

# Governance That Transforms

## Session Four: Transforming Boards from where you are to best practice

Paul Magnus



# John Carver – addressing a new standard for excellence in board leadership writes:

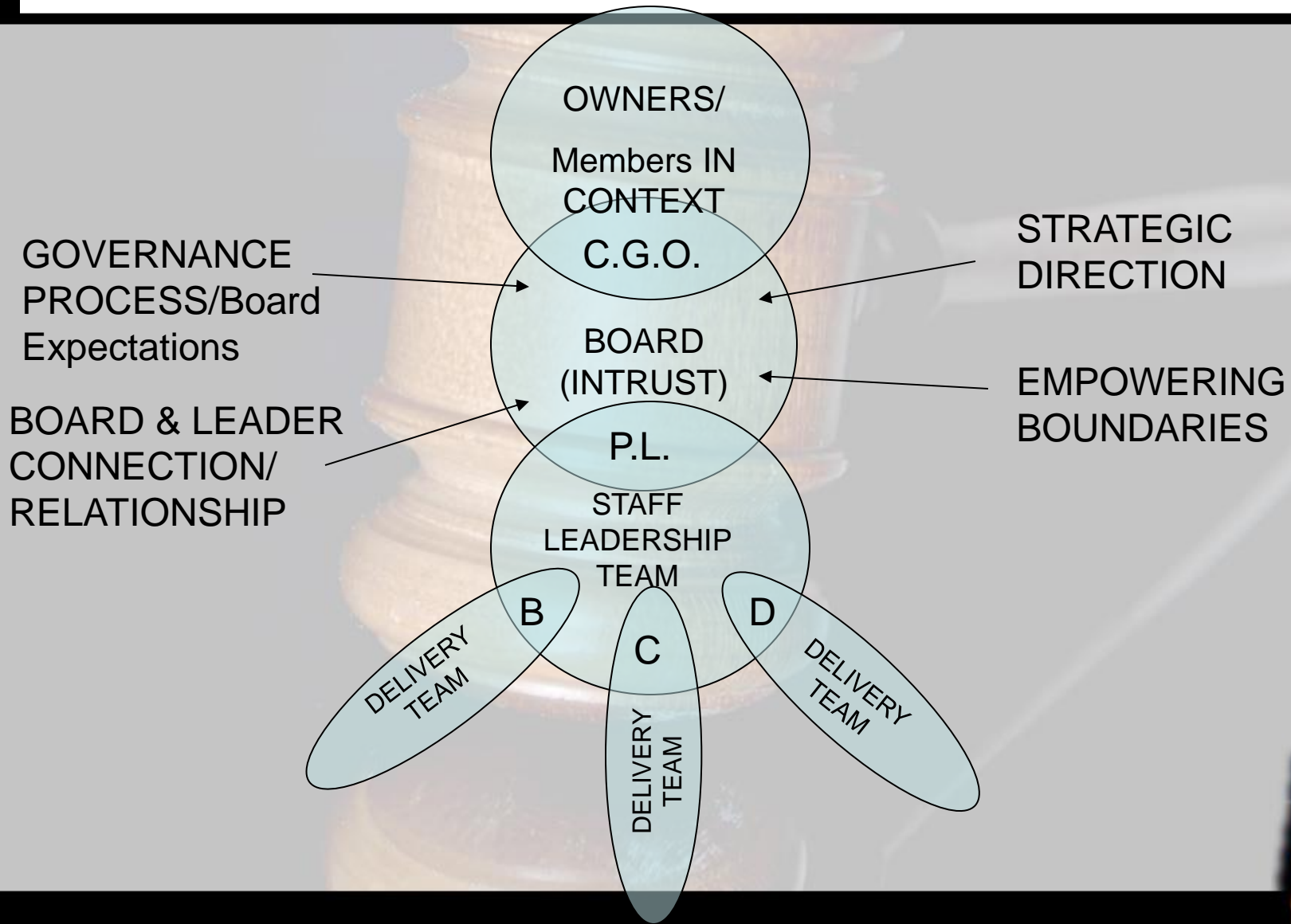
“Of all the elements in the management enterprise, none is less studied and less developed than the governing board. Because governance has rarely been the subject of rational design, boards persistently fall into trivia, short-term myopia, meddling in the staff work and other failings. They do so even when composed of intelligent, experienced, caring members. In North America, we have far beyond 5 million governing boards, each relying on the inadequate job design we have all inherited.” Added to that what we have experienced (best & worst) or been taught or have assumed.



