

Winter 2002

Volume: 2002, Issue 4



**Special Interest  
Articles:**

- Trainers Speak 2
- When Crisis Hits 3
- Manitobans Get the Message 6

**Regular Features**

Headline News 1

From the General Editor 2

Analogies that Communicate 4

Hot Tip 5

From the CEO 7

PG on the Web, in the Press and in Print 8

New Members 8

**General Editor:**

Caroline Oliver  
(905) 337 9412  
[coliver@policygovernanceassociation.org](mailto:coliver@policygovernanceassociation.org)



**International Policy  
Governance  
Association**

Howard Stier, CEO  
(919) 387-9325  
[hstier@policygovernanceassociation.org](mailto:hstier@policygovernanceassociation.org)

Look out for our  
Spring/Summer Issue  
May 1, 2003

# Governing Excellence

*The Voice of the International Policy Governance Association*

## News Headlines

### Interest Grows

The publication of *Corporate Boards That Create Value* has accelerated interest in Policy Governance. See the back page of this newsletter for some of the recent coverage and have a good look round the web for a lot more online book reviews.

Book sales have also taken off at a good clip in spite of the recent spate of books in the same field. Lead author John Carver points out that what sets Policy Governance apart is its compelling logic and conceptual integrity—*“attributes that can so easily slip away and thereby compel our constant and careful protection”*.

In October, John Carver met with a number of corporate governance leaders at Henley College of Management (UK) and then re-crossed the Atlantic to be on a panel at an Institute of Corporate Directors (Canada) event on ‘Innovations in Corporate Governance’.

John reports: *“in each instance, interest in the nature and process of governance per se seemed to mute the resistance I used to encounter due to the nonprofit origins of Policy Governance”*.

### A BOARD'S PLIGHT

**“We are drowning in information, but starved for knowledge and wisdom”**

– John Naisbitt, Futurist and author of Megatrends -

### Next IPGA Board Meeting

The IPGA Board's next meeting is on Sunday December 15, 2002 in Oakville, Ontario, Canada. Ends development will be a major feature of the agenda. This will be the first ‘in person’ board meeting for new board members Mike Conduff and Jan Maas flying in from Texas and Holland respectively. (IPGA board members and our CEO are currently attending board meetings at their own expense.)

### A Generous Donation

IPGA has just received a significant and continuing donation from the authors of *The Policy Governance Fieldbook*. The authors have donated all royalties from the sale of their book to IPGA. The most recent donation for the last six months was \$1,175.36. On behalf of the IPGA Board and all members, IPGA extends a hearty **Thank You** to authors Mike Conduff, Susan Edsall, Carol Gabanna, Randee Loucks, Caroline Oliver, Denise Paszkiewicz, Catherine Raso and Linda Stier.



## And Another Thing ..... From the General Editor

Albert Einstein once said that if you can't explain something to a six year old, you probably don't understand it yourself. Now there's a challenge!

Why not try describing

Policy Governance to a six year old of your acquaintance and let me know how you get on. As we all know, children can say the wisest things. According to Piaget, six year olds are able to

think only in one direction and only in symbolic forms. They also have difficulty seeing another person's point of view. Sounds like we have our work cut out!

## THE TRAINERS SPEAK

*Two researchers, Jeffrey Brudney and Patricia Nobbie, recently published the results of their analysis of a survey of fifty-one Policy Governance Academy graduates (1996-1998).*

The aim of this research was to discover a) whether trainer-consultants maintain the Policy Governance model as a coherent whole or teach only parts of it b) what they perceive as the major challenges for nonprofit boards in implementing the model and c) what contextual factors they feel affect implementation across nonprofits with different characteristics.

The total number of boards trained by the surveyed consultants was 569. Over half of the respondents who use Policy Governance to train boards, use the model "entirely and exclusively".

Trainers were given a series of questions to rank under various topics. The researchers drew the questions from several of John Carver's publications including *Boards That Make A Difference*.

Conclusions include: The Policy Governance concepts

that are most difficult to implement are distinguishing Ends from means and focusing board meetings solely on policy. Almost all consultants believe that Policy Governance has the potential to improve the effectiveness of all types of non-profit organizations. The large majority of consultants also believe that it is more difficult to implement in organizations where the board is also playing the staff role or has more than 15 members.

Interestingly in the light of the IPGA's focus on communicating Policy Governance, Brudney and Nobbie suggest that respondents' comments "... acknowledge their own difficulties in imparting the nuances of the model, as well as the difficulties of board members in trying to absorb it".

