construction backgrounds or city management background or whatever that have a very strong role on the board….*
> *P: …We defer to the construction people on that type of area. Obviously, lawyers and accountants shouldn't be dabbling in areas that are esoteric in relation to construction, so I would say we definitely defer to those people with those particular areas of expertise." (Interview 17)*

> *"I guess if I was looking at something like financial performance, I would pay more attention to what an accountant has to say, right? But on the other hand, I think all board members, whether they're professionals or not, are treated with respect, and their opinions are taken seriously, and so on." (Interview 14)*

> *"Right. I mean, I think it does a little bit. You know, if you have lawyers on the board, you'll pay more attention probably to things like governance. And we do have a lawyer on the board, and we have focused a lot on governance over the last couple years, but that's also partly me. I have a strong interest in governance, right?" (Interview, 14)*

5.2.3 Additional Insights from Examining Board Chair Reponses About the Ratio of Professionals to Non-Professionals on the Board and Its Effect on Accountability

Additional Insight #1: Personality Traits Also Determine the Influence Board Members Have in Discussions

Fifty-two percent of board chairs indicated that some board members dominated discussions, or that their opinions were given more weight than those of others. Of these board chairs, most (n = 11) conveyed that this influence resulted from the power of an individual's personality rather than from professional status:

"I: And why does that one person dominate?
P: Personality, definitely, a carry-over from that person's career and the role that she had, and then years of experience." (Interview 11)

"P: It was almost always driven by personality or two.
I: So was it was personality not necessarily their backgrounds their competencies?
P: Yeah I would say it was the personality." (Interview 1)

In the quote below, the board member referenced was not a doctor or nurse but someone with experience in the medical field. Initially, the participant indicated that this person dominated discussions because her medical background corresponded with the organization's focus on medical issues:

"We have got one particular person who is very well versed in the medical side, she tends to dominate a little bit more . . . because of the type of organization that we run, it's very much centered around this particular disease, she tends to demand a little bit more air-time just because she kinda has that much more knowledge than the rest of us." (Interview 6)

However, on further probing, it appeared that this individual dominated board discussions more because of her personality than her medical background, or at the very least because of a combination of the two:

"I: Does their perspective count more, and why?
P: Not necessarily. What I will say, though, is that we have got one particular person who is very well versed in the medical side, she tends to dominate a little bit more. Number one, it's her personality." (Interview 6)

Many board chairs expressed concern about the impact dominant personalities can have on board discussions. For example, the board chair quoted below maintained that the dominance of one member had a negative impact, reducing the productivity of discussions:

> *"One person at the board the table, the more dominant personality, who, I would say prefers discussing things at length, but perhaps in a bit of an unnecessary way. It's discussion without necessarily being productive." (Interview 11)*

The next quote explains how a person with a dominant personality was able to block important issues from being raised, which was destructive to board discussions:

> *"He was a lawyer, he was older than me and quite forceful and there was a pre-existing professional relationship between him and I and I respect him. I think he felt safe to be able to play the devil's advocate quite frequently. But he would cross the line and I would feel like it's a fine line between calling you out on speaking inappropriately and stifling a legitimate concern that's being raised here." (Interview 8)*

Board chairs often indicated that it was their role to ensure board members with dominant personalities did not overtake board discussion. The quote below reveals that how much individuals are permitted to dominate board discussions depends on the strength and willingness of the board chair to intervene:

> *"P: If we had somebody who just had to do all the talking for example, if we had a lawyer who liked to talk… And I'm thinking back to a particular individual a few years ago. It would be incumbent on the board chair to pull that individual aside, in my opinion, and say, 'Hey listen, there are 10 other people on this board, we need to give everybody equitable airtime here.' But depending upon the strength of your board chair, some people may not feel comfortable doing that.*
> *I: What you're telling me is that it's running well, if I got this right, because of the types of personalities?*

P: Yes, we have a good mix of people right now presently on the board, yeah." (Interview 18)

5.3 Trust Among Board Members and Its Effect on Accountability

This section addresses how participants answered questions related to the proposition that the level of trust among board members is likely to influence the accountability approach. Interpersonal trust is developed through experiences between actors working together (Growe, 2019) and is built gradually through repeated face-to-face meetings that result in a commitment to working together (Nilsson & Mattes, 2015). Board chairs were presented with the idea that trust develops when board members believe, first, that their colleagues on the board are dependable, act with integrity, and will not steal their ideas, and, second, that they feel psychologically safe enough (Kahn, 1990; Walumbwa & Schaubrock, 2009) to express their views. Board chairs were asked to rate the trust among members of their board as low, medium, or high. Table 5-3 outlines the questions asked in the interview related to the degree of trust on the board, its effect on accountability, and the key insights that emerged.

Table 5-3 Degree of Trust- Questions Asked and Key Insights

Proposition	*Proposition #5:* The level of trust among board members has indeterminant influence on the accountability approach.
Interview Questions	1. Trust occurs on a board when board members feel that other board members are dependable and will act with integrity. Trust involves board members feeling assured that others won't steal their idea or abuse the information they provide. Thinking about the relationship between board members, would you say the trust level on the board is low, medium, or high? What evidence do you have for this view? 2. How does the level of trust between board members influence the type of accountability used by your organization? How does the level of trust influence how you deal with board members? Management? Funders?
Support for Proposition	1. A High Level of Trust Reported by Most Board Chairs 2. Board Chairs Believe the Level of Trust Influences Accountability Approach, Despite a Lack of Evidence
Key Insights Related to Level of Trust Among Board Members	1. Extreme High and Low Trust Negatively Impacts on Board Dynamics in Accountability Discussions 2. Low Levels of Trust Among Board Members Can Cause a Shift Toward Outcome Accountability Over Time
Additional Insights	1. Aspiring to a Common Cause Contributes to Higher Trust Between Board Members 2. Misaligned Contributions by Board Members During Board Discussions Contributes to Lower Trust Between Board Members

5.3.1 Examining Whether the Proposition about the Relationship Between Degree of Trust Among Board Members and Accountability is Supported

The responses support the proposition that the relationship between the level of trust and accountability is indeterminant. Although board chairs believed that trust does influence accountability, this claim was not supported by the distribution of accountability types across levels of trust (See Figure 5-2 below). Also, board chairs' responses about how trust influences the preference for processes or outcomes appeared to be random in nature. Lastly, while 14 board chairs agreed with the statement "level of trust influences the type of accountability used," only four were able to provide evidence through stories and examples that the level of trust influenced their organization's type of accountability.

A High Level of Trust Reported by Most Board Chairs

The majority of board chairs stated that their level of trust was high (71%; n = 15), while the remainder stated that theirs was medium to low (29%; n = 6). Consistent with the definition of trust offered to the board chairs, one board chair described a situation of high trust as occurring when people act with integrity, do not appropriate the ideas of others (i.e., they feel psychologically safe), and appear to work well together:

> *"I think people do act with integrity. For me, a simple definition of integrity is 'do what you say'. Your actions match your words. And I'd say our board members, largely . . . I just mean not showing up for meetings and stuff like that, not responding to emails, et cetera – and nobody steals other peoples' ideas, that I can think. So if you're looking, you don't see a lot of- nobody ever seems to get angry at our board meetings, there's never disputes of the sort that are emotional or personal." (Interview 14)*

Board Chairs Believe the Level of Trust Influences the Accountability Approach, Despite a Lack of Evidence

As Figure 5-2 shows, both low-trust boards (n = 2) and high-trust boards favoured outcome accountability (n = 6). Furthermore, low-trust boards (n = 3) and high-trust boards both favoured process and outcome accountability (n = 7). However, only a few-low trust boards (n = 1) and high-trust boards (n = 2) favoured process accountability. Most importantly, the distribution of accountability types appeared the same across low-trust and high-trust boards.

Consequently, at first glance, it appears that the level of trust does not influence the type of accountability used by boards.

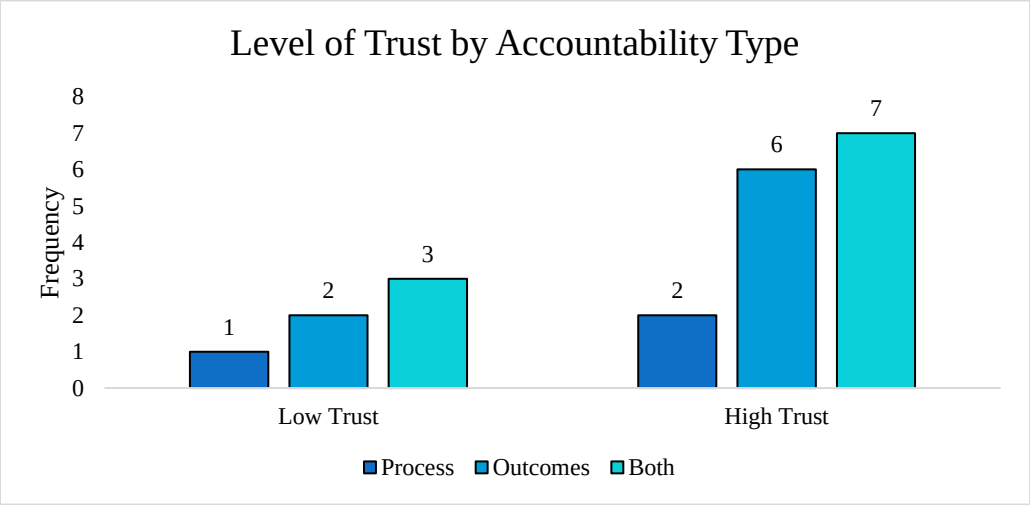

Figure 5-2 Level of Trust by Accountability Type

Although the distribution of accountability types appears the same for high- and low-trust boards, 67% (n = 14) of board chairs still reported that the level of trust among board members did in fact influence the accountability approach adopted. One board chair stated that they had a high-trust board that used both process and outcome accountability. The chair also indicated that, for them, high trust was related to an increased focus on process accountability:

> *"I: Does the fact that you all trust each other affect whether you'd look at process or targets, or does it influence those discussions?*
> *P: I think it does, I think there's some momentum towards process and meeting values rather than meeting outcome targets alone." (Interview 5)*

In contrast, another respondent suggested that a high level of trust resulted in a greater need for hard, objective data:

> *"[When the trust is high we focus] definitely more of the outcomes…" (Interview 20)*

Yet another board chair suggested that low trust among board members resulted in the board wanting more outcome data.

"It did. [Low trust] drove us to want more, like actual data, not the stories, and actually want hard data and outcomes and more formal metrics, which we never got." (Interview 12)

Another board chair suggested that low trust among board members may also lead to a focus on processes:

"I: When [trust] eroded…. did people…want more targets and measures or did they start changing?
P: Yeah so that's definitely what I believe led to, like that's when the board became a lot more process-driven …it was definitely experience-driven." (Interview 1)

Thus, there was no consensus on the relationship between the level of trust among board members and a focus on outcome or process accountability.

5.3.2 Key Insights from Analyzing Board Chair Reponses About Trust Among Board Members and Its Effect on Accountability

Although board chairs indicated that it was impossible to determine the influence of the trust level on the accountability approach, analysis suggested that accountability decisions were influenced by trust levels in various ways.

Key Insight #1: Extreme High- and Low-Trust Negatively Impacts Board Dynamics in Accountability Discussions

In many cases, board chairs viewed high-trust boards positively as everyone could speak freely. The quote below exemplifies that a high-trust environment relaxed people, creating a psychologically safe environment for sharing information:

"It relaxes us a little bit. We're not so much having to prove each comment or each conversation that has to happen. I think that if we're able to take things at face value, it makes for a lot more congenial board . . . But I think it enables people to be more relaxed so they're willing to share." (Interview 18)

We might assume that accountability discussions are more productive if board members are willing to share their perspectives. However, in several cases, board chairs warned that extreme high or low trust on a board can have negative impacts on accountability discussions, because board members may be less likely to question themselves, each other, and management:

> *"I would say we're maybe not as critical of some of our own actions and processes as maybe we probably should be. Largely because I think there's an assumption that it'll be fine, he's got a handle on this, it'll be fine." (Interview 11)*

> *"I think if we were a little more skeptical, or there was more dissention at the board, you might have people asking for more robust reporting on certain aspects whether it be financial controls or—I just think the high level of trust means we're not digging in or our standards in terms of accountability aren't necessarily as rigorous as they could or should be for certain things." (Interview 20)*

Other board chairs suggested that in a high-trust environment, they were less likely to engage in proper oversight functions such as performance reviews with management and ensuring proper controls for board members:

> *"We've grown to a place of complacency now because of the trust. I'm finding… The example I gave you of the performance review of our executive director, 'Oh we don't have to do that, we trust what he's doing.'" (Interview 3)*

> *"I sometimes get a little bit nervous when people are too trusting. Y'know, so my job sort of speaking is to say, 'Okay guys, y'know, I could be running off with the money so y'know let's talk about what you want from me on this.'" (Interview 5)*

In a low-trust situation, as the quotes below illustrate, board members did not feel they could express their opinions freely and instead watched their words carefully.

"I've been in situations before where you don't have that level of trust, at least maybe not with a couple of board members. And you are constantly sort of being careful about, y'know, not to say the wrong thing, thinking about how you're gonna approach this next meeting so that so-and-so doesn't get upset, and it begins to influence everything you do." (Interview 14)

"Like, it's very, very dysfunctional if you have boards that are riven by distrust and in-fighting and personal jealousies and all of that kind of thing. So yeah, because a board that's like that – that's divided – it influences everything the board does, including the way they look at performance and measuring performance." (Interview 12)

As the quotes in this section illustrate, both low- and high-trust environments impede the contributions of board members when accountability is discussed. In low-trust environments, board members, being in an environment that is not psychologically safe, may be unwilling to provide their perspective on needed changes to the accountability approach. In high-trust environments, board members may assume that the status quo approach is working and not seek to question the actions of the group.

Key Insight #2: Low Levels of Trust Among Board Members Can Cause a Shift Toward Outcome Accountability Over Time

Comments board chairs made about previous years in their organization showed that trust between board members could shift easily based on a negative shared experience. A shift in trust levels could, in turn, cause the accountability approach to change. For example, one board chair in a medium-trust environment, indicated that, in the past, the environment was low-trust because of the actions of the former board chair. The organization had previously focused on process accountability, but the lack of trust convinced the board to shift its focus to outcomes:

"I think the trust level on the board was- I think it was medium. And when I took on this chair, the trust level was quite low. I think there was a bit of a- the previous chair was a different personality to me. People found her a bit more standoffish and intimidating, not by intent on her part, but people just drew their own assumptions . . . It drove us to want

more, like actual data, not the stories, and actually want hard data and outcomes and more formal metrics…." (Interview 12)

Another board chair indicated that while the board's trust was high at the time of the interview, several years ago, it had been low, which encouraged the board to introduce verifiable measures, outcome accountability, and stronger controls:

"P: Just when the trust is low or lacking, you're going to have to put several more measures in place to ensure that the information you're getting can be verified and that it's accurate.
I: And when you say measures, can you give me an example of one?
P: Well financial measures, for example." (Interview 16)

As both quotes illustrate, a low level of trust convinced the board to adopt outcome accountability measures (e.g., verifiable, quantitative data and formal metrics). The board chair in interview 16 indicated that the board also put more controls in place to monitor and constrain the spending of board members. These examples suggest that when board members share negative experiences of board trust, a shift can occur to outcome accountability.

5.3.3 Additional Insights from Examining Trust Between Board Members and Accountability

Additional Insight #1: Aspiring to a Common Cause or Objective Contributes to Higher Trust Between Board Members

Many board chairs suggested that when board members have first-hand experience with a common cause they are working to address (i.e., improving quality of life for those suffering from a disease), there is higher trust on the board. When the personal lives of board members have been mutually impacted by a specific illness or syndrome, the board is likely to unite around a common goal:

"At the end of the day, everybody on the board has a common goal to ensure that everybody that has [de-identified, 00:17:06] syndrome has the best quality of life, per our

mission statement, and because they have somebody so closely related to them that's impacted by it" (Interview 9).

