NON-PROFILE GOVERNANCE

This course is intended for graduate students interested in learning about the governance of non-profit organizations. The prerequisite for this course is p11.1020, Managing Public Service Organizations.

Note: Most of the professor’s direct experience and scholarship on boards has been in large non-profit hospitals.

Learning Objectives:
At the end of the course, learners will understand:

1. Board structure, functions and composition.
2. The impact of the board on organizational/CEO performance.
3. Fiduciary, strategic, and generative governance.
5. How to assess interventions to improve board performance.

Reading Assignments:
Week 1:
- Course Expectations and Governance Overview. (1/25)
- Focus on the Board
- Distinctiveness of Non-Profits

Chait, Ryan and Taylor (CRT), pp 1-31
Bowen, Chapter 1, 19-44
Letter from CEO to shareholders, GE, 2009 (Blackboard)
Report from Director and President Metropolitan Museum (Blackboard)
Discussion Question: How best keep non-profit boards mission-driven?

**Week 2:**
- Fiduciary Governing (2/1)
- Legal Responsibilities.
- Board Machinery

CRT 33-49
Bowen, Chapter 2 and Chapter 7
Audit Committee Charter, American Cancer Society, 2009 (Blackboard)
*Outgrowing the Governing Board, 165-175 (Wood casebook, Blackboard).*

DQ: How do boards add value for nonprofit organizations? What are the costs of the board to the organization?

**Week 3**
- Evaluating Organizational, Board and CEO Performance (2/8)
- Board Information Systems

McDonagh, Hospital Governing Boards: A Study of Their Effectiveness in Relation to Organizational Performance, *Journal of Healthcare Management* 51:6 November/December 2006.(Blackboard)
Bowen, Chapters 3 and 4.
*Casebook: Conflicting Management Cultures in a Museum*, pp. 113-138(Blackboard)

DQ: How can boards influence a culture of performance?

**Week 4:** Strategic Governing (2/22)
Board’s Role in Strategic Planning
DQ: What role should a generative board play in strategic planning?

Week 5 Guest Speaker (3/1)

Week 6: Governance As Leadership (3/8)

Generative Mode Governing Board Accountability

CRT, 79-135.
Prybil et al, “Conclusions and Recommendations: Governance in Nonprofit Community Health Systems” Grant/Thornton 2008. (Blackboard)
Orlikoff and Totten, “Evaluating the Board Chair,” Healthcare Executive, Jan-Feb 2009. (Blackboard)
Case: The American National Red Cross (A), Harvard Business School 2007.(Blackboard)

DQ: How are non-profit boards accountable to whom?

Week 7: Improving Board Performance (3/22)

Chait, Ryan and Taylor’s New Covenant
Evaluating and Replacing the CEO
CEO Transitions
Building the Board
CRT   137-162

PO,   169-181

Casebook: The Evolving Board-Executive Relationship at a Women’s Shelter, 99-117. (Blackboard)

DQ: How recruit and retain generative board members?

REQUIRED READINGS:

Chait, Ryan and Taylor, Governance as Leadership, Wiley, 2005.


WRITTEN ASSIGNMENT:

Write a 10 page double spaced paper adopting the point of view of a management consultant on improving board performance for: non-
profit organizations in general, or for a particularly non-profit organization, or for one of the organizations in the Wood casebook (other than those discussed in class).

Part 1: Write a 5 page paper summarizing the evidence that you have gathered regarding an organization and its governance. What are the facts of the situation and any related evidence in the literature? Raise any questions you have as to the validity and reliability of this evidence. Analyze at least three sources in the literature and summarize what the authors have to say which has any bearing on the evidence.

Part 2: Write a 5 page paper discussing problems and issues raised by current board performance (the facts you have presented in the first paper). Then, present realistic and politically feasible solutions to improve board performance. Indicate how the board can overcome barriers to the implementation of your recommendations. Specify any assumptions underlying your analysis and recommendations.

Part 1 is due Week 3, and Part 2 is due Week 6. Late papers will be subject to an automatic one step down in grade (e.g. from A to B).

GRADING:

| Part 1 | 50% |
| Part 2 | 50% |

You can improve your grade by excellent class participation. Your grade may be lowered if you miss more than one class.

SUPPLEMENTARY READINGS

Books:

Carver, J. *Boards That Make a Difference: A New Design for*
Pointer and Orlikoff, Getting to Great, Jossey-Bass, 2002

Articles and Exhibits:

American Cancer Society: Code of Ethics and Conflict of interest Policy, 2009. (Blackboard)