



Policy Governance®

Walker Management Psychologists



What is Governance

- **The Board's primary job is to assure that the organization produces the results expected by its owners using acceptable means.**

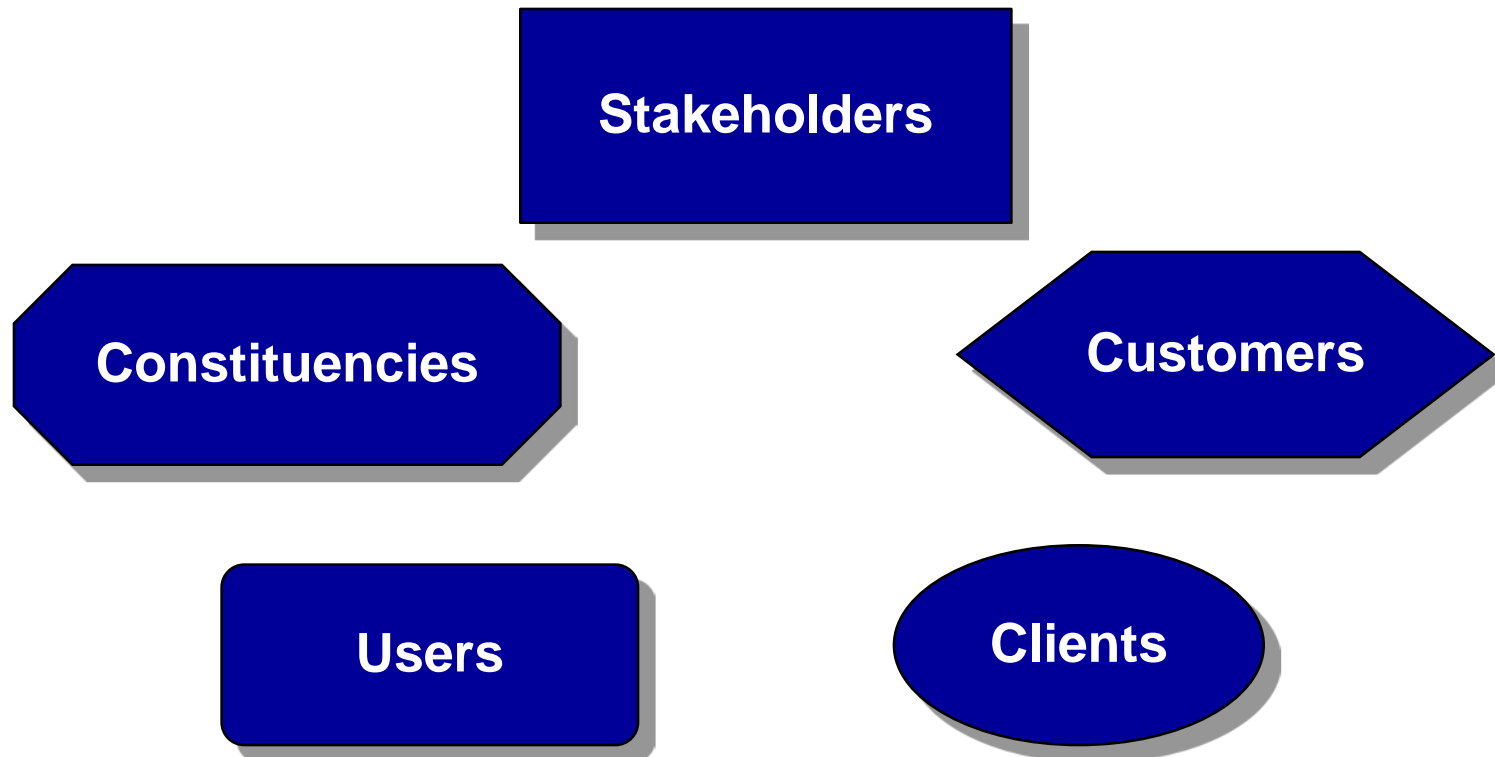


Board Governance Responsibilities

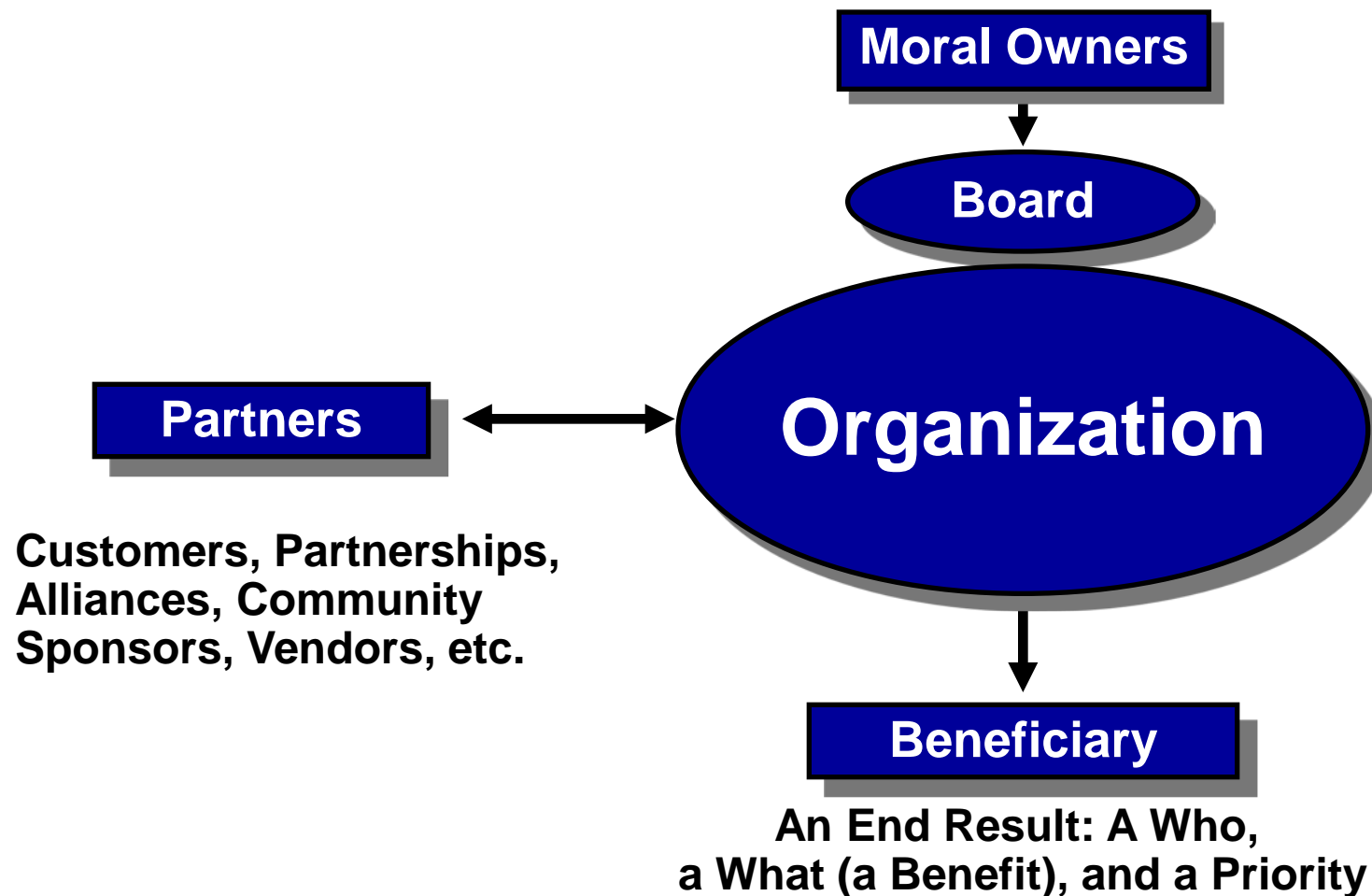
- **Connect to and represent owners**
- **Clarify organization's purpose**
- **Establish board self-management processes**
- **Delegate to executive**
- **Assure performance**



Whom Does the Board Serve?



Whom Does the Board Serve?



Ownership Focus



Ends

The positive difference that an organization should make in the lives of people.



