Puerto Rico’s economy is a top ranked topic, with multidisciplinary aspects and multilevel complexity. Not-for-Profit Organizations (NPO) composes one of the sectors with potential to contribute significantly to the improvement of the economy (Colley, et al., 2003; Gutiérrez, 2001). NPO are also known as the Third Sector (Gutiérrez, 1996), alluding to the two traditional economy sectors: Private and Government. Factors influencing the NPO effectiveness are thus, of particular interest for the economy.

Governance has been extensively linked to performance in For-Profit Organizations (Coles, Mc Williams & Sen, 2001). According to Arrington and Gautam (1995), governance is “an essential component of organizational life whose primary function is to establish and sustain an enterprise that produces desirable results for the people served by the work of the enterprise”. Simpler, as per Gordon (2002), “governance is commonly considered work that is done by a board of directors; the process of leading, directing the work, and monitoring performance.”

This investigation is intended to identify the governance models used by Non for Profit Organizations in Puerto Rico, compare those models with the For Profit models in the business literature, and test for correlations among the governance model and the effectiveness of the NPO.
This investigation is based on the model shown in Figure 1 below. This model depicts the relationship among the governance models, considered independent variables, and the NPSO effectiveness, considered the dependent variable. The investigation hypothesis will address the relationship between the variables. Due to the impact that a top.