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**THE IMPACT OF BOARD CAPITAL AND SERVANT LEADERSHIP ON BOARD  
EFFECTIVENESS: A STUDY OF FLORIDA COMMUNITY FOUNDATIONS**

by

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A dissertation submitted in partial fulfillment of the requirements  
for the degree of Doctor of Philosophy  
in the College of Health and Public Affairs  
at the University of Central Florida  
Orlando, Florida

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2016

Major Professor: Naim Kapucu

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## **ABSTRACT**

Community foundations have considerable potential for positive social change in the communities they serve yet are understudied in nonprofit management and leadership literature. Recently, community foundations have become one of the largest avenues of organized philanthropy. The boards of community foundations frequently consist of a different composition of members than other nonprofit organizations, making a focus on individual characteristics of board members a worthwhile area of study. This exploratory study considers board capital through human capital, structural capital, and social capital and the impact this has on board effectiveness. In addition, it considers the impact of servant leadership on board effectiveness. The purpose of the study is to assess capital and leadership factors of community foundation board members and examine their influence on perceived board effectiveness.

Based on survey data from 71 community foundation board members and executive directors representing 13 different community foundations associated with the Florida Philanthropic Network, the dissertation uses ordinal regression to test hypotheses. Additional data was also collected with follow up focus groups. The study finds that board capital, measured by human capital, structural capital, and social capital, as well as servant leadership, do play a factor in board effectiveness. Further, community foundation boards in the survey population are highly effective, and have unique attributes that make them distinct from other types of nonprofit boards. Follow up focus groups suggested that, although board members define board effectiveness in a number of ways, boards are creating social change within their communities in different ways. Findings have potential for significant insight on an important segment of nonprofit sector organizations, particularly for strengthening communities through philanthropy.

This dissertation is dedicated to my family.  
Justin and Samantha, mom and dad, and Memom and Bob, I love you all very much. Thank you  
for your love, patience, and support over the past few years.

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## **LIST OF ACRONYMS/ABBREVIATIONS**

ARNOVA – Association for Research on Nonprofit Organizations and Voluntary Action

BSAQ – Board Self-Assessment Questionnaire

CPNM – Center for Public and Nonprofit Management

Df – Degrees of Freedom

Est - Estimate

FPN – Florida Philanthropic Network

IRB – Institutional Review Board

OLR – Ordinal Regression

OLS – Ordinary Least Squares Regression

OMS – Output Management System

$R^2$  – R-squared

S.D. – Standard Deviation

SECOPA – Southeastern Conference of Public Administration

SLS – Servant Leadership Survey

SPSS – Statistical Package for Social Sciences

Std. Error – Standard Error

$X^2$  – Chi Square

## **CHAPTER 1: INTRODUCTION**

The nonprofit sector is an integral part of communities and serves a valuable role in addressing social issues. There are over 1.5 million nonprofit organizations that make up this valuable sector, which includes an array of organizations (Weis & Gantt, 2004). Community foundations are a sub category of this vibrant sector and are concerned with improving particular localities, often through grants. Because community foundations are uniquely positioned within their communities, they can offer vast benefits for social improvement and community development, and fulfill needs that have traditionally been provided by other sectors (Carman, 2001; Miller, 2014).

Community foundations are a fast growing area of nonprofits and foundations in general, and have become one of the largest avenues for organized philanthropy (Graddy & Wang, 2009). Community foundations vary in size, from less than \$100,000 to over \$1.7 billion (Foundation Center, 2014) and have expanded well beyond large metropolitan cities, to include medium and small cities and rural areas. Community foundations pool funds from a variety of areas to meet the various needs of their communities. Specifically, community foundations can offer individuals, families, businesses, nonprofit organizations, or other professional advisors management and investment of funds, give advice, and provide information on charitable organizations and causes in their community, so that investors can be empowered to make decisions on funds with respect to their communities. In addition, the roles and services of community foundations have been expanding greatly in recent years. The roles of community foundations include a variety of community development initiatives and community

sustainability efforts (Carman, 2001). In fact, community foundations have been providing more traditional government services in times of community disasters (Miller, 2014).

The boards of community foundations are the driving force behind their organization because they hold their organization fiscally and functionally accountable, as well as help respond to community needs, among many other vital responsibilities (Duca, 1996; Inglis, Alexander, & Weaver, 1999). The board is tasked with identifying and solving complex social problems in fields such as education, the arts, health and human services, environmental issues, and disaster relief, just to name a few.

Board governance practices and board member demographics are highly recognized and studied in nonprofit literature (Brown, 2005; Cornforth, 2003; Herman & Renz, 2000; Stone & Ostrower, 2007; Taylor, Holland, & Chait, 1996). Yet, the social capital and leadership of community foundation board members and their impact in their specific region and community are less studied. The background and role of community foundations board members can be vast and multifaceted and their contribution to board effectiveness is not always clear. Thus, the capital and leadership of board members are complex and require deeper examination in community foundations in order to understand and delineate the factors that improve their effectiveness and positively impact the communities that they serve.

This introduction section provides information on the research problem and the significance of this study, the overall research questions, a background of the study, and a theoretical framework that guides the study.

### **1.1 Statement of the Problem**

There are over 700 community foundations in the United States (Foundation Center, 2014), a number which has grown tremendously in the past couple decades. Florida is one of the



leaders in the US in terms of the number of community foundations in the state. The focus of this study will be on Florida, in part because of the number of community foundations within the state, but also because utilizing foundations within one state can ensure synchronicity among the study population. In addition, Florida community foundations are a convenient sample for the researcher in this study.

Florida has several social problems within their communities that community foundations seek to address through the funding of various programs. For example, there are very real concerns in Florida communities on poverty. Poverty is often associated with social issues such as homelessness, crime, domestic abuse, and hunger (Fitzpatrick, 2005; National Coalition for the Homeless, 2007; Raphael & Tolman, 1997). Recent statistics show that 25% of children in Florida are living in poverty and 14% of the senior population is living in poverty (Spotlight on Poverty, 2014). Overall, over 17% of the state is in poverty (Spotlight on Poverty, 2014). Poverty has grown tremendously in the past few years. According to the Florida Center for Investigative Reporting (2013), Florida has widespread poverty, which leaves thousands of people homeless, and numerous families struggling to feed their children and provide homes. Homelessness in school children ages 5-17 jumped 84% in just the past five years. In fact, all 67 school districts in Florida have been affected by poverty (Florida Center for Investigative Reporting, 2013). One way to address the complex community issues such as poverty in Florida is by utilizing community foundations (Foundation Center, 2014).

Community foundations are 501(c)(3) tax-exempt nonprofit organizations that work to improve and build capacity in their specific communities by offering grants to other nonprofit organizations and programs that address social issues such as homelessness, hunger, education, domestic violence, and disaster relief, among numerous others. Nonprofit organizations provide

communities in need in very important ways when there is a lack of government and private resources or when necessary public programs are not cost effective. In the year 2007 alone, community foundations in the United States gave more than \$2.7 billion to alleviate poverty and this number increases annually (Foundation Center, 2014). Additionally, policy makers and others have been increasingly turning to nonprofit organizations such as community foundations to find ways to solve community problems (Boris, 2001; Foundation Center, 2014).

Nonprofit organizations have been faced with numerous challenges in the wake of the economic downturn and recovery, political environment, and technology driven societies, making them change and adapt to fulfill their missions and be sustainable in the communities in which they serve. The economic downturn has hit nonprofits hard and includes a greater demand for programs and services. Nonprofit Finance Fund (2012) outlines the extent of what the economic recession means to nonprofit organizations. A 2011 survey of more than 1900 nonprofit leaders in the US found that many nonprofit organizations are straining under yearly increases in the demand for services and lack of funding (Nonprofit Finance Fund, 2012). Specifically, 85% of these nonprofit organizations expected a demand in service in 2011, yet only 46% felt they were able to meet that demand because of a lack of funding (Nonprofit Finance Fund, 2012). It is clear the impact of the economic downtown has on the nonprofit sector based on this survey.

In the aftermath of the economic downturn and the ongoing economic recovery efforts, nonprofit organizations are needed to meet public demands now more than ever. Community foundations are a means by which other charitable, public servicing nonprofit organizations can acquire grants and remain sustainable to fill the need of those living in Florida. According to Guo and Brown (2006), it is imperative to address how community foundations acquire and

manage resources and how effective they are in fund allocation during today's complex and demanding times.

## **1.2 Research Questions**

The purpose of this study is to explore the relationship between individual board capital and servant leadership and board effectiveness. More specifically, this study looks at specific aspects of board capital, such as human capital, structural capital, and social capital, to examine the relationship with board members' perception of board effectiveness. In addition, the study seeks to explore the relationship between board member's level of servant leadership and his or her perception of board effectiveness.

The following are the guiding questions to this research that, if answered, may provide insight for nonprofit boards and directors to increase the effectiveness of their organization.

1. To what extent does board capital influence the effectiveness of the board members or board governance in community foundations?

1a. To what extent does human capital influence the effectiveness of the board?

1b. To what extent does structural capital influence the effectiveness of the board?

1c. To what extent does social capital influence the effectiveness of the board?

2. To what extent does servant leadership influence the effectiveness of the board?

Research questions will be explored utilizing quantitative and qualitative data collection. More specifically, surveys and focus groups will guide the exploration to this study.

## **1.3 Significance of the Study**

This study builds on and contributes to earlier studies on boards of nonprofit organizations, servant leadership, and board effectiveness. Although earlier studies have

examined the effectiveness of nonprofit organizations (Green & Griesinger, 1996; Herman & Renz, 2000; Miller-Millesen, 2003) and components of governance boards that lead to effective organizations (Bradshaw, Murray, & Wolpin, 1992; Brown, 2005; Herman & Renz, 2000; Taylor, Chait, & Holland, 1991), board members of community foundations in relation to board effectiveness has received very little attention and may serve to address some of the research gaps that have been identified in recent literature on nonprofit governance (Cornforth, 2012). As such, this study provides additional insight into community foundation boards from a unique perspective. The theoretical insight from social capital theory and servant leadership theory will provide another contribution to the literature (Greenleaf, 1977; Putnam, 2001).

This study analyzes the impact of board capital on board members' perception of nonprofit board effectiveness. The study also considers the impact of servant leadership on the perception of nonprofit board effectiveness because of the importance of executive leadership in effectiveness (Herman & Heimovics, 1991; Liden, Wayne, Zhao, & Henderson, 2008). There is a relationship between social capital, human capital, and leadership on nonprofit boards (Day, 2001; King, 2001), which requires deeper study in terms of board effectiveness. This study addresses these issues by studying a variety of perspectives with different features of board members. A research methodology utilizing both quantitative and qualitative approaches can contribute to the literature, particularly focusing on some of the gaps identified in recent literature. In addition, by establishing certain aspects of individual board members that are found to lead to effective boards, organizations can begin or continue to build on their capacity and have a greater impact in the community that they serve (Abzug, & Galaskiewicz, 2001; Kapucu, 2012).

This research fills an existing research gap by contributing to new knowledge on community foundation board governance and its effectiveness. The contribution of this work may have numerous implications for community foundations and, nonprofit sector, and communities the foundations serve. There are specific implications for community development that can come out of increasing social capital and improving leadership in community organizations (Carman, 2001; Chaskin, 2001; Easterling, 2008; Gittell & Vidal, 1998). This research will advance the knowledge on community foundation boards and may also identify ideal types of board members that make the community foundation board more effective.

#### **1.4 Context of the Study**

There is a need for research attention on community foundations as they have grown tremendously in the past couple of decades, yet they have not received much attention in the philanthropic research (Carman, 2001). This chapter provides background information on community foundations, and how they differ from other foundations.

Community foundations are defined as:

An independent philanthropic organization working in a specific geographic area which, over time, builds up a permanent collection of endowed funds contributed from many donors, provides services to those donors, and makes grants and undertakes community leadership activities to address a wide variety of current and long-term needs in its service area. The foundation is governed by a board of citizens broadly reflective of the community its serves. (Feurt, 1999, pg. 25)

Community foundations serve charitable donors, nonprofit organizations, and the community (Carman, 2001). There are differences among private foundations, corporate

foundations, and community foundations. Carman (2001) distinguishes community foundations from other foundations in that their endowments come from donations from numerous donors, rather than a single donor, family or corporation, they serve a specific geographic community or locality, and they are public charities. In addition, both community foundations and private foundations have different ideals and practices when it comes to effectiveness (Ostrower, 2007). According to Ostrower (2007), most community foundations find adhering to the wishes of donors, collaborating, publicizing foundation and the work of the foundation, having an involved board, and maintaining strong internal organizational infrastructure are the means to be effective. Of these dimensions, only having an involved board and adhering to the wishes of donors were important in private foundations. Therefore, community foundations are different from other foundations in how they receive donations, the areas they service, the public charity aspect of the organization, and how they interpret effectiveness.

The specific location that community foundations are in provides an interesting advantage for these organizations. Community foundations are uniquely positioned within communities and have broad credibility among the community making it possible to significantly increase community development (Carman, 2001) and social capital (Easterling, 2008). Carman (2001) concludes that community development organizations as well as other nonprofit organizations should understand community foundations and what makes them different so that they can fully position themselves to take advantage of the resources that community foundations bring into the community.

The very first community foundation in the United States was the Cleveland Foundation, which was founded in 1914 to offer leadership and direct permanent charitable endowments for the community (Carman, 2001). Evidence from the literature has shown that community

foundations can successfully serve as community leaders (Easterling, 2008). As of 2011, there were 750 community foundations in existence in the United States that provided over 5.4 billion in total dollar value of grants (Foundation Center, 2014).

The state of Florida has 26 community foundations associated with the Florida Philanthropic Network, with nearly 161.8 million dollars in gifts received (Foundation Center, 2011). Florida community foundations are broken into 5 regions: North, Central, Southeast, Southwest, and the Florida Keys (Community Foundations of Florida, 2014) (see Figure 1). Florida has the benefit of the Florida Philanthropic Network (FPN), an association throughout Florida of grant makers working to enhance philanthropy in research, education, and public policy (Florida Philanthropic Network, 2014). The network is a collaboration of grant makers working to better Florida by building philanthropy. The hope of this organization is that it will foster collaboration through all sectors, public, private, and corporate, to promote the interest of all Florida citizens (2014). In 2009, there was a merger of Florida's community foundations into Florida Philanthropic Network. On the merger, Nina Waters, chair of Community Foundations of Florida, reported, "community foundations have much to learn from, and much to offer, the private and corporate foundations at FPN" (Ensign, 2009).



Figure 1. Florida Community Foundation Regions

An example of the importance and role of community foundations can be seen in the the 2013 Colorado flooding. In Colorado, reduced budgets and natural disasters have led to community foundations and other philanthropic organizations providing more traditional government services (Miller, 2014). In the Colorado flooding example, Colorado experienced floods affecting 17 counties in the Denver region and beyond, which resulted in eight deaths, the destruction of tens of thousands of homes and businesses, and displaced families, among other devastation. The flooding caused roughly \$2.9 billion in damages (Aguilar, 2014). The Denver Foundation among many other community foundations and volunteers were some of the frontline staff providing traditional government services in the aftermath of the flooding, directing volunteers, helping displaced families, and providing and establishing funds for the community (Miller, 2014). The Rose Community Foundation as well as the Colorado Association of Funders led a task force with many of Colorado's community and private foundations to discuss their role in disaster recovery (Rose Community Foundation, 2014).



After other experiences in Colorado, such as the Colorado area wildfires and Aurora theater shooting, community foundations have realized that the best role for foundations has been to take a long-term approach, according to Sheila Bugdanowitz, president of the Rose Community Foundation (2014). The task force created by the Rose Community Foundation focused on a collective approach to disaster, meaning they worked together to achieve the long-term needs of the communities affected in the flooding (Rose Community Foundation, 2014). According to Joanne Kelley of the Colorado Association of Funders, the funds provided in the flooding were not intended to provide assistance to victims, but rather to contribute to the communities affected through mental health services, environmental concerns, and other community engagement activities (Rose Community Foundation, 2014).

The role of numerous community foundations throughout the devastating Colorado floods provides an excellent example of the multifaceted positions and importance of community foundations within their geographic region. Community foundations can and do assist in providing governmental services, build communities and community development, and keep communities sustainable. Thus, this study seeks to consider these organizations and explore what makes them effective and what role board members play in effectiveness.

The following chapter provides a literature review of the major concepts related to community foundations, boards, leadership, and effectiveness explored in this study. The literature review provides guidance for the study in terms of the variables that are used and drives the formation of the conceptual framework and study hypotheses.

## CHAPTER 2: LITERATURE REVIEW

### 2.1 Introduction

This section of the dissertation presents a literature review for the central concepts to be explored in this research surrounding nonprofit boards. A brief discussion of how research articles for the literature review were obtained is first mentioned. Following it discusses the concept of board capital in nonprofit organizations. Next it discusses other study variables that are considered in this study, including servant leadership and board effectiveness. Then a theoretical framework is provided. Finally, the research hypotheses are stated.

The literature review will include not only published articles from database searches, but also research recommended from experts in the field, research collected from an electronic listserv on nonprofit governance, and input from other scholars in the nonprofit management field. These four separate means of gathering information follow in accordance with Cooper's (2010) guide for a thorough and sound methodological review. Including only published literature in the review process has more disadvantages than advantages and can lead to serious errors (Light and Pillemer, 1984). The use of soliciting expertise knowledge from leaders in the field may reveal other sources not identified in scholarly journals (Light and Pillemer, 1984). Cooper (2010) strategically identified leading researchers from a reference database by searching for researchers who were the first author on two or more articles in a specific field in recent years and reached out to them via email. This study identifies key articles through a library search, then sought outside expertise for additional recommended studies, and solicited advise and expertise from academicians and practitioners at a leading annual nonprofit conference (Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA)) and

regional public administration conference (Southeastern Conference for Public Administration (SECOPA)) (Light & Pillemer, 1984).

The literature review is built based on a keyword search including the terms: “nonprofit board capital”, “board capital”, “nonprofit board effectiveness”, “nonprofit effectiveness”, “servant leadership” and “community foundations.” The leading nonprofit journals used in the search include *Nonprofit Management and Leadership*, *Nonprofit Voluntary Sector Quarterly*, and *VOLUNTAS* as a foci, though other public management journals were also not excluded in the search (e.g. *Public Administration Review*, *Journal of Public Administration Research and Theory*, and *Public Administration*) upon further investigation of articles.

As a part of the literature review, the following key concepts are explored: board effectiveness, board capital, which is defined as human capital, structural capital, and social capital, and servant leadership. The literature review summarizes the relevant literature systematically explored by the researcher, including how these variables have been considered and measured in previous literature, and what factors have influenced the variables.

## **2.2 Board Effectiveness**

The dependent variable in this study is board effectiveness. Effectiveness is extremely important in the discussion of nonprofit organizations. At a time when the United States is increasingly dependent upon the services of nonprofits and the partnerships and collaborations it offers, effectiveness of a nonprofit board can answer the question of whether the organization should exist and if it is achieving its targeted goal in mission fulfillment. There are many challenges in measuring the effectiveness of nonprofit boards. Yet, it is important to study

because of the potential it offers research and practitioners on many issues in nonprofit management (Forbes, 1998).

The literature on nonprofit management gives the board the responsibility of their organization, which means that board effectiveness may be a condition of organizational effectiveness (Chait, Holland, & Taylor, 1991; Herman & Renz, 1998). Studying the effectiveness of organizations has complexities, as it is both a powerful and problematic notion (Forbes, 1998; Stone & Gershenfeld, 2001). Effectiveness can mean something different to everyone, and has different ways it may be measured (Forbes, 1998). Additionally, nonprofits may have ambiguous goals. In a review of empirical articles from 1977 to 1997, Forbes (1998) found that effectiveness has been conceptualized in numerous ways and that research objectives in studying effectiveness have changed over the years. Stone and Gershenfeld (2001) also discuss the complexity of the nature of effectiveness. According to Stone and Cutcher-Gershenfeld (2001), there are four distinct complexities to measuring effectiveness: the indicators of effectiveness, the person measuring, the instrument that is measuring effectiveness, and, in nonprofit organizations specifically, the clarity among means and ends (p. 35-36). Nonetheless, effectiveness has theoretical and practical importance making a shift away from studying effectiveness in future research, even with the ambiguous and complex nature, unlikely.