*'Governing Excellence' Editors' Comment:* One problem with the researchers' logic is revealed when they report that respondents recognize "contextual factors may affect the claim of universal applicability" and respondents' comments "support the concerns of

scholars and practitioners". The claim of Policy Governance is that it is analogous to a 'platform technology' for governance. As such it can be 'applied' to any governing board. Some boards have peculiar governance challenges but what the researchers do not seem to recognize is that those challenges exist *however those boards choose to govern..*

One thing we can all agree on: "Exploration of the use of the Policy Governance model in non-profit boards of directors is an area of research with great potential both for exploring the claims of the model and for contributing to knowledge of nonprofit governance practices and their impact on organizational effectiveness". *Ed. Nonprofit Management & Leadership Vol 12, Number 4, Summer 2002 'Training Policy Governance in Nonprofit Boards of Directors' by Jeffrey L. Brudney and Patricia Dautel Nobbie*

---

*"what the researchers do not seem to recognize is that those challenges exist however those boards choose to govern"*

---

*Patricia Nobbie was the winner of the 2002 Best Dissertation Award from the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) for her work on this study.*

## WHEN CRISIS STRIKES

*Anyone who has been around Policy Governance for a while knows that boards often drop the ball when crises hit. What we may not think about enough is the cost. Here is the story of one organization that was hit by the worst imaginable crisis – September 11. The story is told anonymously to protect all involved, and is told from one staff person’s perspective.*

“It took my organization one full year to develop policies in the three Policy Governance means quadrants. Our board and CEO did it all themselves using ‘Reinventing Your Board’ and then spent a further year developing Ends policies.

It was hard work but it really helped clarify the heart of what our organization is about and everyone’s roles. Monitoring reports were being produced to schedule, our organization was prospering, things were much easier and more enjoyable and the board was devising a program to consider different strategic issues at each of its meetings. Then September 11<sup>th</sup> happened and, although none of our staff was killed, everything else was crushed and destroyed.

We had 20 staff but only 8 were in the building early that morning. We felt the building shake and knew it had been hit but it took a while for us to realize that we had to get out. It took a while to absorb the reality that things were so bad that there was no point in waiting for someone to come onto the P.A. system and tell us what to do.

We lost all the offices and equipment that our organization used to do its work and generate its revenue. We lost all of our records - our

entire history - everything was gone. Many of the staff suffered deep psychological trauma. Everyone’s reaction, including the board’s, was panic and fright.

Yet almost immediately the CEO and staff began pulling things together. The CEO diverted mail to his home and asked all the staff to get equipped so that they could operate by phone and email from their homes. Our auditors particularly helped us locate copies of some critical documentation. The search for temporary premises for staff and programs got underway. We actually held our first program in new temporary premises in October.

*“It took a while to absorb the reality that things were so bad that there was no point in waiting for someone to come onto the P.A. system and tell us what to do.”*

But board members were not there to witness what staff were dealing with as they began their efforts to recoup some semblance of organization. Afraid that the organization could not survive, some board members were having sleepless nights worrying about everything. It was also difficult for the board because they couldn’t have the kind of information and response from staff that they normally did.

It wasn’t long before the board put its policies to one side, rolled up its sleeves and starting managing

things directly. The board would say that they had no option.”

### COMMENTARY

*When well-intentioned board members ‘jump in’ to rescue staff it is often interpreted by the staff as a lack of confidence in their ability to get things back on track within the board’s policy framework.*

*During times of crisis, we need board members to concentrate more on governance not less. Organizations in crisis need people who are on their side but remain above the fray. Staff need to be imbued with trust, confidence, and even gratitude for what they are going through. In crises, Policy Governance boards can be role models for calm and belief in the future. They can engage in board-owner communication – assuring owners of the board’s confidence in the future and desire to continue to dialogue with them about it. They can take the opportunity to start all over in considering what they want the organization to produce for whom and at what cost over the next 3-5years. What might we want to do differently if we were to start again from scratch?*

*A board can do so much of value when it is truly governing and staff can do so much of value when they are truly allowed to do the managing. Ultimately the board’s policies should be the foundations that see an organization through any crisis.*  
Ed.

## Analogies That Communicate – The “Best Ball”

*Stephanie Corcoran, President of the Real Estate Board of Greater Vancouver tells of a good day on the golf course that lead to some interesting thoughts on Policy Governance.*



A golf tournament provided relaxation and team-building at our annual board retreat this summer in British Columbia's beautiful Fraser Valley.

Directors were divided into mini-teams of four and, as we had several new board members, we deliberately created the teams to reflect a mix of experience at our board table as well as with a golf club. Several participants had never before hit a single golf ball!