Organization Purpose

- **Ends: Three Elements**
 - A group of people
 - The benefit they should receive
 - An acceptable level of cost for the benefits produced
- **Ends are different and independent from Means**



Ends and Means

- **What are Means and how are they different from Ends?**
- **For what part of the Means is the Board responsible?**
- **For what part of the Means is the Executive responsible?**

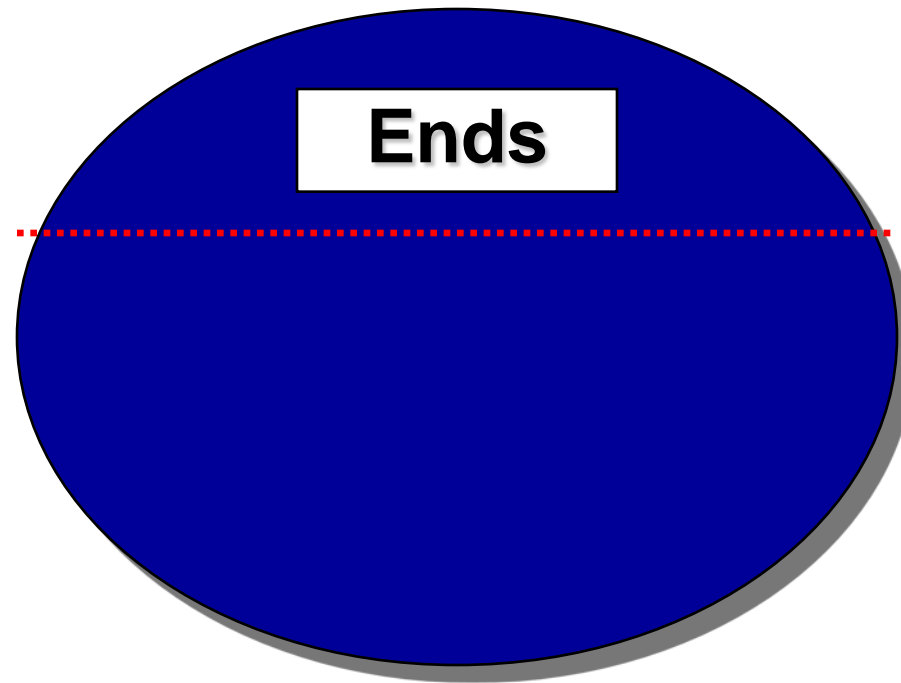


Reverse Proof

- **Sherlock Holmes' Approach**
 - **You have 3 suspects to a crime**
 - **You can prove that 2 aren't guilty**
 - **The third person must be guilty**