Several studies have more broadly focused on organizational effectiveness of nonprofit organizations, rather than specific board effectiveness (Herman & Renz, 1999, 2008). Organizational effectiveness is important in the discussion of existing concerns of accountability, evaluation, and assessments of nonprofit organizations as a whole. Organizational effectiveness has been defined as the extent to which an organization reaches its goals (Herman & Renz, 1999). In their study on organizational effectiveness, Herman and Renz (1999) proposed six

theses on nonprofit organizational effectiveness: it is a matter of comparison, it is multidimensional, *boards matter in the effectiveness of nonprofits*, organizations that use more effective management practices are more effective, it is a social construction, and there are limited program indicators of effectiveness. Herman and Renz (2008) work expanded this to nine theses using recent research and scholarship, including parts of program indicators from a previous thesis into the ninth thesis. The additional theses included: the unlikelihood of best practices as a prescription for all nonprofit boards and management, the usefulness of organizational responsiveness as an effectiveness measure, differentiating between types of nonprofits is important and useful, and finally, the level of analysis matters in examining effectiveness (Herman & Renz, 2008). Bradshaw, Murray, and Wolpin (1992) identified that having a common vision among board members was related with perceived organizational effectiveness. Though organizational effectiveness is a difficult construct there is still a great need to address and explore it in nonprofits.

This study focuses specifically on nonprofit, community foundation board effectiveness. There is a relationship between nonprofit boards and nonprofit organizational effectiveness (Green & Griesinger, 1996; Herman and Renz, 2000; Holland & Jackson, 1998), although the extent to which the board matters in effectiveness is not clear (Herman & Renz, 1999; Herman & Renz, 2008). Cornforth (2001) found that board effectiveness was strongly related to how effectively the board performed its functions. Using a regression analysis, this study revealed that how boards performed their functions was the most important for overall effectiveness (Cornforth, 2001). In addition, Brown (2005) found that perceived organizational performance was positively correlated with board performance effective boards. Brown's (2005) work provides a framework to consider how organizational performance is affected by board

performance using agency theory, resource dependency theory, and group decision theory (see Brown, 2005) and using the six competencies mentioned previously by Chait, Holland, and Taylor (1991). Brown (2005) used this framework in considering a variety of mostly human service organizations and using Jackson and Holland's (1998) Board Self-Assessment Questionnaire (BSAQ) and found support for each theoretical perspective. Findings in this study support the claim that effective organizations often follow more recommended board practices than less effective boards (Brown, 2005).

Effective boards also, according to Brown (2007), "associate with organizations that tend to perform better in terms of both fiscal performance and perceptions of organizational effectiveness" (p. 301). Green and Griesinger's (1996) work found that there are board activities and aspects of effective boards that are strongly related to organizational effectiveness: policy formation, strategic planning, program monitoring, financial planning, resource development, board development, and conflict resolution. There have been many studies that have sought to measure board effectiveness as well as the relationship between the board and overall organizational effectiveness (Brown, 2005; Herman & Renz, 1999, 2004). Although there is a clear connection between the two (Green & Griesinger, 1996; Herman and Renz, 2000; Holland & Jackson, 1998) the exact relationship is unclear (Herman & Renz, 1999; Herman & Renz, 2008). Although the current study will focus on board effectiveness, there will be implications for organizational effectiveness using theoretical findings of previous scholars (Brown, 2005; Brown, 2007; Cornforth, 2001; Herman & Renz, 1999; Herman & Renz, 2008).

Previous literature has used a variety of constructs to measure board effectiveness. Governing boards have many roles and responsibilities that guide the organization. The effectiveness of these boards is important to study, though the concept of effectiveness differs

based on the indicators of effectiveness, who measures effectiveness, the instrument that measures effectiveness, and the clarity between means and ends (Stone and Cutcher-Gershenfeld 2001). A number of variables have been studied in previous literature to examine board effectiveness. Holland, Chait, and Taylor (1989) identified contextual, educational, interpersonal, intellectual, political, and strategic dimensions as important competencies in their study on trustee effectiveness. These six dimensions have been used frequently throughout scholarship since. Green & Griesinger (1996) note that practitioner research reveals the following as activities of effective boards: deciding and implementing organization's mission, purpose, and policies, strategic planning, deciding or evaluating organizations programs/services, board development, choosing, evaluating, and terminating the CEO, ensuring adequate resources, financial management, interaction with the community, serving as a place for resolution disputes for members of the organization.

One way to measure board effectiveness is utilizing a two-measure approach (Bradshaw et al., 1992; Cornforth, 2001). In this approach, the first measure is a single item scale, such as "overall how effective would you say your governing body is" (Cornforth, 2001, p. 13). The second approach is a multi-scale item. Previous studies have utilized different measures in this approach. For example, Griesinger & Green (1996) used a 5-point scale of numerous questions regarding how frequently the board was actually involved in different activities versus how they felt board member should be involved in certain activities. The questions were based on the nine areas identified in previous literature (Houle, 1989), setting the mission, purpose, and policies, strategic planning, evaluating services, board development, managing the CEO, ensuring resource acquisition, financial management, community engagement, and conflict management. In addition, Herman and Renz (1998), adapted Slesinger's (1991) *Self-Assessment for Nonprofit*

*Governing Boards* and measured: mission, CEO management, relationship between board and CEO and board and staff, program alignment with mission, contribution solicitation, financial management, strategic planning, board selection, marketing, board and committee meeting conduct, and risk management. In Cornforth's (2001) study, a 17-item scale was used including various board roles: strategy and policymaking (setting vision, values, strategic direction, organizational policies), stewardship (financial management and organizational performance), supervising and supporting management (selecting and monitoring CEO), board maintenance (recruiting members and reviewing board performance), and external relations and accountability (legal obligations, representation of stakeholders, taking charge, raising funds, etc.). These items have been measured using a 4-point Likert scale (Cornforth, 2001).

Jackson and Holland (1998) developed the Board Self-Assessment Questionnaire (BSAQ) to assess six different areas of board performance. The instrument measures the six competencies that Holland, Chait, and Taylor (1989) identified (contextual, educational, interpersonal, analytical, political, and strategic), as mentioned previously. The tool was examined for reliability, sensitivity, and validity, and the results of the study showed the BSAQ is a useful way to evaluate the effectiveness of nonprofit boards. The BSAQ has 65 items, and uses a 4-point scale from "strongly agree" to "strongly disagree".

The following section will consider the literature of the independent and controlling variables for the current study.

## **2.3 Board Capital**

Board capital is important to explore in various community foundation studies because it can be used as a measure of the board's ability to provide resources and sustain the organization. Board capital represents the ability of board members to engage in and react to activities such as



offer advice and counsel, provide legitimacy and access to outside constituents, communicate with the organization and the community or environment, and help in strategy formulation (Haynes & Hillman, 2010). These activities are important across corporate and nonprofit organizations, and particularly community foundations, as one of the fastest forms of organized philanthropy and a means to carrying out roles traditionally held by government.

The concept of board capital was first introduced in the corporate literature by Hillman & Dalziel (2003). In their definition, board capital consists of human and relational capital and is related to the provision of resources and firm performance. Research on board capital in the corporate literature focuses on the functions of boards in hierarchical organizational contexts (Dalton et al., 1998; Dalton et al., 1999). Wincent, Anokhin, and Örtqvist's (2010) study attempts to consider network effects on individual units on their study of the impact of board capital on 53 strategic small and medium sized enterprise networks. This study is the first known empirical test of network board capital (Wincent et al., 2010). The findings of this study emphasized the importance of effort and time into board design and board selection. In particular, the study revealed that diversity of backgrounds of board members and their education level facilitated innovative performance in the network. Wincent et al.'s (2010) study utilized the concepts of board diversity, board interlocks, and education to consider innovative performance.

Brown (2007) reiterates this definition of board capital, and states that it consists of both human and relational capital and is influenced through "knowledge, skills, experience, and reputation" (p. 306). Boards with high board capital are likely to provide advice, improve reputation and legitimacy, offer methods of communication to external constituencies, and improve resource acquisition (Brown, 2007; Certo, Daily, & Dalton, 2001; Hillman, Zardkiihi, & Bierman, 1999; Provan, 1980; Westphal, 1998). Yet board capital is not explicitly defined in the

nonprofit sector and has not been studied in relation to nonprofit board effectiveness in community foundations. For this reason, the concept of board capital and its relationship to effectiveness in nonprofit organizations requires deeper study. Based on previous studies of board capital, the following hypothesis is proposed:

*Hypothesis 1: There is a positive relationship between board capital and perceived board effectiveness among community foundation board members.*

The current study builds on previous studies on board capital to include human capital, structural capital, and a social capital framework. Social capital is different from other theories of capital because it focuses on relationships with individuals and their connection with community, while other forms of capital, such as human capital, are based on assets or individuals (Putnam, 1995; Wasko & Faraj, 2005). Board capital includes the knowledge, skills, and reputations that board members bring to the board table, but this study will add the board members' connection with their community to enhance the concept of board capital. In this study, board capital will consist of human capital, structural capital, and social capital.

Human capital, structural capital, and social capital concepts and how they have been previously examined in the literature is next explored.

### *2.3.1 Human Capital*

Human capital has been a field of study given much attention in both private and nonprofit board literature (Brown, 2007; Bucholtz, Ribbens, & Houle, 2003; Hillman & Dalziel, 2003). Human capital can be defined and measured as “the knowledge, skills, and experience of individuals and also their willingness to share these attributes with the organization to create

value” (Baron, 2011, p. 31). Theorists in human capital have argued that concentrated educated individuals can produce high levels of economic growth (Becker, 1964; Glaeser, 2005; Hoyman & Faricy, 2009). According to Schultz (1988), human capital is important because “education is widely viewed as a public good (with positive externalities), which increases the efficiency of economic and political [institutions] while hastening the pace of scientific advancement” (p. 543). Other work has considered human capital a social input, which can bridge business clusters and skilled workers across organizations (Hoyman & Faricy, 2009; Lucas, 1988). Human capital, then, is typically seen as a positive trait of units because of the potential for financial and political growth, as well as innovation.

There is a wealth of research available on measuring human capital in the corporate sector. Research has responded with the sector’s questions of how to invest in human capital, how human capital can lead to economic growth, and measuring the human capital return on investment (Castelló & Doménech, 2002; Fitz-Enz, 1999; Provo, 2000; Schultz, 1961). Private sector research has found that human capital has a positive relationship with economic performance at the entrepreneur’s level and firm’s level, when using the measurement indicators of education level and work experience (Gimeno, Folta, Cooper, & Woo, 1997). Similarly, Pennings, Lee, and Witteloostuijn (1998) found that human capital can affect firm dissolution.

Dakhli & De Clercq (2004) divided human capital in three different ways: firm specific human capital, industry-specific human capital, and individual-specific human capital. Firm specific human capital can relate to specific knowledge and skills that are valued in a specific organization (2004). Industry-specific human capital is the knowledge from specific experiences related to a certain industry. Individual-specific human capital is concerned with applicable knowledge from broad organizations, industries, and society (2004). It can include educational

and vocational experience, training, and even economic well-being. For the purpose of the current study, human capital will be considered as individual-specific human capital. This is because a macro approach is taken toward the effect on board effectiveness by considering the impact of different types of capital, such as human capital, and the economic resources at play within and throughout community foundations.

Research in both the corporate and nonprofit arena has not definitively found one best way to measure human capital because of its context specific nature (Baron, 2011). Human capital measurement must be considered in the context of supply and relevance of competencies to meet organizational needs, which are determined by organizational strategy (Baron, 2011). However, Baron's (2011) review found that there are some human resource management measures that, when applied, can help with providing useful insights. The most valuable measures of human capital include the ones that can target performance levers and help inform their input to the organization or individuals that can use their capital (Baron, 2011). Past measures of human capital include the skills, knowledge, and education individuals have. Research by Dakhli & De Clercq (2004) used level of education, amount of vocational training, age, and relevant management or experience to measure human capital. These measurement indicators are consistent among other literature in the corporate sector (Hinz & Jungbauer-Gans, 1999; Kilkenny, Nalbarte, & Besser, 1999; Guzman & Santos, 2001).

In the nonprofit arena specifically, research shows that aspects of human capital, such as knowledge, can impact their contribution and performance of the board (Brown, 2007; Cornforth, 2001). More specifically, board member competencies make a difference in the quality of their contribution on the board (Brown, 2007). Cornforth (2001) considered aspects of boards and board members that play bearing on nonprofit board effectiveness. His research

supports that, along with board structure and processes, they are certain inputs for effective boards. These inputs are aspects of human capital, including board members must have the time, skills, and experience to do the job in order to be effective boards (Cornforth, 2001). The corporate research on human capital, as well as the nonprofit literature findings of Brown (2007) and Cornforth (2001) guide the next hypothesis for this study:

*Hypothesis 1a: There is a positive relationship between human capital and perceived board effectiveness among community foundation board members.*

### 2.3.2 Structural Capital

Structural capital has been used in the literature to describe organizational culture, infrastructure, routines, practices, processes, committees, intellectual property, and also the capability of the specific organization to pull relationships and networks to enable productivity (Bontis, 1996; Edvinsson & Malone, 1997; Marr, 2005; Roos et al., 1997; Sharpe, 2006; Stewart, 1997). Hall et al. (2003) state that structural capacity is “the ability to deploy the nonfinancial capital that remains when the people from an organization have gone home” (p. 5). According to Benevene and Cortini (2010), structural capital can be defined as the “supportive infrastructure for human resources” (p. 125) and consists of organizational culture, management philosophes, organizational processes, systems, and informational resources.

In terms of structural capital in the nonprofit sector, organizations must structure themselves to address strategic issues and be adaptable and responsive to the environment in order to generate knowledge (Benevene & Cortini, 2010; Weick, 2001). Knowledge acquisition should happen through the interpreting of environmental signals (Daft & Weick, 1984) and should also be recycled as old information becomes outdated (Kong, 2009). Organizational

culture has been found to privilege knowledge gained from direct experience (Benevene & Cortini, 2010). In Benevene and Cortini's (2010) study, researchers found that the most frequently used criteria in selecting senior managers and building structural capacity was seniority within the organization and experiences gained in the field.

Board development helps build the structural capacity of a nonprofit organization by offering resources to individuals on how to achieve their goals. This includes training on organizational culture, infrastructure and other property, routines, organizational practices and processes, committees, and also the sharing of other organizational knowledge that is needed to perform the job correctly and successfully. Research on nonprofit boards has shown that board development increases effectiveness (Brown, 2007; Holland & Jackson, 1998). It is important to stress board development practices in nonprofit organizations because these practices lead to stronger board members, and stronger board members are a significant predictor of board effectiveness (Brown, 2007). Brown's (2007) article considers the relationship between board development and board capabilities through recruitment, orientation, and evaluation. According to Brown (2007), "Board development entails the range of activities related to building and maintaining a strong board of directors" (p. 303). This includes, but is not limited to, selecting, orienting, training, monitoring, and removing board members. To strengthen board effectiveness, boards should consider the board development process every six months or annually (Holland & Jackson, 1998). Development should be on a recurring basis and included in the organization's strategic plan (1998).

The roles of the board are vast, and recent literature on the topic of nonprofit governance puts forward numerous roles, structure, and processes for best practices of boards (Brown & Guo, 2010) important for discussion in structural capacity. Board structure and processes have

been shown to impact board effectiveness in nonprofit organizations (Cornforth, 2001). Yet, board structures and processes have been conceptualized differently (Bradshaw et al., 1992). Board structures may be seen as processes which are formalized and codified, and that may limit board processes and/or board behavior, whereas board processes include how board meetings are carried out, the clarity of board roles, common vision, conflict management, and communication between staff and board (Cornforth, 2001). These organizational processes are considered aspects of structural capital (Benevene & Cortini, 2010).

There is no one best practice for governance boards in terms of processes or structures because the context of an organization influences their behavior (Miller-Millesen, 2003; Heracleous, 2001; Zimmerman & Steven, 2008). Brown and Guo's (2010) study, however, provides more recent literature on the topic of board roles. Through the exploration of two important research questions (first, what do executives depict as the most important roles of the board; and second, under what environmental and organizational contingencies are certain board practices prevalent) Brown and Guo (2010) contacted executives of community foundations and classified their responses into board roles. Their complete list yielded 13 roles identified as the most important: "fund development, strategy and planning, financial oversight, public relations, board member vitality, policy oversight, relationship to executive, provide guidance and expertise, facilitate granting, generate respect, be a "working board", board membership, and become knowledgeable" (p. 540). In answer to their second research question, Brown and Guo (2010) found that institutional and organizational forces may also help to explain how roles are prioritized. For example, the role of the board in resource development may be more likely specified as important in organizations that operate in resource-constrained environments. Also, organizations in complex environments in larger service areas are more likely to place emphasis

on the role of the board in shaping organizational strategy (Brown & Guo, 2010). Finally, the role of the board in oversight capacity was more likely discussed in larger, more diversified organizations (Brown & Guo, 2010).

Structural capital considers organizational infrastructure, processes, and functions that enable human capital. Structural capital tends to be owned by an organization or board, and stays with the board even after board members leave. Based on the literature, the following hypothesis is developed:

*Hypothesis 1b: There is a positive relationship between structural capital and perceived board effectiveness among community foundation board members.*

### *2.3.3 Social Capital*

While human capital and structural capital are both very important in dealing with financial, legal, and human resource issues among others, there are many other functions that nonprofit leaders must perform requiring social capital, such as building relationships and strategic partnerships with the community, building their philanthropy, strategic planning, promoting advocacy, and working on employee relations (King, 2004). Social capital is a vital part of nonprofit organizational survival. Social capital, however, can be difficult to define (Dovey & Onyx, 2001). Coleman (1990) defines it as social resources that include relationships, norms, trust, and values. Coleman's definition speaks to both the individuality and collectiveness of social capital. This is where social capital varies greatly from structural capital, which tends to remain within the confines of the organization. Bourdieu's (1986) definition of social capital includes the act of resource exchange from social interactions of mutual understanding. Bourdieu's definition highlights the individual as the unit of analysis, rather than the particular



network to which they belong (Esser, 2008). Social capital can be seen as a benefit to the individual as a result of their social interactions as well as a benefit to the organization or network in which they are apart; thus, social capital is a worthwhile area of study apart from human capital and structural capital.

Social capital theory has been used extensively in the literature (Agranoff & McGuire, 1998; Coleman, 1990; Halpern, 2005; King, 2004; Putnam, 1995; Wasserman & Faust, 1994). Social capital has been used in a vast amount of social contexts to solve community problems and reach collaborative decisions (Ahn & Ostrom, 2008; Kapucu, 2006). The theory has widely been used in political science, sociology, psychology, and the business field, and is very useful for the study of nonprofit organizations. Nonprofit organizations must build and sustain social capital to achieve their goals (King, 2004). The vast use of social capital is likely because it has been found practical for building organizational effectiveness (Cohen & Prusak, 2001).

Social capital argues that membership in associations should increase social trust (Putnam, 1995), which in turn helps recruit and develop membership on boards, increase philanthropic support, build community relationships, and create shared strategic vision for the organization (King, 2004). The density of association life among individuals, as well as the structure of a network (horizontal ties have more productive social capital than vertical ties) can influence social capital (Putnam, 1995). Social capital is affected by organization type and organization mission, which can have a long-term impact on organization performance (Kapucu, 2006; Kapucu & Demiroz, 2015).

Scholars have used social capital to study network connectivity at various levels of analysis (Burt, 2000). Previous research has noted that organizations are embedded in networks that can provide opportunity for goal attainment (Granovetter, 1985). Networks can add

collaborative public value in policy and programs (Agranoff, 2006). Nonprofit organizations in particular, depending on their context, may benefit from different types of networks (Johansen & LeRoux, 2013). Johansen and LeRoux (2013) found that political networking positively impacted advocacy networking and community networking positively impacted organizational effectiveness in their study on 314 nonprofit organizations. Gulati (1998) and Gulati and Westphal (1999) extended Granovetter's work and suggested interorganizational networks, particularly through board links, can address some of the challenges of building alliances.

