

# Policy Development within Policy Governance®

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**2018 IPGA CONFERENCE: EXPLORING GOVERNANCE EXCELLENCE**  
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**Savannah, Georgia**

Presented by Eric Craymer  
Partners in Policy Governance  
[www.policygovernanceconsulting.com](http://www.policygovernanceconsulting.com)



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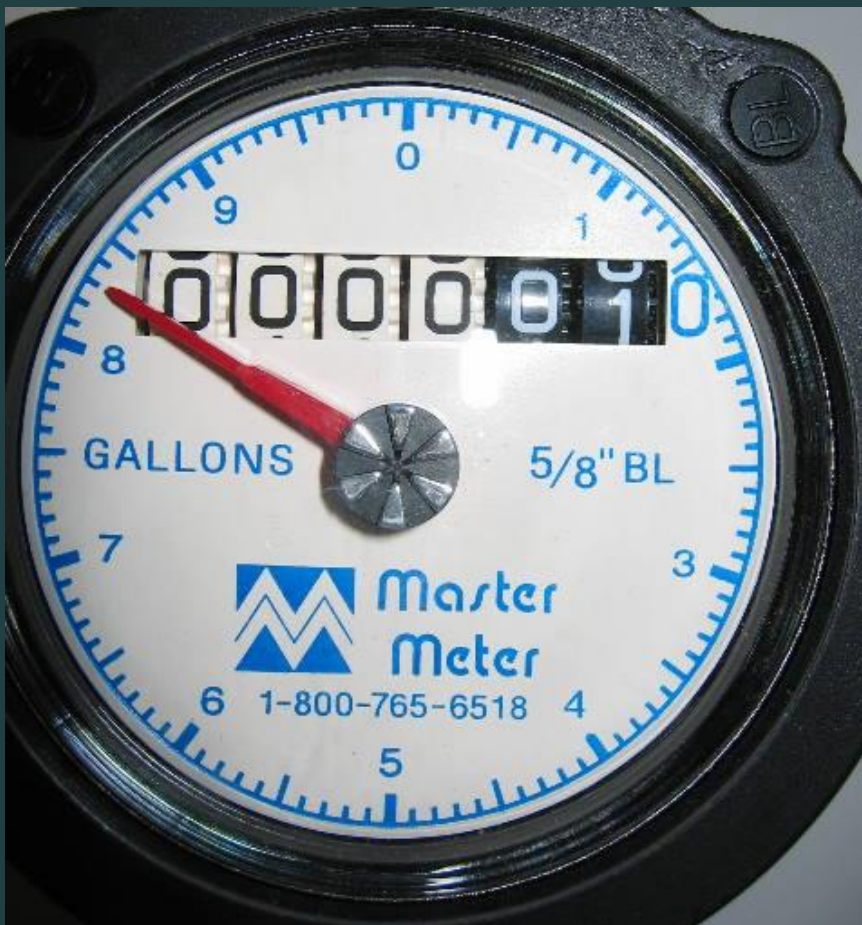
# Where is your PG-ability?





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# Where are you in your usage?





