

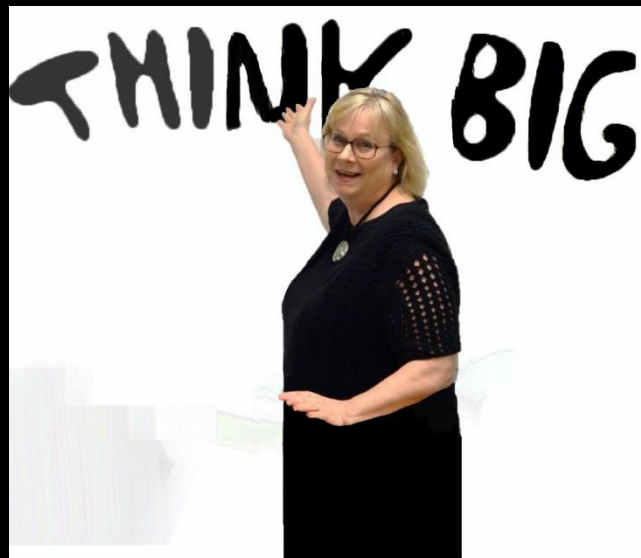
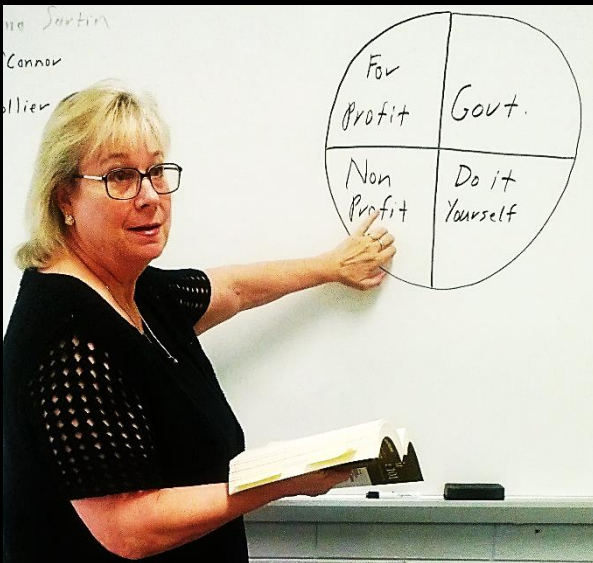


Nonprofit Business League Chief Executive Officers' Perceptions of Their Board Chair Relationships and Organizational Impacts

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INTRODUCTION: A BIT ABOUT LOUISE

- Business owner for 30 years
 - CEO of multiple NPO management firms
 - CEO of 2+ dozen various NPOs - mostly 501(c)(6) business leagues
 - All with only a high school diploma
- Higher education journey - a dozen years



STATEMENT OF THE PROBLEM



Existing literature addressing for-profit corporations (board of directors, board chair, CEO relationships) is plentiful.



Far less literature has been found about the nonprofit sector -- most addresses nonprofit 501(c)(3) tax exempt charities & foundations.



Literature on nonprofit 501(c)(6) tax exempt business leagues is even more limited.

STATEMENT OF THE PROBLEM

No research has been found to date using social exchange theory to examine the working relationship between CEOs & board chairs of nonprofit 501(c)(6) tax exempt business leagues.



RESEARCH PURPOSE

The purpose of this research study was to narrow the gap in the literature & provide insights about fostering working relationships between CEOs & board chairs of nonprofit 501(c)(6) tax exempt business leagues.

RESEARCH QUESTIONS

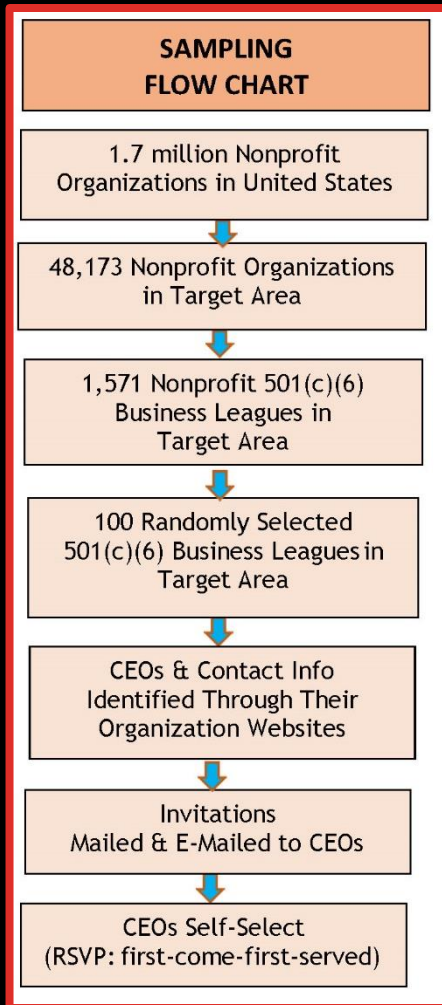
RQ1

How do nonprofit 501(c)(6) tax exempt business league organization CEOs describe their relationships with their board chairs?

