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MANAGEMENT AND GOVERNANCE of NONPROFIT ORGANIZATIONS
PA5101
Spring 2019

TUESDAYS 6:00 – 8:45
Humphrey School 184

This course focuses on distinctive features of managing and governing nonprofit organizations and draws on current theories, concepts and real world examples to explore particular management and governance challenges. For example, these may include tensions between pursuing the nonprofit's historical mission or responding to dynamic funding markets; feeling pressures to grow without adequate strategic thinking and the internal capacity to do so; and questions concerning who does the leading/managing and who does the governing because of the part-time, volunteer nature of boards.

The course begins by exploring the sector itself in the US and globally, its definition, history, current size and impact on society, theoretical explanations for its existence in a market economy, and broad questions of ethics and accountability. From there we will approach nonprofit management from three distinctive perspectives: the organizing perspective, the managerial perspective, and the social entrepreneurship/innovation perspective. All these three different perspectives of nonprofit management offer us different assumptions and emphasis of what effective nonprofit management looks like. Approaching nonprofit management from these distinct perspective helps us generate a more systematic and comprehensive understanding of nonprofit management.

Making generalizations about management in the nonprofit sector is difficult because the sector in the United States and elsewhere contains so many different types of "industries" and organizations. We will be sensitive to many of these differences through the use of examples drawn from a variety of industries (including the performing arts, health, and human services, and international development and from nonprofits that are large as well as those that are small and grassroots in origin and purpose).

Course Learning Objectives

The course is designed to help students achieve the following objectives:

1. Develop an understanding of the roles played by the nonprofit sector and explore its current and potential impact on society in the US and globally.
2. Question and analyze governance and management strategies in light of calls for accountability, transparency, effectiveness and impact.
3. Be conversant in some of the most important current issues facing nonprofit organizations in the US and around the globe.
4. Enhance management skills through memo writing, opinion writing, and oral communication.

Learning Approach

We will address these objectives through a mix of readings, class discussions, lecture-discussion sessions, case analysis, and presentations (as possible) from the local nonprofit community. The teaching method is based on an active learning model. This approach requires that students prepare by reading the substantive course readings and cases and come ready to engage in lively conversation about the materials. Class sessions will not be used to summarize the readings but rather will provide the larger systemic context, integrate the materials, offer additional insights, and encourage direct application.

Any student who finds it difficult for any reason to engage in full class participation should contact me as soon as possible so we can discuss accommodations necessary to ensure participation and optimum learning.

Texts and Materials

Required:

1. **A Harvard Business School course packet of cases is required, students must purchase it, and the link is on Canvas.**

Optional:

1. Tschirhart, M. and W. Bielefeld. 2012. Managing Nonprofit Organizations. San Francisco, CA: Jossey-Bass Publishers. .
2. Boris, E. and Steurle, E. (2017) *Nonprofits & Government: Collaboration and Conflict 3rd Edition*. Lanham, Maryland: Rowman & Littlefield
3. The Nonprofit Sector: A Research Handbook, 2nd Edition. (W.W. Powell and R. Steinberg, eds.) New Haven CT: Yale University Press. 2006
4. The Jossey-Bass Handbook of Nonprofit Leadership and Management, 4th Edition. (David O. Renz, ed.). San Francisco, CA: Jossey-Bass Publishers. 2016.

Course Requirements

A student must complete all written assignments (see below), attend class and participate in class discussions in order to receive a grade in this course.

Regular class attendance is essential, and ***the student's final grade will be affected if they miss more than two classes***. Please speak with me if you must miss a class for professional or personal reasons.

Participate in classroom activities. This includes preparing for class sessions, contributing to discussions and engaging in case analysis and other exercises. Active participation is an extremely important component of any case-based class. Please come to class prepared.

Assignment Portfolio

Students come into this class with many different objectives. In order to better align the course with these varied objectives, I am providing students with the opportunity to construct a “portfolio” of assignments, depending on what kinds of skills and knowledge each student wants to emphasize and what skills are important in nonprofit management.

You will complete **four assignments** in this course. Here below illustrates your choices in different sections of the class.

<i>Course Section</i>	<i>Required</i>
1. The roles of nonprofits in society	Reflective essay on “the role(s) of nonprofits in society”
2. NPM from an Organizing Perspective	Story of Self online Recording
3. NPM from a managerial perspective	Management Memo
4. NPM from a social entrepreneurship and innovation perspective	Op Ed or Management Memo

Memos

The memos are based on management cases where an executive is facing a challenging situation and must make important decisions. Each assignment asks students to analyze the situation, using course concepts and discussions, and then develop feasible recommendations for actions. These memos are designed to help you master the communication of complex information within space constraints. Each memo assignment consists of a 1-page, single spaced memo to an actual person and a 1-2 page “logic memo” to me that summarizes your analytical thinking and demonstrates the use of course concepts.