## Partners in Policy Governance

# “Policy Board” vs. “Policy Governance” Board

### SECTION 1 – ORGANIZATION PHILOSOPHY

Vision

Mission

History

### SECTION 2 – OPERATIONS

### SECTION 3 – MEMBERSHIP & DUES

Eligibility

Categories

Notice for payment

Application

Voting

Dues- General

Dues- Current Members

Dues- New members

Equity of Dues

Cancel, Revoke or Resign Membership

### SECTION 4 – DIRECTORS

Board of Directors

Function of the Board

Job Description

*Board of Directors*

Expectations of Board Members

Declaration of Confidentiality

Executive Officers

Function of the Executive

Job Description

*President*

*President Elect*

*1st Vice President*

*Treasurer*

### 1.0 Ends Global Statement

### 2.0 Global Executive Constraint

Treatment of Consumers

Treatment of Staff

Compensation and Benefits

Financial Planning and Budgeting

Financial Condition and Activities

Asset Protection

Ends Focus of Contracts

Conflict of Interest

Emergency CEO Succession

Communication and Support to the Board

### 3.0 Global Governance Process

Governing Style

Board Job Description

Board Member's Code of Conduct

Agenda Planning

Chief Governance Officer's Role

Board Secretary's Role

Board Committee Principles

Board Committee Structure

Cost of Governance

### 4.0 Global Board-Management Delegation

Unity of Control

Accountability of the CEO

Delegation to the CEO

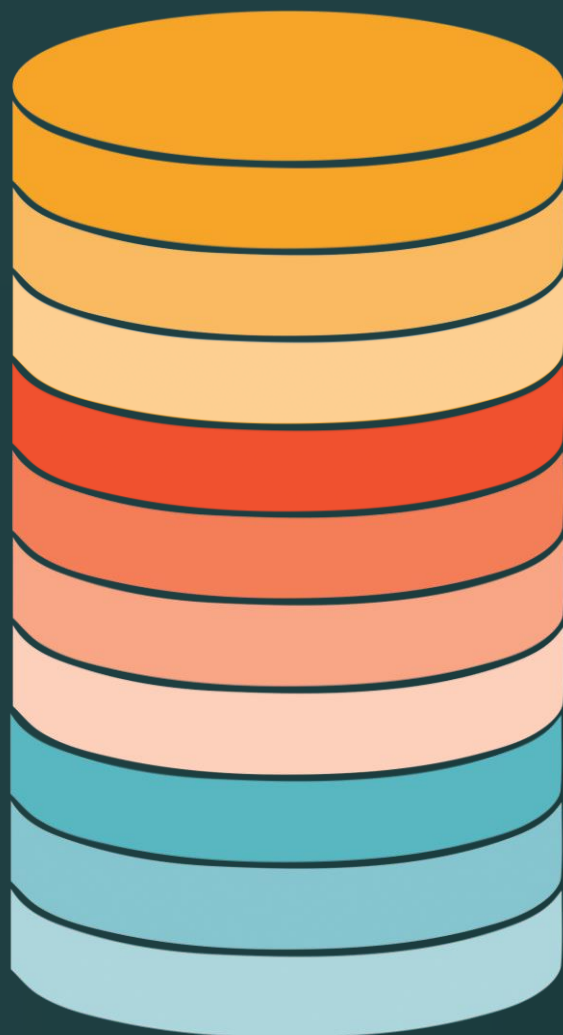
Monitoring CEO Performance

CEO Compensation and Benefits



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# 10 Principles



Ownership

Board Position

Board Holism

Ends Policies

Board Means

Executive Limitations

Policy Sizes

Delegation

Reasonable Interpretation

Monitoring



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# From Theory into Practice





# POLICIES in Policy Governance

- Underlying values and perspectives
- Developed in advance
- Formally written
- Allowing delegatee any reasonable interpretation
- Organized and set in a way that any policy is easily added, edited or removed







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# Policy Sizes - Containment







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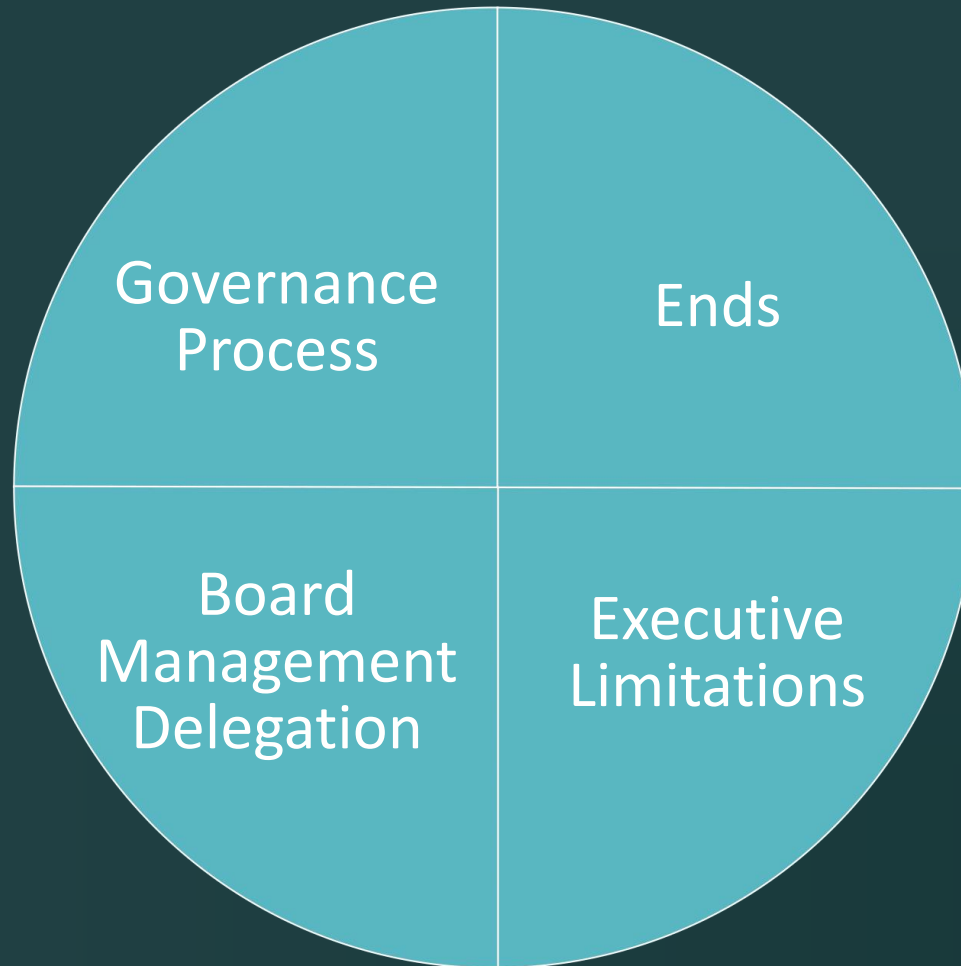
# Broadest for YOUR organization





