

POLICY GOVERNANCE® MODEL SUMMARY

Policy Governance® is a conceptual model created by John Carver to enable strategic leadership by governing boards. It addresses board job design and the board-management partnership. The board governs on behalf of an identifiable ownership, deciding the broad values of the organization.

Written values and perspectives are called policies and occur in four categories.

- ENDS policies prescribe what benefits will occur for which people at what cost based on the organization's mission and priorities.
- EXECUTIVE LIMITATIONS policies describe the prudence and ethics boundaries on acceptable staff acts, practices, and circumstances.
- GOVERNANCE PROCESS policies clarify the board's own job and rules, including how it connects to its ownership
- BOARD-STAFF LINKAGE policies describe the delegation and accountability linkage through the CEO.

The last three are relatively stable, enabling virtually all board time to be spent on ENDS.

These categories cover all pronouncements the board will legitimately make. The CEO is empowered by the board toward ENDS and within EXECUTIVE LIMITATIONS. This enables the board to stay out of internal operation, yet control the bounds of acceptability. Budgeting, personnel, risk, compensation and all other practices are thus effectively controlled with little board time and very brief documents. Monitoring of CEO performance using the criteria in these policies is the CEO's evaluation.

In Policy Governance® the board is proactive, explicit about its values and long range in the majority of its concerns. It avoids both intrusion into staff functions and rubber-stamping of staff recommendations. Board and CEO jobs do not become confused. Accordingly, board committees are not involved in staff work and, though staff views and knowledge are made known to the board, the staff rarely recommends what board decisions should be. Because roles are very clear, free communication among board and staff causes no problem. Board-staff interactions can be enriching without leading either to board intrusion into staff functions or loss of board prerogatives. Board agendas are usually shorter, the deliberation usually on long term ENDS and the mind set one of strategic leadership.

For additional information, see www.carvergovernance.com.