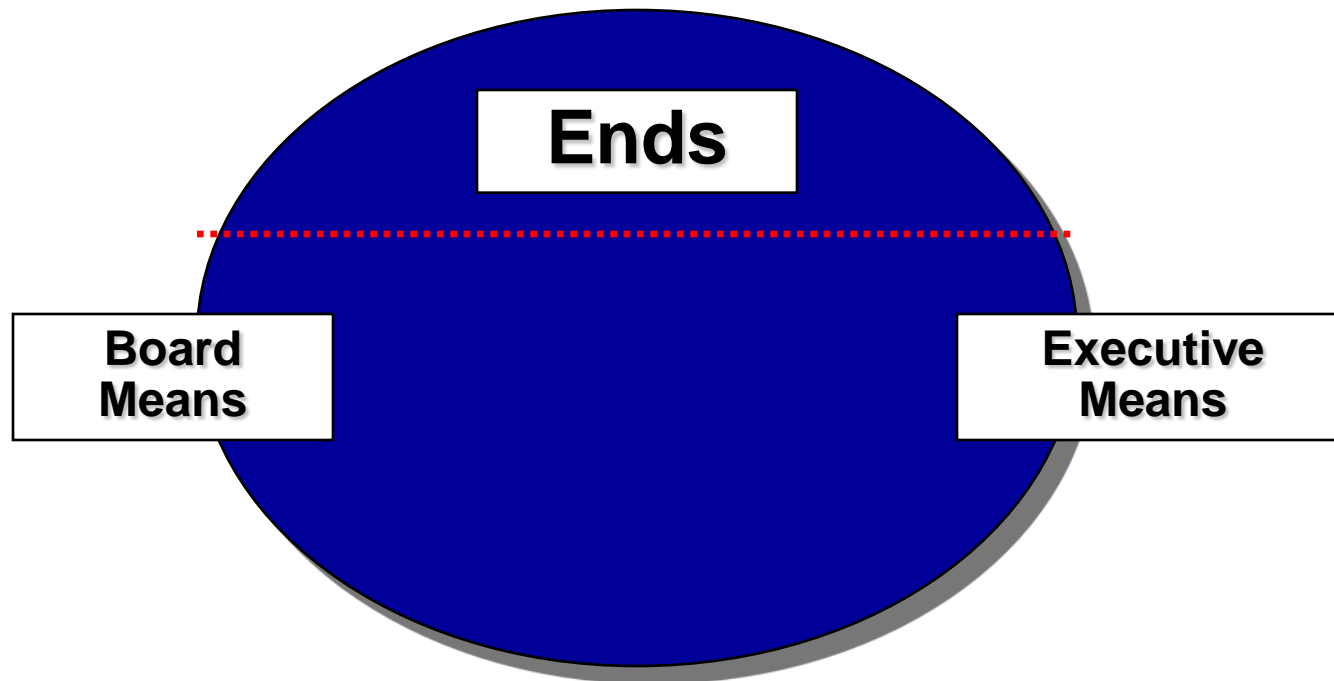


What are Means?