Reflective essay on “the role(s) of nonprofits in society.”

This essay should be integrative across the topics discussed during this first section of the course. The essay may include thoughts about questions such as, how this role has changed over time (for the US) and what important challenges face the sector now and in the future? What is and is not distinctive or unique about the sector? How do we understand the question of “role in society” if we compare the nonprofit sector across different country contexts? The essay should be 2 pages, single spaced in length.

Story of Self Online Recording and the Work Sheet

You tell a “story of self” to enable others to get you by enabling them to experience sources of value that shape who you are, who we are, what you are doing and why. It requires finding the courage and to permit yourself the vulnerability. The recording should be within 2 minutes of length and submitted to Canvas. The work sheet should be sent to the instructor and T.A. before the public narrative class session (W5).

Op Ed piece

For the Op Ed article, choose a timely topic/issue confronting the nonprofit sector (either locally, nationally, or internationally) The Op Ed article should summarize the core issue and what the debate or controversy is, what is known about the issue from research, and then offers a reasoned argument (also backed up by research) that advocates a particular point of view about the issue or controversy). It should be 1 ½, single-spaced in length.

Grading

Course grades will be assessed by student performance on assignments and weighted as described below.

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| 1. Classroom Participation | 20% |
| 2. Reflective essay on the role of nonprofits (Section 1) | 20% |
| 3. Required Story of Self (Section 2) | 20% |
| 4. Required Management Memo (Section 3) | 20% |
| 5. Management Memo or Op Ed (Section 4) | 20% |

Assignments submitted after the due date will be penalized 5 points for each 24-hour period that it is late.

Incompletes are strongly discouraged, rarely given, and only granted after a student and I have mutually agreed upon a timetable for completion of all course work.

No ***extra credit*** is allowed.

Disability Services

It is the University’s policy to provide, on a flexible and individualized basis, reasonable accommodations to students who have documented disability conditions (for example, physical, learning, psychiatric, vision, hearing, or systemic) that may affect their ability to participate in coursed activities or to meet course requirements.

Students with disabilities are encouraged to contact Disability Services and their instructors to discuss their individual needs for accommodations. Disability Services is located in Suite 180, McNamara Alumni Center, and 200 Oak Street. Staff can be reached by calling 612/626/1333 voice to TTY. Additional information is available at <http://www.ds.umn.edu>

Mental Health

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol or drug problems, concerns or stressful events may lead to diminished academic performance or reduce a student’s ability to participate in daily activities. University of Minnesota services are available to assist you with addressing these and other concerns you may be experience.

You can learn more about the broad range of confidential mental health services available on campus via the Student Mental Health web site at <http://www/mentalhealth.umn.edu>.

SECTION 1. THE ROLE(S) OF NONPROFITS IN SOCIETY

Required: an essay on the “Role(s) of nonprofits in society.”

Session Dates	Topics	Readings/Cases	Products Due
Week 1. 1/22	The distinctiveness challenge <ul style="list-style-type: none"> • How unique is the nonprofit sector? • Legal basics • Scale and scope (US) • International comparisons 	<ul style="list-style-type: none"> • “What do nonprofits stand for? Reassessing the nonprofit value commitment.” Salamon, Geller and Newhouse. 2012. • E. Boris, B. McKeever, & B. Leydier, 2017. “Roles and responsibilities of nonprofit organizations in a Democracy” in <u>Nonprofits and Government: Collaboration and Conflict</u>. Lanham, Maryland: Rowman & Littlefield, pp. 1- 37. • Optional: “The Nonprofit Sector in Comparative Perspective” (Anheier & Salamon). Chapter 4, pp. 89-102, in <u>The Nonprofit Sector; A Research Handbook</u> (Powell & Steinberg, eds.) New Haven, CT: Yale University Press (hereafter, TNS). 2006. 	
Week 2. 1/29	Historical perspectives (US)	<ul style="list-style-type: none"> • “Historical perspectives on nonprofit organizations in the US” (P.D. Hall), chapter 1 in <u>The Jossey-Bass Handbook of Leadership and</u> 	

