



Advising the Organization: Advanced Issues in Corporate Governance

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Polsinelli PC. In California, Polsinelli LLP

“Effective governance by the board
of a nonprofit organization is a rare
and unnatural act.”

Barbara E. Taylor, Richard P. Chait & Thomas P. Holland, The New Work of the Nonprofit Board,
Harv. Bus. Rev. 36 (Sept.-Oct. 1996).



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How Common are Governance Problems?

69% of organizations experienced serious governance problems in the last decade.

Source: "The Sorry State of Nonprofit Boards," *Harvard Business Review*, Sept. 2015, quoting the "2015 Survey on Board of Directors of Nonprofit Organizations," by David F. Larcker, William F. Meehan III, Nicholas Donatiello, and Brian Tayan.



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Common Governance Maladies

- Board Conflicts
- Meddlesome Board Member
- Strong Executive/Weak Board
- Strong Board/Weak Executive
- Founder Syndrome
- Ineffective Committees
- Mission Drift



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Exercise Caution!

The following analysis of symptoms and remedies to governance maladies presumes that **rational**, **reasonable** men and women are exercising their **fiduciary duties**.



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Board Conflicts – Symptoms

- Bad behavior
- Generational conflicts
- Personal conflicts
- Structural conflicts
- Stagnation



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