Basic Principles of Policy Governance

condensed from John Carver, Carver Guide Series on Effective Board Governance

Policy Governance is a fundamental redesign of the role of a board, emphasizing values, vision and the empowerment of both board and staff. It is built on ten principles:

The *Trust* in Trusteeship
Simply put, a board governs on behalf of persons who aren't seated at the table.
The primary relationship the board must establish, maintain, clarify, and protect is its relationship with its owners keeping in contact with them, and hearing their voices.

The Board Speaks with One Voice or Not at All
A board is a corporate entity entrusted by its owners with the authority to govern and lead the organization. If the board is to lead, then on each given issue, it must speak with a single voice. The strength of this voice arises from the diversity of viewpoints and intentions its members bring to the board, as well as from the way the board focuses this multiplicity into unity. This one-voice principle doesn't require or imply unanimity. On the contrary, the board must embrace all the diversity it can on behalf of the ownership. Differences among trustees are not only respected, but encouraged. Rarely will a vote be unanimous. Those board members who lose a vote, however, must accept that the board has spoken and that its decision is now to be implemented. The board should not present conflicting messages to its ownership or its staff.

Board Decisions Are Predominantly Policy Decisions
Policy is defined as the value or perspective that underlies action. Board policies express the board's soul, embody the board's beliefs, commitments, values, and visions, and express its wisdom.
The board decides what to have policies about, and to what level of detail it will develop them. Its policies fit into four categories:

> **ENDS** — The board defines which human needs are to be met, for whom, and at what cost. Written with a long-term perspective, these mission-related policies embody the board's vision, and the organization's reason for being.
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> **EXECUTIVE LIMITATIONS** —The board establishes the boundaries of acceptability within which staff methods and activities can responsibly be left to staff. These policies limit the means by which Ends shall be achieved.
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> **BOARD-STAFF LINKAGE** —The board clarifies the manner in which it delegates authority and how it evaluates performance relative to ends and limitations.
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> **GOVERNANCE PROCESS** —The board determines its philosophy, its accountability, and the specifics of its own job.
> Except for what belongs in bylaws, these categories of board policy contain everything the board has to say about values and perspectives that underlie all organizational decisions, activities, practices, budgets, and goals.

The Board Formulates Policy by Determining the Broadest Values Before Progressing to More Narrow Ones
Values come in sizes; large values contain ranges within which smaller ones occur, like a nested set. A board

establishes control over large issues with broad policies, and subsequently decides how much further to detail them. Then it delegates further definition to someone else, fully empowering them to do so, and accepting any reasonable interpretation of its policies.

The Board Defines and Delegates, Rather than Reacting and Ratifying
Boards are accustomed to approving plans brought to them by staff. This obstructs staff creativity and agility and weighs down the board with detail. Having board policies in place ahead of time allows board and staff alike to know whether a staff plan is approvable, since all the criteria by which approval is given are clear for everyone to see.
The board does need to be assured that staff plans are within the limits of the board policies — and that reassurance is achieved by policy-focused monitoring though periodic reporting by the staff.

Ends Determination is the Pivotal Duty of Governance
The justification for any body lies in what difference it can make. The board will become more of a think tank for vision than a reviewer of staff decisions and activities. It will focus on outcomes; focus on the reasons for which the organization exists.
An issue is an Ends issue if—and only if—it directly describes what good, for whom, or at what cost. Ends language is never about what the organization will be doing; it is always about what will be different for those it serves. Distinguishing ends from means will enable the board to free itself from trivia, to delegate clearly and powerfully, and to turn its attention to large issues.

The Board Controls Staff Means by Limiting, Rather than Prescribing
The organization's conduct, activities, methods, and practices are its "means" rather than its ends. Board means relate to how the board will organize, structure, and conduct itself in order to accomplish its job. Staff means are the various arrangements and actions needed to accomplish the ends or to safeguard the operations that produce them.
The board's role is one of boundary-setting—specifying in writing which staff means would be unacceptable, not approvable, or off limits. By establishing clear boundaries, the board provides an environment which facilitates staff creativity and encourages action. This key method of means constraint enables a board to govern with fewer pages of pronouncements, less dabbling in details of implementation, and greater accountability.

The Board Explicitly Designs Its Own Products and Process
The board states what it expects of itself, its code of conduct, the way it will plan and control its agenda, and the nature of its linkage with the ownership.
The board commits itself to use internal committees only when they are necessary to help the board get its own job done. At present the Board committees consist of: Audit Committee, Trustee Committee, Policy Governance Committee, and Society Relations Committee.

The Board Forges a Linkage with Management That is Empowering and Safe
Board and Administration constitute a leadership team. Clear differentiation in their roles and responsibilities enable them to fulfill and excel in them, mutually support each other, and influence each other toward ever greater integrity and capability for leadership.
The board has the right to expect performance, honesty, and straightforwardness from its staff. Boards may be understanding about performance, but should never bend an inch on integrity. In turn, the staff expects the board to be clear about the rules and then play by them, to fulfill its own job, and to speak with one voice.

Performance is Monitored Rigorously, but Only Against Policy Criteria
In Policy Governance, monitoring is conducted only against criteria currently stated in ends and limitations policies. When a board adopts the discipline of monitoring only what it has already addressed in policy, it becomes driven to develop all the policies needed. The board will require information that directly addresses existing criteria, and receive relevant monitoring data without having to digest enormous amounts of unnecessary information.