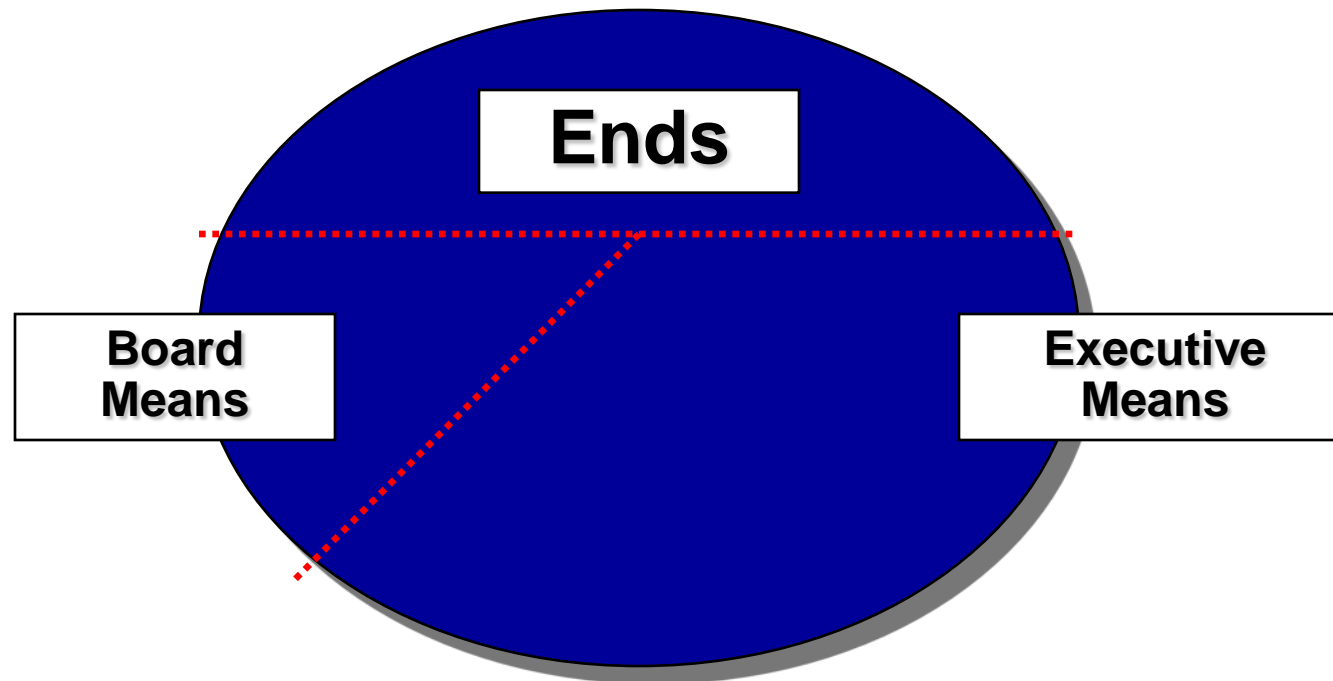


Anything that is not an End

Means: Board & Executive

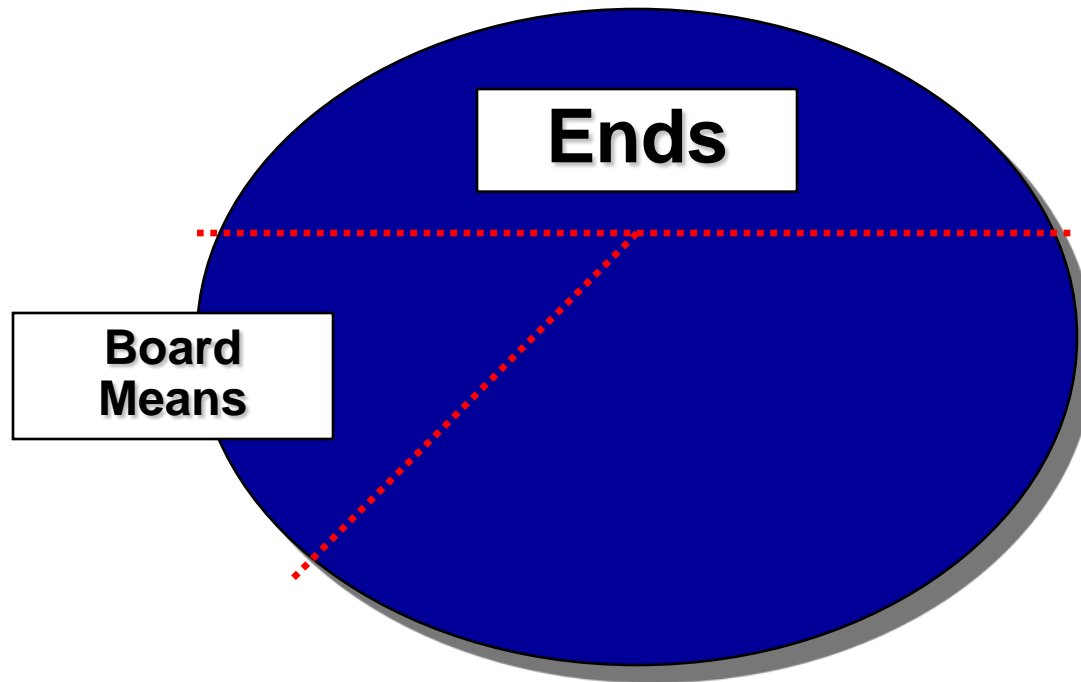


What are Executive Means?



**Anything that is not a
Board Means**

Acceptable Executive Means?





