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Creating Synergy: Board and CEO



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- Fiduciary Responsibility and Policy Governance

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JANNICE MOORE
PRESIDENT

Strong Board + Strong CEO = Effective Team

Because we specialize in Policy Governance®, and Policy Governance is a system for boards, this publication usually focuses on aspects of the board's role and how the board can make effective use of the Policy Governance system as a tool to enhance its governance.

However, boards do not operate in isolation; the board and the CEO together make a team that leads the organization. Each has a distinct role to play. In this issue, we are focusing on the CEO: what is the CEO's role in contributing to effective governance? How does the board's adoption of this system impact the CEO's role, and ultimately the entire organization?

We invite you to dig in and enjoy. And, not leaving out the board entirely, we've included an article addressing CEO recruitment.

Jannice Moore

Editor's Note

I received a notice from a colleague of a non-profit arts organization announcing that after 20 years, he is gladly relinquishing half of his duties. He is both artistic and executive director, and during the recent conversion to virtual activities hired a manager to assist with IT and operations. He found the person demonstrated "exceptional organizational and leadership skills that enabled many improvements and enhancements to our operations." My colleague found himself with more focused time to work on all things artistic, and when many other artistic organizations have failed due to COVID, his group is stronger than ever. As a result, both he and the board have recognized the need for an executive director (CEO) to continue on their journey of success.

In this issue, Senior Consultant Rose Mercier talks about finding a leadership partner (p. 14), and other articles offer guidance to CEOs of Policy Governance boards. You'll also find lots of information about virtual board education opportunities including our e-courses on Policy Governance principles for those new to the model and more advanced courses on monitoring for Policy Governance boards.

Contact me at info@governancecoach.com if you have any questions about these courses.

Marian

Marian Hamilton
Editor

The Governance Coach™ in Your Area

In the interest of the safety and wellness of our clients and our team, consultants of The Governance Coach™ are not travelling at this time. We will offer on-site workshops again when it is considered to be appropriate.

Use the link below to explore our virtual options on GovernanceCoachOnline to discover how we can virtually assist you with ongoing board education.

<https://www.governancecoach.com/virtual-workshops/>

What is the Focus of the CEO job?

ANDREW BERGEN - SENIOR CONSULTANT



Over the past few years, as I've assisted boards to implement the Policy Governance® model, I have often been asked, "Where does the job description for the CEO fit? How do we write a job description for a CEO that is consistent with these policies?"

The answer to that question is exceedingly simple. The job description for the CEO is achievement of a reasonable interpretation of the Ends and Executive Limitations policies. In fact, boards that are consistent with the principles of Policy Governance will have a policy statement something like this:

"Since the CEO is accountable for operational achievement, the board will view CEO performance as identical to organizational performance. Therefore, the CEO's job description is to accomplish a reasonable interpretation of board-stated Ends and comply with a reasonable interpretation of Executive Limitations."

There is no need to write any other instructions, directions or job description for the CEO. As long as the CEO is accomplishing the Ends the board has set (specific benefits for specific beneficiaries which demonstrates a reasonable value) and avoids contravening the Executive Limitations (limits the board has set which prohibit the CEO from allowing any activity or condition that is unlawful, unethical or imprudent), he or she can write their own job description. They are free to determine what activities, priorities and strategies to create in order to achieve compliance with the board's policies.

In fact, successful CEO job performance is 100% equivalent to the CEO complying with a reasonable interpretation of board policies that have been delegated to him or her. Each time that the board

monitors a policy throughout the yearly cycle, the board is doing part of the CEO's evaluation. If the board wishes to do an annual evaluation, the board will compile its assessments of CEO monitoring reports for the year and assess the job performance of their CEO by identifying trends

Because the CEO's job success is tied completely to compliance with board policies, it is often puzzling to me when I hear CEOs or boards talk about other activities the CEO may engage in that are unrelated to policy. The focus for the CEO then, should be entirely around ensuring the organization is in compliance with the policy requirements of the board. To do so, the CEO's primary focus should be in these areas (and in this order):

1. Before engaging in any activity, create interpretations of board policy. This means to examine each board policy statement and determine what specific measure(s) would demonstrate compliance with the policy. While the CEO is the person accountable to ensure this happens, he or she doesn't have to do the work alone. It can be helpful to lean on staff members with responsibilities in each policy area to help generate ideas for reasonable interpretations.

These interpretations are exceedingly important because they define what the target is. It is difficult (if not impossible) for the CEO to say to the board "We're there!" if he or she hasn't defined where "there" is. The interpretations give the CEO (and staff) a specific target to aim for. The interpretations also give the board a measuring stick by which to assess compliance.

2. Create a strategic plan to help guide the work of both CEO and staff to achieve the actual results that demonstrate compliance with Ends and Executive

Limitations policies. For Executive Limitations policies, however, many policy statements don't need a strategic plan to get there (e.g., "The CEO shall not use the reserve fund"). Strategic plans related to Executive Limitations are only necessary if there is work that needs to be done to reach compliance. As much as possible, build into the plan the process to collect the data that will be used to demonstrate compliance.

