BRINGING PERSONAL ACCOUNTABILITY ON BOARD

Increasing personal accountability is probably the most effective way to enhance the performance of board members. Here are a few suggestions.

by James E. Klusman

"Life's a lot more fun when you're not responsible for your actions." So says Calvin, in the cartoon *Calvin and Hobbes*, as he explains to Hobbes why he believes our destinies are determined by the stars. In that comic strip, cartoonist Bill Watterson reminds us of one side of human nature: Life can be much more fun when we believe we're accountable to no one.

If there's a little bit of Calvin in all of us, serving on a board especially a large one presents opportunities to appear to be governing while avoiding accountability. In their 1996 *Harvard Business Review* article, "The New Work of the Nonprofit Board," Barbara E. Taylor, Richard P. Chait and Thomas P. Holland wrote, "Board membership generally carries little personal accountability." As a result, the authors claim that "individual board members may not bring themselves fully to the task of governance."

Incentives vs. Self-Interest

One maxim in the behavioral sciences is that behavior is influenced by its consequences. We can also add a nuance that behavior is influenced by perceived or expected consequences. When individuals believe their actions will be neither sanctioned nor rewarded, they're likely to act in their greatest self-interest. So, when nonprofit directors have little personal accountability, activities other than governance of the organization may get more of their attention, particularly when those other activities have either built-in rewards or penalizing sanctions (e.g., self-dealing, conflict of interest, re-granting or lobbying).

People are usually willing to be held personally accountable when they're motivated by an appropriate incentive. For-profit board members, for example, are paid for their services. Frequently, they hold large blocks of the corporation's stock, which gives them a tremendous financial stake in the organization's performance. Furthermore, service on a corporate board is considered an honor, usually reflecting on an individual's reputation and skills. Avoidance of sanctions is a further incentive to high performance for for-profit board members.

There are other differences in the accountability of nonprofit boards and their for-profit counterparts. For example, consider that during the annual meeting of a commercial bank, it's common for the membership to be told what percentage of board meetings each director has attended during the past year. Bank examiners look carefully at board activity, and directors are warned of serious consequences should they fail to perform their duty. Try doing *that* in a nonprofit organization.

Increasing personal accountability is probably the most effective way of enhancing the performance of nonprofit board members. Yet asking volunteers to submit themselves to increased accountability reduces the likelihood of recruiting talented people with busy schedules. So how can nonprofits increase the personal accountability of board members without discouraging them from serving?

Express, Evaluate and Increase Responsibility

Start by giving board members a clear understanding of what's expected of them. Many organizations use a statement of expectations or even a signed agreement to make responsibilities explicit. But it's extremely important when using such mechanisms to craft the language carefully. For example, expecting directors to "assist in fundraising for the organization" can have a totally different result than expecting them to "introduce the organization to your acquaintances to set the stage for fundraising."

Next, make sure board members receive feedback on their performance. Behavioral science research provides abundant support for the notion that feedback has an important effect on performance. Sometimes simply the knowledge that performance is being monitored can spur a change in behavior, e.g., students who receive a low midterm grade will frequently modify their behavior to bring about an improvement. Similarly, a board member who is informed that he/she has attended only 20 percent of the past year's board meetings is receiving useful feedback on performance.

To go one step further, personal accountability can be enhanced by sharing a board member's performance measurement with others. This path can be full of obstacles, however, and it's important to find a way to do it that won't be threatening or humiliating. One possibility is to have board members periodically complete an anonymous questionnaire that assesses their personal performance in a variety of areas. Then, the organization's staff compiles the answers from the questionnaires, summarizing them for the entire board. Sometimes board members are surprised to find how inaccurate their assumptions are about the performance of the board as a whole, not to mention their personal performance relative to other directors.

Personal accountability may also be enhanced when board leaders exercise their roles on a personal level. Restricting the bulk of board members' interaction to board meetings, especially in the case of a large board, reduces both their perceived responsibility and sense of personal accountability. But, when the board chair communicates personally with other directors, outside of board meetings, the increased individual attention and opportunity for interaction can increase expectations of accountability.

Finding the Satisfaction

The appropriate methods of applying each of these principles can be found in the imaginations of an organization's leadership. Calvin's assessment of the relationship between personal accountability and having fun makes sense to us. Directors who expect to be held personally accountable in a non-threatening way will be satisfied to know they made a significant contribution to an organization that needs skilled leaders to carry out its mission.