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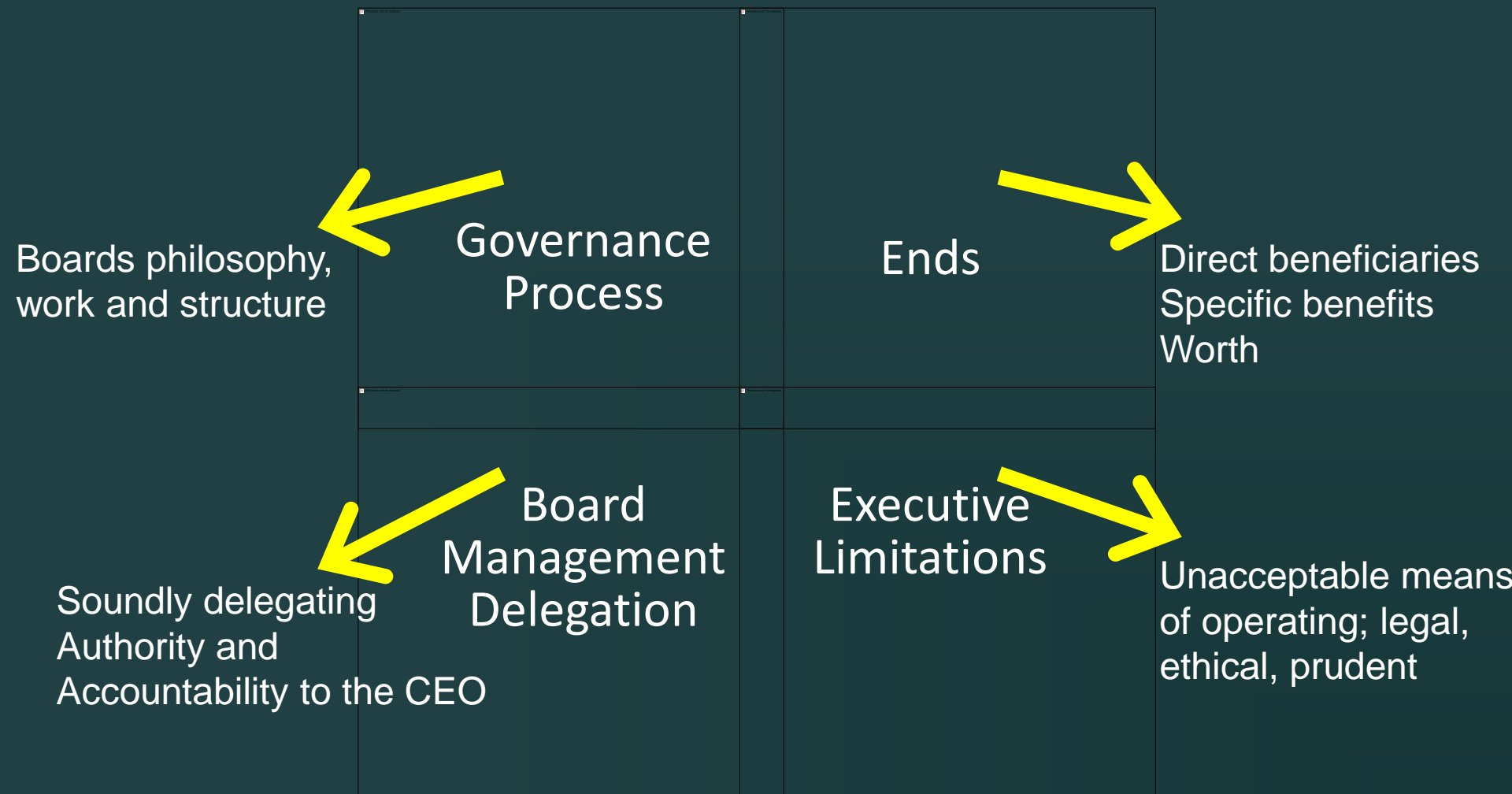
# Boards have FOUR distinct topics to address





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# Consider as FOUR different topics