Review of an  
Integrated Board  
Governance Model



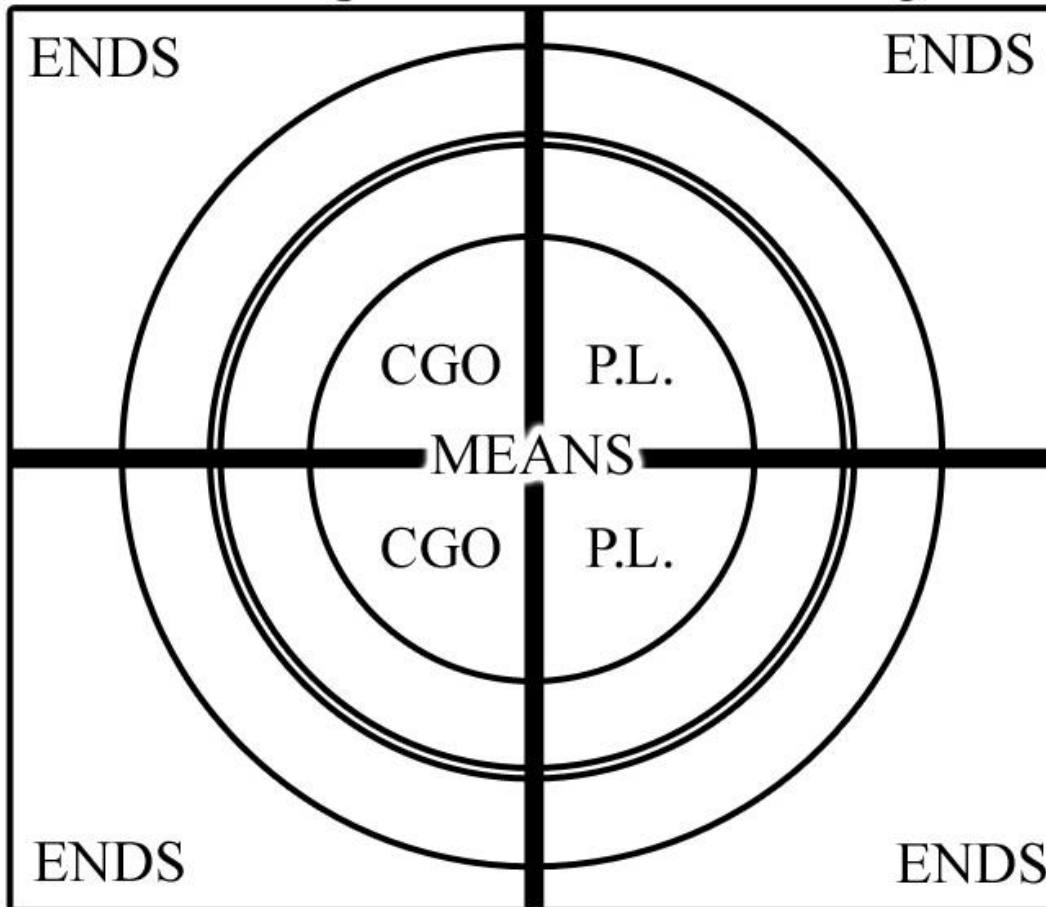
# AN INTEGRATED STRUCTURAL FLOW OF TEAMWORK AND AUTHORITY



# Integrated Board Governance Model

Board Process & Development

Strategic Direction



Board / P.L. Relationship

Operational Empowering Boundaries

# Board Mission Review



# Board Job Description Review



# A. Strategic Ends

1. To determine and constantly refocus the broad vision, mission and values of the organization (put in writing, review and hold the organization accountable to them.)
2. To approve the major priorities, goals and desired results for each phase of the strategic planning process (every 3 to 5 years) and then expect and ensure that the prominent leader and key staff develop a more complete strategic plan.