To add some more fun and learning into the mix one of the prizes was for the team that could draw the best comparison between playing golf and practicing Policy Governance.

I recall suggesting that, as a new Director or a novice golfer, implementing Policy Governance is awkward, much like taking a swing with an unwieldy golf club.

Experienced Directors have greater familiarity with the organization's Policy Manual and, for them, working through an issue is much like selecting the best club or policy for the situation.

Each player hits their shot, the team decides which ball is the best shot and they continue to play out the hole. With Policy Governance, each director gives every issue the benefit of their individual best shot. But the shot that gets into the Board's policy manual, and then becomes the whole team's best shot, is the one that everyone agrees is the "best of the best."

With a Scramble or Best Ball format, no player is left alone to play the whole game. As a team, the more experienced players can help the inexperienced which adds to their enjoyment of the game to playing golf. and also helps to speed up the learning curve.

The decision making process is inclusive as everyone participates in making the decision (hitting the ball) and thus the understanding of the policy, or implementing the appropriate policy to the issue has more value. Also, no one is left on their own, it is a team effort.

No individual plays a great shot every time, but by playing "best ball" a team can top every individual's performance. If we want excellent board decisions we don't want "lowest common denominator" decisions we want "best ball decisions". Policy Governance creates the discipline that makes this possible.

Now when we make a decision we are clear that it is our team's "best ball"

*Stephanie Corcoran can be reached at:*  
604-263-2823 or  
[scorcora@rebgv.bc.ca](mailto:scorcora@rebgv.bc.ca)



## HOT TIP!! THE 'TOUGH AND EASY' GOVERNANCE QUIZ

from  
Susan Rogers

I use this 'self-marking' quiz as a handout towards the beginning of a workshop day when I am introducing a board to Policy Governance. I customize it to suit each organization. I find that it stimulates participants' interest early on and, in a non-threatening way, helps adult learners identify their knowledge gaps. When completed, reviewed and returned to at the end of the day, it reinforces what they have learned and helps me to assess whether or not I have achieved the learning outcomes I am looking for.

The quiz is comprised of 10 – 15 'open-ended' questions such as:

1. What is 'governance'?
2. To whom is the board accountable and for what?
3. How does a board measure its progress in governance?
4. What is the primary cause of poor governance performance?
5. What are the three 'job products' of a board that it cannot delegate to anyone else?

I start by giving participants about 20 minutes to complete as much of the quiz as possible and encourage everyone to cheat (work together, use the handouts I have provided etc.). I also ask board members to draw their current organizational chart ... always interesting!

A good portion of my day is then spent helping participants learn and understand the right answers...and make connections to their own organization's needs. Regardless of the level of sophistication of the board or the size of the organization, workshop evaluations consistently show high ratings for the quiz and huge 'ah ha' learning moments as a result of it.

**Susan Rogers is a Policy Governance® consultant based in Winnipeg, Manitoba, Canada.  
Phone: (204) 284 3388 Fax: (204) 284 3533 Email: [susan@rogersleadership.ca](mailto:susan@rogersleadership.ca) Website:  
[www.RogersLeadership.ca](http://www.RogersLeadership.ca)**



In early October 2002 the Manitoba Quality Network (QNET) put on two one-day Policy Governance seminars led by Miriam Carver. Governing Excellence (GE) asked Miriam to tell us more.

## MANITOBANS GET THE MESSAGE

GE: Why did QNET decide to put on the seminar?

**MC:** QNET aims to help their members be proficient at what they do. Usually they focus on management and service delivery but they are now seeing governance as a priority too and some of their board members knew about Policy Governance from previous experience. It worked out very well because, although they initially advertised one day, it was so over-subscribed that they ended up doing two.

GE: I understand that there were around 200 people at each day. What do you think created such a high level of interest?

**MC:** It was an unusually broad audience with organizations from every sector – health, social service organizations, utilities, credit unions and private corporations. Policy Governance is definitely becoming better known and corporate scandals are helping to focus everyone's minds.

GE: How was it dealing with such a mixture of participants?

**MC:** It's always interesting to see how surprised corporate people are by the idea that the CEO is the servant of the board rather than vice versa – otherwise the reactions are much the same. People also had a varying amount of existing knowledge – some were practicing Policy Governance and others knew nothing at all.

GE: What do you see as the typical barriers to learning?

**MC:** Some people struggle with understanding why operational means need to be dealt with prohibitively. More people think that they understand the difference between Ends and means when they don't. One person got completely stuck on distinguishing owners from customers. Habit and vested interests are probably the biggest barriers. And some people just don't have the skills to use Policy Governance – we don't all have all of the skills for everything.