Some board members also suggested that the organization's objectives could also unite board members in a similar manner to sharing a common cause. The quote below suggests that the board members work better together when board members understand the objectives of the organization:

> *"Everyone understands the objectives of the organization, why and what they want it to accomplish. And everyone's doing their best working collaboratively to achieve what they are there for, and always they are seeing consensus in every issue. Even if there's a disagreement of opinion, but at the end of the day, people will come down and will look at that, what is best for the stakeholders." (Interview 19)*

Additional Insight #2: Misaligned Contributions by Board Members During Board Discussions Contribute to Lower Trust Between Board Members

Board chairs reported that trust was also linked to the quality of participation by board members, mainly whether they made worthwhile contributions to the discussion at hand. For example, in one interview a board chair reported that trust erodes when people operate from a personal agenda that does not correspond with the group agenda:

> *"I would say it's mostly high but at times, but at times we can dip into the medium area. I don't think it's ever low, but I definitely think every once in a while, it kinda goes into some medium areas where some people might have their own personal agenda." (Interview 4)*

In another case, a board chair reported that because a board member's contributions often did not correspond with the focus of the group, trust in this board member was low:

> *"[One board member] might just say something that seems like it's out in left field every now and then. So, we're not sure if he's going to do that out in the community or… So*

there's a little bit of distrust there. I don't even like the word distrust, concern I guess is a better word." (Interview 16)

Another board chair reported that having new members, who were not yet integrated with the board or knowledgeable about the organization, also lowered trust levels because the newcomers had not yet embraced the pre-existing vision:

"I think we do have some new additions and . . . we're in a situation where we have money and we're building for the future and we have to make decisions all the time. We're finding out that we're not always united in terms of a common vision, so we have to build more trust. We have to spend more time together." (Interview 15)

5.4 Relationship Between Board Governance Model and Accountability

The board governance model adopted by a board may also influence choices about accountability. If a board adopts the Policy Model of Governance, they will likely focus on oversight, monitoring, and strategy (Carver, 1990; Carver & Carver, 2006). In contrast, operational boards are more involved in managing day-to-day operations (Gill, 2005). Another model boards adopt is the Constituent/Representative Model of Board Governance, which emphasizes relationships between the board and constituents in the community (Bradshaw et al., 2007). Whether a board sees itself as a strategic governing board, operational board, or constituent board may influence how it views accountability, including the mix of process versus outcome accountability. Table 5-4 outlines the questions asked in the interview on assessing the board governance model and the key insights that emerged.

Table 5-4 Board Governance Model- Questions Asked and Key Insights

Questions	1. The model a board uses to ensure it achieves its fiduciary duties is also part of the accountability system in an organization. For example, some boards see themselves as a strategic governing board, while others see themselves more involved in operations. Still others see themselves more as representatives of a broader community the organization serves. How would you describe the model your board uses? 2. Would you describe the model the board uses to determine management accountability more of a process or outcome approach to accountability? Why? 3. Do the expectations about outcome or process accountability by your funder(s) factor into the type of model the board uses? Please explain?
Reported Relationship Between Accountability and Board Governance Model	1. Prevalence of Strategic Boards Over Operational Boards or Representative Boards 2. Board Chairs Perceive that Board Governance Model Influences the Accountability Approach
Key Insight Related to Board Governance Model	1. Lack of Consensus About Which Type of Board Governance Model Relates to Process versus Outcome Accountability
Additional Insight	1. Funders Generally Do Not Influence Type of Board Model

5.4.1 Reported Relationship Between Board Governance Model and Accountability

Prevalence of Strategic Boards Over Operational Boards or Representative Boards.

Most board chairs reported that their boards were strategic (76%; n = 16). There were fewer operational boards (24%; n = 5). No board chairs identified their organization as having a community representative model.

Board Governance Model Influences the Accountability Approach

The vast majority of board chairs (76%; n = 16) believed that the type of board model adopted (i.e., strategic or operational) impacted the type of accountability used (i.e., process or outcomes). Only two board chairs did not believe that accountability could be influenced by the type of board model an organization adopts. Three were uncertain about the relationship:

> *"I'm gonna say not really, because we are a working board we need to focus on both, and I don't think one gets more attention than the other." (Interview 9)*

5.4.2 Key Insight from Analyzing Board Chair Reponses About the Relationship Between Board Governance Model and Accountability

Key Insight #1: Lack of Consensus About Which Type of Board Governance Model Relates to Process versus Outcome Accountability

Although most board chairs indicated that an organization's accountability approach can be influenced by its board model, there was little agreement on how this would manifest for different models. For example, one board chair suggested that operational boards focus on processes:

> *P: Yeah, I think that would probably be true. If you were more of a working – or I think you used the term operational – I think you would focus more on processes." (Interview 14)*

However, two other board chairs stated that, since they were an operational board, they were more likely to focus on outcomes:

> *"I: Would you describe this model the board uses, this operational model, focusing more on process or outcome accountability when it thinks about its approach to determining the performance of the organization and people working in it, is it focused more on processes or outcomes? The model, itself?*
> *P: I would probably say outcome, because certainly the model is really built around a "just get things done" approach. We do the work because we have to, so we very much focus on the outcomes." (Interview 11)*

> *"I: So, I guess the same question, does the fact that it's an operational board mean that you're going to be focused- it sounds like you're gonna be focused more on the outcomes of the ED's job, basically. The things that she's doing.*
> *P: The outcomes." (Interview 7)*

Interestingly, another chair of a strategic board also stated that they were more likely to focus on outcomes because they were strategic, and if they were operational, they might be more likely to focus on processes:

> *"P: Yes, very much so. I mean, I think our board does tend to look more at strategic things, and not operational-*

I: What about process versus outcomes? Do you think it affects how you look at those things?
P: I mean, yeah I think we look more at outcomes than process, but you can't ignore process.
I: But is that linked to your strategic focus?
P: I think it is." (Interview 14)

Another board chair also indicated that, as a strategic board, the focus should be on outcomes, mainly the impact on the community.

"I: Do you think the type of board you are – the strategic community board – influences the types of things you discuss at the board level, measures?
P: Absolutely.
I: How so?
P: Because if we think strategically and we see the impact and the outcomes of the community versus the second one that is an administration thing – operational – we directly have a co-relationship, because funding, you can access the funds or you cannot, that's something that we don't control. That's something that we don't have an input." (Interview 13)

In contrast, another board member indicated that while a working/operational board would be more focused on outcome targets, their strategic board prioritized processes over targets because processes are linked to serving community needs:

"… because when we're looking at the process and targets and stuff like that, well maybe. And maybe that supports the process more than the targets, I guess. I think if it was maybe more of a working board, it'd be more target-focused. But I think this strategic governing model is that we're strategic by looking at the needs of the community and I think that's why the process is the way the process is." (Interview 4)

There was no observable pattern in how the board governance model influenced choices of process versus outcome accountability. Board chairs did agree that strategic boards must plan with the big picture in mind and not be in the details like operational boards:

> *"Maybe I see things and I do, I see things from a strategic point of view and I think it does because as more and more accountability becomes necessary, we need a board that plans and shows us a way into the future, not a bunch of doers because you can do that, but that's not our role and I think that has been a problem, and what I've seen over the years, it's a problem with boards. People love to get into the details and it's like you can't and I have had to stop them…. I have had to say, 'Look, that is an operational issue. The board should not be dealing with how many hours this consultant versus this consultant works. That is not our business.'" (Interview 2)*

> *"Yes. If we were operational, we'd be looking at all sorts of things that, in my opinion, we shouldn't be looking at." (Interview 17)*

However, if and how a board governance model may influence accountability choices is still not clear from the interviews.

5.4.3 Additional Insights from Examining the Relationship Between Board Governance and Accountability

Additional Insight #1: Funders Generally Do Not Influence Type of Board Model

Eighty-six percent (n = 18) of board chairs did not believe that funders influenced whether their board was operational or strategic. Most board members believed that funders were not concerned with influencing the type of board model in use:

> *"I don't think they give a shit. What they think is okay, we give an amount of money, how many people does it serve, and that's how they look, 'Are they managing the money properly? That's all we care.'" (Interview 13)*

"No, I don't think the funders concern themselves at that level. The only time they seem to care about the board-level stuff is when there has been a problem that they're upset about." (Interview 14)

Instead of being influenced by funders, the board model used was more likely to be determined based on the organization's needs:

"I: So the strategic board is there for its own reasons?
P: Right.
I: Is that just 'cause it's a better governing?
P: I think so. I think from a best practice perspective, it, yeah." (Interview 20)

Two participants linked the influence of funders on the governance model to costs, suggesting that they were an operational board partly due to lack of funding, as operational boards were less costly to run:

"I would say we've adopted this model, or it kind of fell into place. Because an operational board keeps costs down, we're able to better achieve a part of our mandate by doing that." (Interview 11)

"I: Does the expectations about outcome or process accountability by your funders, by your donors, now, those people who donate, does that factor in, is that one reason why you're an operational board, or does that not factor in at all?
P: I wouldn't say it factors in at all. If I had the funding available, we would not be a working board, we'd have an executive director." (Interview 9)

One board chair did suggest that funders prefer an organization that is strategic because it shows a trajectory forward toward a goal or vision:

"P: Oh, I think it's highly correlated.
I: How is it correlated?

P: I think by having a board that's strategic and with this vision and its mandate to fulfill the mandate of the organization, I think potential donors are very comfortable with that.
I: So they like the strategic board?
P: I get the sense, I don't think they would be as receptive if they knew the board was day-to-day hands-on." (Interview 21)

Most board chairs did not believe that the type of board governance model was important or relevant to funders. Also, board chairs reported that board governance models were adopted based on finding the best way to govern the organization and not because funders had a preference for one model over another.

5.5 Chapter Summary

Several conclusions can be drawn about the relationship between the board's approach to management and its theories and practices of accountability. First, although board chairs trusted management, they used incentives and controls akin to a principal-agent approach. Second, board chairs recognized that the extent of performance monitoring was influenced by how dependent the board is on management. Third, they acknowledged that their trust of managers reflected the board's confidence in the manager's knowledge, networks, and ability to complete tasks coupled with the board's belief in its ability to assess the manager's performance. Fourth, the board chairs admitted struggling with the appropriate balance of monitoring versus micromanaging, with some insisting on excessive reporting. Fifth, experiences with previous managers and boards influenced a board's philosophy and monitoring. In reporting on this incongruence between professing a stewardship philosophy but reviewing performance using a principal-agent approach, board chairs acknowledged the regulations they must abide by, the skills and networks required of managers, and trust in their own ability to assess performance. These insights suggest that boards and their chairs know both what their role is and what is needed for proper oversight.

Although the board chairs did not clarify how trust levels influence process or outcome accountability, an analysis revealed that trust levels may subtly influence decisions about accountability. In a low-trust context, board members may refrain from contributing, while in high-trust situations, they may not question one another. Board chairs indicated that fostering awareness of how trust levels impact decision making may improve accountability. For example,

the study revealed that in low-trust boards, the board may shift to a preference for outcome data. Another insight is that a higher degree of trust is expected if board members have experience dealing with a common cause or have a clear understanding of the organization's objectives.

Two main conclusions can be drawn from insights gained about the relationship of the ratio of professionals to non-professionals on a board and theories and practices of accountability. First, when making accountability decisions, boards members look to those with the most knowledge in an area but do not defer to board members just because of their professional designation. Thus, the ratio of professionals to non-professionals on a board seems to have no relationship with accountability. Second, more important than professional status to a board member's influence is an individual's personality. Many board chairs expressed concern about board members with dominant personalities, particularly when they hold uninformed views, influencing and derailing discussions about accountability and other topics.

Board chairs were acutely aware of how their board operated and, specifically, whether it was an operational or strategic board. Most reported belonging to a strategic board and believed that the board governance model adopted affected the accountability used (i.e., process or outcome). However, there was little consensus about how the model influenced the choice for process or outcome accountability.

CHAPTER 6 BOARD CHAIR STRATEGIES FOR DEALING WITH ACCOUNTABILITY

6.0 Overview

Chapter 4 provided an understanding of how board chairs view accountability in socially focused non-profits: how they define accountability, assess their social mission, and deal with funder expectations. Chapter 5 related accountability to organizational characteristics and board processes. This chapter presents the strategies board chairs use to deal with accountability. These strategies were not overtly revealed by board chairs but rather uncovered through thematic analysis. The board chairs' responses to questions about accountability issues were coded and analyzed. Once coded, the information was grouped into core themes to illustrate the strategies board chairs engage in when guiding the board in dealing with accountability challenges and making accountability decisions. Along with providing an understanding of how board chairs address accountability, the identified themes also provide insight into how board chairs view their role.

6.1 Understanding Board Chair Strategies For Addressing Accountability

Table 6-1 outlines the focus of interview questions related to board chair strategies and the key themes and board chair functions that emerged.

Table 6-1 Board Chair Strategies and Functions

Interview Questions Related to Board Chair Strategies	1. Do your funders have a preference for a specific balance of process versus outcome accountability? If so, what is this preference? How does the board address this balance? How do you as board chair address this balance? 2. Does the belief that the board has about the CEO/ED influence how you work with the board to assess the performance of management? How you deal with funders and other outsiders? 3. How does the mix of professionals to non-professionals influence how you manage board process and board members when examining the performance of the organization? 4. How does the level of trust influence how you deal with board members? Management? Funders? 5. In your experience what is the best way for a board chair to guide a board in dealing with accountability to funders and other outside parties? Please outline specific approaches you recommend.
Uncovered Board Chair Strategies	1. Board Chairs as Facilitators of Board Discussions 2. Board Chairs as Stewards of Strategic Planning 3. Board Chairs as Stewards of Good Governance Practices 4. Board Chairs as Stewards of the Funding Strategy
Additional Insights About the Role of the Board Chair	1. Board Chairs Feel Their Role Includes Gathering Quality Information About Operations 2. Board Chairs Feel Their Role Includes Overseeing Important Board Communications 3. Board Chairs Feel Their Role Includes Managing Board Transactions

6.1.1 Uncovered Board Chair Strategies for Dealing with Accountability Discussion and Decisions

Throughout the interviews, the board chairs were asked about the strategies they used to guide the board through various accountability issues. Their responses to these questions fall under four key themes that summarize the roles they played and strategies they used related to accountability. These themes include board chairs as facilitators of discussions, board chairs as stewards of strategic planning, board chairs as stewards of good governance practices, and board chairs as stewards of the funding strategy. Notably, these themes align with board chairs' definitions of accountability (see Chapter 4.1), which emphasized governance obligations rather than decisions about process or outcome performance measures.

