
Board Development Practices and Competent Board Members Implications for Performance

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This study explores underlying assumptions about board development practices in nonprofit governance. Specifically, a model was developed to determine if using recommended recruitment, board member orientation, and evaluation practices resulted in more competent board members and if the presence of these board members led to better board performance. The sample consisted of 1,051 survey responses from CEOs and board chairs representing 713 credit unions. As member-benefit nonprofit organizations, credit unions rely almost exclusively on voluntary board members in an oversight capacity. Results support the contention that board development practices lead to more capable board members, and the presence of these board members tends to explain board performance. The study advances the understanding of nonprofit board development practices by further defining the concept and proposing an empirically tested assessment strategy. Furthermore, the findings support using specific recruitment practices that should strengthen nonprofit boards.

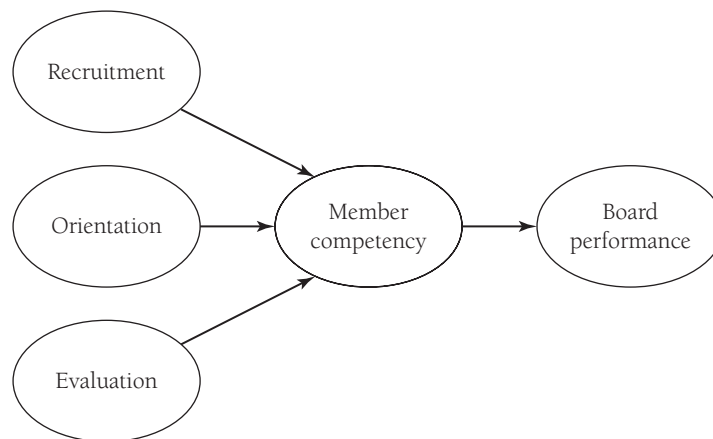
THE BOARD is a critical asset for every nonprofit organization. Herman and Renz (1997) and others (for example, Brown, 2005; Jackson and Holland, 1998) have found that effective boards are associated with organizations that tend to perform better in terms of both fiscal performance and perceptions of organizational effectiveness. The need for governing boards to be informed, engaged, and effective has never been greater. Increasing competition for resources, greater organizational complexity and sophistication, and the potential of external regulation drive the need for high-quality board members. Furthermore, voluntary modes of engagement are

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shifting (Arrillaga, 2004; Putnam, 2000). Consequently, nonprofits must continually attend to volunteer leadership development, but the best mechanisms to achieve that strength are not universally apparent. The nonprofit board governance literature encapsulates this responsibility of nurturing and strengthening the board to ensure its continued strength and viability as board development. This entails recruiting and selecting future board members, orienting new members, and evaluating the performance of the board overall and members individually. This article explores the relationship between board development practices and board member capabilities. I propose that effective recruitment and development activities lead to securing highly competent board members and that the presence of high-quality board members should contribute to improved board performance (Figure 1).

Resource dependence theory underpins the assumptions proposed in this article (Pfeffer and Salancik, 1978). Primarily, resource dependence theory suggests that organizations must acquire the resources necessary for effective performance. Within service-based and knowledge-intensive industries, one of the most important resources is securing capable, talented, and committed individuals. Hillman and Dalziel (2003) recognize that board members are an instrumental link to capture resources for organizations. Obtaining competent and capable board members is vital because they can bring key resources, such as knowledge, skills, relationships, and money, that strengthen the organization. This is a monumental challenge for all organizations and complicated by the voluntary nature of nonprofit governance. Consequently, this article focuses on the processes used to locate and retain good board members, or the activities that are recognized in the field as board development. Specifically, the article tests the assumptions about board development to consider if the use of

Figure 1. Model of Board Development, Board Member Competency, and Performance



these practices leads to having more capable individuals on the board. It then turns to group performance literature, which recognizes the influence of member composition on performance—that is, the translation of talented participants into group-level performance.

