

Inaugural Young Professionals Hub: Q&A with the CEO & open forum

Nov. 9, 2017 – meeting notes:

1. What are the key principles of Governance that people new to Governance should be aware of?

- a. What's the definition of Governance in the first place?
 - i. (CO cited a scholarly article she read recently which never mentioned what the definition of governance is to begin with). Traditional theories of Governance are: Agency theory, Stewardship theory, etc.
 - ii. Definition of Policy Governance (PG) = Governance is the work of the Board, ensuring that there is a wise translation of the Owners wishes into organizational direction. One of the key principles is Ownership. *"Governance is Ownership one step down, not Management one step up."* (John Carver).
- b. There are 10 core principles of PG, posted on the IPGA website, Resources page, right hand column. <http://www.policygovernanceassociation.org/images/Criteria-for-Advanced-Systems-of-Governance.pdf>
 1. Ownership
 2. Position of Board
 3. Board Holism
 4. Ends Policies
 5. Board Means Policies
 6. Executive Limitations Policies
 7. Policy Sizes
 8. Clarity and Coherence of Delegation
 9. Any Reasonable interpretation
 10. Monitoring
- c. The IPGA Board has been working on talking about Governance more broadly, in more generic terms. Those terms are also on the Resources page on the website: <http://www.policygovernanceassociation.org/resources.html>
- d. In my personal teaching, I often boil the Policy Governance Ten Principles down to the following **Four Core Principles**:
 - OWNERSHIP
 - ACCOUNTABILITY
 - GROUP AUTHORITY
 - EFFECTIVE DELEGATION
- e. The Board must maintain the integrity of those principles while doing its job:
 - Being the link with Ownership
 - Writing the policies of Ends and EL's
 - Monitoring the organization's performance in achieving Ends
- f. Our use of terminology in the world is challenging, terminology can be interpreted so many different ways, that we have to precisely define our terminology.
 - i. For example, we distinguish between the Principles, the Policies and the Practice of Governance.

2. For someone new to Governance, how can they figure out the questions they need to ask? Often when you're new, you don't know what you don't know. What questions can newbies ask of their Board to gain a basic understanding, as well as a way to learn how their Board is practicing Governance?

- a. Are we all agreed on:
 - i. That we are working for the same people? Who are those people?

- ii. How we are ensuring that we are achieving our purpose?
 - iii. Do we have role clarity?
 - iv. Do we know what our purpose is, and for whom?
 - v. On how we assess our organization's performance?
- b. Often this exercise surfaces the fact that in fact that Board does *not* have a common understanding of these different questions. Each Board member finds themselves "shooting from the hip" rather than coming from the same collective mindset.

3. What skills make a good Board Director?

- a. Reference: IPGA GP 2.12 policy re: Governance succession.
http://www.policygovernanceassociation.org/images/PolicyManual-05_08_17.pdf

2.12 Governance Succession

In keeping with the board's commitment to excellence in governance, the board shall actively solicit for positions on the board, candidates who offer the membership a range of perspectives and backgrounds and who have characteristics that will enable them to govern effectively:

- understanding and commitment to the role of trustee, fidelity to the ownership and commitment to the general mission area
- propensity to think in terms of systems and context
- ability and eagerness to deal with values, vision and the long-term-ability and willingness to participate assertively in deliberation and abide by the intent of established policies
- willingness to share power in group process, and to delegate areas of decision-making to staff.

- b. This wording makes it clear what is expected. Many people think they are joining a Board because of their own expertise, rather they need to adhere to *stated expectations*. You're not there to be a Super-CEO, or a Super-CFO or a Super-Neurosurgeon.
- c. Board members are not there to be individual consultants or even collective consultants to the CEO. They must remember they hired the CEO because they felt the CEO was capable of doing the CEO job.

4. How do you motivate Board members to do their prep/pre-reads?

- a. This is a very common situation. If the Chair makes a habit of going around the room and picking on specific people and ask them about a specific document they were supposed to have read, then after a few times of being embarrassed, pretty soon Board members will start coming prepared.
- b. When Caroline starts consulting with new Board clients, she often uses this technique prior to a first board workshop, as an indicator of each person's level of commitment and adherence to pre-work.
- c. Another tactic is to use Board Evaluation. "Our Boardroom" incorporates a Board Evaluation function. You could automate this function.
- i. In the annual Board Evaluation or even in each Board meeting evaluations, you could ask the question "Are board members coming prepared?" that usually helps.