Strategy #1: Board Chairs as Facilitators of Board Discussions

A key strategy identified by the board chairs was to facilitate board discussions. They discussed this strategy mostly in the portion of the interview that dealt with the ratio of professionals and non-professionals on the board. All board chairs placed importance on discussion at the board table when making decisions:

> *"I don't believe in black and white unless it has to be. If it has to be black and white, so if funders say this needs to be this way then we have to roll that way. But when we make decisions as a body, I believe that we need to have discussion because we need to not just make a decision, we need to understand that decision will impact the people that are dependent on the services that they receive." (Interview 16)*

The board chairs maintained that when facilitating discussions, it was their role to ensure that all perspectives were heard, whether the individual be professional or non-professional. Participation, they emphasized, was critical to good decision making:

> *"But when you engage in the conversation, you find out that everyone brings a different, unique perspective into the conversation, which is still based on their personal experience in life and some of the things that they're involved in, whether it's the church, outside their workplace, and wherever they experience their life, it can really produce a very productive conversation." (Interview 19)*

> *"As the chair, I don't get to vote, so I feel that I can participate in the discussion as much as I want, but I want to make sure that everyone else participates and that their voices are heard." (Interview 2)*

> *"I think what it does do is it forces me to be aware of what they bring to the board based on their expertise, and not to only listen or only ask the professional side. I mean, the non-professional side is very important as well . . . I have to be sure that too much of the conversation isn't taken up by the professional side. We need both, we need input from everywhere." (Interview 21)*

Several board chairs maintained that one challenge to their facilitator role was managing dominant and disrespectful individuals in discussions. The board chairs viewed themselves as enforcers of fair and equitable discussion. In the quotes below, board chairs described different ways they dealt with dominant personalities in board discussions. One board chair had private meetings with the person dominating:

> *"If we had somebody who just had to do all the talking for example, if we had a lawyer who liked to talk… And I'm thinking back to a particular individual a few years ago. It would be incumbent on the board chair to pull that individual aside, in my opinion, and say, 'Hey listen, there are 10 other people on this board, we need to give everybody equitable airtime here.'." (Interview 18)*

Another board chair used body language and direct talk in meetings to stop people from dominating:

> *"Every meeting, yes. I think to me that's just good practice for a chair, to make sure that one person, doesn't matter who it is, doesn't dominate the conversation through the whole meeting. Just to add to that . . . It's not even like it's intervene … Actually, they probably all know if I start wiggling in my seat, they know it's time for them to shut up because I'm gonna be asking them to pass the conversation on to another… now our board knows the expectation and they know they're gonna be there for an hour and a half and they know they can't go off on a rant." (Interview 3)*

Another mentioned the importance of fostering a culture in which people felt comfortable openly addressing disrespectful behaviour in meetings:

> *"We had a board member that was consistently speaking pretty disrespectfully to our executive director in the context of board meetings and committee meetings and it was really difficult without stifling… For me as the chair, without stifling divergent thought to step into that. He was a lawyer, he was older than me and quite forceful and there was a pre-existing professional relationship between him and I and I respect him. I think he felt*

safe to be able to play the devil's advocate quite frequently. But he would cross the line and I would feel like it's a fine line between calling you out on speaking inappropriately and stifling a legitimate concern that's being raised here. . . . Anybody in the context of that meeting can say, "I appreciate your concern Mr. Lawyer, and you just spoke it disrespectfully, I don't think that's fair." And when that started to happen, we started to see healthier growth in the dialogue again." (Interview 8)

Some board chairs indicated that building confidence among board members was critical in encouraging everyone to participate:

"Well for me as the role of the chair, I wanna make sure that everyone has equal voice. So sometimes when we have a little bit stronger voices, whether it's professional, non-professional, positive person, regular person, old person, big mouth, whoever it is, I have to make sure everyone has their voice is heard. Whether that's the voice heard during a board meeting face-to-face, someone's on the phone, whether that's through e-mail or texting, whatever." (Interview 4)

Several board chairs raised the topic of time in facilitating discussion, indicating that time management was a challenge given the constraints of a board meeting. The participant in the next quote stressed that board chairs must foster discussion but within a reasonable time frame:

"I think I was very much focused on making sure that everyone in the room had a voice, which as I mentioned did lead to very long board meetings, and sometimes very stretched out discussions. We had to find a balance in time with- a balance between allowing conversations to go on such that people start engaging themselves and building confidence to participate in conversations." (Interview 12)

Another board chair noted that encouraging discussion but within a predetermined timeframe could be particularly difficult when dealing with a dominant personality:

"One person at the board the table, the more dominant personality, who, I would say prefers discussing things at length, but perhaps in a bit of an unnecessary way. It's discussion without necessarily being productive. So, I really try to get a better balance to ensure that that person is satisfied that all points are considered and all voices are heard, but being timely and productive and ensuring what we need to cover gets covered in a meeting." (Interview 11)

Board chairs believed it was their responsibility to track tabled items for completion and to manage time at meetings. They indicated that board members trusted board discussions when they knew that the group would complete tasks on time:

"'It appears we need a longer conversation about this than we've allotted so we're going to table it for the next meeting or call a special meeting.' But it returns to the practice, what have we said we were gonna do and are we gonna follow it through." (Interview 8)

"So then we go around and say, 'No, we need to talk more about this,' but then we need to table something else of these businesses to the next meeting, because we won't have the time. And I try to make the meetings, if it is an hour meeting, to stay an hour meeting. As chair, of course, that's part of my role." (Interview 13)

A trusting board culture was viewed as critical for facilitating discussions. Board chairs maintained that chairing meetings in a high-trust environment was straightforward because they did not have to exert influence to promote positive communication and could accept input from people at face value:

"So if there was something I was curious about, I might say to somebody, "It was interesting that you said this, help me understand?" And I never feel like I have to diffuse anything. There's a high level of trust, of respect. It really is sort of a dream, in that way, to work with." (Interview 20)

"Because there is a high level of trust – I have to take their word very seriously and if I'm relying on their input for make a decision, I trust them fully." (Interview 21)

The participant below suggested that board chairs could build trust for effective board discussions by behaving like a servant leader who listens and serves the needs of the board rather than their own needs:

"I think if it's about service and about listening, and I'm not a bad listener even though I sometimes talk a lot. I think that's important. Yeah and I think it, that trust comes from, not to trumpet this, but I think our notion that the board chair is a servant of the board, not a self-servant." (Interview 5)

Strategy #2: Board Chairs as Stewards of Strategic Planning

In general, board chairs viewed strategic planning as important. Through a sound strategy with measurable goals and objectives, the organization could demonstrate it was staying on track and achieving its mission:

"Rome isn't built in a day and so having a roadmap and I think fair understandings of what can be achieved in the face of y'know change and current circumstances… I think so long as the goals, the objectives that are set are reasonable ones and focused ones that they're important, it's the only way that you can." (Interview 1)

In discussions about funder expectations, many board chairs supported developing a strategic plan as a primary mechanism to ensure accountability to funders. For example, when asked how the board chair leads the board to address what funders are looking for, this board chair responded like this:

"So we're running on a strategic plan, so every other year we have – we call it a retreat but it's basically, you commit your weekend to doing board work – and we go over our strategic plan and adjust it accordingly, and every board meeting we have one of the agenda items is going over our strategic plan so that we continue to focus on it, and within

it that there's specific deliverables in terms of improving our awareness, funding research, that sort of thing." (Interview 9)

Another board chair specifically called the strategic plan an accountability plan, with the focus on accurate reporting:

> *"As part of our strategic planning, we need to set an accountability plan for the next three years or the next five years so that we have opportunities to really put on the table how are we going to do our reporting." (Interview 8)*

Along with flagging the importance of strategic planning, many board chairs believed that it was their role to guide the board in aligning planning with the vision and mandate of the organization:

> *"I think that the best way is just looking into the policies and see what our mandate is and just try to- every time that there's a conversation that might be misguided or misleading, you just go to the mandate and if you see that there's a conflict, then you revise the policy. We have ambition in our strategy planning. Before, we just said, "Okay, let's just plan our work for the next year," but it was funded through them. And I said, "It shouldn't be funded through them, it should be what is the vision of the organization, what is the mandate of the organization, what are our tasks, what are our goals as organization, and see if the funding fits that." (Interview 13)*

In another example, a participant suggested that the role of the board chair was to remind board members that new initiatives must correspond with the strategy so that resources are allocated effectively:

> *"Because of my background as a strategist, I'm careful to make sure that we do not just undertake actions for the purpose of undertaking actions. How does that relate back to whatever strategy we're trying to accomplish? I will say things like, "Guys, remember that we need to link that back to our strategy. We need to link that back to the charitable*

purposes. How does that align? Why would we undertake that kind of an activity?" I just want to make sure we are spending our time in the appropriate areas and not sorta being willy-nilly." (Interview 6)

Board chairs also reported that it was their job to guide the board through various levels of analysis, such as assessing risks, determining strengths and weaknesses, and recognizing opportunities for growth:

"You really have to understand all of the risks. You have to have a good understanding and I don't know how to frame this on the spot, what are your strengths? What are your weaknesses? You really have to understand who you are, as an organization. Then you have to understand how can we grow? What are our opportunities and what are the threats? Then once you have that firm understanding, then I think that you're in a place to be able to determine where you need to focus in terms of accountability …" (Interview 20)

One board chair also reported that guiding the board through strategy discussions included the development of a business plan with measurable targets and an action plan for the strategy process:

"The very first thing I did was to try and understand what is this organization all about? So, I helped to facilitate, with the board members at the time, a business plan. The business plan included a vision, a mandate, values and principles, targets, and then from there, we were able to establish an action plan." (Interview 6)

Overall, board chairs used strategic planning as a means of aligning their plans with the vision and mission of the organization and of developing the strategic plan as a roadmap to determine if they were achieving their mission. The strategic plan was also used to ensure accountability to funders, to demand accurate reporting, and to develop the board's understanding of the organization (i.e., strengths, weaknesses, goals, etc.). The focus on measurable goals, objectives and targets in strategic planning is interesting because it suggests

that board chairs were, in fact, thinking about outcome accountability when planning. Although this focus does not imply that they were solely focused on outcomes, it was a predominant component of planning.

Strategy #3: Board Chairs as Stewards of Good Governance Practices

When discussing accountability, many board chairs reported a responsibility to ensure tasks were completed in a manner consistent with good governance**.** For example, some board chairs saw balancing skill sets and experience on the board as a key part of their role. In the three quotes below, the board chairs indicated that they felt responsible for overseeing the recruitment of board members:

> *"We're very aware of how to structure the board so we [have] 12 members, we're not gonna have three accountants, we don't need three, right? So that keeps the balance on the board, as far as when you say overweighting to a specific area." (Interview, 21)*

> "W*e're trying to bring people from universities . . . it is sort of a personal recruitment activity that we all always in the board are aware of, and then we just say, 'Oh, this person might be interested.'" (Interview 13)*

> *"I just finished a board matrix the other day 'cause we have an opening coming up that we'll be recruiting for shortly and we just replaced two new positions on the board. When we were getting to those decisions, we weighted more factors on cultural knowledge basis, than we did the professional credits because we knew that was something that the board needed to grow and develop and value." (Interview, 15)*

For most chairs, good board governance involved conducting a proper performance review of management, as revealed in the following quote:

> *"Right now, they trust everything that he's doing, they're ambivalent to even carry out a performance appraisal. They all say, "Oh he's doing a good job, [de-identified, 00:21:01], you and him are working well so we don't really need to evaluate him, we*

want to keep him another year." And what my job is, is to say, "No, we have to go through this process because nobody is perfect and he always has room to grow." So I make them go through it, I keep them after a board meeting and we walk through every question and we have discussions. So when I get into the meeting with our personnel committee from the board and myself, we can tell our executive director, "He's doing a really good job but here are some things where we can… work on together." (Interview 3)

One board chair believed that the board should conduct performance reviews not only of management but also of staff members:

"Because we already give a raise, and I think we are very trusting and then they do a lot of- when we do meetings and all that, people travel, and I guess before, people were not interested, but I am a little bit more hands-on and when I commit to work on a board, I like that things work smoothly and do something, and I think part of the responsibility of the board is to do those performance reviews of the responsibilities of the ED, [and]… do performance reviews of employees. Like, we have employees there that have been for 20 years, that they resist to any change." (Interview 13)

Another board chair suggested that one strategy for good governance was to ensure that board members complied with requirements for attendance, as expressed in the bylaws:

"We have one board member that doesn't show up at meetings and probably very shortly, I'm gonna have to—in our bylaws, we have the ability to—what's the euphemism?—excuse a board member that is not showing up to meetings consecutively, so probably have to do that." (Interview 17)

As the quotes in this section show, the board chairs felt that instructing and reminding board members about best governing practices was key to their role. This guidance involved recruiting appropriate board members, reviewing the performance of management and staff, and following the guidelines, as stated in the by-laws.

Strategy #4: Board Chairs as Stewards of the Funding Strategy

Among the 21 board chairs in this study, at least 11 (52%) indicated that the board had no direct interaction with their funders. Five (24%) of the 11 organizations were not aware of the preferences of funders for process and outcome accountability (See Chapter 4.3). Although management was expected to interact with funders and inform the board of these conversations, in these five cases, management had not communicated funders' preferences to the board:

> *"I couldn't comment on that. I'm not sure to the extent that our stakeholders had a preference that's not something that I was ever communicated, no. And we had very little, at a board level, very little interaction with our funders. It was our operational executive director [who does that]." (Interview 1)*

Interestingly, some board chairs did not place high importance on the board aligning with funders, as they saw this as management's responsibility:

> *"I don't [focus on that], but the executive director does, so that's a good balance." (Interview 13)*

Some board chairs did interact with funders. Of 21 board chairs interviewed, two said that they occasionally attended funding meetings alongside management. Both of these board chairs stated that their board put priority on aligning with funders. In the first case, the board chair attended meetings with government funders to assist with dealing with conflicts or challenges:

> *"I: So your CEO deals with the government, directly?*
> *P: She deals with the government and if there's something that goes wrong, and in some cases it has gone wrong, she needs a board member to come with her . . . if she's having a problem with this government agency, I'll say, 'Okay, are you able to deal with it? Do you want me to help you? If you are confident, I don't need to step in,' 'cause she's our face at that level. To me, it's not my role to take over as the boss that cuts her off at the knees." (Interview 2)*

In the second case, the board chair attended donor meetings with management when the donor had a specific need in mind:

> *"I: How do you as the board chair address this balance? And do you deal with the funders at all, or is it just the CEO that deals with them?*
> *P: She's the face of the organization, so I come in when she thinks there's a need for me. But since - like a board chair role is a two-year term, right? So it's constantly changing, and she is the constant. So, the board chair sort of assists when she needs it.*
> *I: What would be an example of assistance?*
> *P: I would go with her to a donor meeting of some sort. Usually a larger donor that has a significant gift in mind for a specific need at [de-identified, 00:06:48], whether it's a capital project or it's programming or something, then I will have a conversation.*
> *I: And at the board level, do you discuss the results with the board members?*
> *P: Yes." (Interview 21)*

The same board chair maintained that a board chair can assist the CEO in discussions with funders by offering a board-level perspective that is different from the operational focus of managers:

> *"I think taking the time to meet face-to-face is very important . . . the board chair to go out to meet with the funder directly. And we do it along with the CEO, which I think is a great combination 'cause there's questions that they might have for the CEO to answer about the day-to-day and the chair can answer more of the board questions. So I think it works really well in tandem." (Interview 21)*

Other than the two examples above, board chairs reported that management typically dealt directly with funders. Board chair strategies on dealing with funders were usually oversight functions, such as ensuring the organization could demonstrate it was achieving its goals. Board chairs also suggested that having a funding approach or strategy should include an understanding of what funders are looking for and how they define success:

"All the strategy is really just understanding the requirements from funders and the outcomes that are expected." (Interview 19)

In this next quote, the board chair suggested that it was their responsibility to make sure board members understood the preferences of funders:

"If I were to do that again, specifically, I think I would've pushed a lot harder in terms of us having our funding strategy in place, and then I would have potentially requested from some of our funders who are not anonymous whether they'd be willing to come and speak to the board or share their views of what they want." (Interview 12)

One board chair shared the wisdom that strategic planning for future funding also involved aligning funding opportunities with the objectives and mission of the organization:

"Make sure that if you're going after grants, that they align with those objectives and priorities and with your mission. That's really fundamentally important, I think… we don't wanna be going after funding just for the sake of funding, if it doesn't support our mission." (Interview 14)

Another board chair said that their role included stewarding the process to build a funding strategy for management that would identify why funds are needed (e.g., what problem was being solved), along with a plan for how to attract new funds and maintain existing funds:

"I wouldn't say I was successful in this, would be the first piece. What I was trying to do was get a strategic – or essentially a funding strategy – built. So, it was part of the ED's mandate to build a holistic funding strategy that had sort of short-term, medium-term, long-term. This was a piece of work that – whether there was the capability or willingness gap, whatever that was – was never delivered. And my intent, though, was to use that as a platform for what we're solving . . . then build a funding strategy and figure out, then, how- then we need to execute it and build funds." (Interview 12)

In some cases, board chairs also provided feedback and direction on grant applications. However, most board chairs were clear that they only advised on or provided signatures for grants and that management did the bulk of the work:

> *"She's got five managers who report to her and who run different programs – they're the ones who will do the grant writing, the report writing, all of that kind of thing. Certainly, for the largest grants, I do look them over before they submit- the executive director will send them to me, they've been written and all that kind of thing and I'll give my feedback and input and then they submit them. But, the board doesn't actively interact much with the funders." (Interview 16)*

> *"Well we would deal with it by being really clear about when [de-identified, 00:21:23] was filling out grant applications. The vast majority, the organization fills out an application and if their application requires a board chair signatures, then I would sign it, and we inform the board or [de-identified, 00:21:36] would've informed the board that she was applying for this and we would know that that's what was happening." (Interview 9)*

Some board chairs maintained that assessing financial statements and targets in the strategic plan was an important way of managing the relationship with funders. If targets were not being achieved, there was an opportunity to work with management to improve:

> *"We need to understand what the accountability is and we need to make sure that they're mapped. We get there and if we're not getting there, then that's probably management concerns so then we need to talk to the management, "What is going on? Why are we not meeting these targets?" And then come up with a game plan. If they're having difficulty meeting the targets then we need to take some responsibility with that and perhaps brainstorm with them to find a way to meet targets." (Interview 16)*

Tracking financial statements was also seen as a mechanism for assessing targets and identifying stress points and risks associated with funders:

"I certainly recommend that you have financial statements--full audits--that you have set up some kind of, in our case, we did the Charter, that you have updates on whether we're meeting targets, if we are having any difficulty with funders, what are stresses with funders, what are potential areas of risk with funders, for example, if a funder is always late paying bills, what are the implications, what are we going to do about it, those kinds of things." (Interview 10)

Lastly, one board chair also suggested that organizations should be responsible for ensuring transparency with donors about organizational initiatives:

"I think it's about being an open book. I mean, there's a lot of charitable organizations out there that – I don't want to use the word shady – but aren't as completely open and honest as they could or should be. And as a result of that, I think by us being an open book in terms of what we do, how we do it, I mean even since I've become board president, finding ways to cut our cost, I think it's important that that information is communicated to donors." (Interview 9)

Overall, although they explained that managers, not boards, primarily dealt with funders, board chairs expressed an immense interest in stewarding the focus and, at times, the strategy in relation to funders. Most board chairs outlined the importance of meeting funder expectations as part of the accountability of the organization. Some board members believed that aligning funding opportunities with the objectives of the organization was also important.