Board Development

Board development entails the range of activities related to building and maintaining a strong board of directors. This includes recruiting and selecting, training and preparing, monitoring performance, and removing board members (Lee and Phan, 2000; Metz, 1998; Watson, 2004; Weisman, 2003). This section reviews existing literature on the prevalence and importance of these factors. The discussion draws on literature from nonprofit board governance and more generally corporate governance literature; unfortunately, few studies have focused exclusively on these practices. Consequently, we look to the wider human resource management literature that provides insight into best practices associated with human capital development and implications for performance. The applicability of this material is tempered by the recognition that some of these practices might not be applicable to volunteers. Therefore, volunteer management literature provides an additional resource for considering board development activities.

The first step in the process of securing board members entails determining the skills and competencies needed on the board and then developing procedures that facilitate the identification and selection of appropriate members (Daily and Dalton, 2004; Lee and Phan, 2000; Metz, 1998). Similarly, human resource management and volunteer management recognize the importance of systematic job design and specification (for example, Brannick and Levine, 2002; Heidrich, 1990). As stated in every human resource management textbook, clear specification of position requirements is the backbone of effective recruitment (Pynes, 2004). The prevalence of these practices in nonprofit governance is not clear, but the best practice recommendation is fairly widely recognized (for example, Inglis and Dooley, 2003; Watson, 2004).

Second is the recruitment and attraction of potential candidates. Recruitment is recognized as one of the most challenging aspects of volunteer management (Brudney, 1993; Roberts and Connors, 1998). In a study conducted to determine the importance of compensation as a potential motivator for volunteer board members, Wise (2001) found that compensation was not necessarily a significant factor to inhibit engagement on nonprofit boards, but rather concluded that there were a substantial number of willing individuals and that the perceived shortage was actually a limitation of an organization's ability to effectively recruit board members. Drawing on both volunteer management literature and human resource best practice, we know that organizations must rely on a wide variety of strategies to publicize opportunities, while exploiting all available networks (Ryan and

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Tippins, 2004). Broadening the pool of potential applicants strengthens the likelihood that a successful candidate will be identified. Inglis and Dooley (2003) describe the importance of both public announcements and personal referrals, but recognize that referrals seem to result in the best applicants. Ryan and Tippin (2004) explain that recruitment sources such as referrals do influence the quality of applicants. Similarly, the messages expressed about the opportunity are likely to influence attitudes of potential applicants, and mechanisms should ensure that candidates recognize the full scope of responsibilities for the position. For instance, Herman and Renz (2000) found that written expectations of giving and soliciting for board members were present in the most effective organizations.

Third is the selection process. Board governance literature recognizes the value of an independent nomination committee that screens potential applicants (Watson, 2004). Generally, it is recommended that the CEO not actively participate on this committee. Herman, Renz, and Heimovics (1997) found that the use of a board development committee (that is, a nomination committee) and the assignment to a specific office or role for every board member was associated to CEO judgments of organizational performance. Similarly, Brown (2002) found that the use of a nomination committee is related to expanded stakeholder involvement in board governance. The committee serves as a mechanism to screen potential applicants. Typically the committee will collect materials (such as résumés), interview applicants, and provide recommendations to the full board for prospective candidates. Once a slate of potential applicants is identified, the board (or in the case of member benefit organizations, the members at large) votes on the candidates. Sometimes the slate is not contested (the nomination committee recommends or identifies only enough candidates to fill open positions), but decision-making literature recognizes the importance of providing options for effective decision making, and, in general, alternatives among candidates should lead to better board members (Bainbridge, 2002).

Once the ideal board member is identified, the organization needs to provide orientation and training to ensure adequate preparation for the board member and to address the changing organizational environment (Roberts and Connors, 1998). This entails both orientations that provide basic guidance for new members and ongoing training that responds to needs of board members and the changing dynamics of organizational performance and environmental pressures. Jackson and Holland (1998) found that purposeful board training can influence board and organizational performance. Similarly, the volunteer management literature recognizes the importance of training opportunities to strengthen volunteer performance (Heidrich, 1990). The general human resource literature suggests that training must be directly tied to needs of the position holder: the more relevant that training is to task requirements, the more likely it will improve the performance of individual position holders (Pynes, 2004).

