



Introduction to John Carver's Policy Governance Model

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Introduction to John Carver's Policy Governance Model

“The Policy Governance Model is a conceptually coherent paradigm for board governance accountability; an operating system for board accountability”

--John Carver



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Governing boards-total accountability for all organizational activity

Advisory boards-give counsel and do not govern

Working boards-governing board with responsibility as governance and workforce



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Flaws of Governance

- *Time on the trivial*
- *Short-term bias*
- *Reactive stance*
- *Reviewing, rehashing, redoing*
- *Leaky accountability*
- *Diffuse authority*



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Good governance model should:

- Hold the vision
- Address fundamental values
- Focus on market-like, external responsiveness
- Enable outcome-driven system
- Separate large issues from small ones



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- Force forward thinking
- Enable proactivity
- Facilitate diversity and unity
- Describe relationships to relevant constituencies
- Define a common basis for discipline



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- Delineate the board's role in common topics
- Balance over-control and under-control
- Use board time efficiently



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Four reasons that policy-focused leadership is a hallmark of governance:

- 1. Leverage and efficiency***
- 2. Expertise***
- 3. Fundamentals***
- 4. Vision and inspiration***



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Categories of policies to guide board debate are derived from inquiry into governance, not from administration.

There are four categories of policies in the Carver Policy Governance Model:

- 1. Ends to be achieved**
- 2. Means to those ends**
- 3. Board-staff relationship**
- 4. Process of governance itself**



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Elements:

Model is universally applicable


**Applies at any stage of
lifecycle**

**Rigid rules with flexibility
within the rules**



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- **Board owns the organization on behalf of someone else--shareholders**
- **Shareholders rather than stakeholders**
- **Board functions as a group=speak with "1" voice**



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- **Accountability is inherent in the model**
- **Direct control of outside elements gives indirect control of inside elements**
 - **Concept of mixing bowls**



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- **ENDS are the organizational purpose**
- **ENDS address: what good, for which people, at what cost**



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- **MEANS are every other variable that is NOT an ENDS, which are the rest of the organizational decisions**
- **Board describes ENDS and acceptable MEANS**
- **Board sets policy according to their level of reasonable interpretation**



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- **Board describes acceptable MEANS by what CANNOT be done: referred to as: Executive Limitations**
- **Board describes ENDS and MEANS for itself; prohibitions with reasonable interpretation of the words**



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- **Where board stops describing ENDS and staff MEANS, the rest is up to the CEO (Chief Executive Officer)**
- **Where board stops describing board MEANS, the rest is up to the CGO (Chief Governance Officer)**

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- **ENDS include at what cost: which can be expressed by total \$ value, opportunity cost, or \$ worth of cost**
- **ENDS draw a picture of the future**
- **ENDS are the vision or long term statement of expected results for an intended group at a specific cost**



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- **Owners have moral or legal ownership**
- **Owners are who the board is obligated to**
- **It's the job of the board to decide the priorities of the owners**



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- **Customers are the intended impacted group or Recipients**
- **Customers are chosen by the way the board determines the ENDS**

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- **CGO is responsible for management of the MEANS policies**
 - **MEANS that relate to the linkage between board and staff**
 - **MEANS that direct board process of governance**

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- **CGO's responsibilities:**
 - a) Linkage with owners**
 - b) Written governing policies**
 - c) Assurance of organizational performance/CEO performance**

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- **CEO is directly responsible to the whole board, not the CGO**
- **CEO's responsibilities:**
 - a) Interpretation of policies**
 - b) Delegation**
 - c) Monitoring data for board**



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Requirements for using Policy Governance

- **Knowledge and understanding among Board members/ accountability**
- **CGO committed to Policy Governance**
- **CEO committed to accountability**

Examples of organizations using Policy Governance



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