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The Effectiveness of Boards of Governors in Non-profit Organisations: A Case of Kitovu and Nkozi Hospitals

This research studied the effectiveness of boards of governors in providing quality governance in non-profit organisations taking a case study of Kitovu and Nkozi hospitals. The purpose of the study was to assess the effectiveness of boards of governors of non-profit organisations in providing quality governance of the selected organisations. The study addressed itself to answering three key research questions: How effective are non-profit boards in setting and reviewing appropriate policies and strategic plans for the hospitals? How effective are hospital boards in executing proper oversight of management? How effective are hospital boards in engaging in constructive external relations for the hospitals? The study adopted a case study design. Two hospitals were considered as casein point to study and document the case for effective performance of boards in non-profit organisations. The study was both quantitative and qualitative. Quantitatively, the study laid down measurable information as acquired from the interviews and literature. While qualitatively, the study provided some information in a narrative style. Primary information was acquired through contacts with particular personalities (board members and medical directors) while secondary information was acquired through review of related literature. The key findings of the study were; that the boards in the two hospitals were effective in ensuring that the hospitals have long term strategic plans, clear vision and mission statements and that the future direction of the hospitals is clear and followed; the two hospitals had put in place the necessary policies for the smooth management of financial, material and human resources of the two hospitals. Both hospitals had a hospital charter, human resources management manual and a financial and materials management manual. However, the study found that these policies were not always reviewed, there was monitoring of financial resources through approval of budgets and the quarterly examination of financial reports by the finance and planning committee of the board. However, there was inadequate examination of quarterly reports to ensure fiduciary assurance. Both hospitals had no internal auditors or process auditors, top management of the hospitals were never appraised yet lower staff are appraised, thus performance of the Chief Executive Officer (CEO) and top management of the hospital was difficult to gauge. Board"s engagement in external relations was lacking and there was no external relations strategy and mechanisms of engaging with external stakeholders. The study also found that community representatives on the board were the main way of hospitals engaging with their main clients and getting feedback from the community. The study recommended regular review of the organisational policies to cater for emerging demands, constant monitoring through audits by external auditors, annual appraisal of the CEO/top management, set and evaluate targets, increase advocacy and engagement with stakeholders and promoting services and image of the hospitals by appointing public relations agents. From the study findings the boards of governors of Kitovu and Nkozi hospitals can be rated effective in the strategic and oversight function, though the external relations function was lacking and needed improvement.

Key words: Effectiveness, Board, Governor, Organisation