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# Policy Development



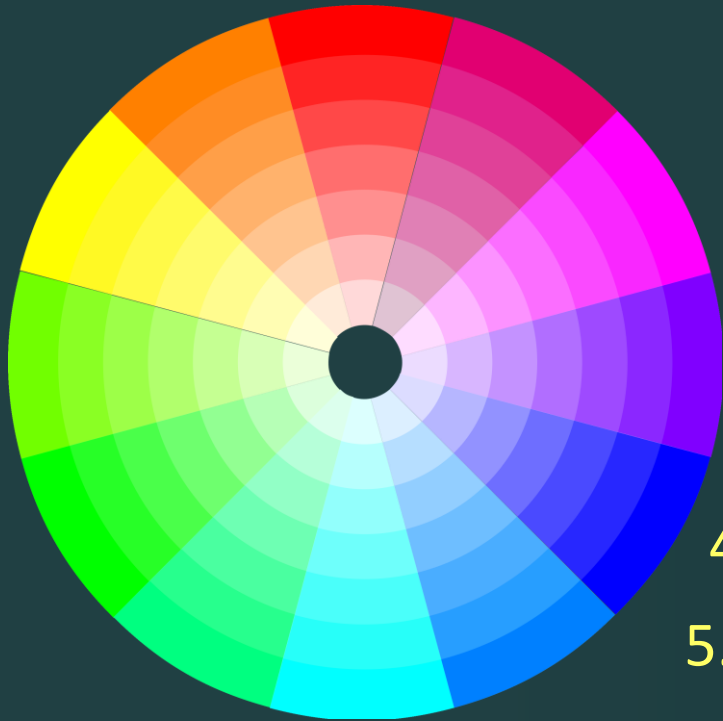
...When you can accept ANY reasonable interpretation

All you **NEED TO SAY**, not all **YOU CAN SAY**!



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# Developing a Policy until Any Reasonable Interpretation is OK



1. Board discusses as a group
2. Identifies the underlying value or perspective
3. Identifies where it belongs
4. Checks to see if it is adequately covered
5. If not, add to a policy or create a new one
6. Continues layer by layer
7. Stops when, as a group, the board can accept **any reasonable interpretation** of the policy as written



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# What do you think?

# What goes where?

# Ends





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## PRINCIPLE 4 – Ends

(Vision of the world better in a specific way)

**“the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects .”**

**“All decisions made about effects, recipients, and worth are Ends decisions”**



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# Future Focused Ends



**Direct, intended beneficiaries**

**Specific benefits (outcomes)**

**At what worth or cost**



## **“1.0 POLICY TITLE: *ENDS***

**The Ends of the Midwest Collaborative for Library Services (MCLS) is a resource-rich environment in which libraries of all sizes and types collaborate to be essential and effective. There will be a primary focus on Michigan and Indiana libraries of all sizes and types. Member libraries will receive a higher level of benefits than non-member libraries.”**

# **Executive Limitations**



## PRINCIPLE 5 – Executive Limitations (off limits)

“...these policies define limits on operational means, thereby **placing boundaries on the authority** granted to the CEO...”

“...those operational means that would be... unacceptable **even if they were to work**”



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# Proscriptive vs. Prescriptive