6.1.2 Additional Insights About the Role of Board Chairs Not Directly Related to Accountability

Board chairs suggested a series of general functions that they completed in the role. These functions did not specifically relate to accountability but were thought to apply to the role of the chair more broadly.

Additional Insight #1: Board Chairs Believe Their Role Includes Gathering Quality Information About Operations

A large focus for board chairs was making sure the best information was sent to the board. This focus arose when discussing ways to assess the success of the mission and the

board's philosophy of management. Board chairs maintained that their boards mostly relied on management for information about the organization's performance:

> *"So I think we can accurately describe the kind of work they do. I think we've relied on our executive director to be the liaison as to the performance of employees and that we took responsibility for determining the effectiveness of our executive director." (Interview 1)*

Many board chairs expressed the importance of ongoing and good communication with management to ensure they received quality information about operations:

> *"Me being the chair making sure I communicate with our executive director at least once a [week]… I expect him to let me know what he's done, how many government officials he's met, how many families he's worked with, and it's more of a conversation." (Interview 3)*

> *"She updates me regularly on what she is doing and where she's applying for money, she's trying to set up meetings I would attend as the political part of our organization and those kinds of things." (Interview 17)*

Some board chairs also reported that part of their strategy included being visible and accessible to the community and membership, in case someone had feedback to offer:

> *"Well we kinda collect and it's not a traditional kind of thing that we're going out there fishing for, feedback or whatever. But when we are out in the community, people just say… They'll ask me, 'Are you still with [de-identified, 00:21:52]?' 'Yeah, I'm chair of [inaudible, 00:21:54].' Just say, 'How do you think she's doing? How do you think we're doing as an organization?' People just give you feedback, so I think it's good to be out there. As a chair, I think you can tell people you're a chair in your organization as well." (Interview 4)*

"The other thing is, we get feedback from the community and say, '[de-identified, 00:21:18] does the community. She's either travelling around a lot or she's doing a lot of good work.' So we kinda get that 360 review from people thinking that [de-identified, 00:21:26] a good job out there too." (Interview 4)

One board chair believed that they had a better understanding of the organization and the ED's role because they had acted as the ED for 10 months. This experience gave the chair access to information and networks involved in the ED role beyond what a board chair would typically have:

"Yeah. If I didn't have a lot of confidence in her, then I would probably be paying a lot more attention to the funder relationship, right? I actually did her job for 10 months when we were between executive directors and I was the executive director for 10 months at a time when she was actually on maternity leave but she wasn't the executive director then, she was just one of our managers, and then we ended up hiring her as executive director. And in that period, I actually got to know the funders pretty well, right? So I have relationship with them that I can call on if I ever needed to." (Interview 14)

Overall, board chairs focused on the importance of building a relationship with management that facilitated information gathering. The reliance on management was described as something that the board chair must overcome or at least manage through good communications.

Additional Insight #2: Board Chairs Believe That Their Role Includes Overseeing Important Board Communications

Board chairs also saw themselves as the overseers of important communications. This focus became salient in the portions of the interview about the ratio of professionals to non-professionals on the board and trust among board members. When discussing the mix of professionals, one board chair saw their own role as overseeing communications almost to the level of micro-managing as a way to protect the organization:

"I'm very stringent on reviewing everything that goes out on that one from un-professionals, just because . . . not to degrade people or anything, but if they're not on the lack of perhaps schooling on formal writing and technical writing, we have a process that nothing goes out before it goes through me." (Interview 7)

Other board chairs indicated it was their role to enact strategies that ensured open communications between board members and between the board and management. The quotes below suggested that facilitating open communication helped dissipate conflict between individuals:

"There were a couple of board members who I thought were kind of going down the road of not participating and back-biting and stuff like that, so I phoned them. I thought maybe they're just not—I phoned them and just had a chat with them, not about them, but in a positive way about we really need you to be speaking up at the meeting. It's like, 'What do you want? Do you want to continue as that leader of that committee?'" (Interview 2)

"I'll also say, 'You know what? I heard you were saying possibly negative things about our CEO.' And I say, 'Can you talk to us about that?' There's a fairly open communication and people know that that's my style." (Interview 4)

As part of the overseeing role, mentoring board members was raised by one board chair:

"People came in thinking, 'Okay, yeah. Everybody trusts each other.' But then discovering, 'Hmm maybe I don't trust Mr. Lawyer.' People started to bring concerns to me that really ought to have gone to the whole board, or to subvert the board and we had one of our professional board members kept badgering the executive director . . . Lots more guiding and mentoring for the board members, lots more saying, 'You need to bring that to the board. I recommend you package that up and ask to have it put on the agenda.'" (Interview 8)

In summary, board chairs prioritized open and effective communication among board members and between the board and managers. Board chairs believed strongly that communications needed to be guided by board chairs and not left to run their own course. Most agreed that if boards members and managers were left to communicate on their own, they would likely engage in subpar communications, resulting in poorer relationships.

Additional Insight #3: Board Chairs Believe Their Role Includes Managing Board Transactions

Many board chairs maintained that a large part of their role involved guiding or managing transactions. For example, in relation to the ratio of professionals and non-professionals, two board chairs saw themselves as managing and, at times, ensuring the completion of tasks:

> *"There's individuals on our board – no different than any organization – that need more motivating, that need more follow-up, that need more than some of the individuals that are more of a professional designation on the association . . . So the way that I've come to deal with her is I say, 'This is your task, this is your due date, follow up prior to the due date saying hey, are you on target to do this? Do you need any help to do it, can you get it done?' If she doesn't get back to me on the due date, I'll follow up with her again on the due date, 'Are you gonna be able to get this done for today?' If not, a lot of the times I've already done some of the prep work just to be able to get it done myself, because I know I can't hold her accountable." (Interview 10)*

> *"I mean, the two of us hold everybody else a little bit more accountable in terms of both – mainly in terms of tasks and doing what individuals on the board say they're gonna do, again, because we're a working board, everybody's accountable to the board. So everybody's actions are accountable, and, I mean, my role as president making sure those people who say they're gonna do actions actually take the actions." (Interview 9)*

Board chairs also reported that to guarantee tasks were completed, they had to be assigned appropriately. In many cases, board chairs indicated that it was their job to determine if people had the ability and time to complete tasks:

"[One board member] who puts up her hand for an awful lot of things, "I'll do that, let me take that away," and things just never seem to be done, so they pile up for her. I ask her regularly, "Where's this particular thing? Where are you at with this?" "Well I haven't had time, I haven't had time." I'm careful now, as a facilitator and a Chair, not to give her anymore action items. I know that she's overwhelmed because she's not performing the way that I would suggest she should be, so I give other people those tasks, right?" (Interview 6)

"I deal with an individual who's a say-er, not a do-er, and then I deal with that individual differently than another board member who's a do-er but not a say-er that I can assign almost any task that needs to get done, too, and they get it done." (Interview 9)

6.2 Chapter Summary

The qualitative analysis in this chapter suggested that the board chairs interviewed were intently focused on accountability. For them, the term was primarily about transparency and responsibility for guaranteeing appropriate board and management processes. Board chairs viewed strategies on accountability to be about facilitating discussions, overseeing strategic planning, stewarding governance processes, and guiding the development of the funding strategy. They also highlighted other key functions: gathering information for the board, facilitating communications between board members and key stakeholders (e.g., management), and managing board transactions.

The strategies identified by board chairs appeared to correspond with an immense need to demonstrate to funders that the organization was performing well. To show progress to funders, board chairs may seek information that supports outcome accountability (e.g., quantified targets). Board chairs suggested that strategic planning was beneficial partly because it ensured measurable goals, objectives, and targets, which could be used to show progress to funders.

This study also revealed that the board chairs interviewed paid careful attention to their role overall and to their intangible goals for their own performance. For example, they indicated that their job was to foster trust among board members, to allow multiple perspectives to be heard, and to make sure that no person dominated discussions. Their role, they maintained, was

also to guide strategy and to remind board members of how to make strategic decisions. They were equally focused on becoming involved in funding initiatives if needed and often saw themselves as a primary guide in planning for funding. Also important were building a positive, transparent relationship with management, determining if board members could complete tasks, and assessing whether information going to the board was appropriate.

CHAPTER 7 DISCUSSION ON THE ACCOUNTABILITY OF SOCIALLY FOCUSED NON-PROFITS

7.0 Overview

The proliferation of non-profit organizations delivering services, combined with failures by non-profits to demonstrate accountability, has increased public demand for accountability. These organizations must demonstrate to funders and other stakeholders that they are using funds appropriately to achieve their missions (Panel on Accountability and Governance in the Voluntary Sector, 1998). The central question investigated in this thesis is "How do non-profit organizations that experience process or outcome non-observability stay accountable?" Specifically, how is accountability in these non-profits understood and practiced? How is it affected by external pressures from funders? By organizational characteristics? By internal board dynamics?

The thesis first examined board chairs' definitions of accountability, their perspectives on funder expectations, and their difficulty assessing their social mission. It then examined the evidence for five propositions about the relationship between board characteristics and a board's choice to track accountability through processes or outcomes. Finally, it determined if an organization's type of governance model would influence its accountability approach. I predicted that outcome accountability would be adopted by boards consisting mostly of professionals and by those who embrace a principal-agent view of the board-management relationship, while process accountability would be adopted by boards consisting mostly of non-professionals and by those with a stewardship view of the board-management relationship. Although I assumed that the level of trust among board members would influence the board's accountability approach, I predicted that this influence would be indeterminant. This chapter discusses the relevance and importance of the insights discussed in Chapters 4, 5, and 6.

7.1 Board Chairs Reveal Multiple Ways of Defining Accountability

The literature reveals multiple definitions of accountability. Public and administrative accountability are often defined in relation to the public sector and non-profits. Public accountability refers to governments' responsibility to explain to the public how services help in some needed way (Evans et al., 2005). Administrative accountability refers to the responsibility organizations have to demonstrate to funders and other stakeholders that funds are being spent as stipulated in funding contracts and that the organization's mission is being achieved (Evans et

al., 2005; Panel on Accountability and Governance in the Voluntary Sector, 1998; Tao, 2005; Wang, 2002). When demonstrating public and administrative accountability, non-profit organizations either track processes (activities and best practices) or outcomes (quantified targets), or both (Patil et al., 2014; Rossi, et al., 2004).

All non-profits boards have standardized fiduciary obligations to provide oversight and ensure the mission is achieved. In this regard, to be accountable, a board must meet oversight requirements (Ebrahim, 2010) while providing services funders deem legitimate and fulfilling a mission built on the organization's core values and identity in the community (Knutsen & Brower, 2010). As one participant argued, accountability in non-profits is complicated by the variety of stakeholders to which a non-profit is accountable:

> *"Accountability in the sense of what? With the members? Or the government? Because there's three different layers of expectations that we have that sometimes contradict each other." (Interview 13)*

As emphasized in this quotation, the board chairs interviewed in this study made it clear that funders, clients, employees, and volunteers sometimes have conflicting expectations, adding to accountability challenges.

Despite such challenges, a phenomenon observed in this study is that board chairs did not initially identify with a discussion about processes and outcomes. In most instances, the interviewer had to explain what processes and outcomes were before board chairs clearly understood what they were being asked. It was not that the board chairs did not understand the difference between processes and outcomes when explained, it was simply that they were not thinking about accountability in this manner. They did not define accountability in relation to tracking and measuring data. Instead, they saw accountability in relation to their roles as board chairs which included being accountable mostly to funders and government regulators. This response by board chairs is in keeping with the idea that accountability involves the expectation that a person or group must justify their beliefs and actions to another person or group and face negative or positive consequences (Lerner & Tetlock, 1999; Stenning, 1995; Tetlock, 1992).

Since board chairs are positioned at the nexus of multiple accountability relationships, they manage accountability in relation to communication, transparency, compliance activities,

and best governing practices. Consistent with Ebrahim & Weisband's (2007) description of different perspectives from which to examine accountability, board chairs emphasized the lens of transparency (making sure information is available to the public) and compliance (monitoring, evaluating, and reporting on processes and outcomes) as critical for accountability. The need to ensure transparency is clearly laid out in a board's fiduciary obligations and corresponds with the notion of public accountability. Also laid out in duties and bylaws is the need for boards to ensure compliance with regulations, act in the interest of the organization, and monitor and oversee management.

One contribution of this study is the understanding that when individuals talk about accountability, they may not share a common definition and they likely approach the subject from their own perspective and experience. For example, governments are likely to focus on their accountability to the public, organizations are likely to focus on their accountability to governments and other funders, and managers are likely to focus on their accountability to boards, and so on. Different elements of accountability may also be weighted differently. For example, board chairs in this study suggested that managers and employees may have different preferences for tracking processes or outcomes. They also suggested that when funders referred to accountability, they appeared to mean the requirement of the organization to show that funds are being spent appropriately (e.g., administrative accountability). This definition does not consider the mission of the organization or the unique challenges and opportunities each organization faces.

Another contribution of this study is understanding that boards and board chairs are perhaps not as focused on the accountability of the organization itself, as is assumed to be the case in the accountability literature. In this study, board chairs alternated between talking about the accountability of their role and the data being tracked at a program level, with the suggestion that the accountability of their organization can be assessed partly by their actions as board members and partly by the summation of the success of programs. By focusing on program level analysis and board activities, boards run the risk of ignoring their duty to ensure that their organization's mission is appropriate and being achieved. Assessing the success of their mission requires boards to consider how the social value promised in the mission is attained. This assessment can only be determined by examining the outcomes of the organizations as a whole and not the actions of any one program and whether a board completes appropriate activities.

