

Policy Governance Ad Hoc Committee

Background:

Policy Governance is a model of efficient, effective Board Governance which focuses on the voice of membership. However, Policy Governance is not a menu of best practices, but a best practice when implemented as a whole model. Previous GVR Board of Directors have used theoretical components of Policy Governance, but this was discontinued in 2018. The 2019 Board of Directors again voted to formerly implement Policy Governance and hired Brown Dog Consulting to help in the training and implementation processes. Specifically, in April 2019 the Board voted to implement Policy Governance and in August 2019 voted to accept Policy Governance Source Documents. Review of documents as compared to Carver's implementation plan, indicate some components were implemented since that time, while others were not.

Currently, all former and new Directors have received on-line training on Policy Governance by Brown Dog Consulting. It is the goal of the 2020 Policy Governance Sub-Committee, in conjunction with the 2020 Board Affairs Committee and Bylaws Sub-Committees to work interdependently in setting the foundational or underlying policy work, so as to better institutionalize or embed the Policy Governance model and practice as a whole. Policy Governance is a service mark or brand name registered to John and Miriam Carver.

The GVR Board of Directors change annually. The full implementation of Policy Governance practices will offer future boards, thus owners, continuity in governing structure. It is the hope of the 2020 Policy Governance Sub-Committee in conjunction with Board Affairs Committee and Bylaws Sub-Committees, plus the support of the current board and GVR administrative staff that Policy Governance, after being integrated into overall board policy, will remain in effect for the current, as well as future GVR Board of Directors.

Policy Governance 101:

- Policy Governance puts the focus on Board governing, rather than Board managing/micromanaging
- Policy Governance clearly describes roles of Board members and CEO/executive staff
- The board exists to act as the informed voice and agent of the owners
- The board is accountable to owners that the organization is successful
- The authority of the board is held and is used as one body (one voice)
- The board defines in writing its expectations about (1) intended effects to be produced, (2) the intended recipients of those effects, and (3) the cost-benefit worth (ends)
- The board defines in writing the job results, practices, delegation style, and discipline that makes up its own job (board means decisions)
- The board defines in writing its expectations about operational organization. These define the guard rails or limitations put upon the CEO (executive limitations)

- The board describes its policies in each category from the broadest level to descending levels of detail until reaching a level in which the Board will accept any reasonable interpretation by the CEO
- The policies developed including Ends, Executive Limitations, Governance Process, and Board Management Delegation policies are exhaustive
- No subparts of the board, such as committees or officers can be given jobs that interfere, duplicate, or obscure the job of the CEO indicating a clear delineation in roles between CEO and Board members, Board officers, and committee chairs
- Detailed decisions about Ends and organizational Means are delegated to the CEO. The CEO has a right to use any reasonable interpretation of the board policy
- The board must monitor organizational/CEO performance against Ends and Executive Limitation policies. The board judges the CEO's interpretation, rationale for reasonableness, and the data demonstrating the interpretation

(Oliver, 2009A, pgs 2-4 recap)

Policy Governance Definitions:

- Ownership: The Board connects its authority and accountability to those who morally, if not legally, own the organization.
- Governance Position: With ownership above it and operational matters below it, governance is a distinct link in the chain of command. The Board's role is that of commander, not advisor. It exists to exercise the authority and properly empower others rather than to be management's consultant, ornament, or adversary. The Board – not the staff – bears full responsibility and direct responsibility for the process and products of governance, just as it bears accountability for any authority and performance expectations delegated to others.
- Board Holism: The Board makes authoritative decisions directed toward management and toward itself, its individual members, and committees only as a total group. The Board's authority is a group authority, rather than the summation of individual authorities.
- Ends Policies: The Board defines in writing the (a) results, changes, or benefits that should come about for specified (b) recipients or other defined impacted groups, and (c) at what cost or priority for the benefits. These are not all of the "side benefits" that may occur, but only those that define the purpose of the organization, and the achievement of which constitutes organizational success.
- Board Means Policies: The Board defines in writing those behaviors, values, practices, disciplines, and conduct of the Board itself and the Board's delegation/accountability relationship with its own subcomponents and with the executive part of the organization...These decisions are categorized as the Governance Process and Board-Management Delegation.
- Executive Limitations Policies: The Board makes decisions with respect to its staff's means decisions and actions only in a proscriptive way in order to (a) to avoid prescribing means and (b) to put "off limits" to those means that would be unacceptable even if they work.
- Policy "Sizes": The Board's decisions in Ends, Governance Process, Board-Management Delegation, and Executive Limitations are made beginning at the broadest, most inclusive level, and if necessary, continuing into more detailed levels that narrow the interpretative range of

higher levels, one articulated level at a time. These documents which replace or obviate Board expressions of mission, vision, philosophy, values, strategy, and budget make up the Policy Governance model.

