# The Policy Governance® Model
an introductory page from John Carver

Board leadership requires, above all, that the board provide vision. To do so, the board must first have an adequate vision of its own job. The Policy Governance® approach provides a powerful framework for structuring this task. Following this approach, boards can free themselves from unnecessary, time-consuming involvements and focus on the real business of governance: creating, sustaining, and fulfilling a vision.

The Policy Governance® model is explained fully in *Boards That Make a Difference* (Jossey-Bass, 1990). In brief, it reduces or eliminates meaningless board and committee work, trivia, board interference in administration, staff manipulation of the board, unclear evaluation criteria, and role confusion.

Policy Governance® emphasizes vision and values, the empowerment of both board and staff, and the strategic ability to lead leaders. Because policies permeate and dominate all organizational life, they present the most powerful lever for exercising board leadership. Using the Policy Governance® approach, boards lead by setting policy in four areas, described below. Designed as a total system to encompass all expressions of board wisdom, the policy categories are: Ends, Executive Limitations, Board-Executive Relations, and Board Process.

**ENDS.** The board's most important job is to devise a mission and mission-related statements which clearly set out what the desired *results* – the Ends – of the organization's actions are to be. What human needs are to be met, for whom, and at what cost? How will the world be different as a result of the organization's activities? Including, but not limited to the mission statement, board-generated ends are further defined at all levels or organization. They comprise the organizational vision. The board leaves it up to the staff to decide on the means by which to achieve these ends, and evaluates staff performance based on how well the *results* of the organization's actions match the desired ends.

**BOARD-EXECUTIVE RELATIONSHIP.** In addition to providing the organization with a vision and defining what constitutes inappropriate staff practices, the board must set policies about how it relates to staff – for example, the board's approach to delegation, its view of the chief executive (CEO) role, and how it will assess staff performance. The Policy Governance® model envisions the CEO as the link between the board and the staff. In essence, the CEO is the board's sole employee. The only specified duty of the CEP is to be accountable to the entire board for the performance of the organization – on how well the board's ends are being met and the limitations not violated. This maintains accountability while allowing CEOs a great deal of latitude to act and to empower others to act. Only a slight modification of these policies is necessary for an organization too small to have a CEO.

**BOARD PROCESS.** The board must also set policies for its own internal workings – how meetings will be conducted, what topics will be addressed, the role of officers and committees, how the board will discipline itself. An effective design of board process ensures that the board fulfil its three primary responsibilities: (1) Maintain links to the ownership, that is, a grouping that is equivalent to stockholders in an equity corporation. For a community board, for example, community members are the owners. For a federation board, member organizations are the owners. (2) Establishing the four categories of written policies as defined by the Policy Governance approach, so that everything the board has to say is included in their encompassing framework. (3) Assuring executive performance. These are areas in which the board, and only the board, must assume full responsibility. By setting clear Board Process policies the board develops a consistent plan for how it will operate – compelling it to remain focused on the critical challenges of providing vision and leadership.

**EXECUTIVE LIMITATIONS.** While the board prescribes what ends (what results for whom at what cost) it wants to achieve, it only sets limits on the means with which the staff operates. These limits are principles of prudence and ethics that form a boundary on staff practices, activities, circumstances and methods. In Executive Limitations policies, the board states clearly what the board wilt *now* allow, but it is otherwise silent regarding staff actions. This empowers the staff to use their full creative powers while at the same time safeguarding against potential abuses, enabling the board to concentrate its energies on ends issues.

Except for what belongs in bylaws or enabling statutes, these categories of board policy are exhaustive, that is, they contain everything the board has to say about values and perspectives that underlie all organizational decisions, activities, practices, budgets, and goals. These policies are succinct and few. Most boards can capture all such policies, all their governing documents, in 30 – 45 pages.