7.2 Board Chairs Suggest Strategies for Assessing Performance in Socially Focused Non-Profits

In this study, socially focused non-profits serving the public sector have been termed coping organizations to correspond with Wilson's (1989) description of government agencies and organizations in which employees' work and its outcomes is difficult, if not impossible, to measure. Wilson's rationale for this description is that the work in these organizations is intangible and, therefore, difficult to observe. Wilson concludes his description of coping organizations with the following statements:

> In coping organizations effective management is almost impossible. Of course some work can be observed some of the time and some examples of results achieved do occasionally come into view (though no one can be certain how representative of all outcomes these examples are) (Wilson, 1989, p. 175).

Although Wilson's conclusion that effective management is not possible in coping organizations appears to make sense, we must remember that Wilson was describing government agencies. Wilson's categorization presumed that these agencies would be operating under or closely with a government bureaucracy. In contrast, non-profits are externally funded and governed by independent boards with fiduciary duties to provide monitoring and oversight of the organization and guarantee success of the organization's mission (Ebrahim, 2010; Gibelman & Gelman, 2001; Leblanc & Gilles, 2005). In non-profits, boards have a critical role in ensuring the organization is managed appropriately. The relationship between the board and manager foregrounds the importance of the board chair role. This study confirmed the critical role that board chairs play in supporting, guiding, advising, and constraining the Executive Director/CEO.

The board chairs in this study maintained that Wilson's description of coping agencies applies to many social service non-profits whose work and outcomes are unobservable. Some board chairs clearly articulated the challenges of observing intangible work, while others provided a more general description of these issues. Board chairs also indicated that they were acutely aware of difficulties in demonstrating accountability, understanding how being unable to observe employee efforts and outcomes creates a dilemma for deciding what to report. Despite these difficulties, they described themselves as stewards of many accountability mechanisms

such as strategic planning, good governance practices, and the funding strategy. When engaging in these functions, board chairs act as brokers, negotiators, and compliance regulators of accountability, and even as organizational historians by relaying the essence of past board discussions and decisions.

When asked if they could assess the success of their mission, most board chairs admitted that this task was challenging because the intangible outcomes outlined in their mission statements were not measurable. They recognized that tracking these intangible outcomes would require immense resources (i.e., time and money) because it would involve examining the behavior of those served by these organizations in real-life settings, sometimes years later. But they still struggled to come to terms with this reality, with some asserting that, despite non-observability issues and intangible outcomes in the mission statement, they could still determine if the mission was successful. Most participants described a feeling or intuition that replaced the need for objective, concrete evidence.

At first glance, the views of board chairs about assessing the success of the mission is puzzling. On the one hand, they recognized the non-observability of their coping organization and the difficulty with assessing intangible outcomes in the mission; on the other hand, many board chairs were almost adamant in their refusal to accept that the success of their mission was impossible to determine. The tension board chairs felt in assessing the mission was shown by their multiple assertions that with unlimited resources and time, intangible efforts and outcomes could be observed and measured. Of course, they also admitted that the number of resources needed is so immense that no organization could feasibly expect to obtain them.

Responses by board chairs suggest they may have wanted to believe in assessing the mission for at least two reasons. First, since board chairs were often personally invested in the social focus of a mission, they were reluctant to admit that they did not know if the organization was helping their cause. Some board chairs were highly invested in the cause because they had been touched by the issue themselves. Second, board chairs may have struggled with their organization's inability to assess the mission because they feared losing funding if they admitted this to funders (who may themselves not have a good understanding of coping characteristics of organizations). It is not hard to see how the combination of the belief in the cause of the organization with a need to secure funding would cause some board chairs to resist the reality of

coping organizations. The inability to observe the intangible efforts and outcomes of employees creates a no-win scenario for anyone seeking to verify that non-profits are successful.

Consistent with not being willing to accept that their mission could not be assessed, the strategies that board chairs outlined for evaluating performance were practically focused on accepting and working around the coping characteristics in the organization. For example, board chairs suggested strategies such as involving board members and managers in strategic planning, using the strategic plan as an ongoing guide, scheduling ongoing meetings between board and management to discuss their ideas about performance, and informally meeting with employees and service users to better understand their anecdotal views of the organization. When asked about the intention behind these strategies, board chairs often acknowledged that they could not overcome the non-observability issues.

In keeping with Campbell (2002), board chairs were aware of the difficulty in linking the work of individuals in an organization to outcomes in the broader community, such as improving quality of life. Outcomes can take years to manifest and are difficult to track back to the work of individuals and even to organizations. However, board chairs expressed a hope that the strategies they used could at least provide a sense of how the organization was performing. For example, they indicated that using the strategic plan as a guide was helpful when performance could not be measured because it focused on where the organization was headed, allowing for discussions about feasibility and the current state of the organization in relation to the desired future state. Board chairs also suggested that to ensure that decisions were well informed and that stakeholders were asked for their input, communication with management and a desire to learn more about the organization were critical. Board chairs were using these strategies not to overcome non-observability issues but to ensure decisions were informed given non-observability challenges in a coping organization.

While board chairs indicated they had strategies for evaluating performance, it became clear throughout all the interviews that board chairs and boards have less influence over accountability issues than the author assumed at the beginning of the study. Boards and board chairs cannot easily influence management's decisions. Managers not only oversee operations but also deal with funders directly. As a result, boards have little involvement in the relationship with funders. Board chairs can also not easily observe the tensions managers are having with employees and funders; even when they can, they are not necessarily able to influence decisions.

7.3 Expectations by Funders for Outcomes Pressure Coping Organizations to Behave like Production Organizations

Although they reported trusting managers to both interpret the priorities of funders and administer programs, board chairs appeared to be well informed on the preferences of funders. Not surprisingly, board chairs reported that funders had a preference for outcome accountability. Many board chairs expressed the view that the survival of the organization hinged on providing funders with the tangible measures they sought. For this reason, board chairs generally supported outcome accountability in the hope that they would be able to better demonstrate to funders that the organization was performing well. Some board chairs also suggested that funders had added power to drive what was measured because receiving funding also offered intangible benefits beyond capital. These board chairs explained that boards and managers often believed that having funding would offer their organization legitimacy and enhance their reputation. In other words, if an organization has funding it must be credible and worthy of attention. These descriptions provided by board chairs suggest that organizations are seeking legitimacy and that funders are the power brokers of this legitimacy.

Interestingly, despite a willingness by many to appease funders, only about half the board chairs placed high importance on aligning with the preference by funders for outcome accountability. For others, the desires and needs of clients and upholding the mission were priorities. These board chairs expressed concern because the priorities of funders did not necessarily correspond with the objectives of their organization, explaining that managers and boards often had to make difficult decisions about whether to adapt the organization to the mandate of funders or to look for alternative funding sources.

Their ability to resist funders' demands was explained by board chairs to be contingent on how dependent an organization was on funders. If organizations are short on funds or dependent on a single funder (e.g., governments) then they will be more willing to adapt to the expectations of funders or they may make drastic changes beyond decisions about what to track and measure, such as changes to the mission, organizational priorities, and programs. Adaptations such as reducing staff, shutting down programs, and offering services in areas not related to the organization's mission can have long lasting impacts on an organization's capacity and can even compromise the mission (Smith, 2014). For example, some board chairs reported that when organizations closed programs to meet the shifting demand of funders in the short-

term, they were unable to simply restart these programs when funding became available again. The staff whose jobs were cut have often moved on to other jobs, resulting in a loss of knowledge and skills. Although it takes time and resources to build programs, it often only takes days to shut them down.

Overall, board chairs reported that funders have a lot of power to influence what happens in socially focused non-profits, even if the board and management are willing to resist the funders' expectations. This power is seen in the uncertainty that ensues when funders change their priorities. As workers begin to recognize the power of funders, they may worry about any changes made to funding priorities and the effects on their job. If funders do in fact change their priorities, which according to board chairs occurs frequently, even more uncertainty is created, and managers and boards are then even more likely to adapt to these priorities.

The power of funders to dictate services and outcome measures in non-profits creates a risk that decisions may no longer correspond with the mission of the organization. When funders can direct non-profits to focus on outcome data, they are, in essence, demanding that boards and their managers treat coping organizations as if they are production agencies, organizations in which both employee efforts and outcomes are relatively easy to observe. Notwithstanding pressure from funders, Wilson (1989) argues that non-observability challenges in coping organizations can drive managers to assess performance by evaluating the work that is visible.

A key difference between non-profits and the governance agencies Wilson (1989) describes is that non-profits compete in open markets for grants, making them vulnerable to funders' demands. The pressure by funders for outcome data is clearly laid out in grant applications. If managers do not meet these expectations, the organization will not obtain funding. According to board chairs in this study, managers and boards were highly aware of funders' expectations for outcomes, intensifying the drive to track and measure observable data. In this way, funders pressure managers to disregard the truth about non-observability in coping organizations and assume that work that can be observed accurately reflects performance.

Board chair responses align with Campbell's (2002) theory that focusing on quantified, outcome-based measures offers limited insight into how an organization is performing. These limitations especially apply to coping organizations in which employee efforts and outcomes cannot be observed. Most board chairs expressed tension over the need to appease funders' need for outcome data while understanding that quantifiable measures alone are insufficient to

determine if an organization is achieving its social mission. In response, board chairs seemed to suggest that they did two things simultaneously: They gave funders what they wanted and tracked internal processes as their own measure of performance. They appeared comfortable with this hybrid approach of tracking both process and outcomes, and many indicated that their board expected to discuss both outcomes and processes at board meetings.

As we have seen, board chairs in socially focused non-profits claimed to resist funders' and policy makers' requests to use outcome measures to assess accountability because these measures disregard the intangible work done in these organizations. By acknowledging that outcome data in coping organizations does not lead to better accountability, board chairs were also resisting the temptation to treat coping organizations as production organizations.

7.4 Board Chairs Suggest the Relationship Between a Board and Management in Socially Focused Non-profits Is Not Explained by Dominant Governance Theories

Principal agent theory and stewardship theory have been discussed as the two dominant theories for explaining the important relationship between boards and their managers and offer two contrasting perspectives (Davis, Schoorman, & Donaldson, 1997; Miller & Sardais, 2011; Viader & Espina, 2014). Principal-agent theory suggests that boards will impose incentives and controls to counter the expected opportunistic behaviour of managers (Davis, Schoorman, & Donaldson, 1997; Dixit, 2002; Miller & Whiteford, 2002). The belief in the opportunism of managers as a major challenge has resulted in principal-agent theory being the most dominant theory used in both for-profit and non-profit organizations (Tirole, 2001; Viader & Espina, 2014). In contrast, stewardship theory suggests managers can be intrinsically motivated to do what is in the best interest of the organization. Since managers can be trusted to align with the objectives of the principals, boards can offer managers more autonomy. Furthermore, given the intrinsic motivations of managers, boards can maximize the potential performance of managers by empowering them (Donaldson & Davis, 1991; Davis, Schoorman, & Donaldson, 1997; Viader & Espina, 2014).

Taken at face value, board chair responses suggest that their boards had a relationship with managers more akin to a stewardship relationship than a principal-agent relationship in that they all claimed to trust their managers. Trust has been defined as the "willingness to accept vulnerability based on positive expectations of the intention or behavior of others" (Nilsson & Mattes, 2015, p. 231; see also Rousseau et al., 1998). In stating their boards trusted their

managers, stewardship theory would suggest that boards should be willing to accept the actions of managers without a great deal of oversight or monitoring. Despite claiming that they trusted their managers, board chairs, however, reported making numerous requests for reports. Managers were trusted to oversee the relationship with funders, deliver programing, adjust programming to meet funder needs, and report information to the board, but not without monitoring. This need and use of monitoring suggested a principal-agent mindset.

The insight that boards trusted managers while engaging in principal-agent practices seems plausible if we consider that board chairs have a different definition of trust than is present in stewardship theory. Board chairs suggested their boards were not willing to be completely vulnerable to the actions of agents but, rather, that their trust stemmed from the belief in their managers' knowledge, ability and networks to complete tasks, and the board's ability to determine if these tasks were completed. The need to verify that tasks are being completed suggests a practical assessment of trust different from the type of trust described by stewardship theory. A board's trust in management was not unconditional but instead depended on continued good performance.

Past experiences with both poor and high performing managers also appeared to influence the monitoring approach boards adopted toward managers. Board chair responses offered various examples of how boards had been deceived by bad managers in the past and how good managers had been undermined by a lack of trust from previous boards. Often these accounts were not about the trust in managers, but more about the trust boards had in their own ability to not repeat past mistakes. Such descriptions support the idea that boards were also assessing their own ability to obtain and interpret data from managers as part of their trust in managers.

Although board chairs describe monitoring practices, their descriptions still do not suggest they were engaging in a principal-agent approach. Principal-agent theory is founded in the idea that boards do not trust managers, in that they are not willing to be vulnerable to managers with the belief that managers will perform as expected. In this study, board chairs were adamant that they trusted their managers and aligned with a stewardship approach. However, if they were in a stewardship relationship, one would also expect them to be more willing to engage in process accountability, reported mostly through management, to deemphasize performance monitoring, and to trust the stewardship of their managers. In contrast, this study

reveals that, while board chairs generally talked openly about how they trusted management, they still advocated for outcome data and performance processes, suggesting they did not trust management as much as they professed.

If board chairs were in fact describing a stewardship relationship between their boards and managers, then the way trust is described by stewardship theory needs to be reconsidered given that board chairs in this study engaged in a dual logic of trusting managers, but not willing to be completely vulnerable to management resulting in monitoring them at the same time. One explanation for this phenomenon is that, while trusting managers, boards were aware of their fiduciary obligation to monitor management. It is possible that, although they trusted their managers, the reporting protocols outlined by fiduciary obligations shaped their management approach toward a principal-agent framework.

Along with fiduciary obligations, the boards also experienced pressure from government and other funders to adopt principal-agent approaches deemed best practices in the private sector. That board members were familiar with these practices from their own professional experience also made it easier for them to accept these practices. For example, participant answers suggested that when the competencies and backgrounds of board chairs and board members involved outcome approaches (e.g., accounting), they were more likely to seek this type of data from managers. Consistent with previous research, which has shown the dominance of the principal-agent approach in the governance of non-profit organizations (Miller, 2002; Viader & Espina, 2014), the board chairs suggested that the professionals on the board were more likely than the other board members to support the adoption of incentives and controls based on a principal agent philosophy. Thus, despite trusting the managers, the combination of fiduciary obligations and private sector practices may have convinced the board to behave as if it held a principal-agent mindset.

Another explanation is that, by incorporating a mix of trust and monitoring, board chairs were describing an intentional hybrid model incorporating a stewardship and principal-agent approach that was based on their belief that trust could be improved through monitoring processes. The idea that trust could be improved through monitoring was noted in the way board chairs described the use of formal and informal monitoring. Their strategies suggest that they considered it just as important to gather feedback from managers through informal face-to-face meetings as it was to formally track hard data. Boards chairs saw value in informal approaches

(e.g., one-on-one meetings with managers) when gathering information because they offered the opportunity for board chairs to provide feedback to managers and because they helped maintain positive relationships with managers when managers were asked for quantifiable targets. The value placed by board chairs on informal monitoring supports the possibility that the relationship between the board and management in socially focused organizations involves a hybrid approach explained by components of both principal-agent and stewardship theory as currently understood. On the one hand, in aligning with stewardship theory, board chairs demonstrated that informal communication with managers was important for relationship building. On the other hand, informal monitoring was also viewed as important for securing accurate feedback, suggesting again that they had a principal agent mindset.

A less probable explanation to consider is that boards actually took a principal-agent approach to management but disguised their intentions because they wished to convince themselves and the managers that it was a stewardship relationship. The idea here is that boards preferred to construct a reality based on trust because it made them feel better about their managers, even though experience had taught them that managers should not be trusted. There is no evidence in this study to support this idea.

Overall, considering board chair responses about their trust in managers combined with their need to monitor formally and informally, we see it is possible that stewardship theory needs to be augmented in socially focused non-profits. First, boards appear to be defining trust differently than the way outlined by stewardship theory, which is based on an acceptance of being vulnerable to the actions of others. Second, regardless of the trust boards have in managers, pressures by regulators for monitoring, non-observability tensions, and the need for boards to ensure the organization is accountable to funders also appear to result in some degree of monitoring of management. These phenomena support amending stewardship theory to consider a situation where the trust board members have in managers is somewhat dependent on being able to engage in some type of monitoring.