GE: What has experience taught you about communicating Policy Governance?

**MC:** More than anything, the need for incredible accuracy in the words we use. Allowing inexact shorthand phrases to creep in can undo all the learning. As in any education, repetition helps tremendously. I try to use the same definitions (for example of Ends and means) over and over but in different contexts. It is also vital to keep tying it all together, driving home the message that Policy Governance is a logical **whole**. The importance of this wholeness is that it enables the kind of control that has to go with accountability. Policy Governance is not just a bunch of rules.

GE: What about presentation style?

**MC:** Everyone has their own style and that's fine. I know visuals and analogies work well. Personally, I like to draw the circle diagram, mixing bowls etc. as I go along. I don't like using PowerPoint, I think people tend to skip ahead and not concentrate on what is being talked about. But, as long as we are all absolutely wedded to accuracy I see no limit to the presentation styles that could be developed.

GE: Thank you very much Miriam. Any last thought to pass on from your public seminar experience?

**MC:** Yes, I would like to mention the idea of clients opening up their introductory workshops to other organizations in their area. It doesn't take much more time or trouble for presenters and if clients charge a fee, they can not only reduce the cost of the presentation but maybe even raise funds that will help cover their implementation costs.

Ed.

**Susan Rogers of ROGERS Leadership Consulting was a sponsor of this seminar and adds the following thoughts.**

QNET marketed the seminar well (web-site, newspaper, sponsors and promotional partners). I think that about 20% of attendees were folks...entire boards in several cases... from my client organizations that I encouraged to attend. Plus there's been a hot bed of interest in PG in Manitoba since John Carver came here in the very early 90's. We are a province that always has been a bit contrary and first to embrace new things. I think it has something to do with our manageable size of 1.1 million folks, most of whom (700,000) live in Winnipeg and the fact that we are an entrepreneurial province (for example, 96% of businesses here have 4 employees or less). Funnily enough, a small NGO from B.C. won my door prize ...and a number of folks had driven up from North and South Dakota as well! Winnipeg certainly isn't inundated with high profile educational events either...we're more focussed on the 'arts'. So probably a combination of factors worked together on this one.

## FROM THE CEO

## Building the Foundation for the Future IPGA – Where Are We?

A year has flown by since I became CEO. It has been a year of learning – learning about what it will take to serve the needs of members, have IPGA be successful in transforming how organizations relate to governance and having Policy Governance® be fully recognized as the valuable tool it is. It has also been a year of building on what we have learned, building the footings and the initial foundation for what IPGA will be in 5, 10, 20+ years. To date, we have created a solid foundation for IPGA's membership, for both the current 45 and the future multitude I anticipate we will attract. Today, IPGA provides members with reasonable benefits, but I see we have much work to do to expand our offerings to members, especially for our current and future organizational members – members that I see being the largest segment of the future IPGA member base.

Also, over this past year, we have created a foundation for achieving IPGA's Ends. Here, as well, we still have much to do. I see a significant gap between what we are now and what we will need to be. I am currently working with other members creating the future IPGA, which I anticipate will begin to unfold throughout 2003. As I wrote in an earlier email to members, I envision dual organizational structures to address the needs of IPGA's members as well as be a causal force in achieving other elements of the Ends.

I see an institute providing out of the box thinking, creating a widespread acceptance of owner-accountable governance. I see the work of the institute breaking down the barriers that currently exist between proponents of Policy Governance and those who support other approaches to having boards govern. Dismantling these barriers and joint, cooperative efforts will be important steps for IPGA making the maximum impact that is possible.

*"I see an institute providing out of the box thinking, creating a widespread acceptance of owner-accountable governance."*

Another role of the institute will be to conduct research into what is needed to have Policy Governance successfully implemented and operated from over time – not only by boards that are formally trained by professional consultants but also by those that implement Policy Governance on their own.

I also see the difficulties that are experienced by boards, especially those not trained by Policy Governance trained persons, as barriers to having widespread acceptance and use of Policy Governance. In addition, the institute will be instrumental in assuring that organizations, boards and consultants have the tools and information they need to support their efforts as well as assuring the availability of any additional trainings or education needed to supplement the current and future offerings of Carver Governance Design.



I foresee the IPGA and the institute becoming a recognized, respected and major participant in the area of organizational governance. In becoming this, our major (but not the only) focus will be in the corporate environment. John Carver and Caroline Oliver's recent book titled *Corporate Boards That Create Value* provides a valuable reference for working with corporate boards. Shifting the paradigm of governance in the corporate environment and having examples where Policy Governance has successfully made a difference for corporations will quickly impact the view and acceptance of Policy Governance in other sectors and with the public-at-large.