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The board must also address leadership and development needs (through coaching or mentoring, for example) that can facilitate leadership succession. Inglis and Dooley (2003) describe a comprehensive nominating process in a single organization that “matches incoming board members with ‘veteran’ board members who serve as mentors for at least the first year” (p. 44). This process facilitates the integration of new board members into the culture and performance expectations of the board.

Finally, boards need some kind of evaluation procedure to ensure continued effective performance. Two types of evaluations are discussed in the nonprofit governance literature: overall board performance and individual board member evaluations. By every indication, both practices are relatively rare in board governance (Cornforth, 2001). The most basic individual performance monitoring reflects recording and holding board members accountable for regular attendance. Secondly, some organizations desire financial contributions from board members, which involves monitoring financial or in-kind donations. If a board member does not meet this expectation, it can lead to his or her removal from the board. Since many boards do not have systematic practices to assess an individual member’s performance, many typically rely on term limits as the default mechanism to remove or rotate board members off the board. This too is widely recognized as a best practice strategy, designed to bring new ideas and perspectives to the board (Watson, 2004). Taken together, these practices should explain the tendency of boards to secure members who are highly capable of performing their role (Becker and Huselid, 1998; Bowen and Ostroff, 2004).

Board Member Competencies

One of the challenges associated with considering whether a board has been successful in securing highly capable board members is that the competencies of a nonprofit board member are not universally apparent. The majority of the research investigating board performance has identified group-level indicators of performance (Herman, Renz, and Heimovics, 1997; Inglis, Alexander, and Weaver, 1999; Jackson and Holland, 1998), as opposed to individual board member performance indicators. Preston and Brown (2004), drawing on practitioner literature (Axelrod, 1994; Hohn, 1996; Ingram, 1996; Soltz, 1997), existing studies on board performance, and their own research, proposed that individual performance indicators should be based on several factors, including meeting attendance, the quality of that attendance (whether the member comes prepared), constructive contributions to conversations and the business of the board, and the necessary knowledge and skills to perform the role. This last feature is reinforced in the work of Hillman and Dalziel (2003), who introduced a concept called “board capital,” which they explain as capital that “consists of both human capital (experience, expertise, reputation) and relational

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capital (network of ties to other firms and external contingencies)” (p. 383). Factors that contribute to board capital include knowledge, skills, experience, and reputation. Research supports the fact that boards high in board capital are more inclined to provide necessary advice and counsel (Westphal, 1998), improve organizational legitimacy and reputation (for example, Certo, Daily, and Dalton, 2001), provide channels of communication to external constituencies (Hillman, Zardkiihi, and Bierman, 1999), and improve the ability of organizations to acquire necessary resources (Provan, 1980). Consequently, the intermediary assessment of board member competency logically follows from the use of board development practices. This suggests the first three hypotheses that propose that board development practices should lead to competent board members:

Hypothesis 1. *Best practice recruitment strategies will lead to highly capable board members.*

Hypothesis 2. *Best practice orientation will lead to highly capable board members.*

Hypothesis 3. *Performance evaluation will lead to highly capable board members.*

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Board Performance

It is widely recognized that member composition contributes to group performance (for example, Senior and Swailes, 2004). For instance, there is ample research exploring member demographics (race, age, gender, and so on) and the implications for board performance (Brown, 2002; Ostrower and Stone, 2006). Unfortunately, the implications of demographic characteristics on performance are inconclusive and often contradictory. Consequently, capabilities (skills, experience) and social networks provide a better mechanism to consider the implications of member characteristics on performance (Reagans, Zuckerman, and McEvily, 2004). This implies that the presence of highly capable board members should coincide with better overall board performance—that is, the ability of the board as a group to fulfill key roles and functions as established through legal requirements and general practice. Of course, several process factors, such as interpersonal dynamics and leadership, may drive performance, but that was not the focus of this study, and Guzzo and Shea (1992) suggest that it is reasonable to consider demographic or human capital characteristics of group members and the direct effect on group or team performance.