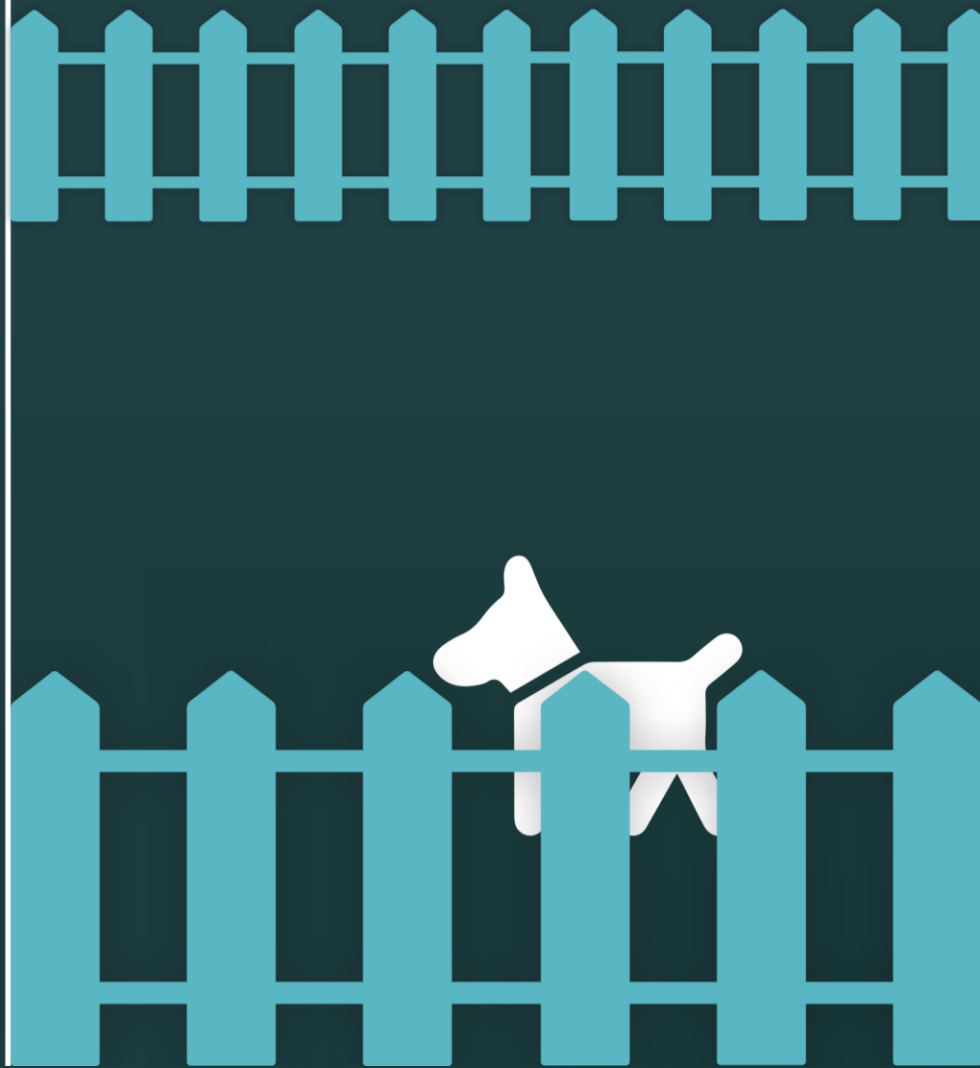


***Beware the middle!***



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# Restraint vs. Constraint







## Executive Limitations 4.0

**“The CEO will not cause or allow any practice, activity, decision, or organizational circumstance which is either unlawful, imprudent or in violation of commonly accepted business and professional ethics and practices.”**

**Board Means**

**(Management  
Delegation)**



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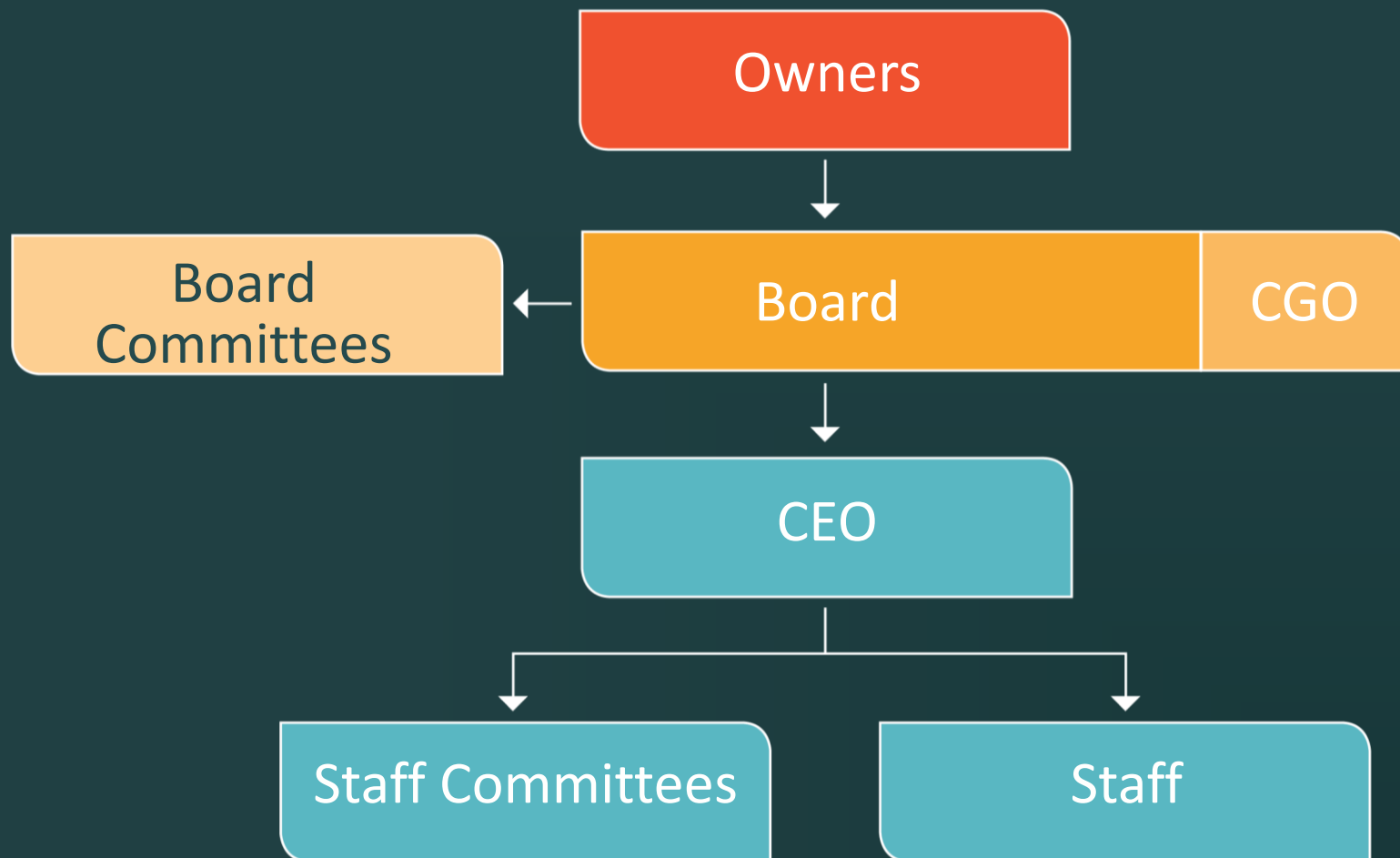
# Board Means - Management Delegation (Board's Processes)