RQ2

How do nonprofit 501(c)(6) tax exempt business league organization CEOs describe any impact on the organization resulting from their relationship with their board chairs?

METHODOLOGY - SAMPLE



SAMPLE:

Ten CEOs of nonprofit 501(c)(6) tax exempt business leagues in a state in the Southeastern United States self-selected into the study by RSVPing in the affirmative to a postal mailed and an e-mailed invitation.

TARGET POPULATION:

The target population of potential CEO interviewees was drawn without regard to employment longevity, size of organization budget, mission, size of staff, or number of members. This homogenous group of interviewees numbered 100 CEOs.

The genesis of this group was the IRS's Exempt Organizations Business Master File which contains information obtained by the IRS from Form 990 - Return of Organizations Exempt From Income Tax files that nonprofit 501(c) tax exempt organizations are required to file annually. After downloading, the raw data was sorted. Records of business leagues were isolated from all others & were then sorted to reflect a specific geographic area of the United States. This group was saved, and all other records deleted. Then, each remaining record was assigned an identifying number.

BEGINNING RECORD:

A computerized random number generator was used to establish the starting number of the beginning record. The computerized random number generator was again used to produce a fixed interval numeric. Thereafter, every 15th record was selected, & the process was repeated throughout the entire list until 100 organizations were randomly selected.

An internet search was conducted to locate contact information for each CEO. For each business league having a website, the CEO was identified & contact information (telephone, e-mail, postal address) was obtained. Only organizations that met these criteria were used for this study. Selecting organizations with both a website & a CEO meant the maximum variation sampling process would only include professional, paid nonprofit business league CEOs.

DATA COLLECTION

- Invitations to the target population CEOs were sent via postal mail & e-mail.
- Ten random CEOs of nonprofit 501(c)(6) tax exempt business leagues self-selected by responding in the affirmative to the interview request.
- Interviews averaged approximately forty minutes in length.
- A semi-structured method of data collection provided the opportunity to obtain answers to 'how' & 'why' questions, to seek clarification, & to probe for additional information.
- Open-ended interview questions were used to understand the views of the participants.
- VAST conference calling was used to record the interviews. Following each completed interview, the audio recording was exported to NVivo which electronically converted spoken words to written transcripts. By using NVivo's computerized transcription conversion software, it was not necessary to employ a transcriptionist. This further minimized inadvertent exposure of the interviewees' identifying information.
- Each interview file received a unique numeric identifier corresponding to the previously randomly assigned number of the selected CEO.



DATA ANALYSIS

- **THEMATIC ANALYSIS** was used to identify, analyze, & interpret patterns of meaning, or “themes” from data. This was accomplished by using raw data descriptions that captured the complex experiences of the interviewee as well as the interviewee’s thoughts about those experiences.
- Because it is the discovery and identification of situations & events that are described in the written transcripts, the analysis of the research data began with a familiarization process during which each transcript was read in turn to identify words & phrases common throughout the interviews. Anecdotal examples & stories shared by the interviewees were also gleaned for common words & phrases across all transcripts.
- To remain close to the data, the descriptive qualitative approach used notations from the transcripts, including in vivo codes that employed text (words, phrases, sentences) drawn directly from the data. These data notations were then collated into groups & were coded.
- The process continued with a re-reading of each transcript line by line to identify principal concepts. These identified segments were compared & then grouped into thematic classifications that related to the study’s two research questions. Each transcript was also analyzed to identify the key words & phrases relating to the concepts in order to determine whether the responses to the interview questions seemed philosophically consistent or were contradictory. A summary statement was developed of the main points from the responses.
- Throughout the thematic analysis process, data was continually compared & updated. A list was created of work processes & communication tools (relationship tools) that the CEOs found to be useful in building an effective working relationship with their board chairs. A list was also created of work processes and communication tools (relationship tools) that the CEOs found not to be useful or were counterproductive in building effective working relationships with their board chairs. These tools are useful as interviews are examined for comparisons & contrasts. To assist in organizing and managing emerging concepts, NVivo software was used.

RESULTS - RESEARCH QUESTION 1

How do nonprofit 501(c)(6) tax exempt business league organization CEOs describe their relationships with their board chairs?

FINDINGS

POSITIVE WORKING RELATIONSHIPS

- CEOs felt the relationship with their board chairs was a partnership, or a team.
- Trust, honesty, openness, transparency, respect, professionalism, friendly, caring, & frequent communication were factors CEOs identified that contributed to positive relationships & valuable collaborative partnerships.
- Positive working relationships between the CEO & board chair stem from bonding & cohesiveness.
- Positive partnerships are built on reliability where both individuals communicate frequently & openly, where they are on the same page, & where both partners understand their own - & each other's - roles.
- CEOs emphasized the importance of getting to know their board chairs & what is expected from each other.
- CEOs said they recognized the significance of working in partnership with their board chairs.