	<p>Theories of the sector</p> <ul style="list-style-type: none"> • Economic • Political 	<p><u>Management</u> (Renz & Associates, eds.), San Francisco, CA: Jossey-Bass Publishers (hereafter, JBH). 2012.</p> <ul style="list-style-type: none"> • TNS: chap. 5. “Economic Theories of the Nonprofit Sector.” (Steinberg). 2006. • TNS: chap. 9. “The Constitution of Citizens: Political Theories of the Nonprofit Sector.” (Clemens). 2006. 	
<p>Week 3. 2/5</p>	<p>The importance of context: Understanding how the environment influences and is influenced by nonprofits</p>	<ul style="list-style-type: none"> • Scott, W. Richard and Gerald F. Davis. In <u>Organizations and Organizing</u>. Upper Saddle River, NJ: Prentice-Hall. Pp 233-240, 258-276. 2007. • Bryson, John. 2004. “What to do when stakeholders matter,” pp 21-35, skim the rest. • Oster, Sharon. 1995. Chapter 3: “Structural Analysis of a Nonprofit Industry,” <u>Strategic Management of Nonprofit Organizations</u>, pp: 29 – 45 • Kindornay, Shannon, James Ron, & Charli Carpenter, 2012. “Rights-Based Approaches to Development: Implications for NGOs.” <i>Human Rights Quarterly</i>, Volume 34 (2): 472-506. <p><i>CASE: “The Right To Be Human: The Dilemmas Of Rights-Based Programming At Care-Bangladesh” (A) and (B)</i></p> <p>STUDY QUESTION:</p> <ul style="list-style-type: none"> • What was the overarching social and political context in which SHAKTI operated? • Who were the major stakeholders in the case? How did Enamul and CARE-Bangladesh’s views differ in regard to each stakeholder? 	

		<ul style="list-style-type: none"> • What options were available to Enamul at the end of the (A) case? What is your assessment of these? Which should he pursue? • At the end of the (B) case, what is your assessment of the overall successes or failures of Enamul and Shakti’s endeavors? Did they change CARE? How? 	
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SECTION 2. NPM FROM AN ORGANIZING PERSPECTIVE

Required: Story of Self Online Recording

Week 4 2/12	Role of Nonprofits Intro to Organizing	<p>Modified World Café</p> <ul style="list-style-type: none"> • Student-led discussion of the role of nonprofits in society <p>Readings:</p> <ul style="list-style-type: none"> • Case: Montgomery Bus Boycott • Marshall Ganz, "Leading Change: Leadership, Organization and Social Movements", Chapter 19 in <u>the Handbook of Leadership Theory and Practice</u>, Edited by Nitin Nohria and Rakesh Khurana 	Reflection essay due.
Week 5. 2/19	Public Narrative	<ul style="list-style-type: none"> • Ganz, M. “Why Stories Matter?” • Ganz, M. “Public Narrative, Collective Action, and Power” in <u>Accountability Through Public Opinion: From Inertia to Public Action: From Inertia to Public Action</u>, Edited by Sina Odugbemi and Taeku Lee, p.273 – p. 289. • Boas Shamir and Galit Eilam, “What’s Your Story?” A life-stories approach to authentic leadership development”, in <u>The Leadership Quarterly</u> 16 (2005), p. 395 – 417. [22 pages] • Video Debriefing of Stories of Self, CAUSE Campaign, California School Employees Association, March 2010. https://www.youtube.com/watch?v=JAb_DPyZdVQ [21 minutes] • In Class Practice of the Story of Self. 	Public Narrative Worksheet Submitted before Class
Week 6. 2/26	Political Advocacy and	<ul style="list-style-type: none"> • Colinvaux, R. 2017. “Nonprofits and Advocacy.” In <u>Nonprofits and Government: Collaboration and Conflict</u>. 	

	Political Roles of Nonprofits	<ul style="list-style-type: none"> • Pekkanen, R., Smith, S., & Tsujinaka, Y. 2014. “Nonprofit Advocacy: Definitions and Concepts.” • Bass, G., Abramson, A., & Dewey, E. 2014. “Effective Advocacy: Lessons for Nonprofit Leaders from Research and Practice.” <p>GUEST SPEAKER: Larry Hiscock</p>	
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SECTION 3. NPM FROM A MANAGERIAL PERSPECTIVE

