NON-PROFIT GOVERNANCE

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

This is a seminar class and heavy reliance will be placed upon student participation.

This means preparing in advance of class to answer discussion questions.

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

1 How and why boards perform as they do.
2 How boards impact on organizational performance.
3 Models of fiduciary, strategic, and generative governance.
4 Common problems and issues in non-profit governance.
5 Opportunities to improve board performance.

Each class will start with students from one of three small teams answering discussion questions (after group discussion), based on readings as applicable.

Class and Reading Assignments:

Week 1 (9/5): Why Governance Matters
• Course Overview.
• How Boards Add Value
• Focus on Improving Board Performance

Readings:
Chait, Ryan and Taylor (CRT), pp 1-31
Bowen, Chapter 1, 19-44
Great Governance: Alliance for Advancing NonProfit Health Care, 2011 www.nonprofithealthcare.org

Discussion Question: How can boards best keep non-profit boards mission-driven?
1. What is the board’s role re accomplishment of mission?
2. Why is mission important to the success of non-profits?
3. How can the board keep the organization mission-driven?
4. Why doesn’t the board engage in this behavior?
5. What can the CEO do about if present board behavior is not acceptable?

Week 2 (9/12):  Fiduciary Model of Governance
• Legal Responsibilities of governing boards.
• Board functions, structure and composition

Readings:
CRT 33-49
Bowen, Chapter 2 and Chapter 7
Audit Committee Charter, American Cancer Society, 2009
(Blackboard)
Case Study: Financial Reporting to the Board, 2009 (Blackboard)

DQ: How can boards improve their performance as fiduciaries?
1. How do you define the board’s role as fiduciary?
2. How do boards currently perform as fiduciaries?
3. Where are the strengths in their performance?
4. Where are the shortfalls in board performance?
5. How can the CEO improve board performance as fiduciaries?
Week 3 (9/19) : Evaluating Board and CEO Performance
- Evaluating Organizational, Board and CEO Performance
- Board Information Systems
- Case on Conflicting Management Cultures

Readings:
Bowen, Chapters 3 and 4.
Casebook: Conflicting Management Cultures in a Museum, pp. 113-138(Blackboard)

DQ: How evaluate performance of the Wagner School and of the Dean’s contribution to that performance?

1. What are the three most important measurable objectives of the Wagner School.

2. How is Wagner performance evaluated by the President of NYU, and by its advisory board?

3. What are the strengths and shortfalls in that performance?

4. What are the main ways that the Dean contributes to Wagner attaining its objectives?

5. How should the Advisory Council at Wagner evaluate the performance of the Wagner School Dean?

*Assignment DUE: Part 1 of Assigned Paper

Week 4: (9/26) Strategic Model of Governance
- Discuss first paper
- Board’s role in strategic planning
- Case: Mission versus Revenue

Readings:
CRT, 51-78

Casebook: Mission Versus Revenue: The California Hospital Medical Center, pp.206-220.(Blackboard)

DQ: How improve performance of boards in strategic planning?
1 How define “strategic planning?”
2 How do boards engage in strategic planning now?
3 How should they engage in strategic planning?
4 How get from here to there?
5 What is the CEO’s role in improving board performance in strategic planning?

Week 5 Guest Speaker (10/3) Board Challenges and Performance

Readings:

Week 6: (10/10) The Generative Model
- The Generative Model
- Challenges to the Board
- Case Study: American Red Cross

Readings:
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:
1 What does “Board leadership” mean to board CEO and other stakeholders?
2 How does the board take leadership in organizational affairs?
3 How should the CEO empower the board to behave as leaders?
4 What are opportunities and constraints the CEO faces in attempting this.
5 What do you recommend that CEOs do in an organization where the board does not show sufficient leadership?

*DUE: Part 2 of the written assignment.

Week 7: (10/17) Improving Board Performance

- Discuss Second Paper
- What makes great boards great?
- Case Study: Women’s Shelter

Readings:
CRT 137-162
PO, 169-181
Casebook: The Evolving Board-Executive Relationship at a Women’s Shelter, 99-117. (Blackboard)

DQ: How get board members to buy in for changes in governance?
1 What kind of “buy-in” do boards now make in non-profits?
2 What kind of difficulties does inadequate buy-in make for these organizations?
3 What should the CEO do to increase board member buy-in?
4 When should board members and the CEO resign because of inadequate board buy-in
REQUIRED READINGS:


WRITTEN ASSIGNMENT:

Write a double spaced paper in two parts, from a management consultant to the CEO of an NGO with a copy to the board chair on improving board performance for an organization with which you are familiar or for one of the organizations in the Wood casebook other than those discussed in class.

**Part 1** (Due week 3) Write a 3-4 page memo which presents a framework for improving governance of an NGO (the subject of Part 2)

- Analyze the existing governance situation and discuss problems and issues.
- Frame an answerable question, such as “how can the CEO empower the board to buy in to improving governance?” or “how can the NGO recruit and retain more effective board members?”
- Specify a plan to get the evidence you need to make recommendations for Part 2 to improve governance.
- Develop a strategy for literature review, search for best practice and design of managerial research study. (This means what journals or data bases you would review, what organizations or managers you would contact, who would you survey or observe how to get additional evidence.

**Part 2**: (Due week 6, be sure to hand in Part 1 with my comments). Write an 5-7 page memo.

- Append a selected annotated (explain how the source was useful to you) bibliography. Limit the bib to no more than 5 sources.)
• Suggest up to three recommendations (in measureable terms) to improve NGO governance related to your answerable question in Part 1.
• Explain how your recommendations will impact desired outcomes.
• Specify assumptions used which underlie recommendations.
• List major obstacles to implementation and how these can be overcome.

GRADING of the Written Assignments:

Part 1 33% of the grade.
• 25% on analysis of the existing situation
• 25% on model of problems and causes
• 25% on question that is answerable
• 25% on plan to get evidence for Part 2.

Part 2 33% of the grade
• 33% on recommendations in measureable terms to improve governance and rationale
• 33% on usefulness of the bibliography to make recommendations.
• 33% on plan for further evidence and questions for those receiving your memo.

Class participation 33% of the grade
This will be based on appropriate quantity and quality of your comments and questions in class.

Note: Late papers will be subject to an automatic one step down in grade (e.g. from A to B). Your grade may be lowered if you miss more than one class.
ADDITIONAL READINGS

Books:


Hsu et al, “Methods for Developing Actionable Evidence for Consumers of Health Services Research,” 2009 (Blackboard)


Articles and Exhibits:

Alliance for Advancing NonProfit Helath Care, 2011, [www.nonprofit health care.org](http://www.nonprofit health care.org)

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