Two Approaches to Board Delegation



Two Approaches to Delegation

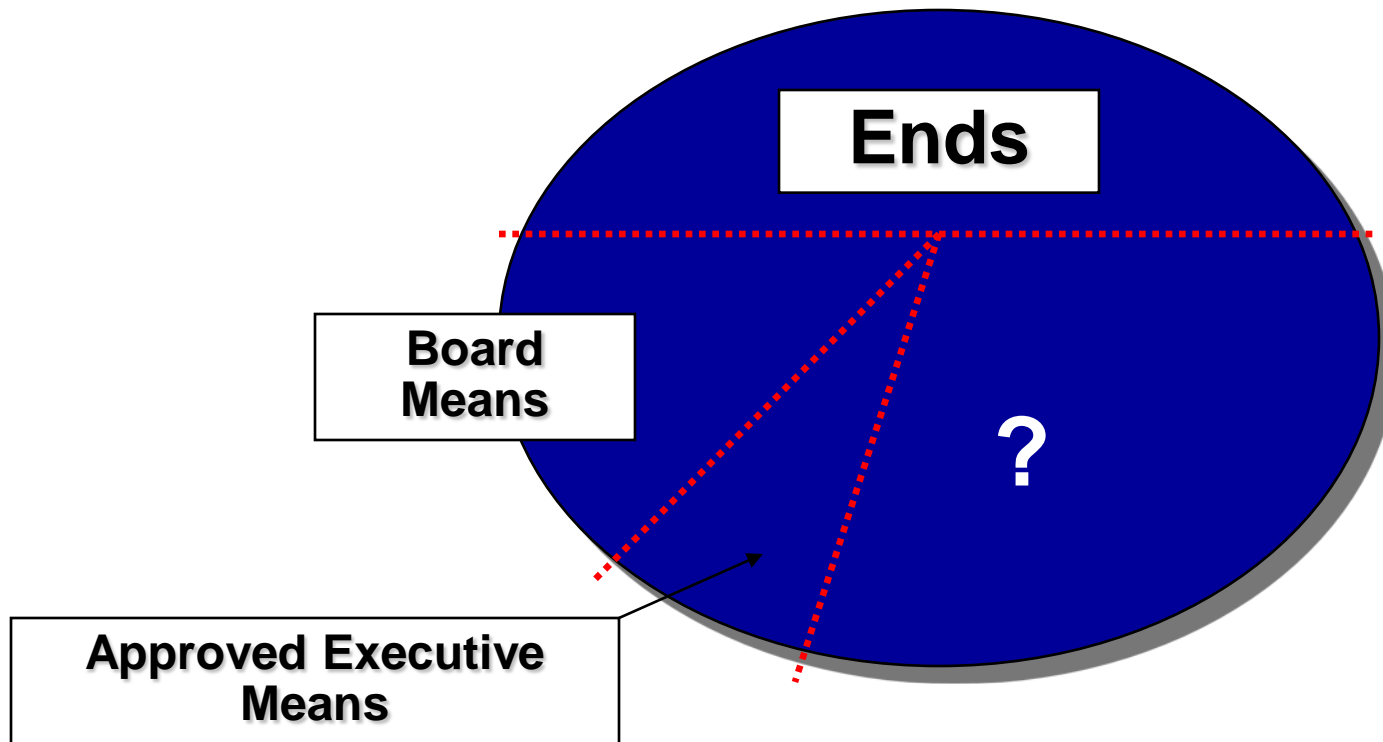
- **Approval - do nothing unless given permission**
 - Theory X
- **Limitations - do whatever it takes to achieve the Ends, unless restricted or required**
 - Theory Y



