

# Doing Our Work Better

## The Policy Governance Approach and the BC Conference Executive



The United Church of Canada prides itself on its democratic and participatory systems of governance. At every level of the church people are invited to participate on committees, boards and executives.

The manner in which these committees, boards and executives operate is primarily a matter of history, tradition, and wise advice from previous members. If asked, most participants would not be able to identify what “model” of governance they were following. Participants learn by immersion.

These historic approaches have much strength. In recent years, however, some frustrations have emerged as many committee members find they

- spend too much time on trivial details,
- react to problems rather than proactively move forward,
- problem solve for the moment rather than look to the long-term,
- get bogged down in reports about past actions rather than plan future ones,
- have difficulty holding any individual accountable for getting things done, and
- have overlapping areas of authority and accountability.

Previous approaches are also labour intensive, demanding a great deal of volunteer time to produce a relatively small amount of effective work. In a national church where representation from all regions is important, this labour intensity also translates into great expense.

In the publication of his book *Boards That Make A Difference* in 1990, John Carver presented an alternate approach for the boards of non-profit organizations, like the church. His ideas include the following.

### Division of Power

Central to the Policy Governance approach is the clear division of labour between the board (Conference Executive) and the Executive Director (Executive Secretary). The board focuses upon the “Ends” of the organization; the Executive Director focuses upon the “Means.” These are two distinct areas of work. Each needs to be powerful. Each relates to the other but also needs independence. This simple division of power is the single most powerful tool an organization can use to improve its organizational life.

Carver recognizes that an organization’s power rests legally with its board. The board, therefore, delegates much of this power to its Executive Director. The board is still responsible for the appropriate use of this delegated power, however. It exercises this responsibility in two ways: by clearly defining the limits to the Executive Director’s power in Executive Limitation policies and by constantly monitoring the Executive Director’s use of this power against the policies.

Executive Limitation policies define the limits to the power of the Executive Director. They start with broad statements and slowly move toward more detailed ones. They are written in the negative, outlining what is “out of bounds” for Executive Director decision and action. Action is not *prescribed* by the board; instead, certain actions and behaviours are proscribed.

This discipline of naming what the Executive Director shall *not* do rather than what the Executive Director *will* do proves to be freeing and empowering for the Executive Director while protecting the board’s responsibility. The limits are clear; everything else is open for innovation, imagination and the whole skill set an Executive Director brings to the work.

## **Focus Upon Ends**

By giving its power to “get things done” to the Executive Director, the board frees up time and energy to focus upon the “ends” it wishes to achieve. In the Policy Governance approach the chief job of the board is to articulate the vision, to say clearly what the organization will accomplish.

The board does this in a second type of policies, “Ends” policies. Ends policies define “what good, for whom, at what cost.” “What good” will the organization achieve? How will the world be different because of the things that will be done? “For whom” will the achievement be? Who will benefit? “At what cost” will the results be achieved? How many resources will the organization spend to achieve what it wants to achieve?

The development of Ends policies constitutes the long-range planning of the board. By clearly naming what the organization will achieve for whom and, on a secondary level, prioritizing both the “goods” it will achieve and the “beneficiaries” of those goods, the board provides the future orientation the organization needs.

In summary, the board directs the Executive Director by asking that certain achievements happen for certain people (Ends policies), by stating the limitations to the power the Executive Director can use to achieve these ends (Executive Limitation policies), and by providing the necessary resources to make the job possible. It then monitors the work of the Executive Director using the policies as the sole standards for evaluation.

## **Connection With Ownership**

The board constantly reviews its Ends and Executive Limitation policies. To do so, it dedicates a great deal of its work to connecting with “the ownership.” “Ownership” is the term John Carver uses to define that group of people that either legally or morally have an interest in the board doing its work. The legal ownership is usually that group of people that elect the board. The “moral” ownership is more slippery but not less important. It is that group for whom the board functions as trustees. On behalf of what group of people does the board govern?

Defining and then connecting with the ownership constitutes a major part of the work of the board. The board is proactive in seeking out the views, opinions, needs and concerns of its owners in order to faithfully represent them in board decisions. Representatives on the board from among the ownership are one way of connecting but Carver warns that it is not adequate. Through a variety of means such as polls, face to face meetings, consultations, fact gathering missions and more, the board actively seeks to know the mind of the owners.

## **Major Tasks**

In the Policy Governance approach, the three major tasks of the board are:

1. connecting with the ownership,
2. developing policies, and
3. monitoring policies (thus assuring organizational performance).

## **Other Types Of Policies**

The Policy Governance approach identifies two other kinds of policies. *Board-Executive Relationship* policies are those that outline the way power is delegated to the Executive Director and how it is monitored. They may also clarify other aspects of the board’s relationship to the Executive Director. *Board Process* policies are those which deal with its own life, how it is organized and what commitments it makes to the owners and to the board itself.

## **Other Principles**

The heart of the Policy Governance is outlined above. Other principles in the Policy Governance approach, however, are helpful to recognize.