## B. Board, Prominent Leader Relationship

1. To establish and implement the necessary policies to carefully select, orient with agreed-upon and clear expectations, and regularly evaluate a prominent leader best-suited to lead and manage the institution as the board's only formal staff connection.
2. To encourage, nurture, care for and ensure the consistent development of the prominent leader in a way that models what is expected of the prominent leader where other staff are concerned (good policies, fair compensation, show of support, clear communication, and encouragement of growth plans).

## C. Operational Empowering Boundaries

1. To establish and continuously review policies that clarify the limitations on the *means* the prominent leader and staff use.
2. To ensure that the prominent leader interprets these limitations to develop and periodically review policies that pertain to financial, human, programmatic, structural, informational, and consistency concerns.
3. To assume responsibility for ownership, use and disposal of all major property of the institution as legally required.
4. To ensure the financial and functional solvency, integrity and legality of the organization by setting wise policies, modeling personal support and assisting as volunteers.

## D. Board Process of Governance

1. To hold itself accountable to continuously improve its governance, volunteer, generativity and implementation involvements.
2. To maintain and continuously update a *Board Standing Policies Manual* that addresses all aspects of governance, including philosophy, style, responsibilities, membership, processes and disciplines of governance.
3. To engage in external listening, communication, relating and dialogue to ensure that the institution remains sensitive to the mandate and perspectives of its external constituents and owners, and to enact board policies toward this end.

Your Process to Create  
Readiness for Board  
Model Change



# Your Process to Create Readiness For Board Model Change

- A. Engage in board evaluation, reflecting on questions like: (under-powering, overpowering, empowering)
- Is board work the same as staff work?
  - Is ability at staff work a good predictor of ability at board work?
  - Is the benefit level and satisfaction level of the prominent leader and the key staff team improved or reduced by board meetings?
  - Are the Board and senior leadership responsible for the same thing (s) rendering one or the other redundant or worse in role conflict?

# Your Process to Create Readiness For Board Model Change

- Is the board service satisfaction level improving?  
(example of an anonymous) board survey instrument
- Is it the board or the prominent leader and staff who are responsible to establish the outside boundaries for the organization's outcomes?
- Is the board spending significant time establishing clarity of missional ends, values, priorities and integrity of alignment (who must do what)?
- Is it the board or the prominent leader and staff who are responsible for what the organization is to accomplish?



# Your Process to Create Readiness For Board Model Change

- B. Continuously increase board time allocation on clarifying *ends/SMART goals* discussions by leading guided strategic conversations that draw *ends* from them (50 % of board meeting time ideal).
- Board engagement
  - Staff gallery for response
  - Trends challenge
  - Agenda that is conversation focused (less items)
  - Agenda that allows for directional dialogue

# Your Process to Create Readiness For Board Model Change

C. Continuously move the Board toward speaking as one voice

- Reduce/eliminate standing functional committees and eliminate the mixing of staff & board on committees
- Labor together to determine the board mission and role purposes/job description
- Distinguish between Board and staff roles

# Your Process to Create Readiness For Board Model Change

- D. Provide resources and board development sessions toward an integrated board governance model
- Reading articles and selected books or book chapters
  - Seminar Attendance & prioritizing board devmt.
  - Board consultancy / facilitations / coaching
  - Experimenting
  - Process evaluation and reflection
  - Review Biblical Textual progression of change of roles of elders/deacons and reflect on implications (Acts or Osborne or Hotchkiss)

# Your Process to Create Readiness For Board Model Change

- E. Bring a consultant in to lead the board through a process to the point of decision to implement an integrated board governance model
  - . Use an anonymous survey with board & staff
    - Facilitate understanding of an integrated model
    - Demonstrate benefits & beneficiaries
    - Pull from & toward more than push
    - Decide:
      - to implement
      - responsibility for standing policies manual draft
      - deadline for draft date of change

# Your Process to Create Readiness For Board Model Change

- F. Shape and connect the board documents with clarity on who is in focus for each
1. Prepare a draft to bring all board guiding documents into conformity
    - Articles of Incorporation / Letters Patent (Legal)
    - Bylaws (Membership in focus)
    - Standing Living Board Policies Manual (board)
    - Staff handbook

