

## **ISTE's Policy Governance System – An Overview for Prospective Board Members**

In 2011, the ISTE board began implementing a system modeled on the Carver Policy Governance® model to conduct board work and define the board's relationship with the CEO and staff. Under policy governance, roles and responsibilities of the board and staff, including the CEO, are clearly defined, along with a monitoring system designed to assess both board and staff activities.

This approach to governing is very different from those you may have experienced in the past. To help you consider your candidacy or prepare for your work while serving on the board, we would like to give you a picture of what this system is and how it works at ISTE.

The move to this system was made to enhance the board's ability to function at a strategic level and add substantive value to the organization and those it serves. To create as much value as possible for members, it was important to implement a governing system that adds clarity and creates a more strategic role for the board.

### **How it is different**

This system impacts the structure, role and function of the board in many ways.

### **The board's role**

There are three major work products for the board:

1. Connecting with the owner members to understand their values so that the board can truly represent their interests. This “connecting” is called “linkage” in the Carver Model.
2. Developing a comprehensive set of policies that guide all further organizational actions and decisions.
3. Ensuring appropriate changes and avoiding areas of risk through a disciplined process of direction and a thorough system of monitoring performance against policy expectations.

The policy development process is done in a way that the board can weigh in on each important area of organizational interest and do so in way that intrudes as little as possible on the fluid and strategic choices for addressing them.

### **Board structure and function**

ISTE's system recognizes that the board has authority only over the organization (and staff) as a group.

This has several implications:

- The purpose of deliberation is to create a more informed and better decision by sharing perspectives, conducting dialogue and reasoning through the issues.
- No individual member, including any officer or committee of the board, has any authority to direct staff on his or her own (unless the full board delegates it).
- Because there is a process in place for all perspectives to be considered, members support the final decision of the board as a whole.
- Work of the board is clearly defined in a way that it allows most of it to be done by the committee of the whole (the full board).
- Work of the board is initial to, and unique from, the work of the staff.
- The board meeting and its agenda will reflect all of the above. The majority of the agenda is designed to fulfill its three job products, and there is very little in the way of report approvals, staff reports on activities or other work that does not add unique value.

### **Policies and their development**

The board directs the organization by developing and implementing policies that encompass its values. These policies cover four distinct topical areas and are developed in such a way that the board controls the broader decisions and can then delegate more detailed decisions to others. In every case and on every topic, the board identifies the issue and then develops policy at the broadest level encompassing that topic, developing more and more detailed levels of policy until it has said as much as it needs to say.

The policy areas comprise:

- A definition of the change in the world ISTE exists to create, which sets the broad strategic direction of ISTE in terms of the specific outcomes to be produced. We call these the "Ends Policies." These are developed to a level of detail at which the board is comfortable allowing any reasonable interpretation and further, more detailed decisions are delegated to the CEO.
- A definition of those operational methodologies, conditions or decisions that would be so risky as to never be acceptable and are thus prohibited from use by the CEO. We call those "Executive Limitations Policies." These are developed to a level of detail at which the board is comfortable allowing any reasonable interpretation and further, more detailed decisions are delegated to the CEO.
- A definition of the values that drive the purpose, process, structure and functioning of the board in its own work. We call these "Governance Process Policies." These are developed to a level of detail at which the board is comfortable allowing any reasonable interpretation and further, more detailed decisions are delegated to the chair.
- A definition of the values that establish the method of delegating authority and accountability to the CEO and a system to monitor its use and outcomes. We call these "Board/CEO Relationship Policies." These are developed to a level of detail at which the board is comfortable allowing any reasonable interpretation and further, more detailed decisions are delegated to the chair.

## **Monitoring performance**

Because the board has proactively developed policy, because those policies cover every issue at a level determined by the board and because those policies establish specific criteria for the board's expectations, the process for ensuring safety and performance is both thorough and focused. Rather than receiving a raft of staff reports and management documents that contain both useful and useless data and then trying to find something of importance, the board has already stated what is important. This allows the board to monitor specifically against the criteria it finds important enough to include in its policies.

In this performance measurement system:

- The board controls the policy and the method, frequency and due date of the required reports. It normally follows a schedule set in policy but does not have to.
- The board actively assesses whether or not the criteria it established in policy are being met.
- The board assesses this both for those areas delegated to the CEO and those areas of its own performance guided by policy.
- If there are instances where the board's criteria are not met, the board as a whole will decide what remediation is required.

## **Role of the CEO and staff**

To both empower the CEO and simultaneously hold him or her accountable, the board's system makes it clear that all operational control beyond what the board states in policy rests with the CEO. The CEO is the board's only employee, every other staff member works for the CEO.

This has certain implications:

Board members, officers and committees do not get involved in staff work unless asked to do so by the CEO (and so take their direction from the CEO).

- The CEO's authority and accountability, including performance monitoring, is spelled out in the Board/CEO Relationship Policies.
- The CEO's successful job performance equates to sufficiently achieving the outcomes in the Ends while simultaneously avoiding the Executive Limitations.
- The CEO makes deeper and more detailed decisions in both categories, but those decisions must be based on a reasonable interpretation of the board's policies above them.

## **Is this a job for you?**

This significant change in approach to the nature of board work also changes who may be interested.

## **Criteria for this style of board work**

The skills and abilities to do this sort of governance differ from those often thought important. Professional expertise is less important than the ability to participate in team leadership.

This generally requires:

- Being able to consider different perspectives.
- Capacity to discern commonalities and differences in conflicting perspectives.
- Skilled in both listening and advocating.
- Strategic thinking.
- A strong desire to do what is good for all members, not just your area of focus.

### **Learn more with online resources**

John and Miriam Carver: <http://www.carvergovernance.com/>

International Policy Governance®

Association:

<http://www.policygovernanceassociation.org.>

Wikipedia article on policy governance:

[https://en.wikipedia.org/wiki/Policy\\_Governance](https://en.wikipedia.org/wiki/Policy_Governance)