When will this occur? As I mentioned earlier, I am working with others in creating organizational and staffing plans and the framework required for seeking major funding. While existing efforts will continue in all areas, being fully staffed will be required to make the impact we intend to and are committed to make. The board and I are working on raising the funds critical to creating our future. I will continue to keep members informed of progress in all of these areas.

## International Policy Governance Association

985 Hollands  
Chapel Road,  
Apex,  
NC 27523-5453  
USA

PHONE:  
(919) 387-9325

E-MAIL:

[bstier@policygovernanceassociation.org](mailto:bstier@policygovernanceassociation.org)

### We're on the Web!

See us at:

**www.  
policygovernance  
association.org**

## GIVE IT AWAY!

Feel free to give your fellow board members or clients a copy of this newsletter. You will be helping to spread the word and encouraging more new membership growth.

Remember there are membership categories for all supporters.

## PG ON THE WEB, IN THE PRESS, AND IN PRINT

Since the last newsletter -

### Articles about Policy Governance have appeared in:

- The Globe and Mail, Canada's National Newspaper 'Accountable boards are commanders not advisers'. Book Review by Harvey Schachter. Oct 16, 2002
- The Globe and Mail 'Stabbing in the Dark' Letter to the Editor from Caroline Oliver Oct. 12, 2002
- Leader to Leader, the Drucker Foundation's Award Winning Quarterly Journal, No. 26 Fall 2002, pp. 48-55 'Board Leadership: From Myth to Reality' by John Carver

### About The Association

The International Policy Governance Association was launched in June 2001 to create 'High Quality Policy Governance Implementation'. It is a 501c3 not-for-profit corporation.

- Business First 'Workshop to Highlight Principles of Ethical Board Leadership' by Lynn Winter, July 31, 2002 [www.bizjournals.com](http://www.bizjournals.com)

- *The Nonprofit Good Practice Guide* published by the Johnson Center for Philanthropy and Nonprofit Leadership profiles websites "chosen for their excellence". Carver Governance Design Inc.'s site is the only one listed under 'Governance Models'.

[www.nonprofitbasics.org](http://www.nonprofitbasics.org)

- The Courier Journal, Louisville 'Who's Pulling the Strings?' by Bill Wolfe, Sept 1, 2002. [www.courier-journal.com](http://www.courier-journal.com)

- Canadian MgrSearch, Canada's Meeting Place for Managers, Consultants and Plan Sponsors. 'Real Accountability' and 'Future of Governance' by Caroline Oliver.

<http://canadianmgrsearch.com>

- Association Magazine Vol. 19, No. 6, Oct-Nov 2002 'Keeping Tabs on the CEO'. Main feature article by Caroline Oliver

[www.associationmagazine.com](http://www.associationmagazine.com)

- Canyon County Zephyr 'Boards That Kick Ass' by Lynn Winter. Aug-Sept 2002

[www.canyoncountzephyr.com](http://www.canyoncountzephyr.com)

- Publishers Weekly. 'Corporate Boards that Create Value' Book Review: Reviews Annex Nonfiction. Sept. 15, 2002 <http://publishersweekly.com>

- *Russian Enterprises in the Transitive Economy*. Sapir, E. (ed.) 'Teoriya Korporativnogo Upravleniya: Poisk Novogo Balansa Mezhdru Sovetom Direktorov i Generalnym Direktorom' (A summary) by John Carver. Materials of the International Conference, Yaroslavl: Yaroslavl State University, Vol. 1, October 29-30, 2002, pp. 47-50. In Russian.

### Interviews about Policy Governance have been given to:

- *Bloomberg TV* 'Marketline' interviewed John Carver. 3.45 p.m. on Sept. 17
- *Report on Business TV* Caroline Oliver was interviewed Janis Mackey Frayer. at 7.20 p.m. on Sept. 16, 2002
- *680 Business News* Caroline Oliver was interviewed by James Munroe, repeat broadcasts during Oct 5-6, 2002

### New Members Welcome

New members who have joined IPGA since August 31 are Diane Fletcher in Saskatoon, Saskatchewan and Susan Mogenson in Cumberland, Ontario.

## PUT YOUR OAR IN!!

Submissions for Governance Excellence are welcome and should be emailed to [coliver@policygovernanceassociation.org](mailto:coliver@policygovernanceassociation.org)

We do not publish REPRINTS because we want to encourage NEW writing.

*Policy Governance® is a registered service mark of John Carver. Used with permission.*