Delegation

- **Responsibility**
 - Tasks and Results
- **Authority**
 - The right to make decisions
- **Accountability**
 - Responsible to fix it

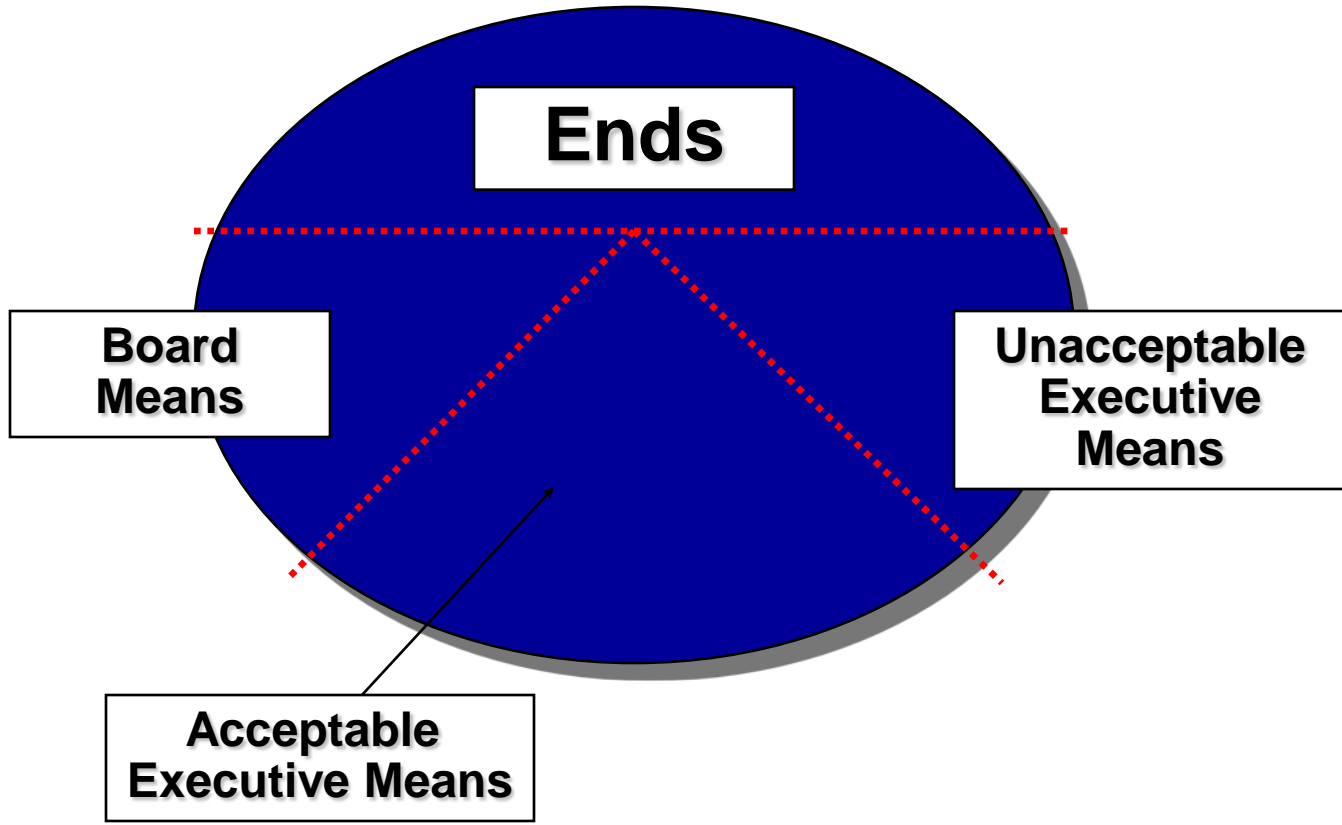
Approval



Creates a parent-to-child relationship
requiring permission and forgiveness



Limitations





Board Policy Manual

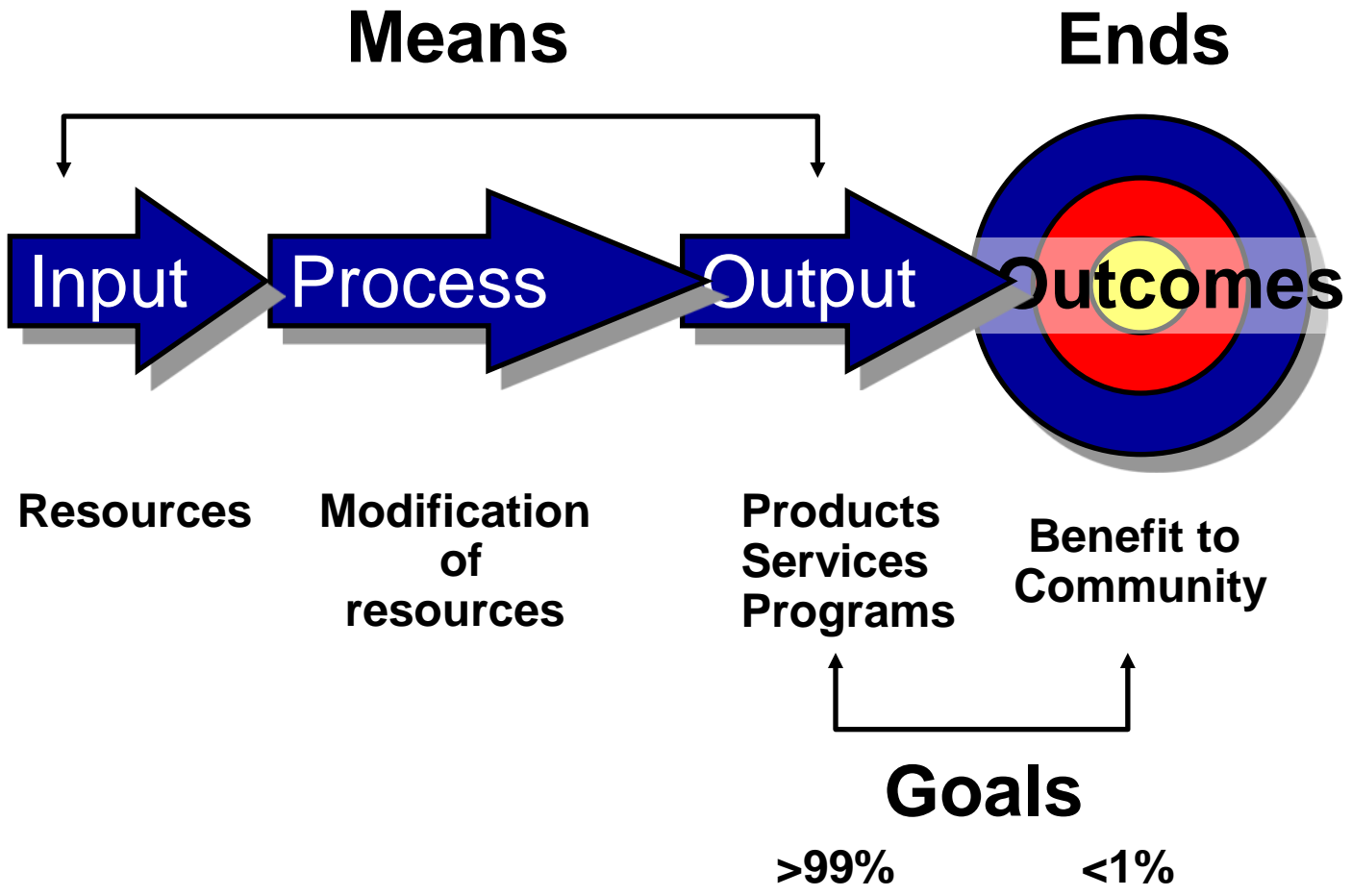
The Written Voice of the Board

- **Ends**
- **Board Means**
 - **Board Self-Management**
 - **Board-Executive Relationship**
- **Executive Limitations**

* Based on and adapted from
John Carver, Boards that Make a Difference.