5. How can someone lead the change to a formalized PG model?

- a. There is no right answer, this is a very big question.
- b. A place to start is: *Why do Boards start looking into their own performance and asking about better ways to govern?*
- c. Boards tend to come from two places:
- i. "something is going wrong – we have a problem happening that is triggering our search for better governance". Do we all agree that we have this issue going on, and we should look at our policy manual to see how we can deal with it.
 - ii. Seeing the possibility: wow, if we use PG we can really be leaders, we could really be more future focused and less micromanaging. Coming from a place of excitement about the possibilities that can happen by doing PG

- iii. A third cause: Pressure from Funders: Funders want to see that their money is producing Ends. There's a big push from Funders to give them clarity on what their investment is gaining them. Funders also need to demonstrate to other parties that they have done their due diligence. Organizations need to demonstrate they are worth investing in.
 - d. Lindsay: is there a promo or short video or brochure that is clear and succinct that answers our Why? Audience could be anybody. CO: no, we don't, many consultants do, all we have is the Carvers video. Susan Mogensen <https://www.youtube.com/user/BrownDogConsulting/featured> and Jannice Moore <https://www.youtube.com/channel/UCmCayPwlrMm9oOFSVUbKclA/featured> have videos, as well as Catherine Raso is coming out with some videos on her site: <http://www.cmraso.com/uw.htm> .
 - i. All that does need to happen between now and April, to accompany our renaming.
 - ii. We have a PG channel on YouTube; and we definitely can add to that. <https://www.youtube.com/channel/UCXj2iyLjQf73w1bZwz99FYg>
 - iii. We don't have the funds yet, but these are items we will definitely need to create. .
 - iv. Fiona: thinking about Ends and how the Scottish government is impressed by the PG model There is so much discussion right now about Purpose-driven Governance, I wonder if we don't piggy back on that trend?
 - v. [a very interesting article: https://ssir.org/articles/entry/governance_the_secret_to_mission_driven_business_success]
 - vi. Fiona: also, how often do we review Ends? CO: we review every year, but they are not changed every year. Most Ends are written in 3-5 year chunks to allow the CEO to make and accomplish strategic plans.
 - 1. There is talk that plans written in stone get stale. There are arguments to being Agile in strategic planning.
 - 2. Because Ends policy wording is so precise, one of the things that makes for successful countries is, they have a stable regulatory regimen... long term vision, less change to the vision.
 - 3. So that seems like a good balance: annual review vs 5-year policy rewrite. There's not greater epitome of Ownership mentality, than having folks stick around for the long term. Example: Canadian Dental Hygienist Association
 - 4. Really think the idea of Purpose is really good and top of mind right now.
 - 5. One of the things about PG is that people don't like the fact that it uses this jargon. They want to make it more user-friendly. Therein lies the problem: if you use the word Result, that means something different than Ends. Ends are about the Impact created, rather than the results. By definition, existing words don't hold the same meaning as these new concepts we are espousing.
 - 6. Athens: Simon Sinek speaks about non profits needing to be renamed For Impact organizations: *Is the WHY different in nonprofit organizations versus for-profit organizations?* <https://www.facebook.com/simonsinek/videos/10155759909521499/>
 - 7. Fiona: there have been more and more discussions about moving organizations towards Impact and purpose.

6. If people see PG as hands off, then how would you counter that?

- a. The way that traditional boards operate, they ask the CEO a question, yet no one knows the purpose or context of that question, seems random, and the CEO is not prepared to answer properly.
- b. PG says, lets collectively capture ALL of our concerns in ALL of the organization, put them together in a document, set a timetable for monitoring those concerns., all in a systematic and proactive way.
- c. Let's say the Board likes a particular program and institutionalizes it. What they've done is make that program theirs. If any change needs to happen to that program, then the CEO needs to stop everything

and go ask the Board about the change. Because the Board has taken on the accountability for that program. This interferes with the CEO's accountability and muddies the waters of role clarity.

- d. If you can imagine being in an organization where roles are not clear, and accountability is not clear, would that organization be more or less effective? PG brings a lot of clarity to roles and accountability. Those folks who say PG is too hands off, don't really know what they are saying in terms of the Board being too hands off. You actually have much more systematic and iterative control when it is proactively structured.

YP: Thank you, Caroline, for joining us!

CO: My pleasure! Happy to help anytime.