Required: Management memo

Session Dates	Topics	Readings/Cases/Pre-class questions and exercises	Products Due
Week 7. 3/5	Strategic thinking: Tensions and techniques <ul style="list-style-type: none"> • Usefulness of corporate strategy concepts and frameworks? 	<ul style="list-style-type: none"> • Frumkin, P. & A. Andre-Clark, 2000. “When missions, markets, and politics collide.” <i>Nonprofit and Voluntary Sector Quarterly</i>. 29(Suppl 1): 141-163. • Tschirhart, M. and W. Bielefeld, 2012. “Formulation of Strategy,” pp. 85-109, in <i>Managing Nonprofit Organizations</i>. San Francisco, CA: Jossey-Bass Publisher (hereafter, MNO) • Shore, B., D. Hammond & A. Celep. 2013. “When good is not good enough.” <i>Stanford Social Innovation Review</i>. Winter 2013, pp. 40-47. • Optional: Brown, W. 2015. “Analyzing operating domains,” In <i>Strategic Management in Nonprofit Organizations</i>. Burlington, MA: Jones & Bartlett Learning, pp. 169-183. <p><i>CASE: 2V/ACT: Planning for Change and Determining Relevance</i></p> <p>STUDY QUESTIONS:</p> <ul style="list-style-type: none"> • What were the strengths and weaknesses of SYIN’s planning process? How effective was the plan implementation strategy? What were the major challenges to implementation? • Was the strategic plan too ambitious for this organization? Was the plan they 	Story-of-self online recording due

		<p>chose a good direction for the organization?</p> <ul style="list-style-type: none"> • Were the three options presented at the end of the case the only options available to 2V/ACT? • How should the organization proceed, given the challenges it faces? 	
<p>Week 8: 3/12</p>	<p>Governance and the work of the board</p>	<ul style="list-style-type: none"> • MNO, “Boards and Governance,” pp. 201-227. • MNO, “Executive Directors and Leadership,” pp. 228-234. • Guo, Chao, Barbara Metelsky and Patricia Bradshaw. 2014. “Out of the shadows: Nonprofit governance research from democratic and critical perspectives.” In (Cornforth and Brown, eds.), <u>Nonprofit Governance: Innovative Perspectives and Approaches</u>. London: Routledge, pp. 47-67. <p><i>CASE: One Acre Fund: Outgrowing the board</i></p> <p>STUDY QUESTIONS:</p> <ol style="list-style-type: none"> 1. Assess the changes made to the governing structure of One Acre Fund. Do these changes align with the needs of this fast growing enterprise? 2. Why hasn’t the Fundraising Board worked well so far? 3. What recommendations to have for Youn and the Executive Board for more effective governance changes that must occur if the board is to help One Acre Fund achieve its growth potential? <p>GUEST: Michael Wirth-Davis (TBD)</p>	
<p>Week 9: 3/26</p>	<p>Internal capabilities</p> <ul style="list-style-type: none"> • Financial management • Human Resources 	<ul style="list-style-type: none"> • Brown, W. 2015. “Internal capabilities.” In <u>Strategic Management in Nonprofit Organizations</u>. Burlington, MA: Jones & Bartlett Learning, pp. 111-124. • MNO, “Financial stewardship and management,” pp. 140-157. 	

		<ul style="list-style-type: none"> • MNO, “Strategic Human Resource Management,” pp. 261-277. <p><i>CASE: Neighborhood health clinic: Serving the underserved in a complex environment (A)</i></p> <p><i>Study Questions:</i></p> <ol style="list-style-type: none"> 1. Be prepared to discuss in class the “context” surrounding NHC – what is important about its community? What does a competitive environment analysis (Porter) tell you? 2. What is NHC’s overall strategy? 3. What are the major human resources issues facing Ladao? What may be connections between these issues and NHC’s strategy? Which are priorities? 4. What recommendations would you make to Ladao regarding top priority human resource issues? Which can be addressed short term? Longer term? 	
<p>Week 10: 4/2</p>	<p>Performance and Impact Assessment</p> <ul style="list-style-type: none"> • Evaluating effectiveness 	<ul style="list-style-type: none"> • JBH, chapter 16, “Outcome assessment and program evaluation” (Thomas) • Patton, Michael. 2006. “Evaluation for the way we work.” <i>Nonprofit Quarterly</i>. Spring, pp 28-33. • Ebrahim, A. and V.K. Rangen. 2014. “What Impact? A Framework for Measuring the Scale and Scope of Social Performance.” <i>California Management Review</i>, Vol. 56 (30): 118-141. • Kaplan. R. 2001. “Strategic Performance Measurement and Management in Nonprofit Organizations.” <p>HBS Case: The Robin Hood Foundation</p>	