7.5 How Board Process Influences Accountability and the Board Chair's Role in Guiding Board Process

This study asked board chairs for their perspective on if and how the proportion of professionals versus non-professionals on the board and the trust levels among board members affected the accountability approach adopted by their organization. Participant answers

suggested that the use of outcome versus process accountability most likely does not depend on the professional nature of a board. Instead, board chairs reported that, in their experience, the influence of any one board member in accountability discussions depended on the other board members' confidence in the individual's knowledge base and skill set (professional or otherwise) for the matter being discussed. A board member's personality also appears to matter in accountability decisions. Almost all the board chairs in this study expressed concern over dominant personalities who derailed board discussions by not letting others speak.

Analysis of board chair responses about trust levels among board members suggests that the level of trust did influence the type of accountability used by the boards. First, in both extremely high- and low-trust boards, contributions of board members may be impeded when accountability is discussed. Board members in a low-trust environment may not feel psychologically safe enough to provide their perspective on needed changes to the accountability approach. In high-trust environments, board members, assuming the unity of the group means everything is working well, may not question decisions. In each case, board members may be unwilling to challenge the current accountability approach. A second way in which trust can influence the accountability approach occurs through shared past experiences with trust levels on the board. According to the board chairs, a negative experience can cause the accountability approach to shift over time, and boards may change the type of data being tracked to address the risks associated with extremely low trust.

The obvious insight from these findings is that group process matters in accountability decisions. If board members are unwilling to question each other, decisions about accountability may be made without full participation. According to Forbes and Milliken (1999) constructive cognitive conflict occurs when board members are motivated and willing to challenge each other's viewpoints when making decisions. If board members do not fully participate in board decisions about accountability, cognitive conflict may be low, and boards may be more likely to accept the status quo when discussing accountability approaches. The implication is that board members may be reluctant to question performance practices and indicators, re-examine decisions about whether to assess process or outcomes, and do what is in the best interests of the organization.

The influence of dominant personalities in board discussions also raises some interesting questions about accountability decisions and oversight in non-profits. That board members can

be influenced by experts and dominant personalities confirms that board members are susceptible to cognitive bias. For example, boards might experience an anchoring or availability bias (see Mercer, 2005; Russo & Schoemaker, 1992) by supporting views of experts and dominant personalities simply because these board members are the first to express their opinions or to provide readily accessible information. The implications of this type of influence is concerning. If dominant personalities are driving accountability decisions, legitimate processes for examining and analyzing data to make these decisions may be undermined and possibly ignored by boards

The importance of fair participation in board processes when accountability is discussed underscores the importance of board chairs. Only board chairs are positioned to oversee discussions about accountability decisions. Unsurprisingly, the board chairs flagged facilitating board discussions as a critical function of their job. This key function includes developing strategies for fostering trust between board members, ensuring multiple perspective are heard, and making sure that no person dominates discussions. Board chairs also reported carrying out other functions to manage personalities, such as overseeing the assigning of duties, ensuring compliance with attendance, overseeing communications, and stewarding strategic processes.

This study suggests that board processes do impact accountability decisions and that the board chair plays a critical role in guiding board processes. In seeking to mitigate against a board process that stifles participation and contribution, board chairs in this study suggested that it is critical to foster an unthreatening environment that encourages open communication among board members. When making decisions, board chairs also help by recalling and interpreting positive and negative experiences of the past to facilitate an understanding of why certain accountability approaches were adopted. Overall, the board chair emerges as a critical figure in the accountability of non-profits.

7.6 Divergence in How Accountability Decisions Are Made Despite Boards Having the Same Board Governance Model

Most board chairs indicated that their organizations had strategic boards, suggesting this was often preferred to an operational board. This insight is not surprising given the push in recent years for the public sector to adopt corporate best practices in governance, including prioritizing strategic governing boards (Hood, 1991; Osborne & Gaebler,1992; Savas, 1987). Interestingly, no participants had boards that followed the community/representative governance model, possibly because of the type of non-profits included in this study. These non-profits did

not generally serve a community or different factions of a community. Most were charities, and some were member-run social non-profits, both of which could be supported by either a strategic or operational board.

Most board chairs indicated that the type of board model used (i.e., strategic or operational) influences the type of accountability chosen (i.e., process or outcomes). It makes sense that operational and strategic boards would have a different focus and make different decisions about accountability. However, board chairs varied greatly in their descriptions of how accountability could be influenced by a board model. Some indicated that an operational board would be more likely to be outcome focused because of an operational board member's proximity to operational targets, while others thought this same proximity would lead to a focus on processes. Still others stated that a strategic board should focus on outcomes because part of this board's responsibility is to develop a plan with targets and deliverables. These contrasting descriptions suggest that although boards adopt a particular governance model, their operation may not correspond entirely with this model. For example, board chairs suggested that two operational boards could approach their roles and responsibilities differently, as could two strategic boards. Thus, board decisions about accountability cannot be linked directly to the board governance model adopted. A model offers a structure for who makes what decisions but does not necessarily map out how decisions will be made, an insight that policy makers need to consider, as well as the fact that all operational boards and all strategic boards do not operate in the same way.

7.7 Implications and Future Research

This thesis offers a series of implications for researchers and policy makers to consider in relation to the accountability of non-profits. The study provides insight into our understanding of how accountability is understood by various stakeholders, how boards and board chairs assess accountability, the pressure from funders for outcomes, the need for new theory to explain the relationship between boards and managers, how board process influences accountability, and lastly, how academics may be imposing theories that do not accurately describe accountability in socially focused non-profits. These implications are explored below.

7.7.1 Understanding the Implications of Various Stakeholders Defining Accountability Differently

One contribution of this study is to highlight the potential confusion and misinformation that can occur when actors define accountability by their role and perspective. Participants, in defining accountability from their role as chair, focused on issues such as transparency, and relied on program level data from managers. Given that the organizational structure of a non-profit places the board above management (Magloff, 2014), one would assume that boards would have a mechanism for interpreting the information supplied by management at an organizational level. However, board chairs suggested that program level information provided by managers was accepted as reported. The prevalent idea is that if programs are successful then the organization is successful. By not interpreting how data supplied by managers can be used to assess the organization's mission, boards run the risk of being misinformed and confused about the performance of the organization.

The potential for confusion caused by actors defining accountability from the perspective of their roles was also noted by the fact that funders, board chairs, managers, and employees appeared to have different views of accountability. It is important to recognize this phenomenon because different interpretations of accountability might lead to confusion in the system. People may simply have different ideas about what needs to be measured. However, it is also possible that having different views of accountability may promote better accountability throughout the system. Perhaps different views of accountability are needed to ensure that everyone can track and report the metrics that are relevant and important to their role. Future research could investigate whether different definitions of accountability and different needs for demonstrating accountability hinder or assist with accountability in organizations and governments. A critical question is how accountability can be assured in a system in which accountability means different things to different people.

One example of potential confusion caused by multiple perspectives and definitions of accountability was shown in the way funders and board chairs assessed outcomes. According to board chairs, funders were generally clear that they identified outcomes with the tracking of quantified targets. However, board chairs questioned the logic that outcomes are only represented by quantifiable targets by suggesting that outcomes can be represented in the stories people tell. Many board chairs indicated that they and their managers shared the conviction that

stories reveal outcomes and that their boards were comfortable in using anecdotal stories to determine performance. Future research could continue the work being done on identifying scenarios in which outcomes mean different things and the problems with assuming outcomes can be assessed using only quantifiable targets.

7.7.2 Understanding How Boards and Their Chairs Assess Performance in Socially Focused Non-Profits

Despite being aware of non-observability challenges in socially focused non-profits and of the ineffectiveness of using process or outcome data for assessment, board chairs indicated that they had ways to assess performance. This assertion was made by board chairs although they admitted that even with extensive resources to gather data on users, employees, and services, these data would be insufficient to evaluate intangible work and its outcomes. This contradiction indicates a need for future research into how board chairs assess performance of these organizations.

The sense from the interviews is that through good communication with management, effective board discussions, a desire to understand the organization, and an intuitive response, board chairs can say if the organization is performing well. Future research could investigate these claims to assess if board chairs are simply suffering from an irrational need to believe they can assess performance or if they can actually do this. Also warranting investigation is the board chairs' claim that the strategic plan can act as a guidepost to assess performance by focusing on a desired future state. The question is this: how, when performance indicators cannot be tracked and measured, does a strategic plan reveal anything about the current performance of an organization? Future research could investigate these approaches to performance by board chairs and determine whether they reveal any insights.

That so many socially focused non-profits operate successfully suggests that perhaps boards chairs do have ways of assessing performance despite non-observability challenges. One area to consider is whether the outcome data requested in grant proposals indicates performance to some degree. These data need not tell the whole story, but perhaps they can tell enough of it to point the organization in the right direction. Regulations for reporting, auditing, and fiduciary duties most likely also play a role in helping these organizations develop a sense of how they are performing.

Another option to consider is that organizations are perhaps not performing as well as board chairs believe and that, given non-observability problems, board chairs are deluded in their belief that they can assess the performance of the organization. Given that the success of any one non-profit in their ecosystem is dependent on the success of others (Grant & Crutchfield, 2007; Bloom & Dees, 2008), it is possible that the entire system is underperforming and that boards, board chairs, and managers are simply not aware of this because of non-observability. Of course, since performance cannot truly be observed in these organizations, to some degree we must accept the assessment of performance of these organizations as reported from a combination of outcome and process data and story telling.

7.7.3 The Impact of Pressure from Funders for Outcome Accountability on Non-Profits

Whether pressure from funders to treat coping organizations as production organizations has any impact on the performance of these organizations needs to be investigated. The description by Wilson (1989) would suggest that assessing performance using only visible and quantifiable outcomes would create a system in which organizations report data that does not accurately reflect performance. However, this study also reveals that board chairs have their own strategies for assessing performance despite not being able to observe work and its outcomes, suggesting that appeasing funders' calls for outcome measures may not always negatively impact an organization's ability to achieve its mission.

Future research is needed to understand the long-term impacts of funder requests for outcome accountability, even if non-profit boards and managers believe that processes and narratives from employees and clients better assess the performance of organizations. The importance of this future research is exemplified by the power funders have to determine the accountability structure (e.g., process or outcome) in non-profits. This power comes from the financial sustainability and legitimacy that funders offer organizations. By seeking to fulfill expectations of funders for outcome measures, managers and board members may seek to track easy-to-observe measures, even if these measures do not accurately reflect the performance of the organization. The key question to be considered is whether the preference of funders will shift the organization in the long run away from its mission, to ignore stories from the front line of the organization, and possibly to lose touch with what is happening in the organization.

Future research could also address board chairs' resistance, noted in this study, to adapt to funders' expectations. The main reasons cited for this resistance were a concern that outcomes

do not accurately assess performance and a fear of compromising the mission. This concern was most notable in the vulnerability that board chairs felt, knowing that the future of the organization could be in jeopardy if their funders changed their priorities. Board chairs indicated that boards and managers often make difficult decisions about whether to adapt programming to align with changing funder priorities, at the risk of compromising the objectives and mission of the organization.

In response to pressure from funders and the need to protect the mission, this study suggests that board chairs and their managers have developed a hybrid approach of process and outcomes to assess the organization. Their appeasement of funders with outcome data as they use other means to evaluate the organization suggests that they may have found a feasible path forward. One question is how this hybrid approach will impact the organization in the long run. Will tensions about what to track to assess performance eventually erode the ability of boards and managers to assess the organization's performance? Will board chairs and managers develop other successful strategies for protecting the organization's mission against external pressures?

7.7.4 New Theory to Explain the Behaviours of Boards in Socially Focused Non-Profits

When questioned if they had a stewardship or principal agent approach to management, board chairs were inconsistent in their answers. These responses are significant because they reinforce the notion that principal-agent theory and stewardship theory may not be able to predict behavior in these organizations. By applying these theories in the non-profit sector, we in the academy may in fact be imposing ideas on organizations rather than seeking to explain how and why organizations behave in certain ways. Future research must focus on developing and testing new theories for explaining the actions of boards in socially focused non-profits that struggle with assessing work, face pressure from funders for outcome data, and have fiduciary obligations founded in principal-agent thinking.

It is possible that this investigation will lead to amending the notion of trust as explained by stewardship theory. Board chairs suggested that trust is not unconditional but is earned through performance and the ability to monitor performance. Furthermore, a combination of formal and informal monitoring was seen to foster accurate feedback and information for the board and to foster relationship building with management. More research should focus on how trust is defined and understood in the relationship between managers and boards and if this investigation results in a new understanding of stewardship theory. This investigation may lead

to a hybrid theory that encompasses elements of both stewardship and principal-agent theory, where one can trust management but still lean toward outcome accountability and performance assessments to ensure due diligence and peace of mind.

7.7.5 Aspects of Board Process that Influence Accountability Decisions

The insights gathered from this study reveal that board members with relevant skills and experience and those with dominant personalities had more influence than other board members in accountability decisions. On the one hand, this suggests that boards value the opinion of experts when making decisions, but, on the other, that a dominant personality can also have enormous influence, no matter the individual's expertise. The idea that personalities are a critical factor in boards' accountability decisions places new importance on examining the composition of personalities on boards. Traditionally, policy makers have tended to focus on the diversity of skill sets and gender on boards rather than personalities. Future research could investigate the importance of personalities in board decisions, examine how dominant personalities influence decisions over time, and explore the ideal mix of personality types for a board.

This study also shows that in both extremely high-and low-trust boards, contributions of board members may be less effective when accountability is discussed. In low-trust environments, board members struggled with psychological safety when offering contributions, whereas in high-trust environments, they favoured preserving the unity of the group over challenging assumptions. Further research may shed light on how trust levels on boards influence accountability decisions and what board chairs can do to assist. This research could specifically identify factors that foster environments in which board members feel more confident and motivated to express their opinions. Related to this is how boards can develop trust, given that board members spend very little time together. If boards only meet periodically, how do they develop trusting relationships? Because they often have limited experience with each other to make such assessments, how do they evaluate the level of trust among board members?

This study demonstrates the importance of board chairs in guiding board processes on accountability. Board chairs guide discussions and manage the personalities on boards. Future research could examine how effective board chairs are at managing personalities on a board when dealing with accountability. In this study, although most board chairs considered themselves successful at managing dominant personalities, they then related anecdotes of dominant personalities holding sway with the board. This discrepancy suggests that more work is

needed to determine how effective board chairs are at ensuring all perspectives are heard and how their ability to do this may impact accountability decisions. Board chairs also play a key role in encouraging board members to question why they are deferring to the opinions of others. The importance of this type of discussion has been flagged as critical to avoiding groupthink (see Janis, 1983) and overcoming cognitive biases (see Mercer, 2005; Russo & Schoemaker, 1992). Future research could investigate the board chair's role in helping the board to overcome cognitive biases in decision making. It would be interesting to first determine if board chairs have any impact at all in this regard, and, if they do, if and how they can help boards to avoid biases.

7.7.6 Recognizing the Limitations of our Academic Understanding of Accountability Problems

Throughout this study board chairs offer their own understanding of accountability challenges and problems, an understanding which does not always align with the assumptions and theories used to design this study. For example, while this study was designed with the idea that organizations would demonstrate accountability by tracking process, outcomes, or both, what was not considered was that actors in this system would not define accountability in this manner. Instead, participants suggested that actors define accountability primarily by the expectations of their role or job, which in turn influences the type of data and activities they seek. The fact that board chairs needed the interviewer to explain the meaning of processes and outcomes was also not considered in this design of this study. Board chairs were assumed to understand the accountability approach of their organization as theorized by academics. Another example where the academic understanding of organizations is questioned is in the notion that principal-agent theory and stewardship theory, as dominant theories, should be able to explain the behaviour of boards toward managers. As this study shows, neither theory works to explain board and managers relationships, suggesting that either a new theory is needed, or a new understanding of stewardship theory.