While there has been ample research on organization wide networks in different contexts (Graddy & Chen, 2006; Herranz, 2008; Isett & Provan, 2005; Johansen & LeRoux, 2013; Koliba, Mills, & Zia, 2011), the networking aspects of board members within their community in previous literature is much more scant. In fact, numerous research questions on social capital in nonprofit organizations have been raised for future study, including if "organization's stock in social capital" can be measured in nonprofits, and what activities and roles of nonprofit executives use social capital (King, 2004). This research will utilize social capital networking on an individual and community level to measure board capital. Although there is no general consensus on how to measure social capital (Fukuyama, 2001), Coleman (1990) states that qualitative research should be used to measure social capital because it is difficult to separate social capital from its outcomes. An approach that utilizes both a quantitative and qualitative methodology will be used in this study.

One way to measure social capital at the community level is through board interlocks (Lester & Cannella, 2006). Interlocked board members are members who serve on at least two or more boards in the community. Board members can potentially serve on numerous community organizations and as board members of other organizations. In fact, board members on multiple

boards are attractive candidates to other boards (O'Regan & Oster, 2005). Board members have the opportunity to network with a variety of community individuals in which they may not meet under other circumstances (Backman & Smith, 2000), which may be why they are attractive candidates to other boards, as certain formal and informal networks may be already established. Board members may want to proceed with caution, however, as Core, Holthausen, & Larker (1999) found that trustees sitting on corporate boards may have a negative effect due to what they identify as diluted attention. Perhaps for this reason, some board governance experts recommend limits on how many boards members should sit on (MacAvoy & Millstein, 1998).

Ample literature has given attention to the effect that corporate influence has on nonprofit governance boards. Vidovich and Currie (2012) used network analysis to consider the networks of those individuals serving on both nonprofit and corporation boards. Their findings revealed how board directors of corporations are interconnected with other corporate and nonprofit organizations because of actors holding multiple directorships. Although these interlocks do not guarantee information sharing across networks, there is potential of knowledge sharing, particularly in market practices.

Community board members may have ties not only through board interlocks, but also through their place of employment, volunteer positions, or membership in community based clubs, associations, schools, etc. This can be referred to as connectedness within their communities. Nonprofit governance boards that have members with ties to the corporate world may bring in business influences and practices (Ostrower & Stone, 2010). Market strategies brought over from the corporate sector are being used to increase revenues in nonprofits in the current economic climate. These strategies may well serve community foundations that receive their resources for grant allocations from pooling donations. Organizations that depend on

donations and gifts (rather than other earned income) have a greater benefit from these networks (Galaskiewicz, Bielefeld, & Dowell, 2006). In fact, Galaskiewicz et al (2006) found that increased urban elites and/or interorganizational network ties with prominent organizations led to increased organization status over time.

Community foundation board members should understand the local context and know their community's history, organizations, and politics (Hamilton, Parzen, & Brown, 2004). Additionally, they may serve as information hubs through informal networks (Hamilton, Parzen, & Brown, 2004). These informal networks may be through friendship ties and outlets such as social media.

Community foundations may also reach out to build useful knowledge of their communities through research partnerships with Universities. For example, the Greater Milwaukee Foundation engaged with the Center for Urban Initiatives and Research to serve as an information broker and provide the community with information and statistics on low-income neighborhoods and poverty in their area (Hamilton, Parzen, & Brown, 2004). This allowed for an information barrier to be lifted for the community, and led to an initiative to help working families use public programs that were available to them (Hamilton, Parzen, & Brown, 2004).

Another way to consider social capital is through board involvement with the community and other community leaders. Board involvement has been studied extensively on corporate boards. Corporate boards may have different reasons for being committed and involved than nonprofit boards. For example, corporate board members have institutional pressures from pension funds to get members involved (Judge & Zeithaml, 1992). Fewer studies have considered commitment with volunteer boards (for example, see Preston & Brown, 2004).

Although commitment and involvement in nonprofit boards is less studied than corporate boards, few studies have given this topic attention. Bradshaw, Murray, and Wolpin (1992) discuss the importance of board involvement on nonprofit boards for organizational performance. In another study by Preston and Brown (2004), board members of midsized social service nonprofit organizations in the Orange County area of California were tested on commitment. Their findings revealed that committed board members were more involved and perceived to be more engaged and valuable to a nonprofit organization (Preston & Brown, 2004). Effective board members of nonprofit boards are committed to the organization.

Additionally, successful organizations have productive and powerful board members who work closely with the CEO (Hodge & Piccolo, 2005). In fact, board structure (Siciliano, 1997) and financial performance (Bryson, 1981) have been connected to board involvement (Hodge & Piccolo, 2005). Other characteristics of effective board members surrounding commitment and involvement are members that volunteer, attend meetings, events, fundraisers, etc, and are emotionally attached to the organization they work with (Preston & Brown, 2004).

A more recent study by Hodge & Piccolo (2005) looked at the relationships between board involvement techniques, funding structure, and financial performance. Findings of this study revealed board involvement techniques are influential in determining financial vulnerability and funding source (Hodge & Piccolo, 2005). Additionally, privately funded nonprofits were more likely to use board involvement techniques than government funded or commercially supported nonprofits (Hodge & Piccolo, 2005).

Social capital has been measured in numerous different ways in previous literature. For example, in *Bowling Alone*, Putnam (1995) measured social capital using religious involvement, voter participation, community involvement, philanthropy, and also socialization patterns. Other

scholars, such as Kretzman & McKnight (1993) have utilized community asset mapping to consider social capital. Other indicators of social capital that have been used as measurement indicators are trust and cohesiveness (King, 2004). Inkeles (2000) created four separate indicators to measure social capital at the community level. These include social institutions, patterns of culture, modes of communication, and also psychosocial characteristics. Other factors have included community participation, social agency, trust, family and friend connections, diversity, life value, and work connections.

Leaders have been advised to self-assess their social capital (Brass & Krackhardt, 1999). In fact, these scholars used a simplified scoring system approach to doing so, by asking leaders to identify the highly connected individuals and consider their distance from them. In this approach, one point would be given for direct links and two points would be given for indirect links. Other scholars have used a similar approach at the organizational level to assess social capital (Anand, Glick, & Manz, 2002).

As King (2004) suggests, social capital can be used and measured in a number of ways and across different levels of analysis (individual, group, organizational, or community) or in a combination of levels. Based on the literature review of social capital, the following hypothesis is drawn:

*Hypothesis 1c: There is a positive relationship between social capital and perceived board effectiveness among community foundation board members.*

## **2.4 Servant Leadership**

One of the focuses of this study is on the utilization of servant leadership among board members, as this style of leadership is well applied to nonprofit board members in their service

on the board. The rationale for the inclusion of this leadership style within the confines of this study is simple: Well-trained and highly competent board members with all the structural capital needed can likely provide only the assurance that boards have the means in which to be effective. The leadership brought forth on the board provides the assurance that the board will be motivated to do their best to be effective. Previous research shows that executive leadership does play a role in performance and effectiveness (Herman & Heimovics, 1991; Liden, Wayne, Zhao, & Henderson, 2008). Carroll (2005) argues that servant leadership is the core of a nonprofit leader or board member, due to their primary responsibilities being the very core of servant hood and servant leadership. Thus, servant leadership is an important and unique aspect to include in this study, and can provide the study with a more colorful look at understanding how board members can contribute to or hinder board effectiveness.

The literature has revealed countless definitions of leadership. Yukl (2002) defines leadership as, “the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish the shared objectives” (p. 7). Leadership styles are frequently considered traditional or contemporary, and can be argued to be innate or learned. Examples of contemporary styles of leadership include, but are not limited to servant leadership, transformational leadership, and contingency leadership (Mestenhauser & Ellingboe, 2005).

A tenant of servant leadership is that it should be focused on serving others before serving the needs of self (Carroll, 2005; Johnson, 2001). Greenleaf, credited with the development of servant leadership theory, stated, “the servant leader is servant first. It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead” (Greenleaf, 1977, p.27). Many authorities that work with servant leadership

state that learning servant leadership is a journey of self-discovery and personal transformation (Page & Wong, 2000). Although sources have identified the difficulty in defining servant leadership due to the core of the theory being not only a style of leadership but also an attitude toward responsibilities of leadership, it can be defined as “a leader whose primary purpose for leading is to serve others by investing their development and well being for the benefit of accomplishing tasks and goals for the common good... In servant leadership, self-interest gives way to collective human development” (Page & Wong, 2000, p. 2). According to Greenleaf (2003), servant leaders are necessary to build innovative organizations.

Multiple characteristics of servant leaders have been developed based on Greenleaf’s writings, which include values and competencies that servant leaders must possess (Spears & Lawrence, 2002). These characteristics include listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to human growth, and building community (Spears & Lawrence, 2002). Although these characteristics are the core of servant leaders during their transformational experience, they are not the final elements that define servant leaders. They merely, “serve to communicate the power and promise that this concept offers to those who are open to its invitation and challenge” (Spears & Lawrence, 2002). As experiences are often unique, functional and accompanying attributes have been developed based on themes repeated in the literature (Russell & Stone, 2002). Functional attributes include: vision, honesty, integrity, trust, service, modeling, pioneering, appreciation of others, and empowerment (Russell & Stone, 2002). The supplemental accompanying attributes found in the literature include communication, credibility, competence, stewardship, visibility, influence, persuasion, listening, encouragement, teaching, and delegation (Russell & Stone, 2002).



Servant leaders are different from others with goodwill intent because they act out their beliefs. Servant leadership has been contrasted with transformational leadership in nonprofit organizations (Schneider & George, 2011; Spears, 1998). Although there are many similar characteristics between these two leadership styles, the main difference is that servant leaders achieve organizational and personal goals, but also have moral responsibility to serve stakeholders (Ehrhart, 2004; Schneider & George, 2011). In addition, Parolini et al., (2009) found servant leaders tend to make service a priority over transformational leaders. Therefore, servant leadership has a unique focus on service to the followers instead of on how to engage followers to achieve institutional goals. In fact, a study by Schneider & George (2011) found that servant leadership was a better predictor of nonprofit member's commitment, satisfaction, and intention to stay in the organization. In addition, Spears (1998) suggested that the most appropriate leadership style for nonprofit organizations is servant leadership because they work with volunteer relationships and intrinsic motivators.

Researchers have set out to determine a valid and reliable instrument for measuring servant leadership. However, there are few known quantitative measures of this construct, likely because this operationalization runs the risk of reductionism of the concept (Page & Wong, 2000). According to Frick (1998), this may be because "if servant-leadership is reduced to a collection of admirable qualities and learned skills that are displayed in organizational settings, it is all too easy to forget that servant-leadership is, first about deep identity" (p. 354). Yet, Campbell (1992) has provided evidence that leadership characteristics have the means to be both measured and studied scientifically.

The first known study to develop an instrument to explicitly measure servant leadership is Page and Wong (2000). These measures were created through extensive literature review on

servant leadership, which revealed 200 independent items as descriptors. Through a series of processes to refine and combine themes, the process resulted in 12 distinct categories: integrity, humility, servanthood, caring for others, empowering others, developing others, visioning, goal-setting, leading, modeling, team-building, and shared decision-making (Page & Wong, 2000). These categories can be grouped into four orientations, also the four common domains of leadership: personality, relationship, tasks, and processes (Page & Wong, 2000). These are consistent with other leadership theories studied in nonprofit literature.

Dennis & Winston (2003) took the work of Page & Wong (2000) one step further to conduct a factor analysis of their servant leadership instrument and reduced the 99-item scale to 20 items. This study suggested a 20-item scale focusing on vision, empowerment, and service based on their factor analysis. The work of Dennis & Winston (2003) confirmed the original 12 factors of Page and Wong, crediting the original dimensions with merit.

Liden, Wayne, Zhao, and Henderson (2008) further considered measurement of servant leadership theory focusing on 9 dimensions similar to previous research: emotional healing, creating value for the community, conceptual skills, empowering, helping subordinates grow and succeed, putting subordinates first, behaving ethically, relationships, and servanthood. Researchers validated a 28-item servant leadership scale through regressing outcomes of various servant leadership dimensions after controlling for transformational leadership and leader-member exchange in a linear modeling analysis. The 28-item scale was created because none of the previously existing scales identified exactly consistent items, relevant to working organizations, and containing at least 3 items for each dimension needed for internal consistency reliability. This study affirmed previous studies suggesting servant leadership is a multidimensional construct and contributes beyond transformational leadership and other

leadership theories in explaining community behaviors, in-role performance, and commitment (Liden et al., 2008).

Dierendonck and Nuijten (2011) also developed a Servant Leadership Survey (SLS) based on an eight dimensional measure of 30 separate items. Dimensions included standing back, forgiveness, courage, empowerment, accountability, authenticity, humility, and stewardship (Dierendonck & Nuijten, 2011). The SLS introduced in this literature was the first measure in which the underlying factor structure was created and also confirmed across numerous fields of study in two countries (Dierendonck & Nuijten, 2011). The SLS is a valid and reliable instrument used to measure important elements of servant leadership that are consistent throughout the literature. The SLS instrument is designed for constituents to fill out, based on a specific leadership style.

Based on the literature on servant leadership, the following hypothesis is proposed.

*Hypothesis 2: There is a positive relationship between servant leadership and perceived board effectiveness among community foundation board members.*

## **2.5 Control Variables**

There are several factors that will be controlled for in this study, including participant age, race, gender, and board size. The extent to which age, race, and sex of board members matters in effectiveness is unclear in the literature. Board composition has been extensively studied in literature, both from the business sector and the nonprofit sector. Factors such as gender, age, and race and status groups/diversity have all been considered on boards.

The nonprofit literature on board composition is contradictory. Pfeffer (1973) considered the boards of 57 hospitals to explore the determinants of size, composition, and function. The results of this study revealed that boards are linked with their environment, and as such, the board

composition was correlated with the social context in which the organization was embedded. This composition impacted how the organizations (hospitals) could obtain community support and achieve effectiveness (Pfeffer, 1973). Other nonprofit literature by Brown (2002a) and Siciliano (1996) also found that composition of the board influences performance. According to Brown (2002a), higher performing boards have more diverse board membership, specifically in terms of racial diversity. Siciliano (1996) found that when occupational diversity was present in the board, there were higher levels of social performance and fundraising in a study of 240 YMCA organizations. Additionally, having diverse age groups on the board was connected with increased donations (Siciliano, 1996). On the other hand, O'Regan and Oster (2005) found that there was no relationship between personal demographics and performance on the board; however, length of service on the board and multiple board service (board interlocks) do seem to matter.

The National Center for Nonprofit Boards (NCNB) explored diversity on nonprofit boards and found, consistent with previous literature by Kang & Cnaan (1995), that board members are primarily white (80%) and male (60%), though minority membership is increasing (Rutledge, 1994). Diversity, then, is an important area to consider as the dynamics within nonprofits have changed over the past two decades.

Specific organizational attributes have also been associated with effective board performance. For example, Brown (2005) found an association between organizations with more staff members and board performance. Brown (2005) found larger boards judged to be more contextual and more strategic than smaller boards. The research attributes this finding to agency and resource dependency theory, as they suggest larger boards are more skilled at performing the monitoring function and providing resources. Additionally, organizations with larger budgets had

higher performance on strategic dimension and organizations with more staff showed improved financial performance (Brown, 2005). Organizations operating at a net financial surplus were positively associated with board performance (Brown, 2005).

Board size will be considered a control variable in this study. Board size will be used to examine the extent to which the number of board members serving on the board impacts board effectiveness. Research suggests that there are specific aspects of board members that make a difference on board performance, including factors such as having major donors on the board, community representation, and board size (Brown, 2005). However, board size fluctuates and is often limited to a small size.

The literature suggests that diversity in terms of age, race, gender, and board size have had various impacts on performance and effectiveness in nonprofits; thus a directional hypothesis was not proposed. Instead, the following relational hypotheses are proposed utilizing the supportive literature:

*Hypothesis 3: There is a relationship with board member age and perceived board effectiveness among community foundation board members.*

*Hypothesis 4: There is a relationship with board member race and perceived board effectiveness among community foundation board members*

*Hypothesis 5: There is a relationship with board member gender and perceived board effectiveness among community foundation board members.*

*Hypothesis 6: There is a relationship with board size and perceived board effectiveness among community foundation board members*

Hypotheses 4, 5, and 6 are created based on previous studies by Brown (2002a, 2005), Ostrower (2007), Pfeffer (1973), and Siciliano (1996), which suggests that observable attributes

of board member diversity (gender and race) and board size can and do influence the effectiveness of the board, in some circumstances. The following section will examine some of the gaps surrounding nonprofit boards and issues, which are applicable to community foundations, as well as explore the gaps surrounding the concept of board effectiveness in nonprofit literature.

## **2.6 Research Gap**

Nonprofit literature shows that the main topics in nonprofit research in human services and health organizations include board composition, board and staff relations, board roles and responsibilities, board effectiveness and organizational effectiveness (Ostrower & Stone, 2006). In a review of articles between 2005-2010 in three leading nonprofit journals, Cornforth (2012) found that the focus has remained on boards, though the focus area has broadened since Ostrower & Stone's (2006) review to a variety of other topics such as governance, stakeholders, and accountability. Cornforth's (2012) review on nonprofit governance board research considers three main limitations in previous research on nonprofit organizations. First, nonprofits have been conceptualized very narrowly surrounding the board and board behavior. Second, research has been mostly surrounding unitary organizations with one board, rather than more complex multilevel governance structures. Finally, previous research on governance boards has been mostly cross-sectional in designs and is positivist in orientation. Cornforth (2012) suggests that these issues show promise and direction for the future of nonprofit governance research.

Though effectiveness is a recurrent topic in nonprofit literature (Ostrower & Stone, 2006), there have been research gaps surrounding the topic. For example, Herman and Renz (2008) note that most research to date on nonprofit effectiveness and network effectiveness has previously focused on for-profit organizations. They predicted more research on network

effectiveness and nonprofit effectiveness due to the growing concerns over sustainability and the increase of collaborative nonprofit networks.

Nonprofit effectiveness in relation to nonprofit boards also has research gaps that should be examined. Bradshaw, Murray, and Wolpin (1992) studied the perceptions of board effectiveness with prescriptions of how boards should operate. They noted that future research surrounding nonprofit board governance should look at the institutional nature of the board's connection with the organization, as well as the influence on performance. Additionally, they call for more research on how the board can represent and legitimate the activities of the organization.

## **2.7 Conceptual Framework**

This chapter has served to present the relevant literature on the topic of board capital, including the concepts of human capital, structural capital, and social capital. In addition, the chapter has presented a literature review of servant leadership and board effectiveness. Based on the literature and theory proposed, the following conceptual framework has been constructed to guide the logic of this study. The conceptual framework (Figure 1) is a practically and theoretically informed framework. In Figure 1 it is observed that board capital and servant leadership leads to perceived board effectiveness. A thorough definition of the measurement indicators for each exogenous variable (board capital and servant leadership) and the endogenous variable (board effectiveness) that will be used for this study are explored in the research methodology section. The ordinal model that will be used to explore this concept map is as follows, where  $Y^*$  has 3 different threshold points, “less”, “moderate”, and “high” board effectiveness, as will be discussed in the methodology chapter.

$$Y_i = 1 \text{ if } Y^*_i \text{ is } \leq \kappa_i$$

$$Y_i = 2 \text{ if } \kappa_1 \leq Y^*_i \leq \kappa_2$$

$$Y_i = 3 \text{ if } Y^*_i \geq \kappa_2$$

The value on why will depend whether particular thresholds are crossed. Y may be a collapsed version of Y\*, which can be collapsed into categories (Williams, 2015). The variable Y\* may be equal to:  $Y^*_i = \sum \beta_k X_{ki} + \epsilon_i = Z_i + \epsilon_i$ . The purpose of this is to help understand and estimate what the probability is that the unobserved variable Y\* will be within different thresholds.

