

Can Individuals Make a Difference?: The Relationship Between Individual Behaviors and Board Functions

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Aim

There is interest in understanding how an individual board member can influence how well the board fulfils its purpose to provide oversight and direction. Attempts to identify the influence of individual board members on board performance have usually relied on individual attributes (e.g., gender or experience) or attitudes (e.g., commitment or motivation). While attributes and attitudes help contextualize individual board members, they do not necessarily describe board member behaviors. Thus, the research problem guiding this study was: What is the nature of the relationship between individual board member behaviors and the fulfilment of board functions?

Theoretical Background and Literature Review

There are multiple different categorizations of board roles. Inglis (1997) argued for four board roles. Inglis, Alexander, and Weaver (1999) suggested there are three board roles. However, there is some consensus around two primary board functions—conformance and strategy—in line with the board’s primary purpose to provide oversight and guidance (Daily, Dalton, & Cannella, 2003).

At the individual level, the organizational behavior literature describes many different behaviors. This research focuses on two that are particularly relevant to governance—proficient behaviors and proactive behaviors. Proficient behaviors focus on accomplishing core tasks and meeting the formal requirements of a position (Griffin, Neal, & Parker, 2007). Proactive behaviors are self-initiated and future-oriented in an ambiguous context (Grant & Ashford, 2008). Furthermore, as board members take on multiple positions within an organization—as a specific position on the board (e.g., secretary), as a board member, and as a representative of the organization—considering these behaviors in each position results in a model of six behaviors (individual proficient, board proficient, organizational proficient, individual proactive, board proactive, organizational proactive).

The nature of proficient behaviors, with their focus on specific tasks and requirements, aligns the conformance function of the board while the forward-looking nature of proactive behaviors aligns with the strategic function of the board. Thus, this research tests whether the three proficient behaviors are predictive of the perceived fulfilment of the board’s conformance function and whether the three proactive behaviors are predictive of the perceived fulfilment of the board’s strategic function.

Research Design and Analysis

453 board members from Australian state sport organizations responded to an online questionnaire asking them to self-evaluate their behaviors and their board’s fulfilment of the conformance and strategic functions. The Work Role Performance instrument (Griffin et al., 2007) was adapted for the sport setting to measure behaviors while an instrument by Pugliese, Minichilli, and Zattoni (2014) was adapted and used to measure the perceived fulfilment of board functions. Structural equation modelling was used to test the proposed relationships along with comparing alternative models and testing for measurement invariance.

Results and Discussion

The proposed model was accepted as all statistics met the model fit criteria ($\chi^2=510.771$, $df=302$, $p<.001$; SRMR=0.06; CFI=0.96; TLI=0.96; RMSEA=0.04). Additionally, the model was found to have the best fit in comparison to alternative explanations and had measurement invariance across different characteristics (e.g., age, tenure, board size, etc). In examining the results, the board proficient and organizational proficient behaviors were positively predictive of the conformance function while the organizational proactive behavior was negatively predictive of the strategic function. The other three behaviors were not statistically significant predictors of board functions.

In addressing the research question, the evidence suggests that relationships between board member behaviors and the fulfilment of board functions are diverse in strength and direction. Despite the diversity of relationships evidenced in this research, it is worth noting a few themes. Firstly, the conformance function was predicted by behaviors that engaged with other colleagues (board and organizational). Secondly, proactive behaviors were, at best non-predictive of strategy although there was some evidence suggesting organizational proactive behaviors may not be aligned with the strategic function. Thirdly, the individual level behaviors were not predictive in any way.

Conclusion

This research found a set of diverse and relevant relationships between board member behaviors and board functions suggesting further investigation into the subject would be worthwhile. The findings suggest that it is important the board members work together to ensure conformance and that strategy is unlikely to be attained by one person's behaviors. The results of the present study provided empirical support for claims that boards exist to limit the authority of individuals by using the group to moderate individual influence as both individual proficient and individual proactive behaviors were not statistically significant predictors of board functions. Ultimately, board member behaviors were most effective at predicting board functions when behaviors were focused on working as a group.

References

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