While many of the findings in this study are insightful for their own sake, they also point to a blind spot within academia, namely that we may be imposing our beliefs about certain concepts rather than understanding what is really occurring. Academics must continually question if their theories hold true in practice. At the very least, we must consider if individuals in organizations are viewing challenges and practices in the way we believe they are. If they are not, then we must ask ourselves if we have accurately described behaviours. Also, if a concept is

difficult to understand in practice, then the insight the concept can provide should also be questioned. Ensuring the language and the theories we use are accessible by those in practice, can assist us to test our assumptions and ideas more easily.

7.8 Limitations of this Study

The study has several limitations. First, although participants' answers are quantified in various places in this study, the sample size is obviously too small to draw correlations. However, the intent of the study was to engage in a qualitative exercise to explore areas of board governance in relation to accountability. For this purpose, the sample size and approach of examining comments by participants for themes worked well.

Second, although I tried to ensure that the sample was random, it could have been stratified further to guarantee board chairs in similar contexts were being compared. A future study may better stratify the sample by including only registered charities or member non-profits and organizations of similar size and age. It might also have been helpful to purposively recruit more organizations that reported using process accountability to compare with the many organizations in this study that used outcome accountability. The age of board chairs and the gender of board chairs might also have been considered, as these factors may influence a board chair's thinking and strategies. However, for an exploratory study of board chairs of social non-profits, a broad mix of organizations was ideal because varying issues were examined in different but related contexts.

Third, the design of the study is limited. Because the study is so broad, the exploration of certain topics may at times be superficial, such as how the board's philosophy of management, trust among board members, and mix of professionals on the board influence accountability. I could have conducted a separate, more nuanced, study in each of these areas. But the study's intent was to explore various board characteristics and processes that have been difficult to observe and assess by investigating the strategies board chairs use to manage the board in relation to accountability. By investigating multiple board characteristics and processes, some of which were under-researched areas, this study highlights topics for future research.

Fourth, although, the methodology involved securing the perspective of board chairs, given the collaborative relationship between board chairs and managers, additional insights may have been uncovered by interviewing managers about their understanding of accountability, their belief in the ability to assess the success of their mission, their relationship with funders, and

their relationship with the board. However, using this methodology would have resulted in fewer organizations being included in the study and less focus on the relationship between board characteristics and processes and accountability.

Finally, despite great efforts to craft appropriate questions, the framing of a few questions may have influenced the response of some participants. For example, all the board members may have indicated that they trusted management because they viewed this option as more positive than not trusting management. Juxtaposing the idea of whether management "can be trusted to do a good job" with the idea that management may "act opportunistically and thus require incentives and monitoring" may have influenced board chairs to choose the positive option. In fact, in one interview, when the participant was asked which board philosophy they subscribed to, they responded:

> *"P: The best, the first one.*
> *I: The trusting one?*
> *P: The trust one, but we do have, in place, certain, I suppose if you will, checks and balances because that also protects the CEO." (Interview 11)*

The board chair's response indicated that participants may have instinctively stated that they trust their CEO or ED, as the 'trusting' philosophy is viewed as better or more acceptable than distrustfully 'keeping an eye' on management.

Although there were only a few examples where wording issues may have impacted participants' answers, they are worth noting. As noted in Chapter 3, I tried to eliminate misunderstandings by conducting three pilot interviews and reviewing the results of these interviews to ensure the questions were appropriate. However, these wording issues were not apparent at that time and were only discovered when the data was coded and analyzed.

7.9 Conclusions and Final Thoughts

This study has revealed that there are many ways to define accountability and that often stakeholders assume that others share their definition of and ideas about accountability. One contribution of this study is to show that definitions such as public accountability, administrative accountability, process and outcome accountability, and other accountability definitions are slightly different. The definition used by stakeholders often depends on how these stakeholders

are positioned in the non-profit sector and system (e.g., government, organizations, boards, managers, and employees). For example, as we have seen, the board chairs in this study indicated that funders did not necessarily share their definition of accountability and outcomes. Without a shared definition, board chairs, managers, and funders could leave meetings in which accountability is discussed and have completely different interpretations of the discussion. They may also come away with different ideas about whether the organization is performing well. More conversation is needed among funders, organizations, boards, and managers to ensure clarity around what accountability means for these stakeholders.

Board chair responses also confirm that socially focused non-profits are coping organizations as explained by Wilson (1989). Board chairs admitted that, although they wanted to believe that the success of the mission could be assessed, non-observability challenges and intangible outcomes in the mission statements made this task almost impossible. Board chair responses also support the notion that neither process, nor outcome data, nor both combined can accurately report on intangible work and its outcomes. Policy makers could make use of this information to question the practice of applying private sector approaches to the monitoring and oversight of non-profits and to inform policies for working with these organizations. A key insight from this study is that policy makers cannot approach coping organizations with a results-based mentality by seeking to measure outcomes. Policy makers must recognize that coping organizations have unique challenges and that neither process nor outcome data can accurately report on their intangible work and its outcomes.

This study revealed a system of governance in which board members discuss many issues but do not always make effective decisions. Board members are susceptible to biases and do not express themselves openly when trust levels among board members are extremely high or low. Given these insights, this study confirms the important and complex role of the board chair in overseeing accountability discussions on boards. Many board chairs provided insightful comments on their role in ensuring fair participation by board members and in fostering trust on the board.

Through the eyes of the board chair, we have also learned about strategies boards and managers use to assess performance of socially focused non-profits, despite non-observability challenges. Although board chairs admit that they cannot assess work that cannot be observed or measured, they are highly aware of and even oversee many strategies to help understand if the

organization is performing well. Board chairs should not be assumed to have a status equal to other board members: They are critical to the accountability of socially focused non-profits. An effective board chair helps the board make good accountability decisions by fostering fair participation, managing dominant personalities, ensuring trust levels on the board do not impede decision making, and providing a history of the board's past decision making. If policy makers and academics focused on understanding the role of board chairs in socially focused non-profits whose employees do intangible work, these organizations, their staff, and clients would undoubtedly benefit. As policy makers seek ways to help socially focused non-profits make accountable decisions, they might consider engaging board chairs in a dialogue about their role.

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APPENDIX A: PROPOSITIONS AND INTERVIEW QUESTIONS

A.1:Propositions and Interview Questions

Proposition	Questions
Accountability Approach	1. Accountability is extremely important these days, with everyone from funders to the general public wanting to know what organizations do and what they achieve. What accountability challenges does your organization face? 2. When you consider your organization's accountability to funders and other outside parties, would you say your organization focuses more on assessing the processes being used in the organization (i.e., a focus on using best practices) or would you say your organization focuses more on the outcomes being produced (i.e., effectiveness at meeting targets) or is it a mix of both? What evidence do you have for this view?
Funders .	3. Boards often have challenges when reporting performance of the organization to funders. Do your funders have a preference for a specific balance of process versus outcome accountability? If so, what is this preference? How does the board address this balance? How do you as board chair address this balance? a. How much importance does the board place on aligning with the expectations funders and other outside parties have around accountability? Please explain?
Board Philosophy Proposition #1: If a board has a stewardship approach toward management, it is more likely to favour process accountability. Proposition #2: If a board has a principal-agent approach toward management, it is more likely to favour outcome accountability	4. Boards have different beliefs about CEO/ED behaviour. Some believe that CEO/EDs can be trusted as stewards to do a good job and therefore need few incentives or controls. Others believe that a CEO/ED may act opportunistically and thus incentives and monitoring are required to limit such behaviour. Which of these beliefs best describes the relationship that your board has with the CEO/ED? 5. Does the belief that the board has about the CEO/ED influence how you work with the board to assess the performance of management? How you deal with funders and other outsiders?
Professionals versus Non-Professionals Proposition #3: A board consisting mostly of non-professional people is likely to favour process accountability. Proposition #4: A board consisting mostly of people with professional competencies is likely to favour outcome accountability.	6. What percentage of your board members would be classified as professionals (by professionals, I mean people <u>with</u> professional competencies and designations such as accountants, human resource professionals and lawyers)? Do you think the professionals dominate board discussion and decisions? What evidence do you have for this view? 7. How does the mix of professionals to non-professionals influence the type of accountability (process versus outcome) used by your organization? 8. Overall, how does the mix of professionals to non-professionals influence how you manage board process and board members when examining the performance of the organization?
Degree of Trust Between Board Members Proposition #5: The level of trust among board members has indeterminant influence on the accountability approach.	9. Trust occurs on a board when board members feel the other board members are dependable and will act with integrity. Trust involves board members feeling assured that the others won't steal their idea or abuse the information they provide. a. Thinking about the relationship between board members, would you say the trust level on the board

	is low, medium or high? What evidence do you have for this view? 10. How does the level of trust between board members influence the type of accountability used by your organization? How does the level of trust influence how you deal with board members? Management? Funders?
Mission & Coping Characteristics	11. What is the mission of your organization? 12. As the board chair do you feel it is possible to accurately measure the degree to which your organization achieves this mission? Why or why not? 13. Is the board able to accurately describe the type of work employees do in this organization and how effective they are at it? Why or why not? 14. Do you believe the board can assess if the work done by employees is having an impact on accomplishing the organization's mission? If so, how? If not, why?
Governance Model	15. The model a board uses to ensure it achieves its fiduciary duties is also part of the accountability system in an organization. For example, some boards see themselves as a strategic governing board, while others see themselves more involved in operations. Still others see themselves more as representatives of a broader community the organization serves. How would you describe the model your board uses? 16. Would you describe the model the board uses to determine management accountability more of a process or outcome approach to accountability? Why? 17. Do the expectations about outcome or process accountability by your funder(s) factor into the type of model the board uses? Please explain?
Ending	18. In addition to the factors discussed earlier, what other factors determine the accountability approach (process versus output) that your organization uses?

APPENDIX B: SYNOPSIS OF ORGANIZATIONS

A.2:Synopsis of Organizations

Summary of Organizations

The organizations included in this study focused on a wide variety of social issues, providing services for those in need of counseling, early childhood development resources, services for those with disabilities, services for Indigenous individuals, cultural resources, services for the elderly, services for parents and programs for children, services for newcomers and immigrants, and advocacy and awareness of specific diseases.

Challenges Faced:

Organization #1 is a small organization that provides mental health counseling, along with education and workshops. Their workshops generally focus on grief and trauma and they are committed to improving the health and well-being of Saskatchewan's residents. They originally started out primarily as a funding and educational agency; however, began to increase their focus on counseling to improve their sponsorship. They do still provide funding to other agencies. They are a strategic board, with eight board members, with an even split between professionals and non-professionals. A key challenge for this organization is assuring that counselling is having the intended impact it should. The boards chair uses several strategies to ensure their activities are having their intended impact, including having clear goals, relying on the executive director to liaise with the employees, and collecting data on how many clients the counselors are seeing. In this interview the board chair noted that assessing the mission was difficult due to the time and effort involved with adequate evaluation.

Organization #2 offers their services in 14 regions in the province, and their services include counseling, education, and referrals to families of young children to support healthy development. They provide home visits and support children's entry into school. They are a strategic board, with nine board members, who have primarily professional designations. A key challenge for this organization is ensuring the care they provide is improving children's development. In order to do this, they have a tool that assesses referrals to other agencies, the successes of those referrals, number of home visits, and child's achievement of developmental milestones. They also have parents on the board who have used the services provided by this organization, so they are familiar with the efforts of employees. When interviewed the board chair noted that assessing the mission was difficult, as they relied on a data collection tool, but admitted that their tool has limitations.

Organization #3 was founded over sixty years ago and is a large organization that provides education and advocacy for developmentally delayed individuals. They also provide self-directed funding in the form of financial support given directly to the client. They are committed to contributing towards a society where everyone is valued, supported, and included. They are a strategic board, with twenty-five board members, who have primarily professional designations. A key challenge for this organization is ensuring that their educational and advocacy efforts are having their intended impact. They ensure this by having a strategic plan, having staff give presentations to the board on their activities, and listening to anecdotal stories from clients. The board chair did not note any difficulties in assessing the mission; however, they did not seem to use any assessment tools beyond an annual report sent to funders.

Organization #4 was founded over 20 years ago and is a medium-sized organization that supports the physical, spiritual, and social needs of Indigenous individuals, through counseling, education, and outreach services. Specifically, they provide workshops, training, resources, and cultural support. They are a strategic board, primarily composed of non-professionals. The board ensures that the supports provided by their organization are having their intended impact through the anecdotal stories of clients, objective data on specific outcomes, and several board members will attend the cultural supports

provided by this organization. The board chair did not note any difficulties in assessing the mission; however, they did state that they only observed the efforts of employees in broad brush strokes.

Organization #5 is a large organization that was founded approximately 40 years ago. They provide employment and language training to newcomers, along with a variety of other educational opportunities, community programs, and events. This organization is committed to promoting a diverse and inclusive community. They are a strategic board, with twelve board members, with primarily professional designations. A key challenge of this board is ensuring that the activities provided by the organizations are having the intended effects and that these effects are long-term. The board ensures this organization is having the intended impact towards newcomers by reports from the manager, anecdotal stories, and objective data on how many clients have attended programs. They are also planning to have an external group evaluate their organization in a longitudinal study. In this interview the board chair noted that assessing the mission was difficult due to the expense of conducting adequate evaluations and ensuring it is the program that is benefiting clients and not other external factors.

Organization #6 is a small organization that provides education, awareness, and advocacy for a specific health condition among Canadian residents. Specifically, they issue newsletters, host webinars, and engage in fundraising, they are also planning to establish a Medical Advisory Committee. They are an operational board composed of professionals. A key challenge for this organization is determining whether their advocacy and education activities are having their intended impact. The boards chair ensures they are achieving their mission by tracking conferences attended and experts spoken to. However, the board chair also noted that assessing the mission was difficult because they have not outlined specific, detailed targets they intend to achieve and they do not currently have a clear idea of what tasks they should assign volunteers to do.

Organization #7 was founded about 25 years ago and is a small organization that provides education and advocacy for a specific neurological developmental disorder. They engage in events and fundraising in order to improve the quality of life for individuals with this disorder. They are an operational board, with eight board members, who are primarily non-professionals. The board ensures this organization is achieving its mission by liaising with the executive director. The board chair stated that assessing the mission was difficult because they are not currently measuring their how their activities are impacting clients.

Organization #8 was founded nearly 80 years ago. They provide counseling and education programs for kids, teens, and adults. Specifically, these education programs include workshop and community outreach for parents, newcomers, couples, and professional development. They are a strategic board, with fourteen board members, who are primarily non-professionals. The board ensures this organization is achieving its mission by liaising with the executive director and obtaining feedback from clients. However, the board chair stated that assessing the mission is tough because they do not have any formal evaluation processes.

Organization #9 is a small organization established nearly 30 years ago. They engage in a variety of educational and advocacy activities to promote awareness and support for a specific disease. Organizational activities include providing educational packages, hosting conferences and symposiums, offering referrals, and providing research funding to other organizations. They are an operational board, with eleven board members, with primarily non-professional designations. The board chair indicates that they are not able to accurately determine whether the organization helps clients achieve their fullest quality of life. However, they do try to by having the board members interact with the clients and they track finances.

Organization #10 is a small organization that was founded approximately 50 years ago. They are committed to supporting individuals with developmental delays by providing rehabilitation services and employment services. They are a strategic board, with thirteen board members, with an even split between professionals and non-professionals. In order to be sure the organization's activities are having their intended effects, this board had a third-party organization conduct a satisfaction survey with clients, holds board education sessions on the organization's activities, and receives input from staff.

Organization #11 was established about 15 years ago and they are a small organization that provides secure and communal housing to elderly residents. They are an operational board, with thirteen board members, with five board members who are primarily non-professionals. The board chair indicates that they are not able to accurately determine whether the organization is achieving its mission, as they do not have a metric in place to see if they are creating a sense of community. However, they do have an anecdotal idea of their impacts.

