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John Carver's Model of Policy Governance - Overview

Policy governance: Premise

- A policy governance board is accountable for the organization it governs, and exists on behalf of a larger group of persons, who, either morally or legally, owns the organization. The board defines who the stakeholders are, decides what it is accountable for, and at what cost
- Policy governance defines the work of the board as “governance” and makes the distinction between governance (“Ends”) and management (“Means”)
- A policy governance board governs through four categories of policies: a) “Ends” policies; b) Governance Process policies; c) Executive Director Limitations; d) Board-CEO Linkage policies

“Ends”

Ends statements describe the board’s expectations about: (1) the benefit, difference or outcome in consumers’/stakeholders’ lives that the organization is to produce; (2) the persons for whom the difference is to be made, that is, the designation of the consumers; and (3) the cost or relative worth of the benefit. This can be briefly translated as “what results, for whom, at what cost.”

“Means”

Means are any organizational issues that are not *ends*. It includes methods and any organizational aspects of achieving *ends* that are not a direct definition of results, recipients of results, or the cost or relative worth of those results.

The board’s own job of governing, along with its procedures and practices, are *board means*. The board’s policies are instructive to the board itself, its chair, and its committees. Operational methods such as services, programs and personnel are *staff means* issues.

Board expectations

The board in carrying out its duties, has to define expectations, assign these, and check that they were met. It has expectations of:

- *Itself*: the board must state its expectations of its own operation, its use of officers and committees, its knowledge base, its connectedness to the ownership, its manner of delegating to others, and its methods of monitoring its delegates
- *Its CEO*: The CEO, by whatever formal title, reports to the board and is the recipient of all executive authority. This officer is held accountable by the board for all



organizational performance. The board must provide direction to its CEO in such a way as to preserve board accountability while maximizing CEO flexibility, creativity and freedom.

- *Its Chair:* The board must demand certain performance from its chair, as it will authorize its chair to make decisions on its behalf. The chair’s authority to make decisions will be in an area separate from that given to the CEO.
- *Its Committees:* The board may use committees and task forces to aid in carrying out its work. Such committees and task forces work only in the service of the board.

The Board’s Use of the CEO

The CEO (the term is used here to describe a function) reports directly to the board and is held accountable for all organizational performance. Boards using policy governance treat all accomplishments and failings, as measured against policies, as the accomplishments and failings of the CEO. The board should not instruct or monitor the performance of persons in sub-CEO positions; the board can interact with staff about board decisions, particularly about *Ends*, but not about issues that have already been delegated to the CEO. It is permissible for a board to invite staff into its business, but not permissible to invite itself into staff business.

The board will:

- Instruct only the CEO.
- View all organizational performance as that of the CEO.
- View any organizational failure to comply with board policy as the failure of the CEO.
- Require that the CEO keep the organizational performance within policy criteria and restore it to this state should there be policy violations.
- Never, in its official capacity, help the CEO manage.

Policies

Governing policies are seen as occurring in cascading sets, much like a set of nested mixing bowls. A board defines its policies by beginning at the global level and only proceeding to more detailed levels after the top level is complete. This allows the board to establish overall control, which is obligatory, and to establish more detailed control, which is optional.

By taking control over successively smaller values, the board can proceed to increase its control in increments. The increments are added until the board has established a level of control that will enable it to allow a delegate to use any reasonable interpretation within the decision range that remains. This is the point at which the board delegates.

An example of a broad *ends* policy can be stated as “Homeless teenagers will secure safe housing and job skills.” This value may be seen as the value represented by the “largest mixing bowl.” The board can relinquish direct control at this point, but must be willing for



the CEO to use any reasonable interpretation of this broad policy in delineating the means to meet this end. It is more likely the board will choose to define these words further, by possibly adding, “Among homeless teenagers, minority or persons with mobility challenges will be given priority.” This constitutes the “second largest mixing bowl.” At this second level, other considerations can be included – what job skills are necessary, definition of safe housing, etc. The board defines its words in increasing levels of detail until it is comfortable delegating.

Ends Policies

The Ends concept embraces:

- the impact, difference, change, benefit, or outcome to be obtained in the lives of consumers or stakeholders
- the identity, description, or characteristics of the consumers to receive the results
- the monetary expense, relative worth, or relative priority of a result

To qualify as an ends statement, a policy must describe at least one of these three components. Taken as a whole, ends policies should include all three.

Governance Process Policies – Defining the Board’s Job

These policies deal with the board’s own job, with a global description of the purpose and role. The policy can be expanded to include the board’s commitment to a certain discipline in its operations, the precise values added by the board’s activities, a code of ethics, etc.

Executive Limitations

Executive Limitations are the board’s directions to its CEO, and begin with policies that are broad enough to cover all possible circumstances and activities that the board would find unacceptable. The policy starts with a global statement and progresses in level of detail until the board is willing to accept any reasonable interpretation of this policy by the CEO.

Board-CEO Linkage Policies

These policies describe how the board transfers a large portion of its authority to the CEO. They deal with the methods and practices (means) of the board that describe the nature of the delegation and the way in which the proper use of delegated authority is ascertained. Explicitly, these policies do not instruct the CEO, but is targeted at why the board has a CEO and how the board will behave in relating to the CEO. These policies begin at the broadest level by defining the CEO position as the sole pathway between governance and operations.



Key concepts of policy governance:

1. The board stands in for those who own the organization.
2. The board speaks with one voice or no voice at all. The board will allow no officer, committee, or individual on the board to come between the board and its CEO, or to speak in a dissenting voice about board decisions.
3. The board directs the organization by addressing Ends and Executive Limitations policies to the CEO.
4. The board instructs no staff but the CEO.
5. Ends and means are distinguished from each other only according to whether an issue describes (1) what outcome or difference is to be produced, (2) for whom it is to be produced, and (3) the worth or cost of the outcome. An issue that describes one or more of these attributes is an ends issue. An issue that does not describe one or more of these attributes is a means issue. That a matter is important does not make it an ends issue. That the board wishes to control it does not make it an ends issue. That a matter is controlled by law or custom does not make it an ends issue.
6. The board controls ends issues positively – by prescribing certain ones.
7. The board controls staff means issues negatively – by prohibiting certain ones.
8. The board defines issues from the most general level of specificity to that more detailed level, which allow it to delegate any reasonable interpretation of its words.
9. The board may change the level of its policy making at any time.
10. The board monitors performance against its policy words.

Sources:

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Hanna Policy Governance. *Ten Principles of Policy Governance*.

For more information, please refer to www.carvergovernance.com