“The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as Governance Process policies and **Board- Management Delegation policies.**” ”



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# Authority Down (Accountability Up)





# Board Management Delegation 3.0

“The Board’s sole official connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer, titled Executive Director.”

# **Board Means (Governance Process)**



# Board Means Governance Process

“The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as **Governance Process policies** and Board- Management Delegation policies.” ”





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# Board Means Governance Process

Interpretation

body One  
Accountable  
Written  
reasonable  
Strategic

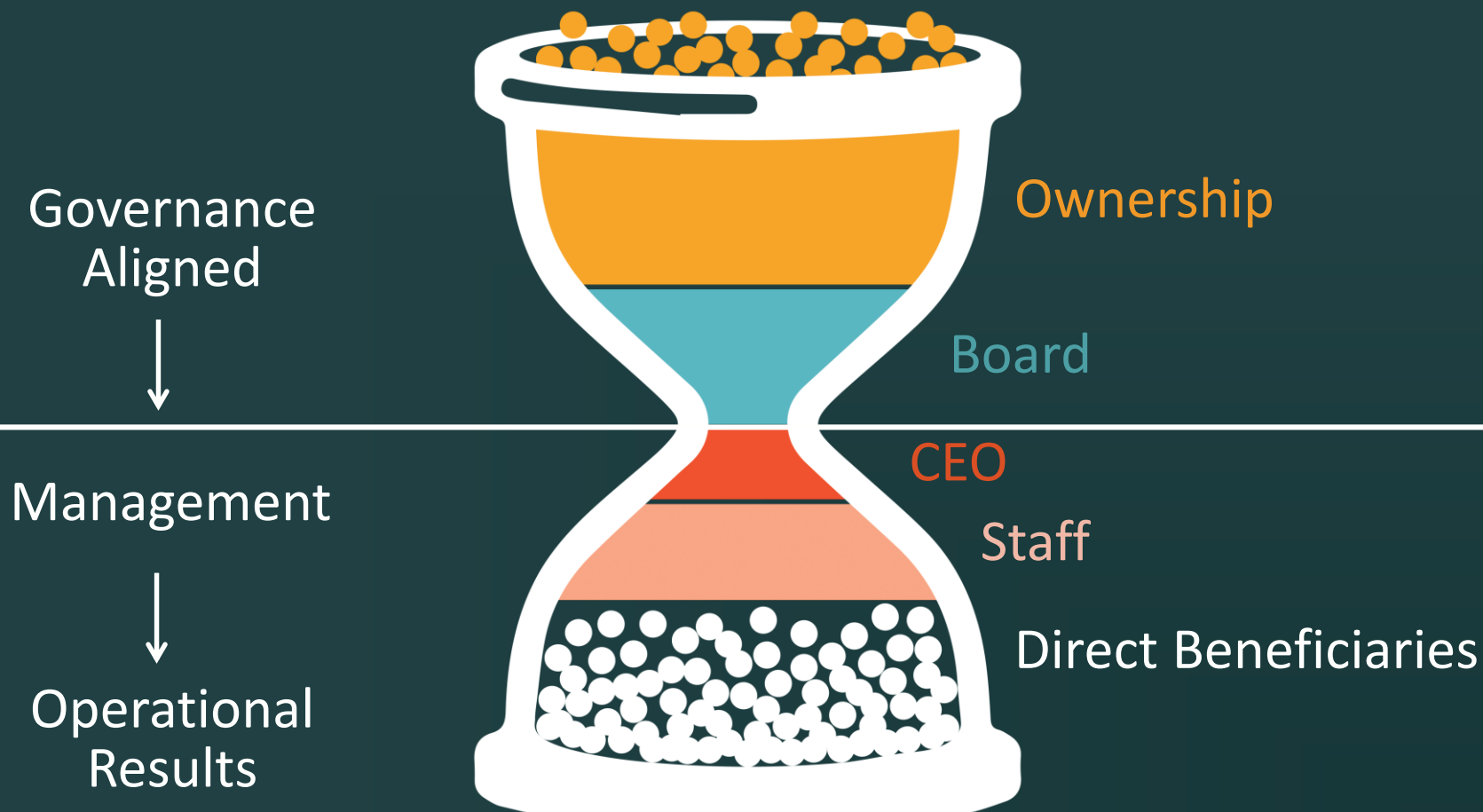
Owner Allow Holism any

Policies



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# Governance Position and Role