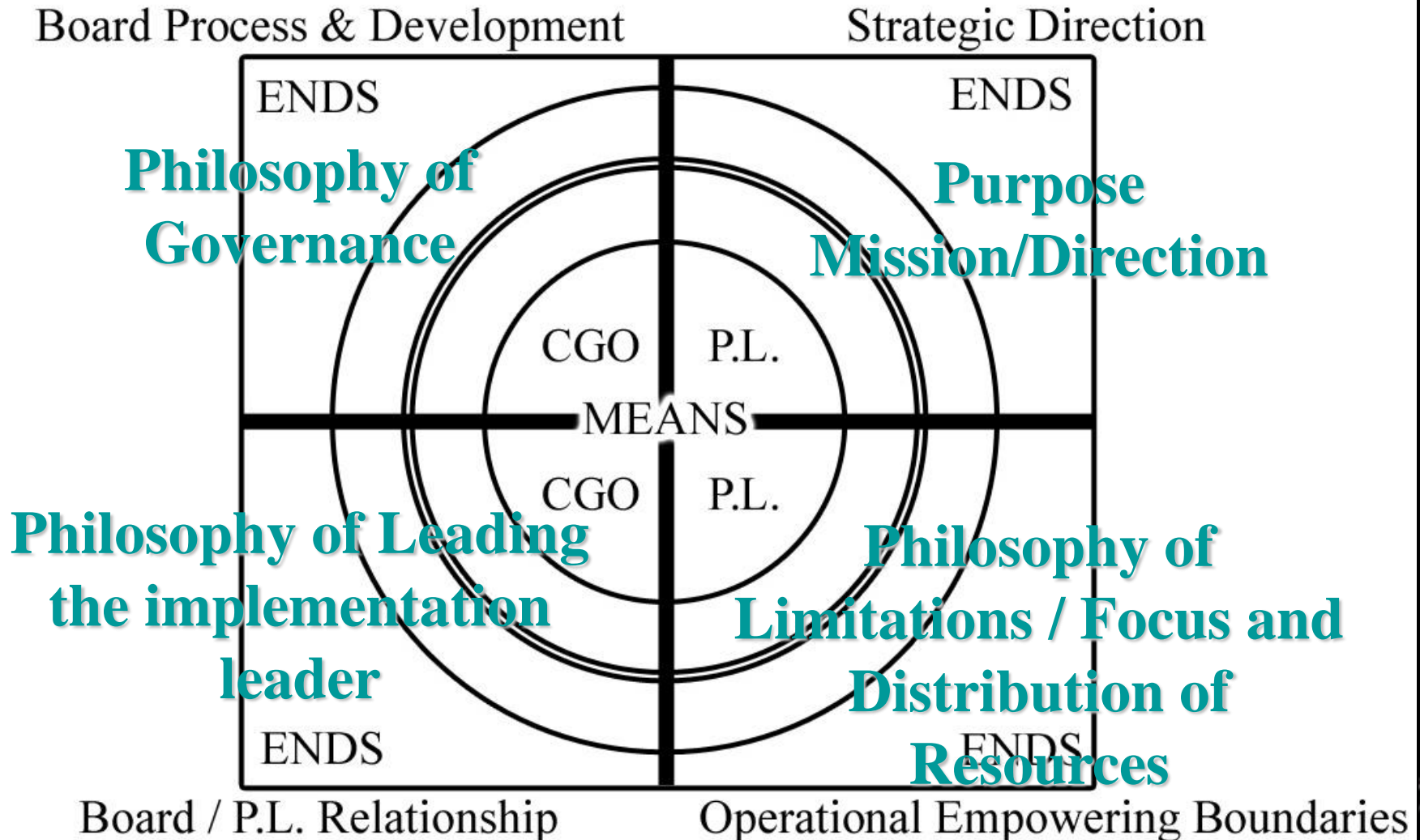
# Your Process to Create Readiness For Board Model Change

2. Spend a full board meeting to establish the appropriate policy levels and statements on each quadrant.
3. Determine the precise date and package that is to guide original practice.
4. Assess previous policies and decision for inclusion or exclusion
5. Conduct a legal check.
6. Formally adopt an *Integrated living Board Policies Manual* as your official guide.