- Delegation to Management: The Board delegates management of the organization to the CEO. In doing so, it honors exclusive authority/accountability of that role as the sole connector between governance and management.
- Any Reasonable Interpretation: In delegating further decisions beyond the ones recorded in Board policies, the Board grants the CEO the right to use any reasonable interpretation of those policies.
- Monitoring: The Board monitors organizational/CEO performance through fair but systematic assessment of whether a reasonable interpretation of the Ends and Executive Limitation policies. This constitutes the CEO evaluation.

(Carver & Carver, 2005-2007, pgs. 2-4)

Proposed Tasks:

Ongoing Policy Governance Education:

- All former and current board directors have completed the online Policy Governance course by Brown Dog Consulting. This course is an excellent overview, however doesn't fully address implementation
- Additional Policy Governance education for directors for implementation
- Policy Governance education for Board Affairs Committee members and Bylaws Sub-Committee
- Policy Governance subcommittee to develop ongoing training primers for directors, members, and other community members

Guiding document congruence/coordination:

- Policy Governance (PG) Document
 - Needs to be reviewed/updated to clearly reflect the values of the current Board
 - Needs to eventually be used as guiding policies for Board governance
- Bylaws
 - Needs to be updated for congruence with Arizona legal statutes
 - Needs to be updated for congruence with Policy Governance theory and documents
- Corporate Policy Manual (CPM)
 - Needs to be reviewed/updated for congruence with Policy Governance and Bylaw Documents
 - Needs to be divided into individual sections depending who owns the document – Board, CEO and professional staff, members
 - Please note the initial dividing of the CPM has been completed by Bob Northrup as directed by former PG Ad Hoc and 2019 Board President
 - Needs review/update of sectioning and sectioning rationale
 - Needs to be approved by the Board

Launching of full Policy Governance model

- Policy Governance is a sophisticated model of governance
- Policy Governance is only effective/efficient when implemented fully (Carver & Carver, 2006, pg. 38)
 - Focus on governing through policy (future-oriented), rather than managing/micromanaging (real-time oriented)
 - Phasing in and/or partial implementation strategies are not effective (Carver, 2005-2007, pgs 1-2). *“Half using a powerful tool can be dangerous. Compromising between A and B may result in a product that is worse than either A or B, and may be a mess”* (Carver & Carver, 2006, pg. 38)
- Setting a timeline to move fully to Policy Governance governing
 - Determine what needs to be in place (education, documents, Board agendas, etc)
 - Develop schedule for separate tasks to be completed (setting the necessary foundation)
 - Schedule a date for the total switch from generic governance to Policy Governance
 - Determining a plan to keep the Board on track (minimize slippage)

Professional Policy Governance Consultation:

- Brown Dog Consulting (or like PG Consulting agency) to review plan for moving forward for additional feedback
- Brown Dog Consulting (or like PG Consulting agency) to guide the current board through the process of reviewing/rewriting previously prepared ends, executive limitations, and means policies
 - Previous documents drafted by single Board member and shared with Board for approval
 - May or may not reflect Board values
 - May or may not have encouraged Board member buy-in to Policy Governance
- Brown Dog Consulting (or like PG Consulting agency) to provide consultation regarding CEO and Board accountability processes, including annual Board agenda setting
- Brown Dog Consulting (or like PG Consulting agency) to provide consultation as needed in developing congruence between Policy Governance, Bylaw, and Corporate Policy Manual
- Brown Dog Consulting (or like PG Consulting agency) to provide consultation as needed for following full implementation for trouble shooting purposes

Proposed Sub Committees:

- Owner Linkages Planning and implementation with owners
 - Review 2018 Member Survey
 - Develop an additional plan for gathering information from all owners
 - Develop ongoing mini-surveys for members on what owners wish to see for the future of GVR

- Schedule owner listening sessions focusing on what owners wish to see for the future of GVR
- Develop plan for member education on Policy Governance (training, e-blast information, GVR website)
- Annual Board Agenda (developed with Board members)
 - Board's job is future-focused
 - CEO's job is real-time focused
 - Develop annual structured agenda to include the following job inputs
 - Connection with owners
 - Written governing policies
 - Organizational performance
 - Board performance

Please note: If this plan is accepted, the Policy Governance Committee will provide a step-by-step implementation plan based on John Carver, Miriam Carver, Carolyn Oliver, and/or Brown Dog (or like PG consulting agency) for each of the above noted recommendations

Resources:

Carver, J. & Carver, M. (2009A) Implementing Policy Governance and staying on track

Carver, J. & Carver, M. (2009B) The Policy Governance model and the role of the board member

Carver, J. & Carver, M. (2006) Reinventing your board: A step by step guide to implementing Policy Governance

Carver, J. & Carver, M. (2005-2007) Policy Governance Source Document

Oliver, C. (2009) Getting started with Policy Governance: Bringing purpose, integrity, and efficiency to you board

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