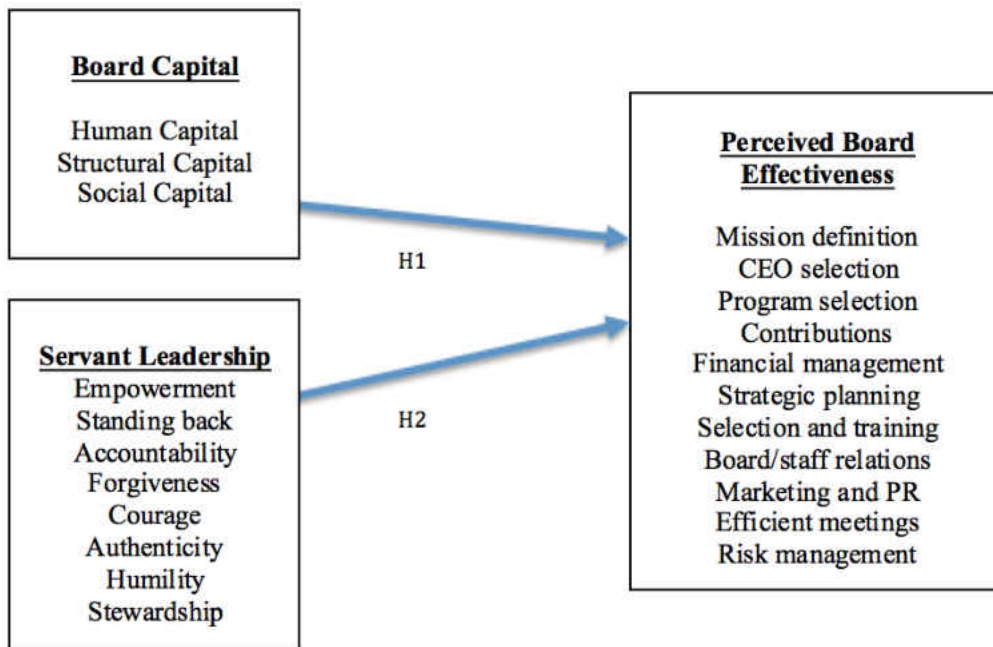


Figure 2. Conceptual Framework

This chapter has served to provide a literature review of the major concepts of this study, including effectiveness of nonprofit boards, board capital, and servant leadership. The theoretical



framework presented in Figure 1 shows the study hypothesis presented in this chapter. The study has two overarching hypotheses, as seen above:

*H1: There is a positive relationship between board capital and perceived board effectiveness among community foundation board members; and*

*H2: There is a positive relationship between servant leadership and perceived board effectiveness among community foundation board members.*

Further, the study will consider the following four hypotheses, which relate to the control variables in this study.

*H3: There is a positive relationship with board member age and perceived board effectiveness among community foundation board members.*

*H4: There is a positive relationship with board member race and perceived board effectiveness among community foundation board members*

*H5: There is a positive relationship with board member gender and perceived board effectiveness among community foundation board members.*

*H6: There is a positive relationship with board size and perceived board effectiveness among community foundation board members*

The next chapter discusses the methodology that the study follows. The methodology includes a description of the variables in the study and how they are measured. Further, the methodology presents the survey instruments used in the study and a description of the data analysis procedures.

## CHAPTER 3: METHODOLOGY

### 3.1 Introduction

This chapter provides the research methodology for the study. This chapter will discuss the study design, the study variables, sampling, and the survey instrument. The study is a non-experimental, cross-sectional design. The study collects data from board members and executive directors at one point in time. The following section will discuss the study variables that are used in the analysis.

### 3.2 Study Variables

The study variables are explored individually in this section. A definition of the measurement of each variable will be described, followed by the analysis used on the data.

#### 3.2.1 Board Effectiveness

A variety of studies have considered ways to assess or measure board performance. According to Cornforth (2001), the most common approach has been identifying board functions and measuring how those functions are being performed. This study utilizes an abbreviated version of Jackson & Holland's (1998) BSAQ. Abbreviated versions have been adapted in previous literature for length purposes (see Cornforth, 2001) and this approach will be consistent in the current study. First, the study will model Cornforth's (2001) approach and ask an overall effectiveness question on a 5-point Likert scale, from strongly disagree to strongly agree. Then, questions from the BSAQ will be utilized, using a 5-point Likert scale from very poor to excellent. The BSAQ constructs will be used to gauge the questions. Table 1 shows the measurement indicators of board effectiveness that will be used in this study, along with the

corresponding questions that will be utilized on the survey tool. The question numbers relate to the order on the survey tool (see Appendix A). Boards are classified into groups by score, thus the study will use an ordinal regression for analysis. To determine the groups, each indicating question is assigned a value of 1-5. The total score for each participant is added, and groups are classified as “less effective”, “moderately effective”, or “more effective”.

Table 1. Board Effectiveness Measures

Construct	Corresponding Questions
	12. The board’s performance in mission definition and review
	13. The board’s relationship with and review of the CEO/Executive Director
	14. The board’s performance in funding selection is consistent with mission and program monitoring
	15. The board’s performance in giving and soliciting contributions
	16. The board’s performance in financial management
	17. The board’s performance in strategic planning
	18. The board’s performance with new members in selection and training
	19. The board’s working relationship between board and staff
	20. The board’s performance in marketing and public relations
	21. Efficiency in conducting board and committee meetings
	22. The board’s performance in risk management
	59. Overall, the community foundation board is effective.

### 3.2.2 Board Capital

Board capital is an index variable measured by three sub categories: human capital, structural capital, and social capital in this study. In this study, board capital may be a mediating variable, meaning there is a causal process between the different types of capital and board effectiveness (Little et al., 2007). Based on the literature of human capital, structural capital, and social capital, it may be assumed that board capital is a partially mediating variable. There is a partially mediated relationship if there is a direct effect of board capital on board effectiveness, but also the relationship between human capital, structural capital, and social capital with board effectiveness is also significant (Little et al., 2007). Mediation is intended to relate to the

magnitude of the mediation effect (Little et al., 2007). The partial mediation term is based on the p-values. This concept is explored in the findings chapter of this study, as it must be validated during data analysis. The following sections discuss the measurement indicators human capital, structural capital, and social capital.

### 3.2.2.1 Human Capital

Although there is no one best way to measure human capital, literature has frequently used knowledge, skills, and experience (Baron, 2011; Hinz & Jungbauer-Gans, 1999; Kilkenny, Nalbarte, & Besser, 1999; Guzman & Santos, 2001). In addition, Dakhli & De Clercq (2004) state human capital measures include educational and vocational experience and previous trainings. This study will be consistent with previous literature and use the following indicators of human capital: knowledge, skills, experience, and education. Table 2 shows the measurement indicators of human capital that will be used in this study, along with the corresponding questions that will be utilized on the survey tool. The question numbers in Table 2 relate to the order on the survey tool (see Appendix A).

Table 2. Human Capital Measures

Construct	Corresponding Question
Knowledge	24. I feel that I have all of the personal knowledge needed to fulfill my job in this community foundation.
Skills	25. I feel that I have the all of the personal skills or certificates needed to fulfill my job in this community foundation.
Experience	26. I feel that I have all of the personal experience needed to fulfill my job with this community foundation.
Education	27. I feel that I have all of the education needed to fulfill my job with this community foundation.

### 3.2.2.2 Structural Capital

As the supportive infrastructure for human resources (Benevene & Cortini, 2010), structural capital can be measured in numerous ways. Structural capital is the “nonfinancial” capital of the board (Hall et al., 2003). This can include efficient information, the relay of information, and resource availability. In addition, another way to consider structural capital is through board development, which can be defined as recruitment, orientation, and evaluation (Brown, 2007). This study utilizes four separate measurement indicators to consider structural capital, including board development, adequate resources, efficient meetings, and information. Table 3 shows the measurement indicators of structural capital that will be used in this study, along with the corresponding questions that will be utilized on the survey tool. The question numbers relate to the order on the survey tool (see Appendix A). The structural capital score for each participant is created by assigning each indicating question a value of 1 to 5, depending on the Likert answer, and summing the total scores.

Table 3. Structural Capital Measures

Construct	Corresponding Question
Board Development	28. I was given the appropriate board development (including training, orientation, and evaluation) for my role on this board.
Adequate Resources	29. The structure of this organization is well designed to help it reach its goals.
	30. I am given all of the resources (space, materials, time, help) necessary to complete my job on this board.
Efficient Meetings	31. The board meetings for this organization are efficient.
Information	32. I am given adequate information to make important decisions on this board.

### 3.2.2.3 Social Capital

Social capital can be measured in a number of ways (King, 2004). Previous literature has measured social capital through religious involvement, family and friend connections, voter

participation, community involvement, board interlocks, philanthropy, socialization patterns, asset mapping, trust, and cohesiveness, among other measures (Inkeles , 2000; King, 2004; Kretzman & McKnight, 1993; Lester & Cannella, 2006; Putnam, 2005). Because of the focus of the current study on nonprofit boards, board interlocks, trust, community involvement, and connectedness will be used to measure social capital. The questions related to these indicators are seen in Table 4. Response options are on a 5-point Likert scale, from strongly disagree to strongly agree.

Table 4. Social Capital Measures

Construct	Corresponding Question
Board Interlocks	33. I am a board member of more than 1 board in my community (may include other community foundations, nonprofit organizations, corporate boards, community boards, etc.).
Trust	34. Because of my involvement with my community, I feel that I have garnered the public trust.
Community Involvement	35. I am active in my community, regularly attending multiple different community and volunteer events.
Connectedness	36. I am socially connected in multiple ways throughout my community.

### 3.2.3 Servant Leadership

This study will utilize eight dimensions of servant leadership identified by Dierendonck & Nuijten (2010) for measuring servant leadership (SLS). The eight dimensions include empowerment, standing back, accountability, forgiveness, courage, authenticity, humility, and stewardship. The scale used by Dierendonck & Nuijten (2010) consists of 30 items, and has been noted for its validity and reliability. The current study has adapted these items to a first person instrument, and disregarded 7 questions that are not relevant to nonprofit board members. The 8 dimensions, and their corresponding questions are presented in Table 5.

Table 5. Servant Leadership Measures

Construct	Corresponding Question(s)
Empowerment	37. I encourage others to use their talents.
	38. I help other board members to develop themselves.
	39. I encourage others on the board to come up with new ideas.
	40. When given the chance, I offer others the opportunity to learn new skills.
Standing back	41. I give credit to others for their work on the board, even when I am supervising.
	42. I do not chase recognition or rewards for things others do for the board.
	43. I enjoy the success of my colleagues more than my own success.
Accountability	44. I hold others responsible for the work he/she carries out.
	45. I am held accountable for my performance by others on the board.
Forgiveness	46. I criticize others for their mistakes they have made in their work. (R)
	47. I maintain a hard attitude toward others who have offended me on the board. (R)
	48. I find it difficult to forget things that have gone wrong in the past. (R)
Courage	49. I take risks even when I am not certain of the support I will receive from others.
Authenticity	50. I am open about my limitations and weaknesses on the board.
	51. I am touched by the things that are happening around me.
	52. I show my true feelings to others on the board.
	53. I am prepared to express my own feelings, even if it may have undesirable consequences.
Humility	54. I learn from the criticism I receive from others.
	55. I admit when I make a mistake to others on the board.
	56. I learn from the different views and opinions of others.
Stewardship	57. I emphasize to others on the board the importance of focusing on the good of the whole.
	58. I have a long-term personal vision.
	59. I emphasize our societal responsibility to others on the board.

### 3.2.4 Control Variables

This study will control for board size, and age, sex, race of board members. These variables will be captured in the demographic data. Board size is determined using online databases, and verifying the information with community foundation CEO's or board chairs. Table 6 presents all of the variables that will be used in this study, including indicators, abbreviations, variable type, and data source.

Table 6. Operational Definition of Variables

Variable	Indicator	Indicator Abbreviation	Type of Variable	Data Source
Board Effectiveness (BEF) Dependent Variable	Perception of the boards performance in mission definition and review	BE1	Ordinal	Survey
	Perception of the boards performance in CEO selection and review and working relationship between the board and CEO	BE2	Ordinal	Survey
	Perception of the boards performance in program selection consistent with mission and program monitoring	BE3	Ordinal	Survey
	Perception of the boards performance in giving and soliciting contributions	BE4	Ordinal	Survey
	Perception of the boards performance in financial management	BE5	Ordinal	Survey
	Perception of the boards performance in strategic planning	BE6	Ordinal	Survey
	Perception of the boards performance with new board members in selection and training	BE7	Ordinal	Survey
	Perception of the boards working relationship among board and staff	BE8	Ordinal	Survey
	Perception of the boards performance in marketing and public relations	BE9	Ordinal	Survey
	Perception of how the board conducts board and committee meetings	BE10	Ordinal	Survey
	Perception of the boards performance in risk management	BE11	Ordinal	Survey
Human Capital (HUC) Independent Variable	Extent of board member experience	HC1	Ordinal	Survey
	Extent of board member knowledge	HC2	Ordinal	Survey
	Extent of board member skills	HC3	Ordinal	Survey



<b>Variable</b>	<b>Indicator</b>	<b>Indicator Abbreviation</b>	<b>Type of Variable</b>	<b>Data Source</b>
	Extent of board member education	HC4	Ordinal	Survey
Structural Capital (STC) (Independent Variable)	Extent of board development	SC1	Ordinal	Survey
	Extent of available resources	SC2	Ordinal	Survey
	Extent of efficient meetings	SC3	Ordinal	Survey
	Extent of adequate information made available	SC4	Ordinal	Survey
Social Capital (SOC) (Latent Exogenous)	Extent of board interlocks	SoC1	Ordinal	Survey
	Extent of trustworthiness	SoC2	Ordinal	Survey
	Extent of community and civic involvement	SoC3	Ordinal	Survey
	Extent of social connectedness	SoC4	Ordinal	Survey
Servant Leadership (SLP) (Independent Variable)	Board member perceived empowerment	SL1	Ordinal	Survey
	Board member perceived standing back	SL2	Ordinal	Survey
	Board member perceived accountability	SL3	Ordinal	Survey
	Board member perceived forgiveness	SL4	Ordinal	Survey
	Board member perceived authenticity	SL5	Ordinal	Survey
	Board member perceived humility	SL6	Ordinal	Survey
	Board member perceived stewardship	SL7	Ordinal	Survey
Control Variables	Age of board member	Age	Ratio	Survey
	Race of board member	Race	Nominal	Survey
	Gender of board member	Gender	Categorical	Survey
	Size of board	BoardSize	Ratio	External Data

In total, the survey questionnaire is 69-items, containing 5-point Likert style questions, short answer questions, and demographic questions to capture these study variables. The same survey was made available to participants in Survey Monkey and in paper format (Appendix A).

### **3.3 Data Analysis**

This study uses quantitative methods to consider empirical data collected by the survey. Cross-sectional surveys collect data during one point in time and in this study can be labeled as a snapshot of community foundation board members and executive directors in Florida.

The Likert questions used in this study are ordinal in nature, and therefore may not be assumed to be continuous or equal interval variables (Borooah, 2002). An ordinal regression (OLR) will be used to analyze the quantitative data, as it is a linear regression-like model which has been found appropriate for attitudinal or perception responses measured on a continuous ordinal scale (McCullagh & Nelder, 1989). An OLR is used to model the probability of an event occurring, estimate the probability that the event occurs versus not occurring, predict the effect of various variables on an ordinal response, and classify observations by estimating probability that a probability is in a specific category (Harrell, 2015). Thus, an OLR is suitable when an ordinal dependent variable is present, and allows the researcher to predict outcomes, such as effectiveness (Pallant, 2010). An OLR is necessary after ensuring that 4 basic assumptions are met: the dependent variable should be an ordinal level variable, there is one or more independent variables that are ordinal, continuous, or categorical, multicollinearity does not exist, or limited, and there are proportional odds (Williams, 2006). In this study, board effectiveness is an ordinal variable and requires the use of a OLR model.

The quantitative data analysis consisted of three overarching phases. Cross tabulations were first considered to see the various Likert scales used and to determine if they should be treated as continuous or grouped into categories and how to work with missing data. Chi square analyses were also conducted to consider various associations among study variables and to look for any inconsistencies that may exist in the data before moving to the regression. Many chi-squares were run to consider the relationships among variables. Although the chi-squares did not aim to test the study hypotheses, they were run to have a better understanding of the variables and relationships among them in determining the best model fit. The findings of the chi-square also help explain significant variables that may be considered in more rigorous testing, and may explain findings of the regression due to the unique distribution of the data set in this study. Next, the degree of association between servant leadership, board capital, and board capital indicators and between overall board effectiveness was computed by correlations. Finally, an ordinal regression was run to assess the factors that best explained variations across board effectiveness. A final regression model was created by using predictors from each variable in turn and finding the model that best fit the data.

This study also uses qualitative methods of analysis of focus groups. Qualitative data provides this study with further conclusions on board effectiveness that were not considered in previous literature (Maxwell, 2005). In the current study, focus groups were used to assess the participants' reaction to the quantitative results in this paper. Focus group questions were developed based on looking at preliminary findings from the quantitative data. This is a sound research approach for focus group question development (Kitzinger, 1995). Further, questions were developed following an approach to incorporate first engagement questions, followed by exploration questions, and finally an exit question, as is suggested in the literature (Greenbaum,

1998). Each participant in the focus groups was given a \$5 dollar incentive for participation. An onlooker and recorder were present during each focus group, documenting facial expressions, atmosphere, after the participants' consent, focus groups were recorded and transcribed.

The transcriptions were analyzed via content analysis. Specifically, a five-step process identified in the literature by Ryan and Bernard (2003) was used to identify recurrent themes among participant statements. The second step consisted of forming grouping categories, which were compared among the data, and then the categories were organized. Each statement was then put into a category. Finally, subcategories were developed to finalize the results (Bryer, 2009). This process was complete with 3 different researchers, and common themes were grouped. The utilization of multiple researchers in identifying themes is a process recommended for validity in analyzing qualitative data in the literature (Rabiee, 2004). Data collected from the focus groups serves to further enlighten why some boards are more effective than others and provide additional insight on identifiers of effective community foundation boards. The qualitative methods complement the findings of this study and identifies areas that may need further research in future studies.

### **3.4 Sample**

The researcher contacted executive directors and/or board chairs of the 28 Florida community foundations associated with the FPN to ask for participation and support of doctoral student research. An additional community foundation was invited to participate in the research due to a connection with the Center for Public and Nonprofit Management at the University of Central Florida. Therefore, a total of 29 community foundations and their board members were sought after for participation in this research.

### **3.5 Data Collection Method**

Three different methods were used to contact individuals for participation in this research. First, executive directors and/or board chairs of each of the foundations were emailed an invitation for participation (see Appendix D). Executive directors and/or board chairs received up to 3 different emails for participation. Once initial contact was made via email, follow up phone calls and voicemails were left with executive directors at each of the foundations. Third, packages were mailed out to each foundation containing a formal invitation letter, along with paper copies of surveys to be distributed at board meetings and pre-addressed return packaging. Each communication outlined the informed consent and survey, and asked the board chair or executive director to communicate with the board and facilitate distributing the survey. All communication was made with the community foundations beginning in May 2015 until November 2015. Each participant was offered a \$5 Starbucks gift card for participation in the survey, which was mailed to the participant separately after receiving a completed survey.

Once the survey data period closed, the researcher invited 3 boards to participate in follow up focus groups. The three boards invited were located in the central Florida region, out of convenience in travel for the researcher. Out of accessibility for the board members, it was asked for the focus group to be held during a regularly scheduled board meeting. Two community foundations agreed to participate. The researcher recorded the focus groups and had assistance from a trained facilitator in taking notes of unobservable behaviors, facial expressions, culture, and atmosphere of the focus groups and meeting space, a sound practice for focus group facilitation in identifying non-verbal reactions to questions (Kitzinger, 1995; Rabiee, 2004).

