

Sample Case Study - Governance Role and Responsibilities

This is an example of how a clerk at a large, general FE college with average performance supported the governing board's need to improve its effectiveness, through exploring differing ways of working.

The example looks at the Carver Policy Governance model and uses it to generate reflection and discussion about governance effectiveness and respective roles and responsibilities.

REMINDER - THIS IS A SAMPLE ONLY.

ABC COLLEGE OF FURTHER & HIGHER EDUCATION

Briefing for Corporation

March 2010

SUBJECT: The Carver Policy Governance Approach to Governance

AUTHOR: Clerk to Corporation

STATUS: This is a between-meetings briefing requested by members to inform them about Policy Governance.

ACTION REQUIRED: Corporation is asked to:

Receive the report for information pending proposals from the Governance Working Group on effective ways of working.

1.0 Background

The Policy Governance approach to governance was created by John Carver in the early 1990s and particularly aimed at improving the performance of boards as distinct from executives.

Adopted by many US and Canadian Community Colleges and held up to the UK FE sector as a model around the time of incorporation, the AoC [Association of Colleges] invited John Carver to speak at the national Governors' Conference in March 2003. This revived UK interest in the model and a number of corporations decided to work towards it or adopt a Carver-esque approach.

In April 2003, the then Principal, Vice Chair and Clerk attended the conference and heard John Carver first-hand. During corporation's self-assessment review meeting (November 2003), corporation considered the approach and felt that their practice was compatible with several aspects of the model: e.g. whole board decision-making and board ownership of governance agenda.

The November 2004 self-assessment confirmed the board's wish to continue to operate with an advisory committee structure.

During the November 2005 self-assessment review session, an external facilitator reintroduced the Policy Governance approach as a way of reviewing effectiveness. Members agreed to look in more detail at the model, in particular to establish whether a more effective way of working could be identified. The clerk presented a paper on models of governance to search and governance committee in February 2006. At the March 2006 corporation meeting it was agreed to set up a small working party to look at governance effectiveness.

2.0 What is the Policy Governance Approach to Governance?

This model came about to address:

- the need for distinction between governance and management;
- failure to maintain proper accountability;
- tensions and dilemmas in board members' role as a trustee.

Therefore, the Policy Governance system is designed to:

- a) Distinguish the role of the board from the role of the Principal thereby enabling a clear chain of accountability back to the College's owners.
- b) Empower the Principal for maximum success within clear bounds of safety.
- c) Keep the board focused primarily on creating the College's future rather than reviewing the past.
- d) Translates the board's total accountability for the College's success and safety into a manageable job.

The following briefly sets out the key elements of the Policy Governance system.

2.1 The Distinction between Governance and Management

Governance is distinct from management because it is group leadership rather than solo leadership, because it is the ultimate authority within an organisation, and because it is the bridge between the College and its owners (those the board determines to be invested in the value the College beyond their own personal use of it).

2.2 Translating Owners' Input into College Success and Safety

Boards using Policy Governance govern as a group through the careful creation and monitoring of policies, which are specifically crafted for the purpose of governing on behalf of their organisations' owners. These policies combined with the legislation and instruments and articles form the basis for virtually all board decisions. The Principal is free to develop his or her own policies in order to guide the College in implementing the board's policies.

Boards using Policy Governance hold their delegates accountable for performance in accordance with their expectations as stated in their policies. Delegates are therefore never expected to comply with expectations that are either unstated or unsupported by the board as a whole.

The Policy Governance framework allows a board to organise all its thoughts, activities, structures and relationships in one concise policy document or manual which incorporates its standing orders.

2.4 The Four Policy Categories

Policies are created in four categories. In each category, the board starts with the broadest statement of its values before moving – level by level - to more specific levels of expression. The four board policy categories are as follows:

1. **Strategic Outcome/Ends policies:**
These policies define what the College should produce, for which people and with what level of priority and cost-efficiency. That is they specify the results, the recipients and the worth of the results intended.
2. **Principal Limitations:**
These policies prevent the Principal from choosing or allowing methods; practices, situations or conduct that the board believes must be prohibited in order to safeguard the College's operational and ethical health.
3. **Governance processes:**
These policies prescribe how the board itself will operate. That is the Board's definition of, and rules for, its own job.
4. **Board-Principal Delegation:**
These policies delineate the manner in which the board delegates its authority to the Principal and monitors its use.

Once the board feels it has reached a sufficient level of specificity in each policy category, the Principal is empowered to act on “any reasonable interpretation of the board's *Ends* and *Principal Limitations* policies and the Chair is empowered to act on “any reasonable interpretation” of the board's *Governance Process* and *Board-Principal Delegation* policies.

In this way, the board's policy design ensures a) that there is no area of the operation of the College that the board has left un-governed and b) that the board's role and the Principal's role are clearly delineated.

2.5 Policy Monitoring

Boards using the Policy Governance system are only truly accountable to the extent that they are properly monitoring the implementation of their policies. The board of the College monitors all of its policies by one or more methods (report by the Principal, direct board inspection, or external audit) on a regular basis (usually annually, quarterly or monthly, however the board can monitor by any method at any time).

The board expects monitoring reports to provide the Principal's interpretation in the form of a compliance standard which can be justified as reasonable as well as verifiable data showing the extent to which the compliance standard is currently being met. The Principal is also required to notify the board in a timely manner of any actual or anticipated non-compliance with any board policy.

2.6 Living the Policy

With Policy Governance, the board's policy is kept alive and current because the board resolves issues and makes decisions by looking at its policies. If they find that they have not already said enough, or they have not said what they now want to say – they change the policy and therefore change their expectations of the Principal or themselves for the future.