The work of Bradshaw, Murray, and Wolpin (1992), Ingram (1996), and others provided a framework to consider and define some of the important functions of nonprofit boards. For instance, Herman and Renz (1997) identified eleven roles of the board, while Green and Griesinger (1996) proposed nine key functions. Cornforth (2001) identified five key functions (strategy, stewardship, monitoring, board

maintenance, and external relations) and then considered inputs (board member time and skills), structures (board size, committees, and so on), and processes (common vision, clear roles, and meeting practices) to explain board performance. Cornforth's description of the key functions helped differentiate input and process factors such as group dynamics from the ultimate duties a nonprofit board is expected to perform. What has not been fully explored is the extent to which the presence of competent board members contributes to overall fulfillment of these key functions. This suggests hypothesis 4:

Hypothesis 4. *Highly capable board members will contribute to improved board performance.*

Methods and Participants

Two surveys were mailed to sixteen hundred chief executive officers in a national sample of credit unions in the fall of 2004. They were instructed to complete one survey and forward the second to the board chair. A total of 1,051 (672 CEO and 379 board chair) completed questionnaires were received, a 42 percent response rate for executives and a 24 percent response rate for board chairs. At least one individual responded from 713 organizations, reflecting a 43 percent organizational response rate. CEOs indicated an average tenure of 11.47 years in their current position and more than 17 years of experience in the credit union. Board members indicated an average of 7.28 years in the current position (median, 4 years), with an average of more than 25 years of experience with the credit union. Assets of respondent organizations ranged from just over \$5 million to nearly \$500 million. The median asset for all participating organizations was \$117,621,398. Similarly, membership ranged from as few as 500 to more than 500,000. Median membership size was 16,642.

According to the Filene Center for Credit Union Research there are 10,206 credit unions in the United States. About one-third have assets under \$5 million. In order to ensure participation from all sizes of institutions, we oversampled large institutions, resulting in a fairly equal distribution of participants across five budget categories. This ensured adequate representation across the entire range of the country's credit unions but potentially overweighted the influence of large credit unions. Additional analysis does reveal that smaller organizations are less likely to carry out all the practices depicted in the model when compared to larger organizations, but the inherent relationships tested in the model do not appear dependent on organization size.

Measures

Board development was conceptualized as having three features: recruitment, orientation, and evaluation. I used existing best practice guidelines to develop questions. The questions asked respondents to

Table 1. Factor Loading Scores

Factors	1	2	3	4	5
1. Competent Board Members (.92)					
Have appropriate skills to understand complexities of credit unions	.770				
Understand and contribute constructively to issues being discussed	.752		.370		
Contribute to making the board function effectively	.735		.360		
Commit sufficient time to perform their responsibilities	.721				
Come to meetings prepared	.717		.410		
Have needed experience and background to be effective	.708				
2. Recruitment (.77)					
Nomination committee works year round identifying a wide variety of potential candidates		.806			
Strategies are in place to ensure diversity of new board members		.770			
Competency and skill profiles developed and used to nominate new members		.657		.494	
3. Board Performance (.86)					
Evaluating and selecting the senior executive			.719		
Serving member interests and needs	.305		.683		
Marketing and promoting the organization			.682		
Setting mission, policies, and long-range strategy	.316		.659		
Ensuring consistency and high-quality leadership	.404		.641		
Providing financial oversight	.356		.604		
4. Orientation (.82)					
Orientation for new board members				.802	
Process for preparing new board members				.799	
Have a plan to strengthen the board				.637	
Training provided so board members can effectively perform their role ^a	.525			.500	
5. Evaluation (.81)					
Evaluates individual board member's performance					.787
Evaluates overall board performance					.781
Removes and replaces low-performing members					.711

Note: Values less than .300 are not specified; values in parentheses are alpha coefficients; $N = 1,051$.

^aItem not included in scale due to low factor loading.

indicate on a five-point scale the extent to which their board reflected these practices. Recruitment and evaluation was assessed through three questions, and orientation was addressed by four questions. The resulting factor analysis (see Table 1) revealed that one of the training questions loaded weakly (a factor loading of .60 was used as a cut-off

point) on the orientation factor; consequently, that question was dropped from further analysis. Using Cronbach alpha, all scales revealed sound internal consistency, with a reliability score above .77 on all scales. To confirm the reliability of scale items, the factor analysis was repeated for the two subsamples of executive and board chair responses. Consistent structural features and factor loadings were revealed, which confirmed the reliability of the measures.