Outcome Chain



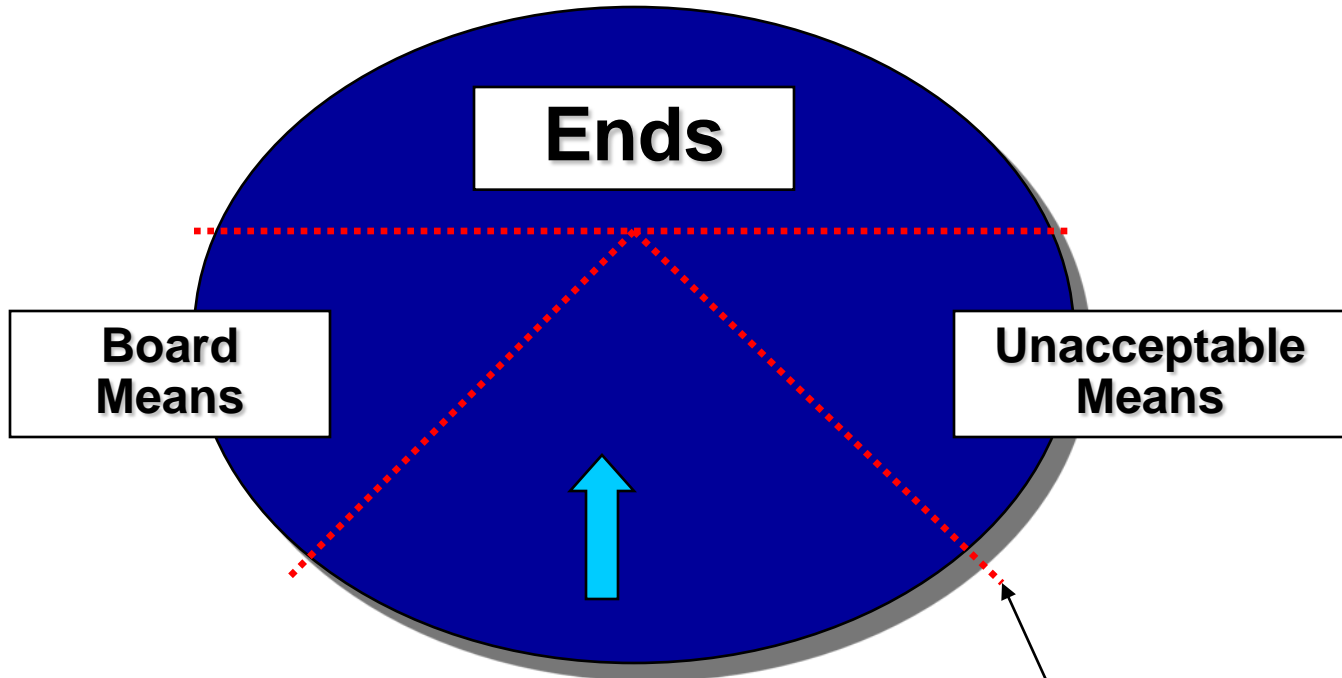


Monitoring

- **Creates Accountability**
 - Limitations create a clear line for corrective action
 - Monitoring ensures that corrective actions are taken
- **Little monitoring happens in traditional governance approaches**



Monitoring



Choice produces significantly greater ownership and accountability

Monitor



Board Means

- **What is the board responsible for?**
 - **Its own development**
 - **Its own job design**
 - **Its own discipline**
 - **Its own performance**



Committees

- **Speaking with “one voice”**
 - **Deliberate in many voices, but govern in one**
- **There can only be one CEO**
 - **The executive either works for the board as a whole or does not**



Committees

- **Board Dysfunction**
- **Governance Committee**
 - **Understanding Roles & Responsibilities**
 - **Speaking with one voice**
 - **Ethics**
 - **Board Meetings**
 - **Proper behavior**
 - **Board members dating staff**

Resources

- **John Carver – Policy Governance**
 - **“Boards that Make a Difference”**
 - **“Reinventing Your Board – A step-by-step guide to implementing Policy Governance”**