# Boards That Make A Difference

Most leaders will have on their role description the capacity to work effectively within the context of a board of directors. To that end, that leader needs to be thoroughly acquainted with the board governance model of John Carver as presented in his landmark book *Boards That Make a Difference*. In his well-reasoned and clearly-articulated book, Carver presents a pathway forward that is at once both insightful and doable. Whether you adopt his model, there is no question that you will benefit greatly from understanding his construct.

Check out these Book Notes to get an overview of the wisdom that Carver offers.

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Title: ***Boards that Make A Difference***

Author: **John Carver**

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**Book Description:**

John Carver's groundbreaking Policy Governance model has influenced the way public and nonprofit boards operate around the world. Now, as widespread experience with the model continues to grow, Carver enriches his definitive exposition with updated policy samples, a new chapter on the process of policy development, and additional resources for various types of boards. He debunks the entrenched beliefs about board roles and functions that hamper dedicated board members. With creative insight and commonsense practicality, Carver presents a bold new approach to board job design, board-staff relationships, the chief executive role, performance monitoring, and virtually every aspect of the board-management relationship. In their stead, he offers a board model designed to produce policies that make a difference, missions that are clearly articulated, standards that are ethical and prudent, meetings, officers, and committees that work; and leadership that supports the fulfillment of long-term goals.

**Book Quotes:**

The failures of governance are not a problem of people, but of process. (XV)

I think we have a right to expect a good model of governance to…

1. *"Cradle" vision*: There must be systematic encouragement to think the unthinkable and to dream.
2. *Explicitly address fundamental values*: The governing board is a guardian of organizational values.
3. *Force an external focus.*

4. *Enable an outcome-driven organizing system:* All functions and decisions are to be rigorously weighed against the standard of the purpose.
5. *Separate large issues from small ones.*
6. *Force forward thinking*: A governance scheme should help a board trust the majority of its thinking into the future.
7. *Enable proactivity.*
8. *Facilitate diversity and unity.*
9. *Describe relationships to relevant constituencies.*
10. *Define a common basis for discipline.*
11. *Delineate the board's role in common topics.*
12. *Determine what information is needed.*
13. *Balance overcontrol and undercontrol.*
14. *Use board time efficiently.* (17-18)

To get to the core of organizational meaning, governing boards must concern themselves with policies. (25) Peters and Waterman [in Search For Excellence] wrote, "Clarifying the value system and breathing life into it are the greatest contributions a leader can make." (25) There are four reasons that policy-focused leadership is a hallmark of governance.

1. *Leverage and efficiency*.
2. *Expertise*.
3. *Fundamentals*.
4. *Vision and inspiration*: Dealing meticulously with the trees rather than the forest can be satisfying, but it neither fuels vision nor inspires. (25-26)

To the extent that a board wishes to provide strategic leadership, it must clarify policies and expect organizational activities to give them life. (26)

By attending to policy content, a board can gain far more control over what matters in the organization and be at less risk of getting lost in the details. (29)

The objective is not to bring the board more knowledgeably into an ongoing administrative process, as if staff operations is the train to be caught. The point is to establish the board's policymaking process as both preliminary and predominant. If boards are truly governing, then board members are not obliged to tag along behind management. And they need not become superstaff in a conscientious attempt to tag along more professionally. They need only tend to their job of proactively establishing organizational policies. (29)

Well-considered and well-ordered policymaking fashions all other board tasks into a coherent whole. Let us consider each of the four categories.

1. **Ends to Be Achieved**

This set of values about an intended impact on the world is at the root of an organization's reason for existence.

2. **Means to the Ends**

When we have dealt with where we want to go, we are left with how we can get there. At the outset, the board's only interest in staff means is that they be effective, prudent, and ethical. I have never found any other legitimate reason to interfere with a subordinate's means.

3. **Board-Staff Relationship**
4. **Process of Governance** (31-33)

Brevity may be the unheralded secret of excellence. (39)

In dealing with policy issues of different sizes, the board can create policies that make a difference if it observes the following principles:

- The board should resolve the broadest or largest policy issue in each category before dealing with smaller issues in any category.
- If the board wishes to address smaller levels, it should never skip levels but should move to the next smaller levels in sequence.
- The board should grant the CEO authority to make all further choices as long as they are "within" the board's Ends and Executive Limitations policies. (43)

No feature is more central to the policymaking responsibility than the governing of organizational ends. (49)

The most important work of any governing board is to create and re-create the reason for organizational existence. (50)

Policymaking stops at whatever point the majority of the board is willing to allow the CEO to make further decisions. (65)

In a manner of speaking, boards participate most effectively in the planning process by standing just outside it. Boards can make an invaluable contribution to planning; however, except for planning the improvement of governance itself, *boards should not do the actual long range planning.* (67)

"You get what you inspect, not what you expect" is a valid principle of behavior. Measuring the wrong things sends a strong message through the organization about what matters. (71)

The board's challenge is to be reasonably certain nothing goes awry and at the same time to grant as much unimpeded latitude as possible to those with the skill and talent to get the work done. (74)

For integrity of governance, the board must generate policies from board values, not parrot them from staff wishes. (84)

All Executive Limitations policies are messages from the board to its CEO. They are not messages from the board to staff, for the CEO is the only staff member to whom the board gives directions. (88)

The CEO has whatever power the board does not withhold: "Go till we say stop" rather than "Stop till we say go." (88)

No single relationship in the organization is as important as that between the board and its CEO. Probably no single relationship is as easily misconstrued or has such dire potential consequences. That relationship, well conceived, can set the stage for effective governance and management. (101)