Board performance was conceptualized as six general functions, including fiscal oversight, setting policy, and ensuring effective leadership (Herman and Renz, 1997; Cornforth, 2001). Participants were asked to indicate on a five-point scale the extent to which their board upheld these practices. Similarly, these items were included in the factor analysis presented in Table 1. They loaded consistently together to form a reliable measure of board performance.

Results

Prior to testing the model proposed in Figure 1, central tendency statistics were run on all the major variables in the study. In addition, a comparison of executive and board chair responses was conducted (see Table 2). The results presented in Table 2 reveal that among the three board development practices, evaluation was the least likely to be conducted ($M = 1.89, SD = .96$). Thirty-four percent of the respondents indicated that they did not use evaluation practices at all. Similarly, best practice recruitment was only slightly more likely to occur in these organizations ($M = 2.15, SD = .94$). Consistently, board members were more inclined to believe these practices were taking place when compared to executives. The difference between board members and executives was significant in every instance. It is always difficult to reconcile which perceptions are more accurate. In this instance, are executives overly pessimistic about the practices of their board, or are board members less authentic in their perceptions about the board? Nevertheless, the availability of both perspectives provides an opportunity to test the viability of the proposed model on the entire sample, as well as the two subsamples.

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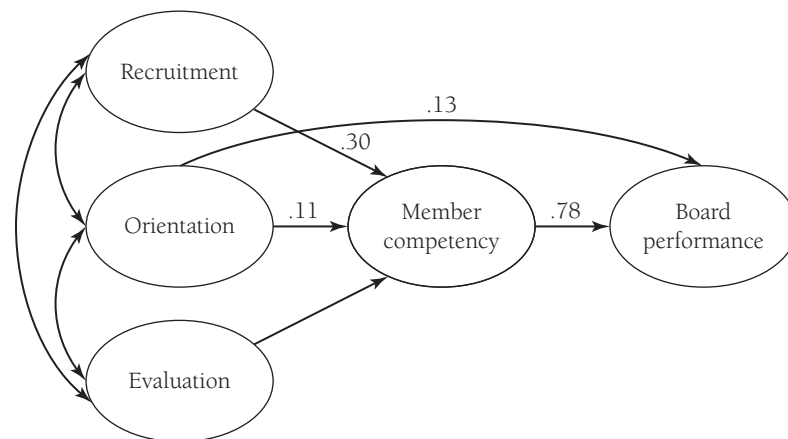
Table 2. Descriptive Statistics for Variables in the Model

Measures	t	All (N = 1,051)		Executive (N = 672)		Board (N = 379)	
		M	SD	M	SD	M	SD
Recruitment	-8.02***	2.15	.94	1.97	.89	2.45	.96
Orientation	-7.93***	2.77	.95	2.67	.94	3.18	.90
Evaluation	-8.80***	1.89	.96	1.33	.86	2.23	1.04
Member competency	-10.11***	3.70	.79	3.67	.79	4.01	.67
Board performance	-13.58***	3.84	.75	3.67	.76	4.23	.54