### **Values**

The board is primarily driven by the determination of values. Most policies are an articulation of the values and perspectives that shape the organization. “Values,” in fact, can be a helpful way of identifying the legitimate work of the board. If an issue is a determination of values, then it properly belongs to the board. If the issue is the establishment of a procedure it most likely belong to the Executive Director.

### ***Diversity and “One Voice”***

The Policy Governance approach encourages a diversity of voices at the governing table. It is incumbent upon the board to hear the widest range of views possible before making decisions, even if it means bringing in views from outside of the board. Once the board makes a decision, however, it is that decision which shapes the organization. The Executive Director is directed by the decision, not by the views of individual members of the board. Decisions of the board are always board decisions, not the decisions of individuals or sub-committees.

### ***No Board Committees!***

The work of the board is always the work of the whole board. Except in rare cases boards do not delegate their power to committees, including an Executive committee. Committees are only legitimate to help prepare work for the decision making of the whole board. This discipline also honours the principle of “one voice.”

### ***Define and Delegate, Rather than React and Ratify***

The board is to be proactive. It follows its own agenda rather than primarily reacting to problems that arise in the organization. In this approach there are no governance emergencies! Organizational issues may provoke a review of established policies but the board does not focus on problem solving. If problems arise it defines who the problem belongs to and delegates authority (if necessary) to deal with it.

### ***Information***

Carver identifies three types of information:

1. Information needed to make a decision;
2. Information needed to monitor;
3. Incidental information.

The first two types of information are central to the work of the board. The third type of information is not. Incidental information (which is all information that does not fall into the first two categories), while not unimportant to the life of a board, should be recognized as such and kept to a minimum.

### ***Executive Director Performance Is Organizational Performance***

The Executive Director is the sole official connection the board has to the organization’s operation. The Executive Director is accountable to the board for the entire organization. A performance evaluation of the Executive Director is an evaluation of the organization, and *vice versa*. The Executive Director does not have to do everything but is *accountable* for how everything is done.

### ***Monitor Rigorously, But Only Against Policy Criteria***

The board monitors the Executive Director but only against the established policies: are the Ends being met? are the Executive Limitations not being transgressed? Any other criteria for judging the Executive Director are not permitted.

Although several Conferences and other church bodies have learned from the Policy Governance approach, to our knowledge no Conference has yet decided to follow it.

In BC Conference's use of the approach, the Conference Executive plays the role of the board. The Executive Secretary is the Executive Director. We are confident that this simple correspondence is not only possible but will greatly improve the work of Conference.

The Policy Governance approach will be used strictly up until the point that the Conference Executive finds it cannot do so. Alterations in the basic approach will be made at that point. The use of the Policy Governance approach as a whole can always be terminated by action of the Conference Executive. It is anticipated that a regular review will be made.

It is not anticipated that the adoption of the Policy Governance approach will prove incompatible with the commitment of BC Conference to honour the policies of The United Church of Canada, represented in the *Manual*. Executive Limitation policies, in particular, allow the Conference Executive to proscribe any activity that is proscribed by the *Manual*, as well as ensure all actions mandated by the *Manual* are fulfilled.

A significant change for BC Conference from the previous mode of operation is the assignment of the vast committee structure of the Conference to the Executive Secretary. Except when mandated by the *Manual*, committees and divisions shall not report to the Conference Executive but either directly or indirectly to the Executive Secretary. Changes to the committee structure shall be the task of the Executive Secretary (unless prohibited in future Executive Limitation policies).

This means that the Conference Executive will not be "the court of accountability" for its committee system. It shall not hear reports from the committees nor assign work to the committees. Its connection to the organization is through the Executive Secretary.

Some tensions between the Policy Governance approach and the past functioning of the Conference Executive are already identifiable.

1. The Policy Governance approach considers the Executive Secretary to be an employee of the board yet in the United Church system that person is an employee of the General Council with different lines of accountability
2. Some Conference committees are mandated by the *Manual* or legally must report directly to the Conference Executive. At least one (Settlement) has the ability to make its own, independent decisions.
3. The *Manual* is primarily a management level document detailing procedures rather than a governance document outlining values. As such it provides limited guidance to the Conference Executive, yet is the only guide for Conference Executive work available.
4. The appeal process outlined in the *Manual* involves the Conference Executive in work that is not anticipated in the Policy Governance approach.
5. The past position of the Conference Executive as the *de facto* court of highest accountability has left a significant impression on the habits, practices and mindset of those working within BC Conference, not all of which are compatible with the Policy Governance approach.

None of these tensions, however, seem to be of significant import to make the Policy Governance approach unworkable or altered so much that it becomes unrecognizable. They shall simply help shape the unique form the approach takes in BC Conference.

If the Policy Governance approach succeeds or fails in BC Conference it will probably not be because of tensions with the legalities of the United Church but by its own, inherent weaknesses yet to be discovered.