### **3.6 Research Human Subject Approval**

Before conducting this study, approval was sought from the University of Central Florida's Institutional Review Board (IRB). Appendix B shows the IRB approval for the survey. Appendix C shows the approval from the IRB after changes and modifications were made in the focus group questions. There were no risks for participants who agreed to participate in the survey or focus groups. Surveys were confidential, and any report of findings did not include confidential information that linked participants with results. Focus group participants were asked for permission before participating. In addition, focus group participants were randomly assigned a letter A-Z and asked to repeat the letter before responding. This protected identification in transcriptions.

This chapter has provided the methodology for this study. The way in which the dependent, independent, and control variables are measured in this study was provided, followed by a discussion of the data analyses that are used. The methodology provided how respondents were recruited for participation in the research, and shows that both quantitative and qualitative data is considered in the study. The next chapter will discuss the findings of this data.

## **CHAPTER 4: FINDINGS**

The findings chapter introduces the data analysis findings of the quantitative and qualitative portions of the study. The data analysis methods included the four overarching phases. The first step includes calculating the response rate and descriptive statistics of each study variable, including descriptives of each indicating question. Next, cross tabulations and chi square analyses were run with the study variables, along with correlation results to meet assumptions of the proposed data analyses model. Then, the findings of the ordinal regression and model of best fit are presented. Lastly, an analysis of the focus group findings is presented in themes.

### **4.1 Descriptive Statistics**

Of the 29 community foundations invited to participate in the research, the researcher heard back from 21 community foundations. The other eight foundations were assumed by the researcher to be seasonal, inactive, have no staff and/or infrastructure, outdated websites and phone numbers, or no longer affiliated with the FPN. Of the 21 community foundations that were successfully contacted or found to be in existence, 3 declined to participate for reasons including timing, transition of boards, transition in location of foundation, new campaigns being launched, and/or lack of executive director. In addition, three other community foundation executive directors or board chairs agreed to fill out the survey but did not want to distribute to their board members due to workload and prior commitments. Further, three executives agreed to participate with the contingency of only asking their board to fill out the survey once or including the link of the survey on regular board communication or newsletters, and not to offer any more follow up communication due to time limitations and commitments.

Due to the complexity in the nature of survey distribution in this study, the response rate is presented in two ways. First, the response by successful point of contact (where at least one survey was completed from the foundation) is 66.7%, or 14 out of 21. A grand total of 74 surveys were received, 71 of which were useable. Three surveys were discarded due to less than 20% of the survey being complete, and missing basic identifying information. Of the 71 completed surveys, some survey responses were missing responses. These missing responses were imputed by obtaining the maximum likelihood estimators, a tool called Expectation-Maximization in SPSS.

Assuming that the survey was not distributed to or received by board members beyond the board chair or executive director for 11 of the 21 organizations, the response rate for this study is 42%, or 71 out of 169. Table 7 shows the number of participating foundations by region (see Figure 1) and the frequency of responses received within region.

Table 7. Response Frequency by Region

Region	Number of Responding Foundations	Response Frequency by Region
North	2	6
Central	5	24
Southeast	1	5
Southwest	6	36
Total	14	71

Demographic data was collected from participants to describe the sample and to give information related to the control variables in this study. Descriptive analyses and descriptive frequencies were run for each demographic question, and the results of the relevant variables are presented in Table 8.



Table 8. Participant Demographic Characteristics

Variables	Attribute	Frequency	%
Gender	Male	50	70.4
	Female	21	29.6
	Total	71	100.0
Race	White, non-Hispanic	66	93.0
	Black or African American	3	4.2
	Asian/pacific islander	1	1.4
	Indian American	1	1.4
	Total	71	100.0
Gross Family Income	Less than 28,000	2	2.8
	75,000-99,000	2	2.8
	100,000-124,000	5	7.0
	125,000-150,000	6	8.5
	More than 150,000	54	76.1
	Total	71	100.0
Education Level	Bachelor's Degree or Equivalent	27	39.1
	Master's Degree or Equivalent	21	30.4
	Doctorate or other professional degree	21	30.4
	Total	69	100.0
Role on the Board	1 = Board Member	61	85.9
	2 = Executive Director/CEO	9	12.7
	4 = Advisor	1	1.4
	Total	71	100.0

Table 8 shows that most (70.4%) of respondents were male, and the vast majority reported their race as white, non-Hispanic (93.0%). In addition, 76.1% of respondents stated their gross family income was more than \$150,000. Further, 97.2% of respondents reported making over 75k per year, and 76.1% of participants reported making more than \$150,000 a year. This puts the sample population at a much higher household income than the 2014 median household income of the US at \$53,675 (DeNavus-Walt & Proctor, 2015). This may have something to do with the education level of respondents, with 38.0% reporting a bachelor's degree or equivalent, 29.6% reporting a master's degree or equivalent, and 29.6% reporting a doctorate degree or other

professional degree. The average age of participants was 56 years old. Out of all of the respondents, 85.9% reported to be board members and 12.7% reported to be executive directors or CEOs. One (1.4%) respondent reported that his role was on the board was advisor, but was included because he had previously served as a board member of the community foundation.

The percentages for each indicating question were next calculated (see Appendix G). The Likert questions for each variable were indexed into three categories. Combining and indexing Likert scales into one value adds value and variability to the data and is useful for statistical analysis and interpretation while also being consistent with ordinal regression (Allen & Seaman, 2007; Alreck & Settle, 1985). Further, indexing has been used in board effectiveness calculations, board capital calculations, and servant leadership calculations (Attridge, 2009; Herman & Renz, 1998; Sendjaya & Pekerti, 2010). Servant leadership has been grouped in three levels for analysis (low, moderate, and high), and previous analysis of variables has grouped by mean scores (Sendjaya & Pekerti, 2010). Table 9 below shows the range, mean, and standard deviation for each of the independent and dependent variables used in the study.

Table 9. Means, Range, and Standard Deviation of Study Variables

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Board Effectiveness	71	32	55	48.46	4.875
Board Capital	71	64	96	85.66	8.655
Human Capital	71	11	20	17.75	2.193
Structural Capital	71	17	25	22.93	2.287
Social Capital	71	10	20	17.45	2.471
Servant Leadership	71	72	113	95.32	8.880

It was determined that relatively high scores were produced with this study population in terms of each independent and dependent variable, considering the mean of each variable fell in

the “agree” to “strongly agree” for independent variables and “good” or “excellent” on board effectiveness. Scores were highly and positively skewed, as shown in the mean and standard deviations in Table 9. No participants truly fell into a “low” score in any of the variable categories. The study hypotheses were contingent on board effectiveness, along with the independent variables, being polarized with enough scores to have comparative groups; thus, the researcher decided to group scores by mean. From the summation of scores, each of the independent and dependent variables were grouped into 3 separate groups, “less”, “moderate”, and “high”, though it should be noted that “less” did not mean “low”, due to the highly positive skewed data. These calculations were made by considering the range of values for each variable, along with the mean score, and ensuring that there was a spread of data that logically could be grouped into a category. The highly skewed data was not an expected finding, as it was assumed that board capital indicators, servant leadership, and board effectiveness would vary more significantly across participant perceptions. However, given the homogeneity of the sample in terms of the demographic responses (the vast majority white, non-Hispanic males, see Table 11), the finding of highly skewed data is not surprising. The three categories for each variable were devised in an effort to garner variation among the given scores. These descriptives are presented in Table 10, which shows each of the 3 groups for each study variable, corresponding score, frequency, and percentage.

Table 10. Variable Descriptives

Variable	Groups	Scores	Frequencies	%
Board Effectiveness	1	30-44	11	15.5
	2	45-49	22	31
	3	50-55	38	53.5
	Total		71	100
Board Capital	1	40-50	6	8.5
	2	51-60	41	57.7
	3	61-65	24	33.8
	Total		71	100
Human Capital	1	10-14	6	8.5
	2	15-17	27	38
	3	18-20	38	53.5
	Total		71	100
Structural Capital	1	5-19	19	14.1
	2	20-22	11	15.5
	3	23-25	50	70.4
	Total		71	100
Social Capital	1	10-14	9	12.7
	2	15-17	19	26.8
	3	18-20	43	60.6
	Total		71	100
Servant Leadership	1	70-84	6	8.5
	2	85-99	42	59.2
	3	100-115	23	32.4
	Total		72	100

#### 4.2 Reliability of Constructs

In assessing the variables used the study, along with the survey questions used, it was determined that reliability testing among the constructs would be a reasonable step to consider to determine if the questions were adequate in determining the constructs. Single-item questions defining a specific construct do not produce a reliable construct and should not be used in assumptions and analysis (Gliem & Gliem, 2003). Thus, multiple indicating questions were drawn from the literature in this study. Reliability tests were performed using Statistical Package for Social Science (SPSS) on each of the constructs to test for internal reliability. Specifically,

Cronbach’s alpha was used to test internal consistency. A Cronbach’s alpha scale should be at least .7 for acceptable reliability (DeVellis, 2003). The reliability test showed that the Cronbach’s Alpha level is .878 for board effectiveness. Regarding the independent variables, Cronbach’s alpha level was .804 for structural capital, .748 for social capital, .844 for human capital, and .875 for servant leadership. Hence, it is noted that the dependent and independent variables in this study have a high reliability and the indicating questions used in the instruments are good indicators of the construct.

### 4.3 Cross-tabulations and Chi Square Analyses

Cross tabulations were run to determine associations between some of the study variables. Table 11 shows the cross-tabulations between race and gender, which shows that 45 participants (63.38%) are White, non-Hispanic males, followed by 20 participants (28.17%) are White, non-Hispanic females. The importance of this table is that it shows the responses are skewed in terms of race and gender of respondents.

Table 11. Cross-tabulation Between Gender and Race (Frequency)

		Gender	
		Male	Female
Race	White, non-Hispanic	45	20
	Black or African		
	American	2	1
	Asian/Pacific Islander	1	0
	Indian American	1	0

Another cross-tabulation was run to understand the number of gender and role on the community foundation. Table 12 shows that the vast majority of respondents were board members, 46 of which were male and 14 of which were female. Interestingly, of the 9 executive directors that completed the survey, 7 (77.78%) were female.

Table 12. Cross-tabulations Between Board role and Gender (Frequency)

		Gender	
		Male	Female
Role on the Board	Board Member	46	14
	Executive Director	2	7
	Advisor	1	0

Chi-square tests of independence were considered to test the hypotheses and compute data in an alternative and comprehensive way. Further, they help to assess relationships between the study variables, and to better understand the model and other collected data from the survey. The first chi-square found that board effectiveness did not differ by gender,  $X^2(1, N = 70) = .920, p = .631$ . Next, age was considered in a chi-square, and it was found that board effectiveness did not differ by age,  $X^2(1, N = 69) = 69.489, p = .361$ . A third chi-square revealed that board effectiveness did not differ by race,  $X^2(1, N = 70) = 3.650, p = .724$ . Lastly, board effectiveness did not differ by education,  $X^2(1, N = 69) = 3.529, p = .473$ .

A final chi-square test of independence was performed to consider the relationship between board size and board effectiveness. The relationship between these two variables was significant,  $X^2(2, N = 70) = 38.883, p = .003$ . This statistic should be cautiously accepted, however, as the chi-square test requires that there is an independence of observations and all cells have a frequency of more than 4 (Weinberg & Abramowitz, 2008). This chi-square revealed that 26 cells (86.7%) had an expected count of less than 5; thus, this finding may not be an adequate assumption of the data. In this circumstance, a Fisher's Exact test may be used, but due to the variables having more than two attributes, it did not meet the assumption of Fisher's test.

## 4.4 Ordinal Regression

It was determined ordinal regression should be used to consider the study hypotheses, as the dependent variable is being considered as an ordinal variable, in categories of “less”, “moderate”, and “high” board effectiveness. The initial ordinal regression run was considered in various ways, following the assumptions of the analyses to ensure best interpretation of the data. First, before running the regression, the data was tested for multicollinearity to ensure no assumptions of the OLR were violated. Next, the model was run to consider model fit, the test of parallel lines, pseudo  $R^2$  values, and significance among variables in the regression. Lastly, the proportional odds assumption was considered.

### 4.4.1 Multicollinearity

It is important to test for multicollinearity in the data, to ensure the assumption of ordinal regression is not violated. Multicollinearity is observed when predictor variables have a high correlation among them. In these cases, multicollinearity may inflate the errors. Thus, correlations were run to consider whether the coefficients were too high. Multicollinearity may exist and be harmful if the zero order correlation between two independent variables is greater than or equal to the multiple correlation between the dependent and independent variables (Farrar & Galuber, 1967). The rule of thumb is that multicollinearity is present when the  $r$  is greater than .5, the critical value (Hair et al., 2010). If this happens, predictor variables may be reduced if they are correlated among themselves. The results of the correlation matrix are shown in Table 13.

Table 13. Correlation Matrix

		1	2	3	4	5	6	7	8
1. Human Capital	Pearson Correlation	1							
	Sig. (2-tailed)								
	N	71							
2. Structural Capital	Pearson Correlation	.390**	1						
	Sig. (2-tailed)	0.001							
	N	71	71						
3. Social Capital	Pearson Correlation	0.082	0.214	1					
	Sig. (2-tailed)	0.495	0.073						
	N	71	71	71					
4. Servant Leadership	Pearson Correlation	.307**	0.177	0.196	1				
	Sig. (2-tailed)	0.009	0.139	0.101					
	N	71	71	71	71				
5. Board Size	Pearson Correlation	-	0.149	0.002	0.019	1			
	Sig. (2-tailed)	0.038	0.217	0.987	0.877				
	N	70	70	70	70	70			
6. Age	Pearson Correlation	-	-	-.259*	-	.293*	1		
	Sig. (2-tailed)	0.026	0.033	0.032	0.153	0.015			
	N	69	69	69	69	68	69		
7. Gender	Pearson Correlation	-	0.128	-	0.099	0.115	.262*	1	
	Sig. (2-tailed)	0.221	0.289	0.295	0.413	0.346	0.03		
	N	70	70	70	70	69	69	70	
8. Race	Pearson Correlation	0.159	0.06	0.14	0.055	0.004	-	-	1
	Sig. (2-tailed)	0.189	0.62	0.249	0.654	0.972	0.172	0.094	
	N	70	70	70	70	69	69	70	70

\*\*Correlation is significant at the 0.01 level

\*Correlation is significant at the 0.05 level

Table 13 suggests that there were some similarities between variables in the data, particularly in regards to the control variables age and gender. There is also a relatively small correlation between structural capital and human capital, and servant leadership and human



capital. It was determined that, although there were few correlations that were significant at the .01 level, the variables would be left in the model as all of the Pearson's  $r$  were less than 0.4, an acceptable range. The high levels of correlation among some of the data was not surprising due to the narrow range of Likert data. Ordinal regression does not permit some of the common diagnostic measures that are available in other regressions; however, the Wilk-Shapiro statistic and variance inflation factors showed no issues with non-normality of residuals or problems with collinearity.

#### *4.4.2 Ordinal Regression Analysis*

A series of ordinal regressions were run to test the study hypotheses. The initial ordinal regression (OLR) utilized human capital, structural capital, social capital, and servant leadership along with control variables race, gender, and board size. Age was not included in the data, as multicollinearity existed within the data, and it was not determined to be needed for the fit of this model.

Table 14. Ordinal Regression Model 1

		Coefficient Estimate	Std. Error	Wald-Statistic	p-value
Threshold	[BE = 1]	-21.489	9696.389	0	0.998
	[BE = 2]	-17.732	9696.389	0	0.999
Location	Board Size	0.125	0.079	2.522	0.112
	<b>[HC=1]</b>	<b>-2.623</b>	<b>1.288</b>	<b>4.146</b>	<b>0.042</b>
	[HC=2]	-1.267	0.72	3.096	0.079
	<b>[SC=1]</b>	<b>-2.394</b>	<b>1.081</b>	<b>4.906</b>	<b>0.027</b>
	[SC=2]	-1.352	0.897	2.272	0.132
	[SoC=1]	0.006	0.963	0	0.995
	<b>[SoC=2]</b>	<b>-3.558</b>	<b>0.949</b>	<b>14.07</b>	<b>0.000</b>
	[Race=1]	-17.233	9696.389	0	0.999
	[Race=2]	-17.67	9696.389	0	0.999
	[Gender=1]	-0.675	0.781	0.748	0.387
	[SL=1]	-0.348	1.388	0.063	0.802
	[SL=2]	-0.499	0.803	0.386	0.534
Model Chi-square statistic				60.321	
Probability (Chi-square statistic)				0.000	
Pseudo R2					
Cox and Snell				0.583	
Nagelkerke				0.679	

Table 14 shows the results of the perceived variables estimated by the first run ordinal regression. The model chi-square statistic shows that the model provides a significant improvement ( $p > .001$ ) over the baseline intercept-only model. The threshold points are not interpreted separately, as they merely represent intercepts where higher categories may be presented (NCRM, 2016). Low human capital ( $HC = 1$ ), low structural capital ( $SC = 1$ ), and moderate structural capital ( $SoC = 2$ ) are negatively related to board effectiveness,  $p < .05$ . Table 14 does not show some of the independent variable groups (i.e. high human capital, high structural capital, and high social capital) as the parameter was set to zero due to redundancy. This happens with a column is found to depend on previous columns (SPSS, 2012), and suggests high correlations between these groups and effectiveness.

Table 14 also shows the Pseudo R<sup>2</sup> values, specifically both the Cox and Snell R<sup>2</sup> and the Nagelkerke's R<sup>2</sup>. The Cox and Snell R<sup>2</sup> maximum is often less than 1.0 (Cox & Snell, 1989). The Nagelkerke R<sup>2</sup> is a modification of this version to ensure that the coefficient can vary from zero to one (Nagelkerke, 1991). Thus, Nagelkerke R<sup>2</sup> will be used in this study. The Nagelkerke R<sup>2</sup> indicates that the model can account for 67.9% of the variance in board effectiveness. The logistic regression does not have R<sup>2</sup> values equivalent to OLS regression; therefore, it is suggested that they are cautiously interpreted (NCRM, 2016). Pseudo R<sup>2</sup> values can, however, give meaning when multiple models are run. Thus, the R<sup>2</sup> will be more fully explored when considering board capital overall, as measured by human capital, social capital, and structural capital in multiple models.

#### 4.4.3 Proportional Odds

The last assumption of the ordinal regression, and keeps the OLR equal at each threshold (NCRM, 2016). The test of parallel lines helps to evaluate the appropriateness of the PO assumption, which considers the ordinal model with coefficients at one threshold to a model with different coefficients at each threshold (NCRM, 2016). The appropriateness of the PO assumption was evaluated for the ordinal regression through the test of parallel lines. The findings of the parallel lines test suggest that the PO assumption has not been violated (see Table 14), and that the ordinal regression model may be a better fit than the general model,  $p > .05$ .

Table 15. Test of Parallel Lines

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	64.472			
General	46.842 <sup>b</sup>	17.630 <sup>c</sup>	13	.172

Unfortunately, the findings of model fit in Table 15 should cautiously interpreted, as there were 102 cells with zero frequencies and presented some quasi-complete separation in the data during unexpected singularities in the Fisher Information matrix. Thus, the validity of the model fit may be uncertain to some extent. Further, PO assumptions have been determined to be anti-conservative, as they often result in a rejection of the PO assumption, specifically when there are many variables under consideration, the sample size is large, or there are continuous variables in the model (Allison, 1999; Brant, 1990; Clogg & Shihadeh, 1994). Thus, it is important to consider how the odds ratios can vary at different thresholds.

The last consideration made for this OLR was for odds ratios and 95% confidence intervals, the last assumption of the OLR. To generate the full PLUM procedure in SPSS, it is required to use syntax and the Output Management System (OMS) Control Panel to see full parameter estimates. This procedure is only available in version 15 of SPSS and later versions (SPSS, 2012); otherwise calculations must be done by hand or with other software. The findings from this analysis are shown in Table 16. In the column *expb*, the results are proportional odds ratios, or the coefficient exponentiated. Further, the 95% confidence intervals are listed in the columns “Lower\_95\_CI” and “Upper\_95\_CI”.