# Governance Process 4.0

**“The purpose of the Board, on behalf of the membership, is to see to it that MCLS (a) achieves appropriate results for appropriate persons at an appropriate cost, and (b) avoids unacceptable actions and situations..”**



# Art of Architecture



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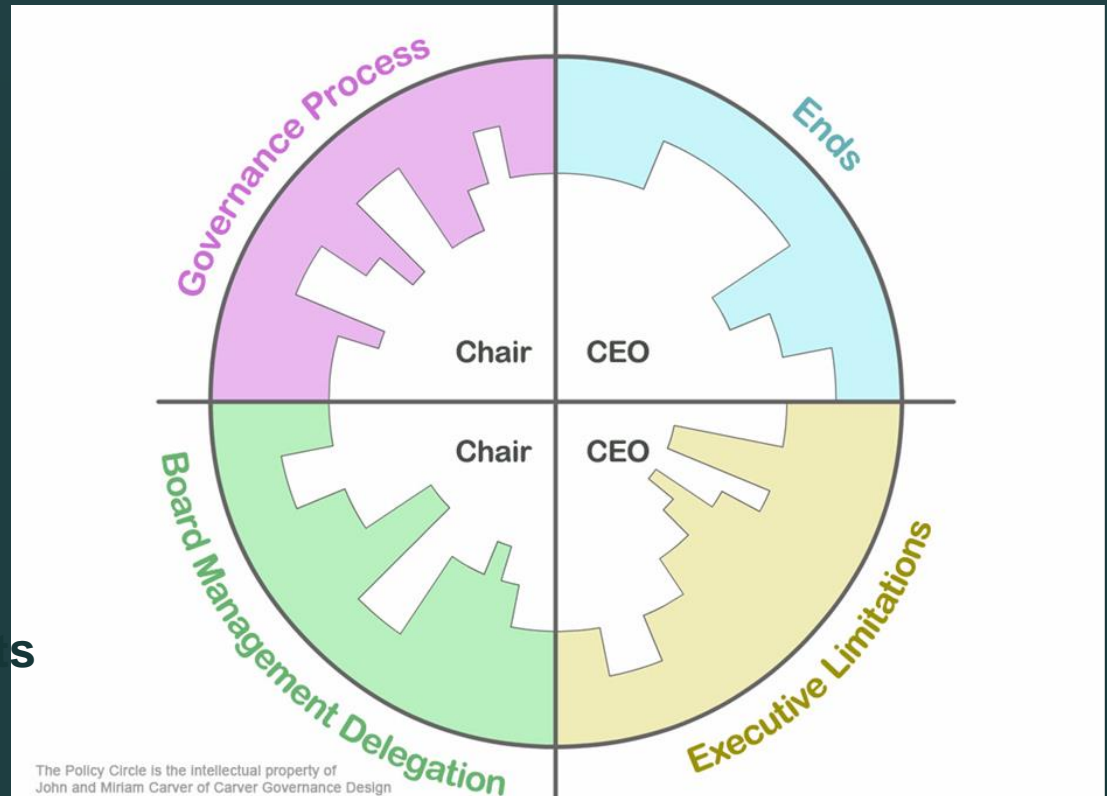
# Designing the Clear and Coherent System

## Conceptualization of the Policy Circle for an Organization

The Policy Circle is the Intellectual Property of John and Miriam Carver



Policy Table of Contents





## **2.0 Global Executive Constraint**

**2.1 Treatment of Consumers**

**2.2 Treatment of Staff**

**2.3 Compensation and Benefits**

**2.4 Financial Planning and Budgeting**

**2.5 Financial Condition and Activities**

**2.6 Asset Protection**



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# What do you think?

## What might be missing from 2.4?

## Where would it go?





# Global (1<sup>st</sup> level) + 2<sup>nd</sup> level + 3<sup>rd</sup> level

## 2.0 Global Executive Constraint

### 2.2 Treatment of Staff

With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions which are unfair, undignified, disorganized, or unclear.