Organization #12 was founded globally over 100 years ago and is a large organization that provides counseling, education, and a variety of programs. Specifically, they provide youth programs, housing, childcare, employment services, and workshops. They are a strategic board, with thirteen board members who are all non-professionals. The board chair indicates that they are not able to accurately determine whether the organization is achieving its mission; however, they are beginning to attempt to formally measure these efforts and impacts.

Organization #13 is a small organization that was founded globally over 50 years ago. They engage in education and advocacy to ensure individuals in this profession receive the recognition and payment they deserve. They are a strategic board, with eleven board members, with primarily non-professional designations. The boards chair uses several strategies to ensure their activities are having their intended impact, including by liaising with the executive director and staff, ensuring quality staff are hired, and conducting staff evaluations. The board chair believes that they can assess the mission by interacting and questioning staff and management.

Organization #14 is a large organization that was founded about 55 years ago. They provide cultural education and advocacy, as well as employment and language classes. They are committed to the retention of cultural identity. This organization is a strategic board, with eleven board members, with primarily non-professional designations. The board chair admits that they are not able to assess the success of the mission because it would require a great amount of money and in-depth analysis and longitudinal evaluation. However, they do try to assess the impact through strategic plans, liaising with the executive director, and evaluating outputs.

Organization #15 was founded over 20 years ago and is a large organization which engages with Indigenous peoples and promotes conservation of nature. They are committed to promoting the appreciation of Indigenous cultures. They are a strategic board, with thirteen board members, with primarily professional designations. In order to be sure the organization's activities are having their intended effects, this board chair liaises with the executive director and staff, hires individuals who are experts in Indigenous culture, and obtains anecdotal stories.

Organization #16 was established over 50 years ago and they are a small organization that advocates for Indigenous peoples and provides funding for Indigenous programming. They are a strategic board, with six board members, with primarily non-professional members. In order to be sure the organization's activities are having their intended effects, this board chair develops a strategic plan, talks to clients, and expresses that all employees and volunteers are invested in the mission.

Organization #17 is a medium-sized organization that was founded nationally about 35 years ago. They are committed to empowering and stabilizing families through affordable homeownership. They are funded primarily through government grants and fundraising. They are a strategic board, with twelve board members, with primarily professional designations. The board chair states that they are not able to assess the achievement of the mission, because they are dealing with people and their infinite experiences, but they do utilize anecdotal stories and heavily relying on the reports from the CEO.

Organization #18 was founded 60 years ago and is a small organization that provides events, tools, and resources to members regarding financial and employment topics. They are a strategic board, with eleven board members, who are primarily professional members. The board chair of this organization states that they are able to track certain metrics (i.e., attendance at programs), but not other more in-depth metrics (i.e., whether clients learned something at the program).

Organization #19 is a small organization and they provide social and cultural support to members of this group, as well as settlement services. They are an operational board, with seven board members, who are primarily professional members. The boards chair uses several strategies to assess whether they are achieving their mission, including assessment of client engagement and attendance, conducting staff evaluations, and participants surveys. However, they state that they are unable to measure if the work they are doing is having the intended impact.

Organization #20 is a small organization that has co-created over 40 programs. They offer educational programs for youth. They are a strategic board, with twenty board members, who are primarily professional members. This board chair states that they are able to assess the achievement of the mission because it is difficult to measure people, it is a complicated measurement, and more than one assessment tool would be needed. However, they do collect quantitative and qualitative data about their client's experiences and attendance.

Organization #21 is a medium-sized organization founded globally approximately 45 years ago. They are committed to supporting sick children and their families. They are a strategic board, with twelve board members, with primarily professional designations. They are primarily funded through corporate donors. The board chair believes they can assess the success of the mission by talking with clients and anecdotal stories. However, they do not have formal measurement tools to assess the efforts of employees or the impact of these efforts .

APPENDIX C: DESCRIPTION OF DATA

A.3:Organization Typology

Types of Data Collected.	Description
Size of the organization	Small = 0 to10 employees Medium = 11 to 30 employees Large = more than 30 employees
Type of Organization	Organizations were classified as one of two categories: • Social services that provide support services to the public such as family counselling and services • Health services that provide health services to the public such as community care in various areas Both social services and health organizations were categorized as either focusing on implementing programs or policy-based advocacy. • Implementing programs refers to organizations that have the capacity and resources to implement services to support the public. • Policy-based advocacy refers to organization that see their mission as influencing a public or governmental discussion on a topic. These organization lobby for change and are usually smaller in size with less resources.
Types of Services offered	Based on the types of services offered by organizations, broad categories were created that summarize the programs and services offered: • Counseling • Education • Facilitating Employment & Amenities • Lobbying • Fundraising
Type of Funders	Funded by Government (provincial or federal) Funders by Donors Funded by Grants Funded by other means (e.g. corporate sponsors)
Does the Organization Fund Other Organizations	Yes-The organization funded other organizations to do work No-The organization did not fund other organizations to do work
Category of Non-Profit	Non- Profit Organization (NPO) Non-Governmental Organization (NGO) Charity
Does the Organization have CEO or ED?	It was important to determine how the management function was being completed. Organizations were either classified as having: • CEO • Executive Director • Neither
Size of Board	Number of Board members. This ranged from four to 25 board members.
Indigenous Organizations	Organizations were identified as Indigenous or connected to an Indigenous cause. Yes, Indigenous No, not Indigenous

Table 4 below outlines the broad-level question and board chair factors that participants were asked, along with a categorization of potential answer categories.

A.4:Description of Responses from Participants

Board Chair Factors	Description of Answer Categories
Degree of Coping Characteristics of the Organization	Can/Cannot Measure Assessment of Mission Can/Cannot Measure Efforts of Employees Can/Cannot Measure Impact of Efforts
Operational versus Strategic/Governance Board	Strategic Operational
Balance of Process versus Outcome Evaluation	Process Outcomes Both
Stewardship versus Principal-Agent Approach	Stewardship Principal-Agent Neither
Balance of Professionals versus Non-Professionals on the Board	Primarily Professionals Primarily Non-Professionals Even Split
Board Chair Rating of Degree of Trust on Board	Low Trust Medium Trust High Trust
Board Chair Preparedness for the Chair Role	Not well prepared Somewhat prepared Very prepared

APPENDIX D: ORGANIZATION DEMOGRAPHICS

A.5:Organization Demographics

Interview Number	Size of Organization/ Employees	Type of Organization	Type of Services	Type of Funding	Funds Other Groups	Category of Non-Profit	Has a CEO or ED	Size of Board	Indigenous
Interview 1	Small (3 staff)	Social Services: Implementing programs	Counseling, Education, Facilitating Employment & Amenities, Lobbying	Provincial funding	No	Charity	ED	8 members	No
Interview 2	Medium (16 Staff)	Social Services: Implementing programs	Counselling, Education, Facilitating Employment & Amenities	Provincial/federal funding and some private donations	No	Charity	ED	9 members	No
Interview 3	Large (30 staff)	Social Services: Policy-based Advocacy	Education, Facilitating Employment & Amenities, Lobbying	Private donations, corporate sponsors, foundation grants, provincial/federal grants	No	Charity	ED	25 members	No
Interview 4	Medium (12 Staff)	Health: Implementing programs	Counseling, Education, Facilitating Employment & Amenities	Federal/provincial funding and Health Authorities	No	Charity	CEO	9 members	Yes
Interview 5	Large (230 Staff)	Social Services: Implementing programs	Education, Facilitating Employment & Amenities	Mostly federal funding with some provincial funding	No	Charity	CEO	12 members	No
Interview 6	Small (0 Staff)	Health: Policy-based Advocacy	Education, & Lobbying	Private donations/ Fundraising	No	Charity	Neither	4 members	No
Interview 7	Small (1 Staff)	Health: Policy-based Advocacy	Education, & Lobbying	Private donations, fundraising events and federal grants	Yes	Charity	ED	8 members	No

Interview 8	Larger (30+ Staff)	Social Services: Implementing programs	Counseling, Education, Facilitating Employment & Amenities	Private donations and community agency funding	No	Charity	ED	14 members	No
Interview 9	Small (1 Staff)	Health: Policy-based Advocacy	Education, Facilitating Employment & Amenities, Lobbying, & Funding Research	Mostly donations and some fundraising events	Yes	Charity	Neither	13 members	No
Interview 10	Large (450 Staff)	Social Services: Implementing programs	Education, Facilitating Employment & Amenities, Lobbying	Provincial and city funding, private donations, some federal grants	No	Charity	ED	13 members	No
Interview 11	Small (3 Staff)	Social Services: Implementing programs	Facilitating Amenities	Federal and provincial funding, city grants and revenue	No	Charity	Neither	5 members	No
Interview 12	Large (100 Staff)	Social Services: Implementing programs	Counseling, Education, Facilitating Employment & Amenities	Provincial funding, private donations and some corporate donors	No	Charity	CEO	13 members	No
Interview 13	Small (4 staff)	Social Services: Policy-based Advocacy	Education, & Lobbying	Provincial funding, some federal funding and limited donations	No	Non-Profit	CEO	11 members	No
Interview 14	Large (65 staff)	Social Services: Implementing programs	Education, Facilitating Employment & Amenities, & Lobbying	Mostly federal funding, some provincial and city funding, limited funding from corporations and community agencies	No	Charity	ED	11 members	No
Interview 15	Large (45 Staff)	Social Services: Implementing programs	Facilitating Employment & Amenities,	Federal and city grants, donations	No	Charity	CEO	13 members	Yes

Interview 16	Small (6 Staff)	Social Services: Implementing programs	Education, Facilitating Employment & Amenities, Lobbying, & Funding	Federal and Provincial Government funding	Yes distributed to regional centers	Non-Profit	ED	6 members	Yes
Interview 17	Medium (10 staff)	Social Services: Implementing programs	Facilitating Employment & Amenities	Mostly revenue, some government grants. Private donation and fundraising events	No	Charity	CEO	12 members	No
Interview 18	Small (5 Staff)	Social Services: Implementing programs	Education and Facilitating Employment & Amenities	Funded by members, no external funding	No	Non-Profit	CEO	11 members	No
Interview 19	Small (0 Staff) - Work done by volunteer committees	Social Services: Policy-based Advocacy	Education and Facilitating Employment & Amenities, & Lobbying	City grants and non profit agency partner funding	No	Charity	CEO-(Board Chair is also CEO)	7 members	No
Interview 20	Small (8 staff)	Social Services: Implementing programs	Education and Facilitating Employment & Amenities	Mostly federal and provincial Government with some corporate donors	No	Non-Profit	ED	20 members	No
Interview 21	Medium (12 staff)	Health: Implementing programs	Facilitating Amenities	Corporate donors	No	Non-Profit	CEO	12 members	No

APPENDIX E: BOARD CHARACTERISTICS

A.6:Board Characteristics

Interview Number	Operational versus Strategic/ Governance Board	Process versus Outcome	Stewardship versus. Principal-Agent	Balance of Professionals versus Non-Professionals	Degree of Trust	Assessment of Mission	Efforts of Employees	Impact of Efforts	Degree of Coping
Interview 1	Strategic/ Governance	Both but more focused on outcomes	Was principal Agent moving toward Stewardship	Half of each	High	Can Measure	Can Measure	Can Measure	Interviewee thinks overall mission, process, and impacts can be measured, but their response is a bit vague and seems to focus on higher level measures
Interview 2	Strategic/ Governance	Both	Stewardship with Principal-agent tendencies	Professionals	High at times- Low at other times	Can Measure	Can Measure	Can Measure	Interviewee thinks overall mission, process, and impacts can be measured, but they admit their assessment is only as good as their tool and it's not perfect
Interview 3	Strategic/ Governance	Outcomes	Stewardship	Professionals	High	Can Measure	Can Measure	Can Measure	Interviewee thinks overall mission, process, and impacts can be measured mainly through staff presentations and tools. Tools they use are a bit vague
Interview 4	Strategic/ Governance	Both	Stewardship	Non-Professionals	Medium	Can Measure	Cannot Measure	Can Measure	Interviewee says they can see the

									overall mission and impact, but only a little of the process, however, when talking about it they seem to only have evidence of the process (i.e., ceremonies)
Interview 5	Strategic/ Governance	Both	Stewardship	Professionals	High	Can Measure	Can Measure	Cannot Measure	Interviewee says they can assess the overall mission, process, and impact, but it is difficult and expensive. They don't seem to have any process assessment tools. Can see the superficial impacts (clients served), but not the broader impacts (quality of life)
Interview 6	Operational	Outcomes	N/A -Board does the operational work	Professionals	High	Can Measure	Cannot Measure	Cannot Measure	Interviewee says they can assess the mission, but they don't know what volunteers are doing/the process and they don't know if they're having an impact
Interview 7	Operational moving towards Strategic	Outcomes	Stewardship	Non-Professionals	Medium	Can Measure	Can Measure	Cannot Measure	Interviewee says they can assess the mission to a

									certain extent, but can't see the impact of their work yet
Interview 8	Strategic/ Governance	Both	Stewardship	Non-Professionals	Medium	Can Measure	Can Measure	Can Measure	Interviewee says they can assess the mission, but they go through times where they're not sure if they can see if they're having an impact (they just assume they are
Interview 9	Operational	Outcomes	Stewardship	Non-Professionals	High	Cannot Measure	Can Measure	Cannot Measure	Interviewee says they can see that they're achieving the mission emotionally, but they cannot see it statistically
Interview 10	Strategic/ Governance	Both but more focused on outcomes	Stewardship	Half of each	High	Can Measure	Can Measure	Can Measure	Interviewee says they can assess the mission, but that they couldn't see the impact without their survey
Interview 11	Operational	Outcomes	Stewardship- (Staff report directly to board)	Non-Professionals	High	Cannot Measure	Can Measure	Cannot Measure	Interviewee doesn't believe they can see that they're achieving the mission
Interview 12	Strategic/ Governance	Processes	Became Principal Agent over time	Non-Professionals	Medium	Can Measure	Cannot Measure	Cannot Measure	Interviewee says they can assess the mission, but they can't see employee performance or impact

Interview 13	Strategic/ Governance	Both	Principal Agent	Non-Professionals	High	Cannot Measure	Can Measure	Cannot Measure	Interviewee says they can assess the mission, but can't assess the impact and they have no tools to assess this
Interview 14	Strategic/ Governance	Both but more focused on processes	Stewardship	Non-Professionals	High	Cannot Measure	Cannot Measure	Cannot Measure	Interviewee says they could assess the mission, but it would be challenging and difficult; they cannot see the impacts
Interview 15	Strategic/ Governance with some Operational Focus	Both	Was Principal Agent- moving to Stewardship	Professionals	Medium	Can Measure	Can Measure	Can Measure	Interviewee says they can assess the mission, but they're explanations are vague and only discuss small targets within their mission
Interview 16	Strategic/ Governance	Both but more focused on outcomes	Stewardship	Non-Professionals	Medium	Cannot Measure	Cannot Measure	Cannot Measure	Interviewee says they cannot assess the mission
Interview 17	Strategic/ Governance	Both but more focused on processes	Stewardship	Professionals	High	Cannot Measure	Cannot Measure	Can Measure	Interviewee says they cannot assess the mission, but they believe the CEO could
Interview 18	Strategic/ Governance	Outcomes	Stewardship	Professionals	High	Can Measure	Can Measure	Cannot Measure	Interviewee says they can assess the mission, but that they cannot always see all the impacts

Interview 19	Operational	Both but more focused on outcomes	Stewardship	Professionals	High	Can Measure	Can Measure	Cannot Measure	Interviewee says they can assess the mission, and they also believe they could see the impact of their work, but they are not currently assessing this
Interview 20	Strategic/ Governance	Outcomes	Stewardship	Professionals	High	Cannot Measure	Cannot Measure	Cannot Measure	Interviewee says they can assess the mission, but that it is messy and complicated and hard to see
Interview 21	Strategic/ Governance	Both	Stewardship	Professionals	High	Can Measure	Can Measure	Can Measure	Interviewee says they can assess the mission, but they have no formal tools, just anecdotes