NEGATIVE WORKING RELATIONSHIPS

- CEOs felt that poor communication, unresponsiveness, & board chairs with their own, hidden agendas create hypersensitivity resulting in an erosion of trust.
- CEOs said that divergent leadership styles & management philosophies, confusion about roles & authority, as well as contrasting priorities & conflicting goals cause tension.
- CEOs stated that conflicts can cause poor program performance, financial distress, & counterproductive behavior resulting in CEO & staff turnover & threatening the sustainability of the NPO.

RESULTS - RESEARCH QUESTION 2

How do nonprofit 501(c)(6) tax exempt business league organization CEOs describe any impact on the organization resulting from their relationship with their board chairs?

FINDINGS

POSITIVE WORKING RELATIONSHIPS

- Positive working relationships that incorporate team spirit result in organization accomplishments.
- The interviewees agreed that the relationship between the CEO & the board chair sets the tone for the entire organization.
- Positive relationships result when board chairs understand not just their roles & responsibilities, but those of the other board members, & of the organization's CEO & staff.
- Positive reciprocal relationships (which include a spirit of collaboration, trust, & knowledge-sharing between CEOs & board chairs) can shape their organizations.
- Open, direct, & frequent communication fosters trust between the two partners, as does sharing the same values & vision.
- Those relationship qualities can be mirrored at the board of directors' level and throughout the entire organization.

NEGATIVE WORKING RELATIONSHIPS

- Poor communication, unresponsiveness, & board chairs with their own, hidden agendas create hypersensitivity resulting in an erosion of trust.
- Divergent leadership styles & management philosophies, confusion about roles & authority, as well as contrasting priorities & conflicting goals cause tension.
- Conflicts cause poor program performance, financial problems, & counterproductive behavior resulting in CEO & staff turnover & organization distress.

THEORETICAL FRAMEWORK

SOCIAL EXCHANGE THEORY

- The voluntary & reciprocal interaction between persons as an exchange of goods which is more or less rewarding or costly.
- The interaction with others based on a self-interested evaluation of costs & resulting benefits. This includes maximization of oftentimes intangible benefits (rewards) & minimization of costs (punishments) where help is provided & knowledge shared with an expectation of future returns.
- In other words, a *quid pro quo*.

DATA ANALYSIS - RESULTS

CEOs felt that POSITIVE aspects of the relationships with their board chairs included these elements:

- Functioning in tandem as a partnership or a team
- Understanding roles of the CEO & of the board chair
- Being on the same page
- Having trust & respect for the other party
- Being reliable & responsive
- Being honest
- Bring open & transparent
- Being consistent in opinions & action
- Functioning as a mentor
- Developing and using leadership characteristics

CEOs felt that NEGATIVE aspects of the relationships with their board chairs included these elements:

- Not understanding roles
- Mistrust/no trust
- Poor/no communication
- Not open/ not transparent
- Unresponsive/unreliable/untimely
- Career building/relationship enhancing
- Ego/status
- Putting self before the good of the organization

CEOs were in unanimous agreement that relationships with their board chairs had an impact on their business league.

CONTRIBUTIONS TO EXISTING BODY OF KNOWLEDGE

- Adds dimension to prior research on the theory of social exchange by reporting that nonprofit 501(c)(6) tax exempt business league CEOs support the importance of reciprocal partnerships & teamwork with their board chairs.
- Augments existing research of nonprofit 501(c) tax exempt organizations by examining how nonprofit 501(c)(6) tax exempt business league CEOs perceive their relationships with their board chairs & any impacts on their business league organization from their relationships.
- Can be helpful to board chairs, first-time CEOs, as well as seasoned CEOs. This information can provide insights about fostering good working relationships between CEOs & volunteer leaders. Examining working relationships between CEOs & board chairs of nonprofit 501(c)(6) tax exempt business leagues provides insights about the successes & failures resulting from these important relationships.

RECOMMENDATIONS FOR FUTURE RESEARCH

1. Replicate the study but expand the CEO population.
2. Expand the study to other geographic areas.
3. Expand the study to other board & staff leadership positions:
 - The board treasurer & the staff chief financial officer.
 - The board member in charge of government relations & the organization's lobbyist.
4. Expand the study to other nonprofit 501(c) classifications:
 - Charitable organizations & foundations.
 - Social clubs.
 - Veterans' groups.
 - Fraternal beneficiary societies & associations.
5. Explore the reasons for positive/negative behaviors of board chairs & how those behaviors may impact the organization.