The CEO will not:

2.2.1 Operate without written personnel rules which: (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.

2.2.2 Retaliate against any staff member for non-disruptive expression of dissent.

2.2.3 Cause or allow staff to be unprepared to deal with emergency situations.

2.2.4 Allow staff to be uninformed or unaware of their protections under this policy as interpreted by the CEO



# Global (1<sup>st</sup> level) + 2<sup>nd</sup> level + 3<sup>rd</sup> level

## **2.0 Global Executive Constraint**

**2.4 Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.**

**The CEO will not allow budgeting that:**

**2.4.1 Risks the organization incurring those situations or conditions described as unacceptable in the board's policy Financial Condition and Activities.**

**2.4.2 Is not derived from a formal process for planning for the future of the organization.**

**2.4.3 Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.**

**2.4.4 Omits credible projections of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.**



# Global (1<sup>st</sup> level) + 2<sup>nd</sup> level + 3<sup>rd</sup> level

“The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as **Governance Process policies** and Board- Management Delegation policies.” ”



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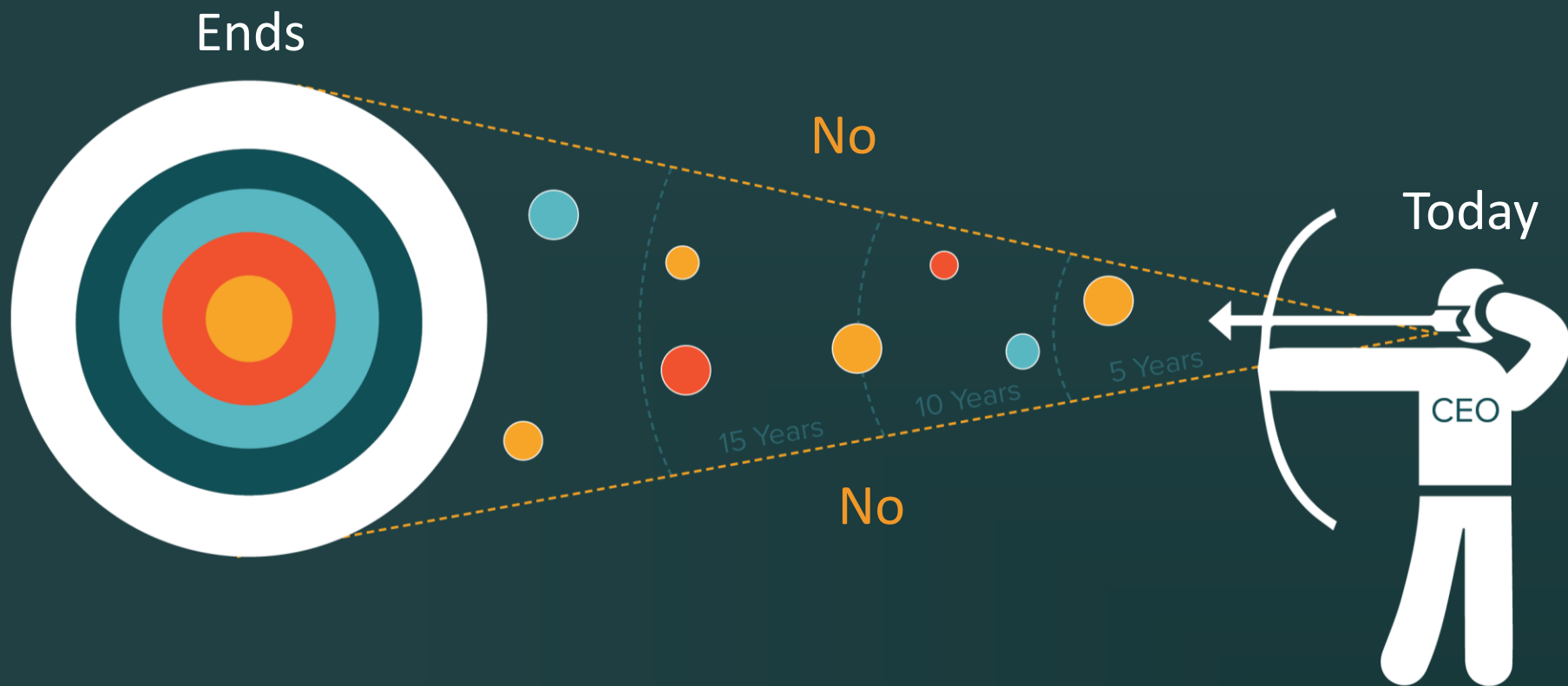
# What do you think?

## What issue do you think could lead to a new policy?



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# Empowered CEO





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# Staff Means and Reasonable Interpretation