SECTION 4. NPM FROM A SOCIAL ENTREPRENEURSHIP AND INNOVATION PERSPECTIVE

Management Memo or Op Ed – whichever will equate to 4 completed assignments

<p>Week 11: 4/9</p>	<p>Social Enterprise and Commercial Income</p>	<ul style="list-style-type: none"> • Smith, S. R. 2010. “Hybridization and nonprofit organizations: The governance challenge.” <i>Policy and Society</i>. Vol. 29: 219-229. • Santos, F., A Pache, and C. Birkholtz. 2015. “Making hybrids work: Aligning business models and organizational design for social enterprise.” <i>California Management Review</i>, Vol. 57(3): 36-58. • Hopkins, Bruce.2013. <u>Starting and Managing a Nonprofit Organization</u>. Chapter 13: “Related or Unrelated?” pp: 169-184. <p><i>CASE:</i> CostumeRentals, LLC – A Joint Venture between the Guthrie Theater Foundation and Children’s Theater Company (Yale School of Management)</p> <p><i>STUDY QUESTIONS:</i></p> <ol style="list-style-type: none"> 1. Please see questions at the end of the case narrative <p>Guest from CostumeRental, LLC - Alicia Wold (TBD)</p>	<p>Management Memo Due</p>
<p>Week 12. 4/16</p>	<p>Scaling up Social Innovation</p>	<p>Seelos, C., & Mair, J. 2017. Introduction, chapter 1 and chapter 2 of <u>Social Innovation and Scaling for Impact</u>. CA, Stanford: Stanford University Press. (University Library Access)</p> <p>Bradach, J. & Grindle, A. 2014. Transformative Scale: The Future of Growing What Works. <u>Stanford Social Innovation Review</u>.</p> <p><i>Case: DonorsChoose: An Innovative Internet Philanthropy Goes National</i> (Yale School of Management)</p> <p>GUEST: Andrea Davila (Echoing Green) - TBD</p>	

<p>Week 13. 4/23</p>	<p>Cross-sector Collaboration and Integrative Leadership</p>	<ul style="list-style-type: none"> • Selsky, J. W., & Parker, B. (2005). Cross-sector partnerships to address social issues: Challenges to theory and practice. <i>Journal of management</i>, 31(6), 849-873. • Crosby, B. C., & Bryson, J. M. (2010). Integrative leadership and the creation and maintenance of cross-sector collaborations. <i>The Leadership Quarterly</i>, 21(2), 211-230. • Columbia SIPA Case: <u>Public Private Partnerships for Green Spaces in NYC</u> <p>GUEST: Tom Evers – Minneapolis Parks Foundation (TBD)</p>	
<p>Week 14. 4/30</p>	<p>Strategic Leadership Challenge for Nonprofits and the Future</p>	<ul style="list-style-type: none"> • Readings TBD <p>Roundtable on the Future of Nonprofit Management and Leadership</p> <p>GUESTS: Vanessa Laird, Steph Jacobs (TBD), and Jay Kiedrowski (TBD)</p>	<p>Management Memo or Co-Ed Due</p>

Bookshelf for Nonprofit Management

Leadership and Management

- Rothschild, S. (2012). *The Non Nonprofit: For-Profit Thinking for Nonprofit Success*. San Francisco, CA: Jossey-Bass.
- Boris, E. and Steurle, E. (2006) *Nonprofits & Government: Collaboration and Conflict 2nd Edition*. Washington, DC: Urban Institute Press
- Crutchfield, Leslie and McLeod-Grant , Heather (2012) *Forces for Good Revised and Updated: The Six Practices of High-Impact Nonprofits*. San Francisco, CA: Jossey-Bass Publishers
- Brown, W.A. 2015. *Strategic Management in Nonprofit Organizations*. Burlington, MA: Jones & Bartlett Learning.

Governance and Accountability

- C. Cornforth and W.A. Brown (eds.). (2013) *Nonprofit Governance: Innovative Perspectives and Approaches*. London: Routledge.
- M.K. Gugerty and S. Prakash (eds.), (2010) *Voluntary Regulation of NGOs and Nonprofits*, Cambridge University Press.
- Ebrahim, A and E. Weisband (eds.) (2007) *Global Accountabilities*. New York: Cambridge University Press.

Philanthropy

- Frumpkin, P. (2006) *Strategic Giving; the Art and Science of Philanthropy*. Chicago, IL: Chicago University Press
- Hammack, David C. and Anheier, Helmut K. (2013) *A Versatile American Institution: The Changing Ideals and Realities of Philanthropic Foundations*. Brookings Institution Press.