Table 16 shows that when human capital was “less” board effectiveness decreased (by -2.6), with an odds ratio of .073 (95% CI, .006 to .906), Wald  $X^2(1) = 4.146$ ,  $p < .05$ . In addition, when structural capital was “less”, there was a decrease in the odds of board effectiveness by group with an odds ratio of .091 (95% CI, .011 to .759), Wald  $X^2(1) = 4.906$ ,  $p < .05$ . Further, moderate social capital was associated with a decrease in the odds of board effectiveness by group with an odds ratio of .028 (95% CI, .004 to .183), Wald  $X^2(1) = 14.070$ ,  $p < .01$ .

#### 4.5 Ordinal Regression for Overall Model

It was determined that further ordinal regressions should be run to consider board capital overall. Thus, Table 17 and Table 18 shows the results of further OLS analyses. Each of the 4 steps show improvement in the model, as noted by the Nagelkerke  $R^2$  value and the Test of Parallel Lines. The difference in each of the steps is the addition of control variables in the model. The final step (step 4), shows the best model fit and includes only board size as the control. Thus, the fourth step will be used to explore results and guide further discussion in this study.

Table 18 shows the results of the perceived variables estimated by the final (4th step) ordinal regression. The model chi-square statistic shows that the model provides a significant improvement ( $p > .001$ ) over the baseline intercept-only model. The model shows that moderate board capital is negatively related to board effectiveness. Further, the Nagelkerke  $R^2$  indicates that the model can account for 57.7% of the variance in board effectiveness. The parallel lines test suggests that the PO assumption has not been violated and that the ordinal regression model may be a better fit than the general model,  $p > .05$ .

The next step is to consider the proportional odds assumption for this revised model. Table 19 shows that when board capital was “less”, board effectiveness decreased, with an odds ratio of .024 (95% CI, .003 to .02), Wald  $X^2(1) = 11.874$ ,  $p < .01$ . Further, when board capital was “moderate”, board effectiveness decreased with an odds ratio of 0.077 (95% CI, 0.017 to .336), Wald  $X^2(1) = 11.605$ ,  $p < .01$ . In addition, when servant leadership was “less”, board effectiveness decreased with an odds ratio of 0.129 (95% CI, 0.018 to 0.951), Wald  $X^2(1) = 4.037$ ,  $p < .05$ . Further, board size was found to be significant, as the odds increased with a ratio of 1.125 (95% CI, 1.007 to 1.256), Wald  $X^2(1) = 4.378$ ,  $p < .05$ .

Table 16. Proportional Odds Ratio with Expanded Coefficients

Predictor Variables	Est.	Std. Error	Wald	df	Sig	LowerBound	UpperBound	expb	Lower_95_CI	Upper_95_CI
BE = 1	-21.489	9696.389	0.000	1	0.998	-19026.062	18983.084	0.000	0.000	.
BE = 2	-17.732	9696.389	0.000	1	0.999	-19022.305	18986.841	0.000	0.000	.
BoardSize	0.125	0.079	2.522	1	0.112	-0.029	0.279	1.133	0.971	1.321
<b>HC = 1</b>	<b>-2.623</b>	<b>1.288</b>	<b>4.146</b>	<b>1</b>	<b>0.042</b>	<b>-5.147</b>	<b>-0.098</b>	<b>0.073</b>	<b>0.006</b>	<b>0.906</b>
HC = 2	-1.267	0.720	3.096	1	0.079	-2.678	0.144	0.282	0.069	1.155
HC = 3	0.000	.	.	0	.	.	.	1.000	.	.
<b>SC = 1</b>	<b>-2.394</b>	<b>1.081</b>	<b>4.906</b>	<b>1</b>	<b>0.027</b>	<b>-4.513</b>	<b>-0.276</b>	<b>0.091</b>	<b>0.011</b>	<b>0.759</b>
SC = 2	-1.352	0.897	2.272	1	0.132	-3.110	0.406	0.259	0.045	1.501
SC = 3	0.000	.	.	0	.	.	.	1.000	.	.
SoC = 1	0.006	0.963	0.000	1	0.995	-1.881	1.893	1.006	0.152	6.641
<b>SoC = 2</b>	<b>-3.558</b>	<b>0.949</b>	<b>14.070</b>	<b>1</b>	<b>0.000</b>	<b>-5.417</b>	<b>-1.699</b>	<b>0.028</b>	<b>0.004</b>	<b>0.183</b>
SoC = 3	0.000	.	.	0	.	.	.	1.000	.	.
Race = 1	-17.233	9696.389	0.000	1	0.999	-19021.805	18987.340	0.000	0.000	.
Race = 2	-17.670	9696.389	0.000	1	0.999	-19022.243	18986.903	0.000	0.000	.
Race = 3	0.479	0.000	.	1	.	0.479	0.479	1.615	1.615	1.615
Race = 4	0.000	.	.	0	.	.	.	1.000	.	.
Gender = 1	-0.675	0.781	0.748	1	0.389	-2.205	0.855	0.509	0.110	2.350
Gender = 2	0.000	.	.	0	.	.	.	1.000	.	.
SL = 1	-0.348	1.388	0.063	1	0.802	-3.069	2.374	0.706	0.046	10.735
SL = 2	-0.499	0.803	0.386	1	0.534	-2.073	1.074	0.607	0.126	2.929
SL = 3	0.000	.	.	0	.	.	.	1.000	0.000	.

Table 17. Ordinal Regression Steps 1 and 2

	Step 1				Step 2			
	Est.	Std. Error	Wald	Sig.	Est.	Std. Error	Wald	Sig.
Threshold [BE = 1]	-4.411	0.842	27.435	0.000	-23.826	9882.207	0.000	0.998
Threshold [BE = 2]	-2.340	0.725	10.409	0.001	-21.600	9882.207	0.000	0.998
<b>SL = 1</b>	<b>-2.241</b>	<b>1.006</b>	<b>4.959</b>	<b>0.026</b>	-2.059	1.103	3.482	0.062
SL = 2	-0.708	.621	1.299	0.254	-0.371	0.683	0.295	0.587
SL = 3	0.000	.	.	.	0.000	.	.	.
<b>BC = 1</b>	<b>-3.877</b>	<b>1.051</b>	<b>13.605</b>	<b>0.000</b>	<b>-4.560</b>	<b>1.159</b>	<b>15.482</b>	<b>0.000</b>
<b>BC = 2</b>	<b>-2.065</b>	<b>0.719</b>	<b>8.252</b>	<b>0.004</b>	<b>-2.642</b>	<b>0.825</b>	<b>10.264</b>	<b>0.001</b>
BC = 3	0.000	.	.	.	0.000	.	.	.
Age	-	-	-	-	0.019	0.028	0.487	0.485
Gender = 1	-	-	-	-	0.559	0.627	0.797	0.372
Gender = 2	-	-	-	-	0.000	.	.	.
Race = 1	-	-	-	-	-19.764	9882.207	0.000	0.998
Race = 2	-	-	-	-	-21.039	9882.207	0.000	0.998
Race = 3	-	-	-	-	-0.071	0.000	.	.
Cox & Snell		0.321				0.372		
Nagelkerke		0.373				0.435		
	Model Fitting				Model Fitting			
Model	-2 Log Likelihood	Chi Square	df	Sig.	-2 Log Likelihood	Chi Square	df	Sig.
Intercept Only	54.701				126.997			
Final	27.217	27.484	4.000	0.000	94.881	32.116	9.000	0.000
	Test of Parallel Lines				Test of Parallel Lines			
Model	-2 Log Likelihood	Chi-Square	df	Sig.	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	27.217				94.881			
General	25.723	1.494	4.000	0.828	81.996	12.886	9.000	0.168

Table 18. Ordinal Regression Steps 3 and 4

	Step 3				Step 4			
	Est.	Std. Error	Wald	Sig.	Est.	Std. Error	Wald	Sig.
Threshold [BE = 1]	-22.718	9825.629	0.000	0.998	-5.208	1.285	16.426	0.000
Threshold [BE = 2]	-20.363	9825.629	0.000	0.998	-2.459	1.111	4.898	0.027
SL = 1	-1.870	1.121	2.782	0.095	<b>-2.139</b>	<b>1.137</b>	<b>3.541</b>	<b>0.060</b>
SL = 2	-0.482	0.695	0.482	0.488	0.488	0.744	0.430	0.512
SL = 3	0.000	.	.	.	0.000	.	.	.
<b>BC = 1</b>	<b>-4.126</b>	<b>1.182</b>	<b>12.177</b>	<b>0.000</b>	-2.539	1.506	2.843	0.092
<b>BC = 2</b>	<b>-2.825</b>	<b>0.822</b>	<b>11.801</b>	<b>0.001</b>	<b>-2.815</b>	<b>0.901</b>	<b>9.763</b>	<b>0.002</b>
BC = 3	0.000	.	.	.	0.000	.	.	.
BoardSize	0.098	0.063	2.456	0.117	<b>0.118</b>	<b>0.056</b>	<b>4.378</b>	<b>0.036</b>
Age	0.008	0.029	0.071	0.789	-	-	-	-
Gender = 1	-0.312	0.644	0.235	0.628	-	-	-	-
Gender = 2	0.000	.	.	.	-	-	-	-
Race = 1	-19.844	9825.629	0.000	0.998	-	-	-	-
Race = 2	-20.775	9825.629	0.000	0.998	-	-	-	-
Race = 3	-0.778	0.000	.	.	-	-	-	-
Cox & Snell		0.403				0.498		
Nagelkerke		0.470				0.577		
	Model Fitting				Model Fitting			
Model	-2 Log Likelihood	Chi Square	df	Sig.	-2 Log Likelihood	Chi Square	df	Sig.
Intercept Only	131.337				99.378			
Final	96.207	35.130	10.000	0.000	51.136	48.242	13.000	0.000
	Test of Parallel Lines				Test of Parallel Lines			
Model	-2 Log Likelihood	Chi-Square	df	Sig.	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	96.207				51.136			
General	83.563	12.644	10.000	0.244	36.817	14.319	13.000	0.352



Table 19. Proportional Odds Ratio with Expanded Coefficients, Overall Model

Predictor Variables	Est.	Std. Error	Wald	df	Sig	LowerBond	UpperBound	expb	Lower_95_CI	Upper_95_CI
[BE = 1]	-2.676	1.184	5.104	1	0.024	-4.997	-0.354	0.069	0.007	0.702
[BE = 2]	-0.431	1.169	0.136	1	0.713	-2.723	1.861	0.65	0.066	6.433
<b>BoardSize</b>	<b>0.118</b>	<b>0.056</b>	<b>4.378</b>	<b>1</b>	<b>0.036</b>	<b>0.007</b>	<b>0.228</b>	<b>1.125</b>	<b>1.007</b>	<b>1.256</b>
[SL=1]	<b>-2.047</b>	<b>1.019</b>	<b>4.037</b>	<b>1</b>	<b>0.045</b>	<b>-4.043</b>	<b>-0.05</b>	<b>0.129</b>	<b>0.018</b>	<b>0.951</b>
[SL=2]	-0.865	0.64	1.827	1	0.176	-2.119	0.389	0.421	0.12	1.476
[SL=3]	0	.	.	0	.	.	.	1	.	.
<b>.[BC=1]</b>	<b>-3.728</b>	<b>1.082</b>	<b>11.874</b>	<b>1</b>	<b>0.001</b>	<b>-5.849</b>	<b>-1.608</b>	<b>0.024</b>	<b>0.003</b>	<b>0.2</b>
<b>[BC=2]</b>	<b>-2.569</b>	<b>0.754</b>	<b>11.605</b>	<b>1</b>	<b>0.001</b>	<b>-4.047</b>	<b>-1.091</b>	<b>0.077</b>	<b>0.017</b>	<b>0.336</b>
[BC=3]	0	.	.	0	.	.	.	1	.	.

## 4.6 Hypothesis Testing

Based on the findings from the quantitative analysis portion of this study, the following hypotheses are revisited. The results of the first ordinal regression suggest that Hypotheses 1a can be confirmed, as less human capital decreased as board effectiveness decreased, with an odds ratio of .073 (95% CI, .006 to .906), Wald  $X^2(1) = 4.146$ ,  $p < .05$ . This regression also shows Hypothesis 1b can be confirmed, as less structural capital had a relationship with less board effectiveness, with an odds ratio of .091 (95% CI, .011 to .759), Wald  $X^2(1) = 4.906$ ,  $p < .05$ . Further, Hypothesis 1c can be confirmed, as moderate social capital was associated with a decrease in the odds of board effectiveness by group with an odds ratio of .028 (95% CI, .004 to .183), Wald  $X^2(1) = 14.070$ ,  $p < .01$ . The results of the second group of OLRs suggest that Hypothesis 1 can be confirmed, as when board capital overall was less, board effectiveness decreased with an odds ratio of .024 (95% CI, .003 to .02), Wald  $X^2(1) = 11.874$ ,  $p < .01$ . Lastly, Hypothesis 2 can be supported, as the overall accepted ordinal regression showed that when servant leadership was “less”, board effectiveness decreased with an odds ratio of 0.129 (95% CI, 0.018 to 0.951), Wald  $X^2(1) = 4.037$ ,  $p < .05$ . Hypothesis 3, 4, and 5 were not supported in the chi-square analysis; however, Hypothesis 6 was found to have significant results, as there was a relationship with board size and board effectiveness,  $X^2(1, N = 70) = 38.883$ ,  $p = .003$ .

The hypotheses and results are shown in Table 20.

Table 20. Summary of Hypothesis Testing Results

	Hypotheses	Results
H <sub>1</sub>	<i>There is a positive relationship between board capital and perceived board effectiveness among community foundation board members.</i>	Supported
H <sub>1a</sub>	<i>There is a positive relationship between human capital and perceived board effectiveness among community foundation board members.</i>	Supported
H <sub>1b</sub>	<i>There is a positive relationship between structural capital and perceived board effectiveness among community foundation board members.</i>	Supported
H <sub>1c</sub> :	<i>There is a positive relationship between social capital and perceived board effectiveness among community foundation board members.</i>	Supported
H <sub>2</sub>	<i>There is a positive relationship between servant leadership and perceived board effectiveness among community foundation board members.</i>	Supported
H <sub>3</sub>	<i>There is a relationship with board member age and perceived board effectiveness among community foundation board members.</i>	Not Supported
H <sub>4</sub>	<i>There is a relationship with board member race and perceived board effectiveness among community foundation board members</i>	Not Supported
H <sub>5</sub>	<i>There is a relationship with board member gender and perceived board effectiveness among community foundation board members.</i>	Not Supported
H <sub>6</sub>	<i>There is a relationship with board size and perceived board effectiveness among community foundation board members</i>	Supported

#### 4.7 Focus Group Themes

Focus groups with two different foundations provided additional insight to this study, and sought to explain some of the findings from the quantitative data analysis. A total of 33

participants were a part of two separate focus groups. First, the participants were asked an overarching question on how they defined board effectiveness. Due to the complexity in measuring effectiveness that was explored in the literature review, and the highly skewed positive findings from the quantitative data in the study, this question was thought to be of importance in getting a better understanding of how the dependent variable can be conceptualized among Florida community foundation board members. Board members were also asked what makes an effective board member, to see if they identified with structural capital, social capital, and human capital in their open responses. Further, the quantitative data suggested that boards had a very similar composition in terms of race, gender, and age. This finding led to asking participants about diversity among their board, and whether participants felt their board represented the community they were serving. Lastly, to better understand the role that boards are playing within their communities, board members were asked if they felt their community foundations were creating positive social change. Therefore, the overall concepts that focus groups were hoping to explore were elaborating on the preliminary findings of the quantitative data, specifically in terms of defining effectiveness, effective board members, diversity, and social change. All of the questions that were asked of focus group participants are in Appendix E.

Focus groups were held in two different locations, both during a normally scheduled board sessions. Various themes emerged from the focus groups, which are listed in Table 21 below.

Table 21. Focus Group Themes

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Theme 1	Board effectiveness is measured in a number of ways and is impacted by a numerous variables.
Theme 2	Diversity is important in board effectiveness, though it can be a challenge to achieve and it can be defined differently.
Theme 3	The way community foundation boards define effectiveness may differ from the way other nonprofit boards may define effectiveness.
Theme 4	Community foundations can and do elicit social change, but their role in social change varies.

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In the focus groups, it was clear that board effectiveness was measured in different ways. Board members defined effective boards in seven key ways: effective staff, the mobilization of resources, board development, leadership, understanding the mission and vision, a vision of impact and sustainability, and social capital and engagement. The concepts were also explored in survey questions for the measurement of board effectiveness; however, boards also identified other important factors. First, participants felt that the staff plays an important role in helping the board to be effective. This finding is reflected in the following comments.

*I think the board is as effective as the staff. The staff here makes us all look really, really good. And so the board is effective if they set the policy or if the board has ideas, but someone has to be the rubber on the road to make it actually happen. So I think for this organization specifically I think the staff is as effective as anybody.*

*I think that competency of the staff of any entity will make a board effective. And I think that's what makes our board effective.*

Second, one participant stated that board effectiveness has something to do with mobilizing resources, a comment that others agreed on:

*I think effectiveness is also related to the board's ability to mobilize resources within the community, which is related to its credibility in the community.*

This finding is consistent with the survey statement: “The board’s performance in giving and soliciting contributions” in which 66.2% of participants stated was good or excellent (see Appendix F). Board development, including recruitment, evaluation, and training, were also brought up by several participants as important in board effectiveness. These findings are seen in the following comments:

*I go a lot by culture and I’m on different boards and this is very unique. So the way in which you guys go picking board members. I think it is very important in picking the right mix of people that can share the vision of what this is doing. That is so different from other nonprofits. I think it does begin with the board selection.*

*The evaluation process is important because it gives us the comfort to know that the decisions we make to go out into the community, the information that comes back to us is, we know how an impact is made and what that organization is doing and it can help us steer future grants and participation in the community. So I think the evaluation process and being able to have that information handy helps you determine if you are being effective or not.*

*Board development is important in effectiveness. We’re always hoping to learn more.*

Leadership is also a factor to consider in board effectiveness. More specifically, servant leadership themes were seen throughout responses on what makes boards effective. Servant leadership starts with the natural feeling that one wants to serve, and have a commitment to serve (Spears, 2010). Then cognizant choice makes a person desire to lead (Greenleaf, 1977). Servant leaders tend to make service a priority, and lead with vision (Parolini et al., 2009). Further, according to Greenleaf (2003), servant leaders are necessary to build innovative organizations. Although time did not permit specific questions related to servant leadership on the board to confirm some of the quantitative findings of the survey, there were aspects of servant leadership present in the following comments:

*[Good] board members must be vocal. They must be able to define the mission and inspire others to accomplish the vision.*

*I think [good board members] are really people who truly care about the place that they live and the community they live in and they want to see a positive impact. I mean everyone here is so great to work with because they are so dedicated to this community making it better.*

*I would say passion for the organization and the vision is important for board effectiveness. When there is alignment it is amazing what can be done.*

*What is unique about this board is, unlike say a social organization, they look for people that are passionate about a particular cause... just a myriad of capabilities.*

*Commitment to the community is important for an effective board member.*

Next, having an understanding of the mission and vision also seems to play a role in board effectiveness. This comment was consistent with the survey statement “The board’s performance in mission definition and review” in which 100% of participants stated was good or excellent on their board (see Appendix F). The following comments reflect this finding.