# Board Governance Model in Depth



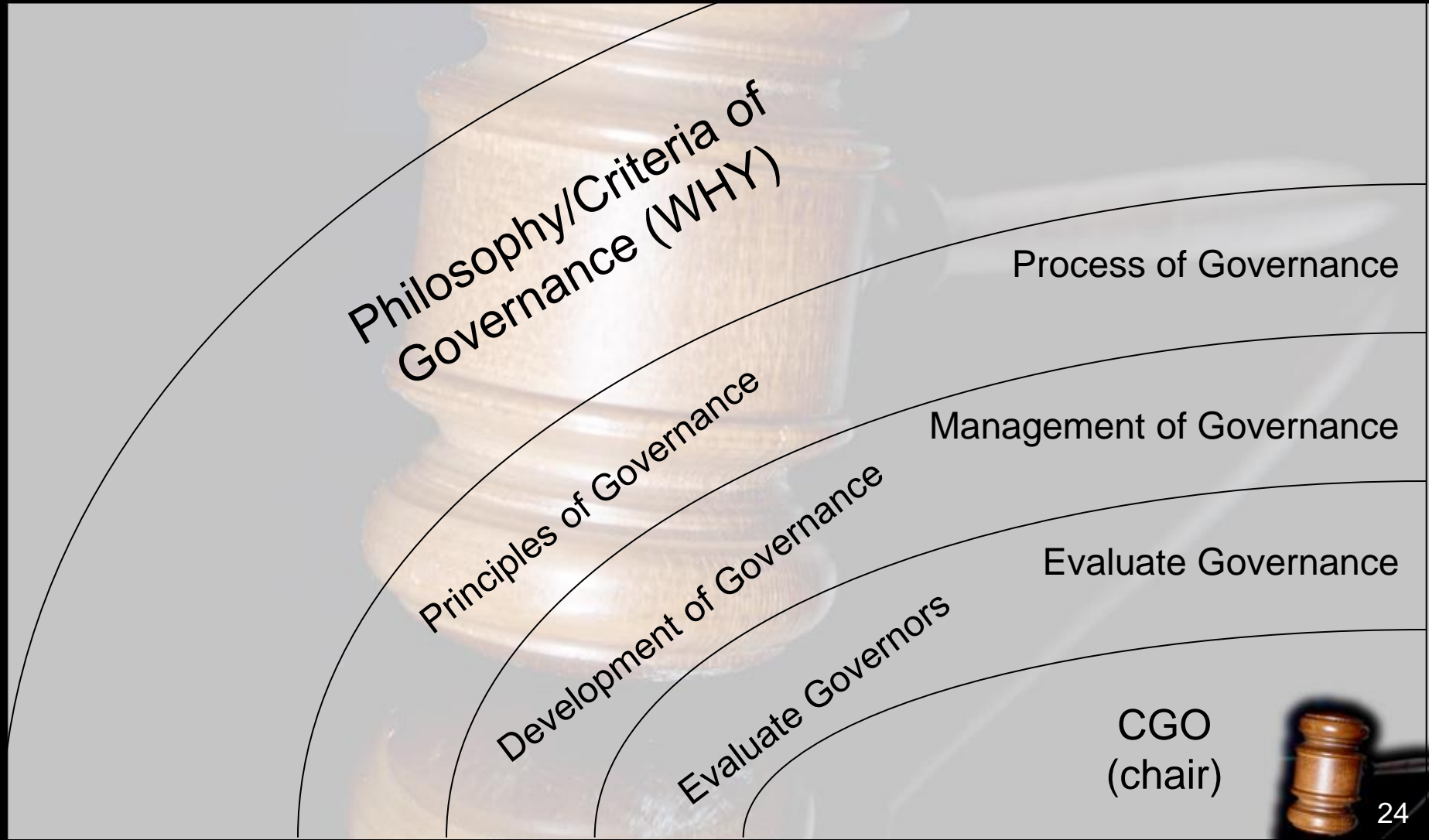
# Integrated Board Governance Model



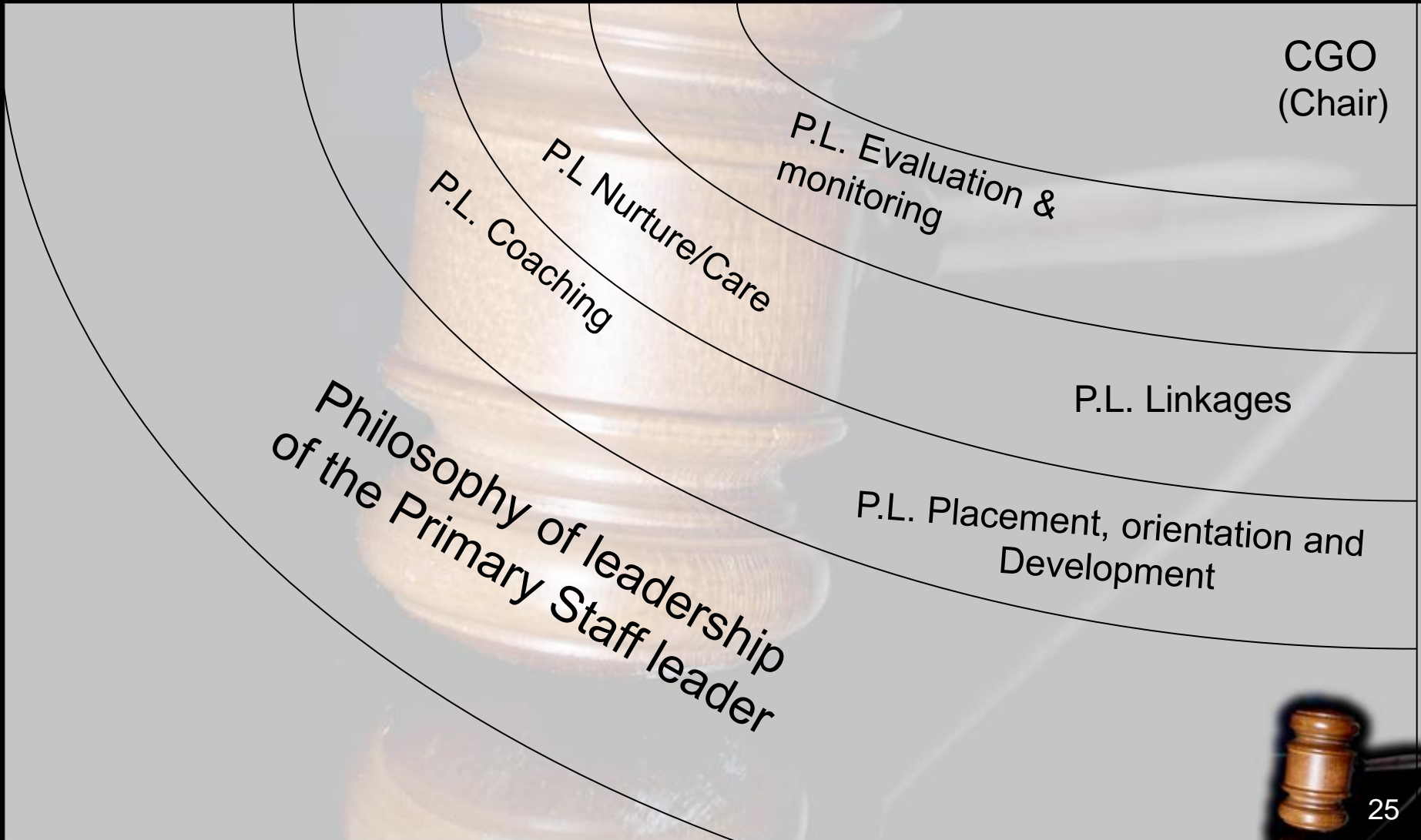
# Strategic Ends



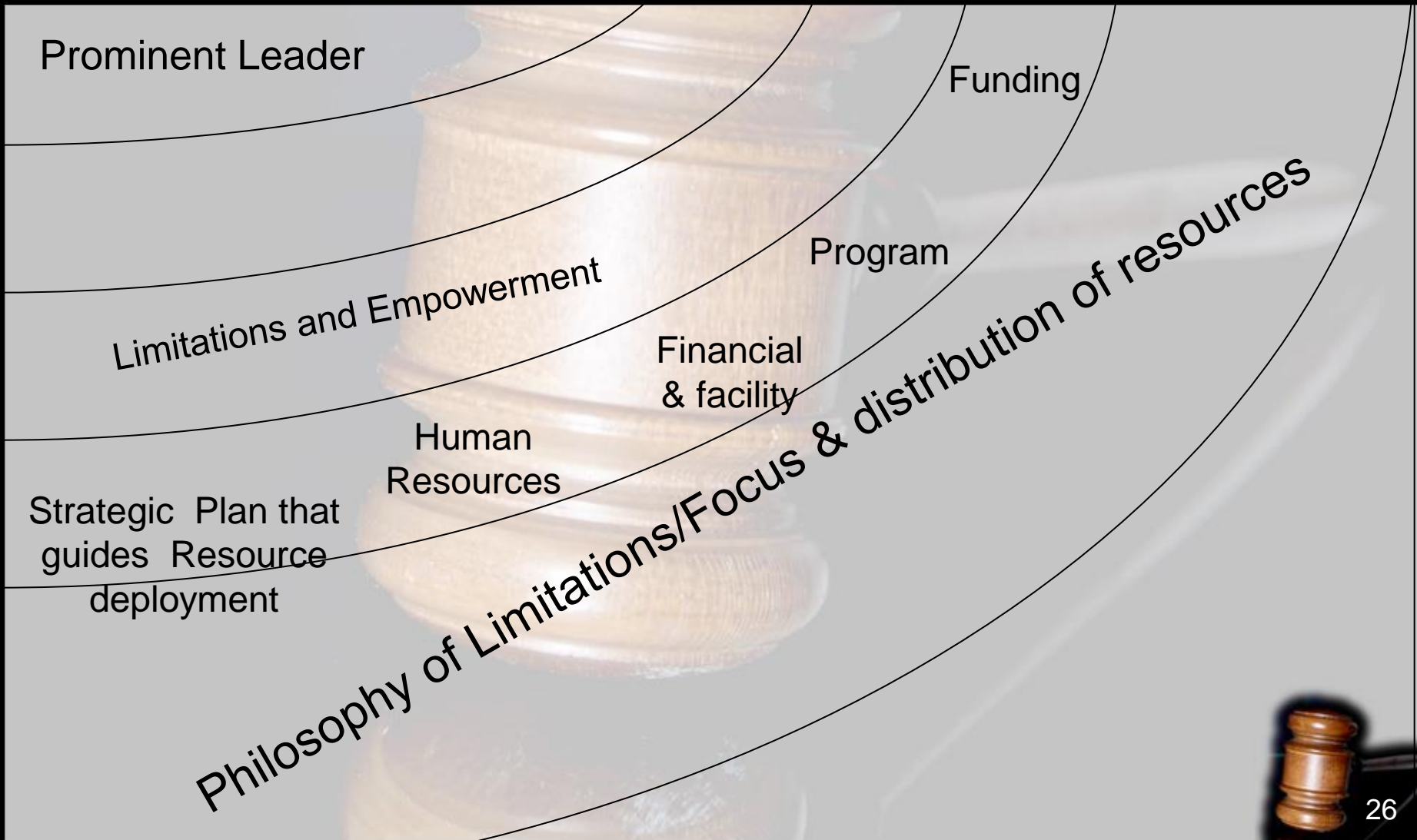
# Board Process and Development



# Board / Prominent Leader Relationship



# Empowering Boundaries



# Chapter 1 – Corporate Strategic Direction (Ends rightly understood and interpreted)

1. Philosophy of *strategic direction setting*
2. Purpose (why are we here?)
3. Values (how do we behave consistently)
4. Mission (what difference do we intend to make, for what people, with what resources?)
5. Strategic Anchors (How will we succeed anchors(3))
6. Strategic priorities- What matters most (three to five year horizon and basis of progress reports)/SMART goals
7. Ensure clarity on who must do what to shape & deliver

# Chapter 2 – Governance Process/Board Work

1. Philosophy of governance clarified with principles
2. Board functional Mission / purposes of governance
3. Process & practices of governance
4. Responsibilities of governance and Board Work
5. Membership of governing team (selection & change)
  1. Criteria (character, capacities, commitment, chemistry)
  2. Distributions/diversity
  3. Expectations / roles (job description clarity )
  4. Roles (hats)
  5. Specialized roles/Work Beyond Governance