Boards ordinarily choose to coordinate these intricate parts by employing a CEO to fit all the pieces in place. More than a mere coordinator, a CEO is accountable for making all the parts come together in an acceptable whole. The board is able to govern by dealing conceptually only with the whole and personally only with the CEO. As a board's bridge to the staff, the CEO has a role more distinct than merely lead staff member. (102)

The board has no official connection with staff members except at the CEO's behest. (107)

As the CEO is accountable only to the full board and as no board member has individual authority, the CEO and board members are equals. This relationship of supportive peers is true for the CEO and board chairperson as well. (107)

Because of its summative nature, a list of CEO job contributions (not of job activities) is the simplest in an organization: the CEO is accountable to the board of directors for (1) achieving Ends policies and (2) not violating Executive Limitations policies. (108)

Making staff decisions trivializes the board's job, disempowers and interferes with staff investment, and reduces the degree to which the CEO can be held accountable for outcomes. (117)

The CEO must be able to rely on the board to confront and resolve issues of governance while respectfully staying out of management. The board must be able to rely on the CEO to confront and resolve issues of management while respectfully staying out of governance. (118-119)

"Moral" rather than legal ownership is the basis on which a board determines its accountability. (121)

Core Board Products

1. The board's first direct product is the organization's *linkage to the ownership*.
2. The board's second direct product is *explicit governing policies*.
3. Finally, the board is obliged to ensure the staff's fidelity to the board's policies.

These three undelegable job contributions are the unique responsibilities of a governing board–unique because only the governing body can contribute these products. The board may add other products to this list, but it cannot shorten it and still responsibly govern. (132-133)

The executive either works for the board as a whole or does not. (141)

Consequently, board committees, when they are needed to assist the board in decision making, should do *pre-board work, not sub-board work.* (105)

The board's job is a verbal task…The board talks. Debating, clarifying, and enunciating values are talking tasks…That discipline involves what is talked about, how the talking occurs, and when it is done. It is not acceptable to talk about any issue that might come up. (173)

1. The first screening question is "What category issue is this?"
2. The second screening questions is "Whose issue is it?"
3. The third screening questions is, "What had the board already said in this category and how is the issue at hand related?" (174)

A board can delay changing a policy but it cannot delay having one. (176)

Boards must continually struggle with agenda content: "What do we have to do this month?" (179)

In short, the board should get its policies in order before undertaking any other task. (181)

Whatever the agenda content, the central interpersonal challenge to the board is to convert divergent views into a single official view. (188) On any issue, the board must elicit as much divergence as possible and resolve it into a single position. (189)

The board should be so eager to widen its lens that it imports adversaries to invigorate the process! The board is thus perceived as a forum of churning debate and exposure, an exciting place. (189)

When the vote is taken, the official pronouncement is as firm as if there had been no disagreement at all. Healthy governance requires that board members agree up front that any position resulting from a fair process is, *and of right should be*, the position of the board. (191)

Being obsessed with Ends demands that the board tackle the difficult questions by mobilizing board time, mechanics, and concern around what good is to be done for which people at what cost. The board cannot forget these questions, even for one meeting. (195-196)

The board will forever be involved with Ends issues, the struggle is never completed. (196)

The leadership must keep the dream out in front so members always see the relationship of mundane things like budgets and audits in the context of the "glorious outcomes" that the board members have convened to achieve. (196)

Testing everything against mission becomes the standard check of organizational direction. This mentality is best achieved when every board meeting has some mission-relevant conversation. No board meeting should go by without a debate or presentation on some facet of the Ends development process. The central reason for meeting at all is the mission and mission-derived Ends policies. (197)

Divergence is not the only source of richness in the Ends dialogue. Much of the vigor comes from allowing leaders to dream. (197)

Leading leaders requires tolerance of risk, because leaders do not remain in the safe, old ruts. (200)

For the degree of strategic leadership championed in these pages, five qualifications, among others, are necessary.

1. *Commitment to the ownership and to the specific mission area*.
2. *Propensity to think in terms of systems and context*.
3. *Ability and eagerness to deal with values, vision and the long term*. The members who make the best contributions are those who have a natural propensity to look not only beyond the stream of single events, but beyond the values on which they are based.
4. *Ability to participate assertively in deliberation*.
5. *Willingness to delegate, to allow others to make decisions*. (203-204)

As an assessment of the past selection, consider this test: if fewer than half the board's members would make good chairpersons, the selection needs improvement. (205)

When tradition boxes us in and mindlessly determines who we are, it is no longer to be revered but escaped. The board is, after all, creating tomorrow's traditions with the actions it takes today. Leadership compels us to be truer to tomorrow than to yesterday. (211)

The easiest and best time to improve is when things are already going well. (211)

Successful strategic leadership demands powerful engagement with trusteeship, obsessive concern over results, enthusiastic empowerment of people, bigness in embracing the farsighted view, and the commitment to take a stand for dreams of tomorrow's human condition. (212)

Bylaws are best kept lean. Include only those items that establish the basic structure and empowerment of the board and its members. Whatever can legitimately be put into policy should be omitted in the bylaws. (222)

With respect to board size, the simple rule is to justify any number over seven. There is nothing magic about this number; however, as boards grow progressively beyond this size, they pay and increasingly higher price in awkwardness, discipline, and unfocused energy. (223)

***Note: should you wish to find any quote in its original context, the Kindle "location" is provided after each entry.***