*** $p < .001$; responses recorded on a five-point scale, with 1 = no use and 5 = extensive use of the practice.

A test of the study's four causal hypotheses was undertaken using structural equation modeling software (AMOS 5.0; Arbuckle, 1994). This technique provides a sophisticated analytical tool to simultaneously explore measurement soundness (How well did we measure each concept on the diagram?), while also exploring and testing the directional relationships proposed in the model. Based on the model depicted in Figure 1, the overall chi-square results for fitting the structural model were $\chi^2 = 811.6$ (df 182; $p < .001$). This suggests that the proposed model is legitimate. However, review of the modification indexes suggested a path relationship between orientation and board performance. Similar path relationships were also suggested with recruitment and evaluation, but orientation had the highest modification indices (MI = 34.53, par change .092; Byrne, 2001). Consequently, that path relationship (between orientation and board performance) was added to the model. This resulted in a chi square of $\chi^2 = 761.2$ (df 181; $p < .001$), which suggests a significant improvement in the model fit. Furthermore, no other significant modifications were identified once that additional path was added. The modified model (see Figure 2) was tested using the entire sample and the two subgroups (executives and board members). Following Hu and Bentler's recommendation (1999), a two-index presentation strategy—root mean squared error of approximation (RMSEA) and standardized root mean squared residual (SRMR)—was used to determine the overall model fit. Rules of thumb for these two criteria hold that RMSEA values should not exceed .06 and that SRMR should be less than .08 (Hu and Bentler, 1999, p. 1). Model results for both indexes were within the advised cut-off range (RMSEA = .055 and SRMR = .041) and confirmed the model's overall integrity. This analysis was repeated for both subgroups, and similar results were obtained (see Table 3). This analysis supports the overall integrity and fit of the structural model.

Figure 2. Revised Structural Model



Note: Only significant ($p < .05$) relationships are indicated.

Table 3. Model Fit Diagnostics

	All (N = 1,051)	Executive (N = 672)	Board (N = 379)
Chi-square test*	761.20	605.01	321.52
SRMR	.041	.046	.043
RMSEA	.055	.059	.045
Comparative fit index	.954	.945	.960

* $df = 181$; $p < .001$.

Table 4. Structure Path Relationships

	R	$p \leq$
Recruitment \leftrightarrow Evaluation	.72	.001
Recruitment \leftrightarrow Evaluation Orientation	.64	.001
Evaluation \leftrightarrow Evaluation Orientation	.53	.001
	β	$p \leq$
Recruitment \rightarrow Evaluation Competent	.30	.001
Orientation \rightarrow Competent	.11	.001
Evaluation \rightarrow Competent	.08	.069
Competent \rightarrow Board performance	.78	.001
Orientation \rightarrow Board performance	.13	.001
<i>Squared Multiple Correlations</i>	R^2	$p \leq$
Competent board members	.36	.001
Board performance	.74	.001

Note: $N = 1,051$.

The first three hypotheses tested the impact of board development practices on the perceptions of board member competency. The strongest pathway was between recruitment practices and perceptions of board member competency ($\beta = .30$, $p \leq .001$). Orientation also had a significant positive effect on whether board members were perceived as highly competent ($\beta = .11$, $p \leq .001$). The use of evaluation practices, however, was not significantly related to board member competency ($\beta = .08$, $p \leq .069$). In sum, the three board development practices accounted for 36 percent of the variance exhibited in perceptions of board member competencies. This raises questions about whether the measures of board development adequately captured the construct. For instance, perhaps additional factors should be considered as a feature of board development. Modification indexes, however, failed to support any additional linkages (direct effects) between the formative factors and outcomes. This suggests the significant role of these practices in contributing to perceptions of board member capabilities (see Table 4).

Next, there was a significant and positive relationship between perceptions of board member competencies and board performance ($\beta = .78, p \leq .001$). In addition, based on the modified model, orientation revealed a significant positive relationship to overall board performance ($\beta = .13, p \leq .001$). These two accounted for nearly 75 percent of the variance in board performance ($R^2 = .74; p \leq .001$). The detailed analysis of the subgroups is not presented, but in the path, relations are supported in all analyses. This suggests the significant role that board member capabilities play in explaining perceptions of board performance. Based on this analysis and the corresponding fit indexes, we can conclude that the modified model is supported and that board development practices account for perceptions of board member capabilities and that having highly capable board members will contribute to better board performance.

Discussion and Conclusion

There was a significant and positive relationship between perceptions of board member competencies and board performance.