*I think having a bigger picture...of the mission and what it does is what makes things a lot easier and what it is we are hoping to strive to do...makes boards effective.*

*Vision for the future plays a role in effectiveness.*

*I would say the ability to advance the mission and the vision of the organization is important in board effectiveness.*

*I’m new to the board but one thing at least I have noticed, since I have joined the board and discussed with just people in my network, personal and professional, I feel like as far as spreading the mission and the foundation, all of their different solutions and what they do for the community. I was able to at least tap into my network with a lot of people who knew of [the executive director], knew of the foundation but didn’t know what was going on over here.*

Impact and sustainability is also important in board effectiveness. The following comments reflect this finding:

*There is an element of sustainability to be effective and what I like about this board and it’s leadership and the foundation in general is I know that that you know that we are, I say we because I’ve been on it a while now, we are trying to find out the future looks like today but we aren’t just doing the present, so I think we are constantly trying to find ways to deal with it in the future.*

*To me that is a very important factor of being effective, if not you can be efficient today but you will become irrelevant over time in trying to figure out what the future looks like*

*and spending a good amount of time drawing is great and without it I think we lose relevance and we stop being effective.*

*I think effectiveness really relates to impact... so if you identify who your organization is that you really hope believe that are committed to effective change and then you have the resources to help them do that, and then have the resources to assess whether that has been done. You can really make a difference so that I think that is effective.*

*I define board effectiveness through impact. We are measuring impact in a lot of different ways but I think the depth of the service is the most important part because even though you are touching a lot of people the live changing of the service makes the impact greater.*

Lastly, social capital and engagement is important for effective board members. This finding compliments previous literature and the findings if the OLR. The comments that support this finding are as follows:

*As far as recruiting, again since I'm new, it's like tapping into networks or tapping into networks that are not typically in the past been exposed here. Find somebody who can spread the message into their network the right way, really set up some meetings, and take the flyers like I was talking about. Just by e-mail, very informal.*

*I would submit that the better the education of the board members the more effective the board is going to be.*

*I think its finding people and I think a lot of it is personalities too it's not necessarily the level they have in their business or their community. It is about finding people that can relate and understand and do have connections in various parts of the community and have been connected to a number of non-profits in their past because they understand what they go through. I think there is just a lot of the connectability is what most important not is necessarily being at the highest level.*

*Finding that being valuable is being engaged but also then also being influential if you want to do the networking, connecting or any other aspect of it. Sometimes you can be engaged and be engaged only in the room but not out of the room. Or, you can be influential and not know what's going on or be able to really make it so that you are helping the mission. But I think those combinations are really important for the process.*

*Relationships with the community leaders is important for board effectiveness.*

Another theme from the focus groups suggests that diversity is important. Through conversation, it was also noted that different participants defined diversity in different ways. For example, references were made to age, gender, SES status, sector representation, racial diversity,



and geographic representation or community diversity. These findings are seen in the following comments:

*The overall diversity is important for board effectiveness. The more diversity you have whether it be small business or large business ownership, I feel like we gain something with every difference we have.*

*I think that a good board is a diverse board and you are going to have different people bringing different skill sets. Some are bringing the leadership abilities, some are bringing the community networking, some are bringing you know different types of resources.*

Though it is clear that diversity is important, some of the focus group participants felt that achieving diversity was a challenge that their board had not successfully met.

*It is a challenge to find a demographically diverse group because we live in a demographically diverse community. So it is part of our board development committee's job to try and bubble up qualified candidates, be it, I think we look at it social, technical, community organizing, etc. but it is a challenge absolutely.*

*No, we are not diverse in terms of socioeconomic and racial diversity.*

*I hate to be negative but I don't think we are diverse. I'm not sure, but we reach out to other people, our research is targeted to our community for helping our community. So we are trying to map, our vision takes into consideration the diversity of our community.*

One participant felt that diversity was important in terms of “looking like” the community, but ensuring that the organization was in line with the purpose was more important. This participant's comments are next noted:

*On the topic of diversity, the point was raised about whether or not we are diverse- it all depends on the purpose of the board. It just takes me back to a time when I was less knowledgeable about boards and how they are composed. I thought SES representation should have been there. As I have learned more about the purpose of the board, that probably wasn't the place for that strata to be present. Racial diversity, ethnic diversity have value, the ability for folks to bring forward diverse opinions and view points. But sometimes if it is about fundraising or some strategic decision making there is some in the SES brackets that may not bring that to the table. I think that has to do with the purpose when you start to look at who is missing. I do think that boards ought to reflect and look like the communities that they serve. And I think that we tend to, as we look around the room, to we look racial and ethnically diverse. I think that is probably an area that we could have more but we have to be aligned with our purpose as well.*

A third emergent theme from the focus groups was the way community foundation boards define board effectiveness and how this may differ from the way other nonprofit boards define effectiveness. One participant felt that, while other nonprofits focus on fiduciary responsibilities, community foundation boards focus on unique skill sets and commitment. Further, the focus back on social capital and community networking may also be a uniquely important, or more important, part of a community foundation board. These comments are next stated:

*At least the way I look at our board versus other charitable organizations or non-profits, it's not about how big of a check you can bring to the table it is the skill set, it's the commitment, it's the willing to understand the fiduciary responsibility for the money that we manage and the grants that we make. Versus the other non-profits where it is how big of a check can you write and who do you know? So it is very different.*

*I think this board is not an event planning board, in a lot of non-profits you're looking for people with a lot of time and energy. This is a connecting board, trying to find the right pieces to fit in the different chess games and when you see a need over here and the funding source over here it is trying to figure out the best way to link them and measure them and have things grow.*

The fourth and final theme that emerged in the focus groups were on the topic of community foundation impact, and their ability to elicit social change. This is an important question for the foundation of this research, and in discovering why board members feel compelled to be a part of boards and why it is important to consider effectiveness. It was found that community foundations can and do elicit social change:

*We do have the capacity to elicit social change. We are doing it on several fronts, all day every day.*

*We are part of the social change process in our community,*

*I don't think anybody would be in this room if we didn't think we could bring social change.*

*Yes with the [one] initiative we are one small step leads to larger social change.*

*I think [one of our] initiatives is one of the key focuses right now when we focus on potentially at risk youth for getting and keeping them on track and making positive decisions that are critical part in life. I think that is spot on for positive social advancement and change. I would hope that if foundations can't it is a shame.*

Though it seems clear that community foundations are working on social change, their role in the social change process varies. One participant felt that the community foundation was involved in social change on various fronts:

*I think the nice thing about the community foundation versus other entities is that it really is the clearing house...with the different initiatives that are going on. I don't know how many times I've run into someone [and said] oh you have to call [the executive director] because he knows what's happening. But in all honestly there are so many tracks here...I couldn't think of another organization that covers everything that's going on. So yeah if you were trying get some change then this is your first stop.*

Still, others felt that community foundations were either on the cusp of creating social change or at least facilitating in the social change process:

*We have a lot of things that are about to create social change.*

*We may (elicit social change), but to me that is a very strong word where it would be our idea and maybe some of them would be the foundations idea. But even if it is not we are there helping to facilitate, to get it to make it happen, to bring people together to make it happen.*

*I would say I think we are really making some efforts about making change most notability [one] initiative. It is very new so we feel very good about it but I don't know that you could at this point that we have brought about change as we are starting the process.*

This chapter has discussed the various themes that emerged in focus groups with two different community foundations in Florida. The questions asked and points raised during the focus groups were questions based on initial findings of the quantitative data in this study. The findings complement some of the findings from the quantitative data. For example, boards felt that board effectiveness is defined in a variety of ways, and that their boards were effective for a number of reasons, including some of the indicators measuring board effectiveness from the survey instrument. Several statements made during the focus group support earlier claims that

the survey instrument was reliable (see 4.2). The next chapter will discuss the findings of both the quantitative and qualitative data collected and presented in this chapter.

## **CHAPTER 5: DISCUSSION, IMPLICATIONS, AND LIMITATIONS**

Based on the previous chapter that presented the findings of this study, it is clear that some of the findings were different from what was expected in the data. In part, this had to do with the nature of the survey design and statistical analysis that was used, but also it could have had to do with the limited number of responses that were collected in this study. This is explored within the limitations section of this chapter. The following sections will discuss the results from this study in terms of main findings and research questions, implications from analysis findings, limitations of the data and design of the study, and recommendations for future research.

### **5.1 Discussion**

In this dissertation, results from a cross sectional study design were explored using self-assessments of perceptions of board performance, board capital measures, and servant leadership indicators. Given the nature of the sample, the findings of this study do not permit generalizations on the way all community foundation board members and executive directors perceive themselves and the effectiveness of the board. However, this study does provide a theory-based tool that can help board members by identifying perceived measures of board capital, servant leadership, and board effectiveness. To this end, the tool used in this study can help boards challenge the status quo by offering different dimensions to be considered during board recruitment, training, and evaluation. These indicators are necessary but in no means sufficient for improving board effectiveness and long-term community impact. Thus, there is ample room for future research, which will be discussed later in this chapter.

The board effectiveness data within this study shows that 91.5% of participants scored between 51-55 on the board effectiveness index, suggesting that scores were very highly and

positively skewed, without much variation in the data. This same trend was seen among the independent variables in the study (see Tables 8 and 9). This leads the researcher to considering that the types of board members that sit on Florida community foundation boards is likely to fall into one of the following categories: white, non-Hispanic, male, with a high education level (bachelors, graduate, or professional degree) with an annual household income of more than \$150,000. This finding could be explained in a number of ways. A possible explanation is that the data included a small percentage (12.86%) of executive directors. It may be that executive directors perceive their boards to be more effective, thus inflating the board effectiveness score. The high scores may also have something to do with a response bias of participants inflating scores, which is discussed in more detail in the limitations section. Further, the homogeneity of the sample demographics may also have something to do with the high board effectiveness scores. A final explanation may have to do with the nature of the community foundations that participated in the study. All of the community foundations that participated in this study were associated with the FPN, which are accredited by the National Standards for US Community Foundations. The National Standards for US Community Foundations represents operational effectiveness in fostering excellence in philanthropy among communities (Council on Foundations, 2016). Therefore, that these organizations scored very high in terms of board effectiveness is not a surprising finding.

What was a surprising finding was the similarity across the demographic information that was collected and reviewed in this study. The vast majority of participants indicated being White, non-Hispanic, male, with annual household incomes over \$150,000, and high education (60.8% having graduate and other professional or doctorate degrees, see Table 8). This finding was not expected by the researcher, and proved difficult to hold constant in the analysis due to

the limited variance across the data. The trend found in the current study is similar to the findings of the NCNB study on board member diversity, which showed that boards were primarily white (approximately 80%) and male (approximately 60%) (Rutledge, 1994). The researcher assumed that there would be more diversity in the current study, as more research has shown that diversity is increasing in terms of minority membership (Kang & Cnaan, 1995; Ostrower, 2007; Rutledge, 1994).

The first research question presented in this study was the extent to which board capital influences the effectiveness of board members in community foundations. It appears that there is a strong correlation among board capital indicators and board effectiveness. Specifically, lower scores in each of the indicators of board capital (i.e. human capital, structural capital, and social capital) negatively affected board effectiveness. This finding is consistent with previous literature on the indicators of board capital: that it matters in terms of performance and effectiveness (Brown, 2007; Certo, Daily, & Dalton, 2001; Hillman, Zardkiihi, & Bierman, 1999; Provan, 1980; Westphal, 1998). However, the findings in the OLR model in this study must be hesitantly accepted, due to 102 cells in the regression displaying zero frequencies and issues with unexpected singularities in the Fisher Information matrix. Thus, the validity of the model fit could not be confirmed.

In terms of the second research question, the extent to which servant leadership influenced board effectiveness, this finding was seen in the second series of OLRs. It was found that those who identified with less servant leadership negatively affected the board effectiveness score. Thus those who likely fell into “low” servant leadership also fell into “low” board effectiveness groups. Given the literature on servant leadership, and the nature of board members that responded in this research, it seems likely that Florida community foundation boards are

already recruiting servant leaders and have servant leaders on their board. One area that boards may wish to revisit in the near future that was explored further in the qualitative section of this study was the nature of diversity and representation among the community. The boards that participated in the follow up focus groups had mixed feelings on whether they felt their board was diverse and represented their community. Given that previous research has held value in diversity in terms of performance (see Brown, 2002b), this area should be given more attention in future research examining board effectiveness in community foundations.

Out of the several chi-square analyses that were run in the study, the only significant finding was board size and board effectiveness, an association that has found opposite results in previous literature (Cornforth, 2001). It must be noted, however, that the chi-square showed 26 cells (86.7%) had an expected count of less than 5, and thus, may not be an adequate assumption of the data.

In terms of the survey instrument and reliability among the constructs, there was found to be an acceptable Cronbach's alpha score on all of the dimensions tested within this study. Reliability tests on servant leadership measures were found to be good predictors of the constructs used to measure servant leadership. This finding is consistent with other reliability tests on servant leadership (Page & Wong, 2003), though the measures used in this study were updated to reflect the sample population (targeting board members).

The study addresses some of the research gaps previously identified in the literature. For example, Bradshaw et al. (1992) suggest boards should consider the institutional nature of the board and the effect it has on performance and how the board can represent the organization. Further, this study sought to begin to respond to the call of Herman and Renz (2008) suggesting more research is needed on nonprofit effectiveness and network effectiveness that focuses on



nonprofits rather than for-profits. The research gaps in nonprofit governance concluded in Cornforth's (2012) review continue to hold true, as more research is needed that extends beyond cross-sectional designs and complex governance structures are still worthy of more consideration. This provides room for continued research, which is explored in the limitations of this study and future research.

## **5.2 Implications**

There are several implications that can be drawn from the findings in this study. They are discussed in three overarching implications: theoretical and methodological implications, policy implications, and leadership and practical implications.

### *5.2.1 Theoretical and Methodological Implications*

That board effectiveness is multidimensional provides several implications for theory, research, and the nonprofit management field. It is clear from the literature, and from the findings in this study that board effectiveness is not measured well by one indicator, thus models must seek to use best indicators to maximize fit. In addition, this study considered the independent variables of board capital and servant leadership. The concept of board capital as a theoretical construct also has implications for considering nonprofit boards. This area is relatively unexplored, particularly in terms of community foundation boards, and may provide new ways to evaluate performance and effectiveness. Further, servant leadership theory is well applied in community foundations, and provides new ways to evaluate board and executive leadership.

The findings of this study also imply that the diversity of community foundation boards lacks diversity in terms of race, as white, non-Hispanics occupy the vast majority of board chairs

and executive director positions in this study. Given that diversity has been found to increase performance (see Brown, 2002), there may be external factors exerting pressure for community foundations in terms of increasing diversity. This study, however, may imply that diversity does not matter as much as other factors in terms of board effectiveness.

### *5.2.2 Policy Implications*

Nonprofit organizations have become the focus of major policy initiatives, given their capacity and position in their communities to solve complex problems. Nonprofits contribute to democratic governance in many ways, such as delivering services that frequently force them into the public policy process or representing their mission and interests to their stakeholders. It is necessary for public policy and management to become more attuned to a broader understanding of community foundation boards, leadership, and the increasing prevalence of community foundations. A more complex view of community foundations and their leadership may help to encourage accountability, create and sustain collaboration, and promote positive social change in communities.

### *5.2.3 Leadership and Practical Implications*

The findings in the OLS model suggest that who sits on the board does matter in board effectiveness, specifically in regards to board capital indicators. This finding has several implications for board recruitment purposes, particularly in targeting individuals who may have high human capital, structural capital, and social capital. It may be worthwhile for boards to actively seek potential board members who perceive themselves with high levels of human capital, structural capital, and social capital within their community and within the potential board. These areas may also be important to explore during board training and evaluation.

Further, servant leadership may also be a quality that is considered during recruitment and training, particularly human emotions that have defined this construct in the current study, such as empowerment, standing back, accountability, forgiveness, authenticity, humility, and stewardship.

In addition, the qualitative findings of this study have broad implications for the role of community foundations in community development, local governance structures, and social change. Community foundations can and have been used in various community settings such as emergency management, social programming, community leadership, philanthropic hubs, and governmental grant-making capacities. In the focus groups, one of the themes that came up suggested that community foundations can and do elicit social change, but their role in social change varies. It seemed that this belief varied across focus groups. One focus group felt that they were currently and continually eliciting social change, while respondents in the second group seemed to feel that they had the capacity to and could be a part of the social change process. Several different projects were mentioned in the focus group, such as a domestic violence initiative that one respondent felt was creating social change within the community. These qualitative findings suggest various roles of community foundations in social change, and give rise to questioning the position and role of community foundations in some types of governance functions and policy.

### **5.3 Limitations**

Certainly there are limitations with this research. Firstly, the complexity of measuring effectiveness is ever present in this research, as it is with previous literature. The concept of effectiveness is complex, and changes depending on who is measuring and what tools are used to

measure the construct. This finding is seen in the focus group themes among various board members in different organizations. Nevertheless, effectiveness is still consistently used in the literature (Bradshaw et al., 1992; Brown, 2005; Gill et al., 2005; Forbes, 1998; Herman & Renz, 1996, 1999; Jackson & Holland, 1998; Preston & Brown, 2004). In addition, measuring board capital and leadership also has its challenges, as they are complex unobservable variables that have been measured differently throughout the literature.

That these concepts were measured through a self-reported means presents an additional limitation. There may be a participant bias in how participants elect to respond to questions. This study has a potential non-response error, which happens when those who respond to the survey are in some way different from those who do not respond (Dillman, Smyth, & Christian, 2009). Because of the homogeneity of the sample, it is likely that the results may have been affected by non-response error. If participants who decided not to answer the survey had completed the survey, it is likely that they may have reported lower board capital and less board effectiveness scores.

Utilizing survey data with Likert scales and grouping scales by summations has received criticism in scholarly literature, though it is still a frequently used practice. This is because it cannot always be assumed intervals are equal across questions and constructs (Stacey, 2005). Further, there could be categorization error, which may happen when variables have very few indicators or few categories. When these indicators are collapsed to ordinal categories, measurement errors may incur due to correlation, which violates classical measurement theory (Johnson & Creech, 1983). Nevertheless, scholars posit that in measuring the same phenomenon in similar ways or with the same scale, the findings yield sensible results and the bias that may

exist is not necessarily sufficient to substantially alter interpretations of results (Johnson & Creech, 1983).

Sample size and participant responses are also a limitation for this study. While a 100% response rate is ideal, it is not realistic to assume this will be achieved in any research. In the current study, data was collected throughout the summer months, in which it was found to be very busy months for community foundations. There was difficulty in communicating with all of the community foundations in this research. As mentioned, eight of the community foundations could never be reached via email, phone call, or mail. This is because some of the foundations do not have staff members or are currently transient. Further, they may be seasonal foundations or are collaborating with larger foundations during their transition. Most of the boards mentioned throughout the data collection period for this study that their schedule was very full and board members were stretched very thin with new projects, upcoming initiatives, and previous commitments. This made it difficult to get individuals on board with completing and sharing the survey, and in focus group scheduling. This limitation has been seen in other research where there is a physical disconnect between researchers and participants in the research (Reis & Gosling, 2010). This can happen in virtual studies due to the lack of control of the research and setting (online and mailed surveys), however such samples collected via the Internet have not been found to be inferior to others (Gosling, Vazire, Srivastava, & John, 2004; Reis & Gosling, 2010).

Research that involves board members is complex, as each individual actor within the board has multiple unique, interesting characteristics. This research tried to take into consideration some of these dynamics, such as age, race, gender, attendance, frequency of meetings, education level, socioeconomic status, and other characteristics, however there are

certain attributes that were not considered. For example, specific type of committee involvement, power dynamics, board incentives, meeting formality, as well as other contextual factors in the board room were not considered, though research in the public and nonprofit literature has suggested these may impact human and social capital or board effectiveness (Hillman & Dalziel, 2003; Johnson, Schnatterly, & Hill, 2012; Murray, Bradshaw, & Wolpin, 1992; Provan, 1980; Stevenson & Radin, 2009).

One component of community foundations that was not taken into consideration in this study includes the age of the community foundation. Preliminary research has suggested that relatively younger community foundations do not have the community connections and expertise of older community foundations, and thus cannot be as effective in roles related to local governance and community development (Graddy & Morgan, 2005). For example, a study by Graddy and Morgan (2005) found that older foundations that are located within stable communities assume different leadership roles, specifically during community development. It would be beneficial to consider the age of the foundation in future research that mimics the design of this study.

In addition, only community foundations in Florida were considered in the study population. There are many other smaller community foundations in Florida, however, this research only considered those associated with the FPN or with a local connection with the Center for Public and Nonprofit Management at the University of Central Florida. Therefore, the generalizability of the study to organizations outside the FPN or outside of Florida may be another limitation.