3.0 Application of Carver in FE

Board committees in Policy Governance are used for board work only. The statutory committees – audit and search– are clearly doing board work. Boards using Policy Governance might also want to form committees to help with board jobs such as board policy development or monitoring or ownership linkage or board education. Board committees are not used to advise the Principal on his or her job as this interferes with clear delegation and accountability. However, the Principal may, at his or her discretion, seek the advice of individual board members as long as those members are not seen as in any way representing the whole board.

The Chair is seen as the servant-leader of the board with authority delegated from the board to keep the board in compliance with its policies for itself (as expressed in its Governance Process and Board-Principal Delegation policies).

As there are relatively few committees, full board meetings are usually more frequent, with all members aware of business issues. Board induction and development is given a high priority, to ensure members are able to function effectively. Members are recruited for their demonstrable commitment to the values and mission of the organisation and ability to think strategically, rather than for particular business skills.

Adopting the model fully takes considerable initial work both in securing full board understanding and commitment and in establishing the board's policies using the Policy Governance architecture.

Although John Carver asserts that, because it is designed as an integrated whole, the value of the model is only achieved by using it in full, some College boards have opted for partial implementation.

The board's agenda is largely planned a year ahead and is based around the board's job description:

- a) To be the link with the College's owners
- b) To maintain up-to-date comprehensive policies in the four categories
- c) To monitor College performance against those policies

Items coming to board meetings for decision relate only to matters that, according to board policy, belong to the board. Items for policy performance monitoring are clearly marked as such. The incidental information (information that is neither for board decision nor monitoring) that comes to the board for board education only is also clearly marked as such. Boards typically have a Principal Limitations policy that requires the Principal to provide incidental information on a range of topics upon which it wishes to be kept abreast in addition to the reports it receives under its regular policy monitoring schedule.

College boards also typically have a “Required Approvals” list of Principal generated documents and policies that the board will directly “approve” subject only to the Principal being able to demonstrate that they are compliant with the board’s Ends and Principal Limitations policies.

Size of board is also a factor: generally Policy Governance works best for boards with no more than 12 members.

The role of the Clerk is very important in operating Policy Governance particularly in keeping the meeting planning and monitoring systems running optimally.

Several FE colleges have enthused about the model; many have set up working groups to investigate. In general, where there was interest but the model was not adopted, it was due to a lack of high level support [ie from the Chair and Principal and Clerk]. It represents a radical change from a detailed committee approach, and calls for a more high level strategic approach to governance. As with any change, it takes a large amount of effort and commitment, and needs to be championed at the highest level and through the board.

Where adopted, it is often seen not just as a means to improved effectiveness, but a way of turning around poor performance of the college or board - or both. It is also seen as a way of addressing concern that only those members in committees have knowledge of certain issues, or that there are perceived cliques and an inner circle of committee chairs. Where it is felt that the committee approach is not working, it can be helpful to have a whole board approach for increased awareness and ownership of issues, and a more timely approach. In a fast-moving sector it can be inflexible and cumbersome to have to wait for the termly corporation meeting.

Some found that, as more frequent meetings of the board needed to be held [some boards moved to monthly meetings], attendance dropped significantly. The key is not simply a change of structure but also of culture and approach. Some boards are pleased with a smaller board, more frequent, shorter meetings, less paper, greater understanding of and focus on the key issues, greater control of the agenda.

4.0 Conclusion

To change a model of governance is not something to be undertaken lightly: it requires drivers for change, commitment at the highest level and among board members, resources and energy.

In the case of ABC college, the performance of the governing board has not been criticised from outside by audit or inspection. Drivers for improved effectiveness are coming from within, and not everyone is agreed on the change required nor is committed to radical change.

A key factor is having a clear agreement among board members about the role of governance and then identifying what is not working well by asking members and carrying out a robust self-assessment of strengths and weaknesses.

Adaptation of the existing model or incremental change might be preferable to wholesale change, which can take time to achieve and to adjust to.

At the very least, the Carver Policy Governance model provides an interesting lens through which to review the effectiveness of governance arrangements and the distinction between governance and management, in order to clarify understanding of governance roles and responsibilities.

Clerk to Corporation
30th March, 2010

Further Information About Policy Governance®

Policy Governance® is an internationally registered service mark of John Carver. Registration is only to ensure accurate description of the model rather than for financial gain. The model is available free to all with no royalties or license fees for its use.

Books

Boards That Make a Difference: A New Design for Leadership in Nonprofit and Public Organisations. By John Carver, (Jossey-Bass, An Imprint of Wiley, San Francisco 1990; 2nd edition, 1997; 3rd edition, 2006).

Reinventing Your Board: A Step by Step Guide to Implementing Policy Governance. By John Carver and Miriam Carver. , (Jossey-Bass, An Imprint of Wiley, San Francisco 1990; 2nd edition, 2006).

Getting Started with Policy Governance: Bringing Purpose, Integrity, and Efficiency to Your Board. By Caroline Oliver (Jossey-Bass, 2009).

The Policy Governance Fieldbook: Practical Lessons, Tips, and Tools from the Experience of Real-World Boards Caroline Oliver (ed.), Mike Conduff, Susan Edsall, Carol Gabanna, Randee Loucks, Denise Paszkiewicz, Catherine Raso, and Linda Stier. (Jossey-Bass, 1999).

Websites

The authoritative website for Policy Governance is www.carvergovernance.com.

The website of the International Policy Governance Association can be found at: www.policygovernanceassociation.org. The website of the UK Policy Governance Association can be found at: www.ukpga.org.uk.