ISTE’s Board Governance System—An Overview

During 2011, the ISTE Board of Directors began implementing a system modeled on Carver Policy Governance® to conduct board work and define the board’s relationship with the CEO and staff. Under Policy Governance, roles and responsibilities of the board and staff, including the CEO, are clearly defined along with a monitoring system designed to assess both board and staff activities.

This approach to governing is very different from those you may have experienced in the past. To help you consider your candidacy, or actually prepare for your work while sitting on the board, we would like to give you a small picture of what this system is and how it works at ISTE.

ISTE moved to this system to enhance the board's ability to be strategic and add value. To create as much value as possible for members, a governing system that added clarity and created a more strategic role for the board seemed appropriate.

So How Is It Different?
This system has numerous effects on the structure, role and function of the board.

The Board's Role

There are three major work products for the board:
1. Connecting with the owner members in order to understand their values so that the board can truly represent their interests.
2. Developing a comprehensive set of policies that guide all further organizational actions and decisions.
3. Ensuring that appropriate changes are taking place and that unnecessary risk is being avoided by providing disciplined direction and monitoring performance against policy expectations.

The policy development process allows the board to weigh in on important areas of organizational interest, but in a way that intrudes as little as possible on the fluid and strategic decisions for how issues and initiatives will be addressed.

Board Structure and Function

ISTE’s system recognizes that the board only has authority over the organization (and staff) as a group. This has several implications:

- The purpose of board deliberation is to create more informed and better decision by sharing perspectives, conducting dialog and reasoning through the issues.
- No individual board member, including any officer or committee of the board, has any authority to direct staff on his or her own (unless the full board delegates it).
- Because there is a process in place for all perspectives to be considered, members support the final decision of the board as a whole.
- Work of the board is clearly defined in a way that it allows most of it to be done by the committee of the whole (the full board).
- The work of the board is initial to, and unique from, the work of the staff.
- The board meeting and its agenda will reflect all of the above. The majority is designed to fulfill its three work products. There is very little in the way of report approvals, staff reports on activities or other work that does not add unique value.

**Policies and Their Development**
The board directs the organization through developing and implementing policies that encompass the organization's values. These policies cover four distinct topical areas and are developed in such a way that the board controls the broader decisions and can then delegate more detailed decisions to others. In every case and on every topic the board identifies the issue and then develops policy at the broadest level encompassing that topic, developing more and more detailed levels of policy until it has said as much as it needs to say. The policy areas comprise:

- A definition of the change in the world that ISTE exists to create, which sets the broad strategic direction of ISTE in terms of the specific outcomes to be produced. We call these the "Ends Policies." These are developed to a level of detail at which the board is comfortable allowing any reasonable interpretation and more detailed decisions are delegated to the CEO.
- A definition of those operational methodologies, conditions or decisions that would be so risky as to never be acceptable and are thus prohibited from use by the CEO. We call those "Executive Limitations Policies." These are developed to a level of detail at which the board is comfortable allowing any reasonable interpretation and more detailed decisions are delegated to the CEO.
- A definition of the values that drive the purpose, process, structure and functioning of the board in its own work. We call these "Governance Process Policies." These are developed to a level of detail at which the board is comfortable allowing any reasonable interpretation and further more detailed decisions are delegated to the Chair.
- A definition of the values that establish the method of delegating authority and accountability to the CEO and a system to monitor its use and outcomes. We call these "Board/CEO Relationship Policies." These are developed to a level of detail at which the board is comfortable allowing any reasonable interpretation and further more detailed decisions are delegated to the Chair.

**Monitoring Performance**
The board has proactively developed policy and those policies cover every issue at a level determined by the board. The policies establish specific criteria for the board’s expectations to ensure safety and performance is both thorough and focused. Rather than receiving and then having to evaluate a raft of staff reports and management documents, the board has already stated what is important. This allows the board to monitor specifically against the criteria they find important enough to include in their policies. This performance measurement system includes:

- The board controls the policy and the method, frequency and due date of the required reports. It normally follows a schedule set in policy, but this is not a requirement.
- The board actively assesses whether or not the criteria it established in policy are being met.
- The board assesses this both for those areas delegated to the CEO and those areas of its own performance guided by policy.
- If there are instances where the board's criteria are not met, the board as a whole will decide what remediation is required.
Role of the CEO and Staff
To both empower the CEO and simultaneously hold him or her accountable, the board’s system makes it clear that all operational control beyond what the board states in policy rests with the CEO. The CEO is the board’s only employee, every other staff member works for the CEO. This has certain implications:

- Board members, officers and committees do not get involved in staff work unless asked to do so by the CEO (and so take their direction from the CEO).
- The CEO’s authority and accountability, including performance monitoring, is spelled out in the Board/CEO Relationship Policies.
- The CEO’s successful job performance equates to sufficiently achieving the outcomes in the Ends while simultaneously avoiding the Executive Limitations.
- The CEO makes deeper and more detailed decisions in both categories, but those decisions must be based on a reasonable interpretation of the board’s policies above them.

Learn More

Publications


The Policy Governance® Model: An Introduction by John and Miriam Carver,
DVD, Carver Governance Design and International Policy Governance Association, 2008


Empowering Boards for Leadership: Redefining Excellence in Governance, Audio Tape, 120 minutes

John Carver on Board Governance: A Video Presentation, 120 Minutes

John Carver on Board Leadership

Corporate Boards That Create Value: Governing Company Performance from the Boardroom

Getting Started With Policy Governance: Bringing Purpose, Integrity and Efficiency to Your Board’s Work

Online Resources

International Policy Governance Association

John and Miriam Carver

Wikipedia article on Policy Governance