# Chapter 2 – Governance Process

6. Primary ingredients in governance journey
  1. Meetings (agenda and process)
  2. Committees
  3. Connections
  4. Cost
7. Disciplines of governance
  1. Code of conduct, ethics & conflict of interest
  2. Accountabilities to owners, direction & empowerment
  3. Linkage, influence by & accountability of moral owners
8. Evaluation of governance
  1. Process
  2. Individual persons
  3. Gathered board function

# Chapter 3 – Board / P.L. Relationship

1. Philosophy of leading the primary implementation leader (prominent/senior/CEO)
2. Expectations / role purposes of prominent leader
3. Monitoring of prominent leader (feedback that appreciates, coaches & evaluates)
4. Embracing of prominent leader
5. Development of prominent leader (care, nurture, support, growth plans, coaching, etc.)
6. Communication with and of prominent leader
7. Care and nurture of the prominent leader



# Chapter 4 – Empowering Boundaries

1. Philosophy of empowering boundaries
2. All-encompassing boundary statement
3. Categories for empowering boundary (as needed)
  1. Directional resource (strategic & ever current action plan)
  2. Structural/functional
  3. Human resource
  4. Programmatic (pruning, changing, adding)
  5. Financial & facility
  6. Resource development (fund raising)
  7. External relationships
  8. Networks/partnerships

A close-up photograph of a wooden gavel, likely made of oak, resting on a dark, reflective surface. The gavel has a traditional design with a rounded head and a handle. The lighting is dramatic, highlighting the wood grain and the smooth finish of the gavel. The background is dark, making the gavel the central focus.

Implement an  
Integrated Board  
Policies Model

# Implement an Integrated Board Policies Model

1. Commit to policies being the bottom line.
2. Make a starter set of agendas that demonstrate that board policies are the perpetual agenda.
3. Expect all reporting and monitoring to be policy-based and outcome-focused.
4. Prepare the moral owners with clarity on the change and its implications.

# Implement an Integrated Board Policies Model

5. Recruit, select and orient and evaluate Board members and the prominent leader utilizing the *Integrated Living Board Policies Manual* as a guide.
6. Engage in on-going board and senior staff education and team building retreats.
7. Face challenges with a commitment to the integrated governance model. For example:
  - When facing an out of compliance situation
  - When funding/resources are tighter
  - When someone registers a complaint
  - When you prefer a different end/SMART goal than what the board as a whole settles on

# Implement an Integrated Board Policies Model

5. Expect the board to change in its focus in governance:
  1. From reviewing voluminous institutional reports to learning about potential major opportunities *ends*.
  2. From *means* debates about a given item to *ends* debates about the organization's overall direction.
  3. From hands-on pursuits to policy thinking, defining & shaping ahead approach.
  4. From the board managing staff operations to managing *ends* and empowering leadership.

# Acknowledgements(Resources & Deep Friendship & Relationship)

John Carver, author of *Boards That Make a Difference*. 2nd. Edition. and *Reinventing your Board* (both San Francisco: Jossey Bass, 1997).

Dr. Bob Andringa & Fredric Laughlin authors of *Good Governance for Non profits* (AMACOM, 2007).

Dr. Aubrey Malphurs, author of *Leading Leaders* (Baker books, 2005).

Dr. Les Stalke, author of *Church Governance Matters* (Imperial Printing, 2010)

Jim Brown, *The Imperfect Board Member* (Jossey Bass, 2007).

# Overcoming Your Barriers to Transforming Your Board

Barriers

Strategic Action

# Application



# Application

1. Considering the Policy-based board governance approach, think together about what empowering boundaries need to be set for your context.

# Application

2. How do you best go about ensuring that both board and leadership have meaningful work?

# Application

3. How do you best manage overlooking, overlapping, overstepping, and avoiding of responsibilities?

# Application

4. Rate yourself on the level to which you are board-governed and leader-led and identify where you think you should be on this journey.
5. Compare your own *Integrated Living Board Policies Manual* to those shaped in other settings as a means of getting better or as a means of shaping what you need to get good starting document that you shape and own.