## 5.4 Future Research

Future studies that aim to replicate this design should consider adding financial measures and the age of foundation as controlling factors. Further, future studies should expand the parameters of the sample population in an effort to diversify respondents. It is possible that length of board service could also be a factor to consider, that future research may explore.

Future studies may want to revisit the types of questions presented in the survey. One focus group respondent expressed that “you may want to reword some of the questions”, referring to answering some things in a Likert style responses. His suggestion was that some questions should be “yes” or “no” rather than “strongly disagree” up to “strongly agree”. This may be something that should be addressed in future research using Likert style responses on board capital and servant leadership factors.

It is recommended that there are more studies on board capital applied in the nonprofit setting. The concept of board capital is relatively new to the field of nonprofits. This is the first known study of the application of board capital to Florida community foundations. Future research should expand the findings of this preliminary research. An increase in sample size should also be noted. The type of data that was collected may have better been suited for other data analysis techniques, such as structural equation modeling. Thus, future studies should aim to increase the response rate to explore other data analysis techniques, particularly as ordinal regressions are so unique to other types of analyses and present unique assumptions.

More work should also be done to consider leadership within community foundations as well. The application of servant leadership is well suited in the consideration of community foundation boards; however, this does not assume it is the only or best leadership model to consider. Future work may seek to break servant leadership down by indicators used in this study

(i.e. empowerment, standing back, accountability, forgiveness, authenticity, humility, and stewardship). This may provide a further understanding of the leadership factors that are best suited in effective board members, rather than consider “servant leadership” as a whole.

It would also be interesting to consider the various dynamics of community foundation boards to other nonprofit counterparts, particularly in terms of demographic variables and human capital, and the consideration of board effectiveness. This study had a very high representation of White, non-Hispanic males with higher than average annual household incomes, for instance. This produced some issues with homogeneity among the sample in this research, presenting unique issues during data analysis. Future research may seek to discover these trends in other sectors of nonprofits among boards. Future research may also want to explore Theme 3 found in the qualitative data collection, of the differences in how community foundation boards understand effectiveness compared to other nonprofit organization boards.

Lastly, future studies should seek to connect board capital and board effectiveness to organizational effectiveness and community impact to better explore the role of the foundation in social change. The qualitative data in this study provided some insight into the role of community foundations into eliciting social change. This concept is worthy of exploration as it may provide insight in terms of community development, philanthropy building, local governance, and policy implications.



## **APPENDIX A: PAPER SURVEY INSTRUMENT**

## **Informed Consent**

You are invited to participate in a study entitled “The Impact of Board Capital and Servant Leadership on Board Effectiveness.” You must be 18 years of age or older to participate in this research. The purpose of the study is to assess factors of community foundation board members. More specifically, the research questions surround the extent to which board capital and servant leadership influences the board.

You are being asked to participate in this research by filling out a brief survey. The survey will ask demographic questions about you, your organization, and your perceptions of the board. The survey will take you around 10 to 15 minutes to complete. There are no anticipated risks in completing this survey. Although there are no direct benefits to individuals, there are potential organizational benefits of individuals completing the survey, which include receiving valuable information from this dissertation for Florida community foundations in board recruitment, best practices, and board effectiveness.

The principal investigator for this study is doctoral student Lauren O’Byrne under the faculty supervision of Dr. Naim Kapucu. The study involves research on board members and leadership in community foundation boards. If you have questions about this survey, you may contact the principal investigator, Lauren OByrne at [lauren.obyrne@ucf.edu](mailto:lauren.obyrne@ucf.edu).

You are asked **NOT** to write their name anywhere in the survey. If you elect to complete the survey will have the option to receive a \$5 Gift Card to Starbucks. If you wish to receive a complementary \$5 gift card, you will be asked for your name and address at the end of the survey. Your name will not be stored with or related to your survey.

You have the right to withdraw consent at anytime without any consequence. In addition, you do not have to answer any questions that they do not feel comfortable answering. Results of this survey will be shared in the primary research dissertation, and may be distributed to Florida community foundation boards, or published in peer-reviewed journals.

Research at the University of Central Florida is conducted under the oversight of the UCF Institutional Review Board. Questions or concerns about research participants' rights may be directed to the IRB office, University of Central Florida, Office of Research & Commercialization, 12201 Research Parkway, Suite 501, Orlando, FL 32826-3246. The telephone number is 407-823-2901.

**Directions:** Thank you for participating in this study on board capital, leadership, and effectiveness in Community Foundations. The following survey is for board members, executive directors/CEOs/Presidents of Community Foundations. Before completing the survey, please make sure you have read and received a copy of the informed consent. By completing this survey, you are acknowledging that you have read and understand the informed consent.

Please fill in or select the choice that most accurately describes you and/or your experience as a member of your community foundation. Keep in mind there are no “right” or “wrong” answers. Your personal views are what is important. Please answer honestly. To ensure anonymity of all responses, please **do not** write your name anywhere in this survey.

### Section 1

1. What community foundation board do you serve on?

\_\_\_\_\_

2. Approximately how long have you been a board member on this board?

\_\_\_\_\_ years and/or \_\_\_\_\_ months OR Not a board member (mark X) \_\_\_\_\_

3. Do you have a special role or title on the current community foundation board?

President/CEO      Executive Committee      No      Other: \_\_\_\_\_

4. Are you a member of a subcommittee?

Yes      No

5. Do you personally financially contribute to your board?

Yes      No

6. Are you required to financially contribute to your board?

Yes      No      Unsure

7. On average, how often does your board meet in person?

Once annually  
Two times annually  
Quarterly (4 times annually)  
Monthly (12 times annually)  
Biweekly (24 times annually)

8. On average, how many of the board meetings for this community foundation board do you attend?

0-20%      21-40%      41-60%      61-80%      81-100%

9. Are you currently a member of more than one community foundation?

Yes                      No (skip to question 12)

10. If yes, which other community foundation(s) are you a part of?

---

11. In what capacity are you a part of the other community foundation?

Board Member              Staff                      Volunteer              Executive Leader/CEO

**Section 2: Please assess the following statements regarding your board. Please use the following scale:**

<i>Very Poor</i>	<i>Poor</i>	<i>Average</i>	<i>Good</i>	<i>Excellent</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>

12. The board's performance in mission definition and review
13. The board's relationship with and review of the CEO/Executive Director
14. The board's performance in funding selection is consistent with mission and program monitoring
15. The board's performance in giving and soliciting contributions
16. The board's performance in financial management
17. The board's performance in strategic planning
18. The board's performance with new members in selection and training
19. The board's working relationship between board and staff
20. The board's performance in marketing and public relations
21. Efficiency in conducting board and committee meetings
22. The board's performance in risk management

**Section 3: Please assess the following statements regarding your board. Please use the following scale:**

<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neither agree nor disagree</i>	<i>Agree</i>	<i>Strongly agree</i>
1	2	3	4	5

23. I feel that the community foundation board represents the community that it serves.

**Human Capital**

24. I feel that I have all of the personal knowledge needed to fulfill my job in this community foundation.

25. I feel that I have the all of the personal skills or certificates needed to fulfill my job in this community foundation.

26. I feel that I have all of the personal experience needed to fulfill my job with this community foundation.

27. I feel that I have all of the education needed to fulfill my job with this community foundation.

**Structural Capital**

28. I was given the appropriate board development (including training, orientation, and evaluation) for my role on this board.

29. I am given all of the resources (space, materials, time, help) necessary to complete my job on this board.

30. The board meetings for this organization are efficient.

31. I am given adequate information to make important decisions on this board.

**Social Capital**

32. I am a board member of more than 1 board in my community (may include other community foundations, nonprofit organizations, corporate boards, community boards, etc.).

33. Because of my involvement with my community, I feel that I have garnered the public trust.

34. I am active in my community, regularly attending multiple different community and volunteer events.

35. I am socially connected in multiple ways throughout my community.

**Leadership**

36. I encourage others to use their talents.

37. I help other board members to develop themselves.

38. I encourage others on the board to come up with new ideas.

39. When given the chance, I offer others the opportunity to learn new skills.
40. I give credit to others for their work on the board, even when I am supervising.
41. I do not chase recognition or rewards for things others do for the board.
42. I enjoy the success of my colleagues more than my own success.
43. I hold others responsible for the work he/she carries out.
44. I am held accountable for my performance by others on the board.
45. I criticize others for their mistakes they have made in their work.
46. I maintain a hard attitude toward others who have offended me on the board.
47. I find it difficult to forget things that have gone wrong in the past.
48. I take risks even when I am not certain of the support I will receive from others.
49. I am open about my limitations and weaknesses on the board.
50. I am touched by the things that are happening around me.
51. I show my true feelings to others on the board.
52. I am prepared to express my own feelings, even it may have undesirable consequences.
53. I learn from the criticism I receive from others.
54. I admit when I make a mistake to others on the board.
55. I learn from the different views and opinions of others.
56. I emphasize to others on the board the importance of focusing on the good of the whole.
57. I have a long-term personal vision.
58. I emphasize our societal responsibility to others on the board.
59. Overall, the community foundation board is effective.

#### **Section 4. Demographic Information**

60. What is your age?

\_\_\_\_\_

61. What is your gender? Please circle one.

Male

Female

62. What is your race? Please circle one.

White, non-Hispanic

Hispanic or Latino

Black or African American

Native American or American Indian

Asian/Pacific Islander

Other

63. What is the highest degree you have completed? Please circle one.

Middle School

High School

Associates Degree

Bachelors Degree

Masters Degree or equivalent (MBA, MPA, MPH, MAS, etc.)

Doctorate or other Professional degree (PhD, MD, JD, etc.)

64. Do you have any disability, meaning a physical or mental condition that limits your movements, senses, or activities?

Yes

No

Unsure

I prefer not to answer.

65. Are you a member of the LGBTQ (gay, lesbian, bisexual, transgender, queer) community?

Yes

No

Unsure

I prefer not to answer.

66. What is your average gross annual household income?

\_\_\_\_\_

67. What best describes your current political orientation? Please circle one.

Conservative

Moderate

Liberal

Other:\_\_\_\_\_

I prefer not to answer.

68. What county do you live in? (Example: Seminole County)

\_\_\_\_\_

69. Do you live in the geographic area of your community foundation? Please circle one.

Yes

No

Unsure

***Thank you for your participation on this survey. Please ensure your name is not written on this survey.***

As a thank you for completing this survey, you have the option of receiving a \$5 Starbucks gift card. If you would like to receive a gift card, please enter your name and address. Your personal information will NOT be associated with your survey, and will not be used for any purpose other than to send a \$5 Starbucks gift card. If you would not like to receive a gift card, or prefer not to enter your name, thank you for your time and participation!

Name: \_\_\_\_\_

Address: \_\_\_\_\_



## **APPENDIX B: INSTITUTIONAL REVIEW BOARD (IRB) APPROVAL**



University of Central Florida Institutional Review Board  
Office of Research & Commercialization  
12201 Research Parkway, Suite 501  
Orlando, Florida 32826-3246  
Telephone: 407-823-2901 or 407-882-2276  
[www.research.ucf.edu/compliance/irb.html](http://www.research.ucf.edu/compliance/irb.html)

## Approval of Exempt Human Research

From: **UCF Institutional Review Board #1  
FWA00000351, IRB00001138**

To: **Lauren Louise Obyrne**

Date: **May 19, 2015**

Dear Researcher:

On 05/19/2015, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review: Exempt Determination  
Project Title: The role of Board Capital and Servant Leadership on Board Effectiveness: A study of Florida community foundations  
Investigator: Lauren Louise Obyrne  
IRB Number: SBE-15-11265  
Funding Agency:  
Grant Title:  
Research ID: N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the [Investigator Manual](#).

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

A handwritten signature in black ink that reads "Kanille Chay".

IRB Coordinator

## **APPENDIX C: IRB MODIFICATION APPROVAL**



University of Central Florida Institutional Review Board  
 Office of Research & Commercialization  
 12201 Research Parkway, Suite 501  
 Orlando, Florida 32826-3246  
 Telephone: 407-823-2901 or 407-882-2276  
[www.research.ucf.edu/compliance/irb.html](http://www.research.ucf.edu/compliance/irb.html)

**Approval of Exempt Human Research**

From: **UCF Institutional Review Board #1  
 FWA00000351, IRB00001138**

To: **Lauren Louise Obyrne**

Date: **December 02, 2015**

Dear Researcher:

On 12/02/2015, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review: Exempt Determination  
 Modification Type: Focus group questions have been revised and a new version has been uploaded in iRIS  
 Project Title: The Impact of Board Capital and Servant Leadership on Board Effectiveness  
 Investigator: Lauren Louise Obyrne  
 IRB Number: SBE-15-11265  
 Funding Agency:  
 Grant Title:  
 Research ID: N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the [Investigator Manual](#).

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

IRB Coordinator

## **APPENDIX D: INVITATION LETTER**

Dear Community Foundation Leader,

My name is Lauren OByrne and I am a doctoral student at the University of Central Florida. As a doctoral student, I am intrigued about the work and impact of community based foundations. The work of board members is invaluable and brings so much back to our community, especially those in need. I am currently conducting research for my dissertation, which is on board member capital, leadership, and effectiveness of boards of nonprofit organizations. I am reaching out to you for participation with my survey. Your participation is extremely important to understand the effectiveness of your board, the way your board operates including leadership styles and impact in our communities in Florida.

The survey is confidential and will not ask for your name. The survey will gauge the personal experience and knowledge you have, and your perceptions and experiences of your board. I would like to offer you a 5-dollar Starbucks gift card as a small incentive and thank you for completing the survey. I am also able to provide a descriptive statistics of your board profile if you requested it.

I hope you support my study, especially since this is an area that is overlooked by researchers. If you agree to participate, you can invite other board members from your community foundation to participate. The survey should take no more than 10-20 minutes to complete. Prior to beginning the survey, please see the informed consent, which is found in the beginning of the survey link.

The survey can be accessed here:

<https://www.surveymonkey.com/r/FloridaCommunityFoundations> Please copy and paste this link into a web browser.

I ask that you aim to complete the survey by **August 15, 2015**. Thank you in advance for helping me complete this stage of my dissertation work. I am excited about working with you and distributing my dissertation findings to your organization. If I can answer any questions about my research, please let me know.

All the best,

Lauren OByrne  
Doctoral Candidate  
University of Central Florida  
[Lauren.obyrne@ucf.edu](mailto:Lauren.obyrne@ucf.edu)  
[407-267-2737](tel:407-267-2737)

## **APPENDIX E: FOCUS GROUP QUESTIONS**

### Focus Group Questions

1. What makes a community foundation board effective?
2. How do you define effectiveness?
3. What do you feel makes a board member most valuable?
4. Demographically speaking, do you think your board represents your community? Why or why not?
5. Do you think community foundations have the capacity to elicit social change? Do you have an example?
6. Is there anything in particular you would like to share on board effectiveness, board capital, or leadership in regards to community foundation boards?



## **APPENDIX F: DESCRIPTIVES ON INDICATING QUESTIONS**

Table 22. Descriptives for Board Effectiveness Indicators

Statements	Very Poor (%)	Poor (%)	Average (%)	Good (%)	Excellent (%)
BE1. The board's performance in mission definition and review.	0	0	7	26.8	66.2
BE2. The board's relationship and review of the CEO/Executive Director.	0	0	1.4	14.1	84.5
BE3. The board's performance in funding selection is consistent with mission and program monitoring	0	1.4	2.8	32.4	63.4
BE4. The board's performance in giving and soliciting contributions	0	5.6	28.2	38	28.2
BE5. The board's performance in financial management	0	0	15.5	18.3	66.2
BE6. The board's performance in strategic planning	0	0	9.9	47.9	42.3
BE7. The board's performance with new members in selection and training	0	2.8	8.5	50.7	38
BE8. The board's working relationship between board and staff	0	0	2.8	15.5	81.7
BE9. The board's performance in marketing and public relations	0	1.4	23.9	49.3	25.4
BE10. Efficiency in conducting board and committee meetings	0	0	7	25.4	67.6
BE11. The board's performance in risk management	0	2.8	16.9	45.1	35.2

Table 23: Descriptives for Human Capital Indicators

Statements	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)
HC1. I feel that I have all of the personal knowledge needed to fulfill my job in this community foundation.	0	1.4	4.2	47.9	46.5
HC2. I feel that I have the all of the personal skills/certificates needed to fulfill my job in this community foundation.	0	2.8	8.5	39.4	49.3
HC3. I feel that I have all of the personal experience needed to fulfill my job with this community foundation.	0	0	8.3	41.7	50
HC4. I feel that I have all of the education needed to fulfill my job with this community foundation.	0	0	5.6	31	63.4

Table 24: Descriptives for Structural Capital Indicators

Statements	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)
SC1. I was given the appropriate board development (including training, orientation, and evaluation) for my role on this board.	0	1.4	8.3	37.5	52.8
SC2. The structure of this organization is well-designed to help it reach its goals.	0	0	2.8	26.8	70.4
SC3. I am given all of the resources (space, materials, time, help) necessary to complete my job on this board.	0	1.4	1.4	28.2	69
SC4. The board meetings for this organization are efficient.	0	0	5.6	32.4	62
SC5. I am given adequate information to make important decisions on this board.	0	0	0	31.4	68.6

Table 25. Descriptives for Social Capital Indicators

Statements	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)
SoC1. I am a board member of more than 1 board in my community (may include other community foundations, nonprofit organizations, corporate boards, community boards, etc.).	5.6	5.6	2.8	21.1	64.8
SoC2. Because of my involvement with my community, I feel that I have garnered the public trust.	0	0	12.7	50.7	36.6
SoC3. I am active in my community, regularly attending multiple different community and volunteer events.	0	1.4	7	38	53.5
SoC4. I am socially connected in multiple ways throughout my community.	0	0	9.9	36.6	53.5

Table 26. Descriptives for Servant Leadership Indicators

Statement	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)
SL1. I encourage others to use their talents.	0	0	1.4	45.1	53.5
SL2. I help other board members to develop themselves.	0	1.4	33.8	45.1	19.7
SL3. I encourage others on the board to come up with new ideas.	0	0	25.4	43.7	31
SL4. When given the chance, I offer others the opportunity to learn new skills.	0	0	28.2	39.4	32.4

SL5. I give credit to others for their work on the board, even when I am supervising.	0	0	11.3	38	50.7
SL6. I do not chase recognition or rewards for things others do for the board.	0	1.4	8.5	22.5	67.6
SL7. I enjoy the success of my colleagues more than my own success.	0	0	16.9	45.1	38
SL8. I hold others responsible for the work he/she carries out.	0	0	31	47.9	21.1
SL9. I am held accountable for my performance by others on the board.	0	1.4	16.9	40.8	40.8
SL10. I criticize others for their mistakes they have made in their work.	1.4	5.6	22.5	46.5	23.9
SL11. I maintain a hard attitude toward others who have offended me on the board.	0	7	12.7	36.6	43.7
SL12. I find it difficult to forget things that have gone wrong in the past.	4.2	8.5	19.7	31	36.6
SL13. I take risks even when I am not certain of the support I will receive from others.	2.8	9.9	26.8	50.7	9.9
SL14. I am open about my limitations and weaknesses on the board.	1.4	2.8	16.9	59.2	19.7
SL15. I am touched by the things that are happening around me.	0	0	11.3	49.3	39.4
SL16. I show my true feelings to others on the board.	1.4	0	23.9	60.6	14.1
SL17. I am prepared to express my own feelings, even it may have undesirable consequences.	1.4	0	14.1	66.2	18.3

SL18. I learn from the criticism I receive from others.	0	0	7	63.4	29.6
SL19. I admit when I make a mistake to others on the board.	0	0	12.7	46.5	40.8
SL20. I learn from the different views and opinions of others.	0	0	2.8	28.2	69
SL21. I emphasize to others on the board the importance of focusing on the good of the whole.	0	0	14.1	39.4	46.5
SL22. I have a long-term personal vision.		0	9.9	42.3	47.9
SL23. I emphasize our societal responsibility to others on the board.	0	0	14.1	52.1	33.8

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