The study contributes to research and practice that is concerned with the performance of nonprofit boards. Herman and Renz (1997) and others (for example, Brown, 2005; Jackson and Holland, 1998) have found that effective boards are associated with organizations that tend to perform better in terms of both fiscal performance and perceptions of organizational effectiveness. Theoretically, resource-dependency perspectives recognize how important it is to get capable individuals on the board so they can be instrumental in strengthening the organization. This research contributes to understanding nonprofit governance in several ways. First, the study provides insight into the association between board development practices and perceptions of board member competencies. Specifically, it supports the contention that board development practices lead to stronger board members, and stronger board members are a significant predictor of board performance. Second, this study provides statistically validated measurement tools to assess board development and board member quality. Practitioner literature is full of best practice recommendations with limited empirical support. The study provides practical guidance to nonprofit professionals as they seek to identify practices that lead to stronger boards. Simultaneously, it informs academic literature about board member capabilities and board capital. The study provides insight into the link between board practices and performance by recognizing the importance of board capital in contributing to board performance.

A couple of limitations of the study are worthy of discussion. There are some measurement issues. First, all of the items were assessed on a single survey from one individual's perspective. This suggests the potential for method bias since the items asked respondents to provide their perceptions of all items in the model. This is partially addressed by gaining perspectives from executives and board members and testing the model with both sets of respondents, thereby validating the structure within more than one respondent

sample. Nevertheless, the associations between items in the model are likely bolstered by the use of a single measurement tool. Second, the three aspects of board development explained only about one-third of the variance in board member competency. This is a good percentage to explain, but it also suggests that we did not capture the full extent of the factors that drive perceptions of board member capabilities. For instance, within this industry it is common practice to screen potential board members by assigning them to a committee prior to becoming a board member. This practice was only partially addressed in the proposed board development assessment tool. In addition, ongoing training was not measured effectively. These limitations suggest how the model can be strengthened in future research and suggest caution when interpreting results. Furthermore, the research was conducted within only one industry and thus potentially constrains the generalizability of the findings to all nonprofit organizations—although the literature used to develop the model was drawn from a wide variety of sources and thereby reasserts applicability to multiple organizational contexts. With these limitations in mind, I will discuss some implications for managers and suggestions for future research.

Individuals concerned with recruiting and preparing effective board members can take several lessons from this study. First, it reaffirms the value of sound board development practices and suggests several key practices that result in obtaining competent board members. Recruitment practices in particular seem to suggest that if used effectively, they can improve the character of board members who serve the organization. Effective recruitment, however, is a challenge. For instance, effective recruitment recognizes the value of informal networks in locating potential board members, yet if referrals are constrained (that is, few individuals provide recommendations), the benefits are lost. Consequently, clear selection criteria will facilitate the nomination practice by filtering and screening potential candidates. This appears to be one area that is incompletely defined for many boards. Answering a basic question, “What are we looking for in a board member?” might be one of the most significant and instrumental activities organizations can undertake to improve recruitment.

Orientation as well was instrumental in explaining perceptions of board member capabilities; furthermore, the model revealed that orientation directly influences perceptions of board performance. This is understandable given the nature of much board development orientation that provides guidance on the roles and functions of the board, thereby focusing the efforts of members on more appropriate activities such as policy development without necessarily changing the capabilities of board members. Evaluation was not a significant predictor of board member capabilities. Although the presence of a nonsignificant path relationship could be grounds for removing evaluation from the model, the relatively low level of use might be a more

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significant explanation of why evaluation was not a significant predictor of board member capabilities. Consequently, the path remains because of the strong theoretical justification and allows for additional testing and replication to determine the contribution of evaluation practices toward strengthening nonprofit board members.

This study suggests several areas for future research. The model and assessment method should be replicated in other nonprofit industry contexts (health care, foundations, human services, and so on). Through context-specific replication, the validity of measures can be tested and refined to better encapsulate the major features of board development. Similarly, the idea of a competent board member is not universally defined. Lee and Phan (2000) identified the competencies of directors in global firms, but such work has not been done in nonprofits. An attempt to define and assess desirable competencies for nonprofit board members would be very useful. A better specification of general categories (that is, social networks) would significantly improve the capability of executives and researchers to assess board member capabilities and refine recruitment practices. The ability to locate and secure highly capable volunteer board members is an ongoing challenge that nonprofits cannot ignore.

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