3. Implement the plan.
4. Deliver the data needed to satisfy the interpretations above. It is entirely possible to delegate the gathering of this data to others. One CEO I worked with created a schedule and assigned different pieces of the measurements to different senior staff members – and required them to present that data to her in enough time to be able to comfortably write the monitoring report for the board.
5. Write the monitoring report(s). Again, the actual writing of the reports may be delegated, but the CEO is the one accountable for them, so should be totally aware of their contents. The hardest parts of the work are steps one and two. Once the interpretations have been written, and the results of measurements collected, the process is simply to enter this into the CEO's chosen format for monitoring reports and present them to the board on schedule.

If you are a CEO who engages in work outside of the directions and controls found in board policy, consider that you may be distracting yourself from achieving compliance with board requirements. There is nothing else for a CEO to do other than achieve compliance with these policies.

AN INTRODUCTION TO POLICY GOVERNANCE® VIRTUAL COURSE... FOR INDIVIDUALS!

For new board members, prospective board members, board staff, and anyone interested in exploring the Policy Governance model.

Participants will gain a clear understanding of the principles of John Carver's Policy Governance® model including:

- Elements of effective governance
- The value of a system of governance
- Ownership and the position of the board
- Accountability through clear delegation
- Ends policies
- Executive Limitations policies
- Monitoring
- Board Means
- Fiduciary Responsibility and Policy Governance

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2021

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2022

Course Orientation **January 12** with live sessions January 26 and February 16

Further dates to be announced.
Attendance is limited.

Register now for your preferred date!

THE CUSTODIAN CALLED; HE WANTS TO KNOW ABOUT YOUR ENDS POLICIES!

JEFFERY SCHAU - CONSULTANT



Although you will likely never have a custodian – or a call-center employee, receptionist, or data entry clerk – call up a board member or the CEO and ask what the Ends policies are, these employees do care about them. That is because these policies carry incredible value and inspiration for the organization and those within it. Unfortunately, when knowledge of Ends policies is confined to the owner-board-CEO relationship, one of their greatest benefits can easily be missed – communicating purpose, to every employee.

As we dive into the value Ends policies offer beyond the owner-board-CEO relationship, there are a few things to address. First, what are Ends policies? Secondly, what does purpose have to do with organizational health? Third, who needs to know about Ends? With these clarified we can then look at how this should affect the board's and CEO's perspective on Ends beyond the owner-board-CEO relationship.

What are Ends Policies?

The board is the sole link between the owners and the CEO. One of the ways in which the board will communicate the owners' purpose for the organization to the CEO is through policies. In Policy Governance®, this category of policy

is called Ends policies. They specify for the CEO the desired benefits to be achieved, for whom, and what it is worth to achieve them. In other words, what is the organization there to accomplish?

What does purpose have to do with organizational health?

When I think of purpose, the question "Why?" and the authors Simon Sinek and Patrick Lencioni come to mind. In Simon's book, *Start With Why*, he stresses the significance of purpose as the foundation for behavior, joy, and how it drives us to connect with one organization over another. In Patrick Lencioni's book, *The Advantage*, he highlights the need for clarity and alignment in an organization around why it exists. Although these authors approach the subject of Why from different perspectives, their combined significance and contribution to organizational health should not be discounted.

Each of us has a sense of purpose in life that influences our behavior and desires. Similarly, every organization has a purpose. When we clearly define this purpose, we are able to align our decisions and actions in support of that purpose to see it fulfilled. When the purpose of individuals aligns with that of an organization they work for, they experience greater satisfaction in their work, which increases productivity. A win for both the employees and the organization.

To put this another way, people want to know their actions are contributing to something bigger than themselves, even if it is only in a small way. This gives their work meaning. When employees know their work matters, that it benefits others in some worthwhile way they can believe in, it will translate into higher quality work with a greater sense of accomplishment.

In practice, organizations with clarity and alignment around why they exist are better positioned to attract like-minded employees who are happier and more productive than those found in organizations without a clear sense of purpose. Further, this added clarity around purpose helps ensure everyone is rowing in the same direction. However, when an organization struggles to maintain clarity and alignment around its purpose, from the owner through to the low-level employee, these benefits are lost. And this is where organizations with a board using Policy Governance have an advantage if they utilize it well.

Who needs to know about Ends?

If you were to start listing all those who want to know about your Ends policies, who would you include? Obviously, the owners, board and CEO should be on the list. But what about managers or team leaders? What about their teams? Or how about volunteers or those outside of

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"When knowledge of Ends policies is confined to the owner-board-CEO relationship, one of their greatest benefits can easily be missed – communicating purpose, to every employee."

the organization? Where does one draw the line of who wants to know, and by extension, should know about the Ends?

Although this list of people can expand to be quite large, we can safely narrow it down to those on the organization chart as the primary focus. Regardless of how this chart is laid out, whether it is top-down, hub and spoke design, or even a flat line listing of the various departments and positions, as long as there is a place on that chart for each employee and volunteer of the organization, it will do. These are the people who care about your Ends policies and need to hear about them in a way they can relate to.

Taking Ends policies beyond the board room

When a Policy Governance® board is operating well, it spends a significant amount of time focusing on the Ends of the organization while avoiding getting caught up in the whirlwind of operations. In setting the Ends policies, the board rightly recognizes it is setting the direction for the CEO. However, it would be wrong to think its direction setting stops there. Further, the CEO would be sadly mistaken to view the Ends policies as something for his/her information only.

When a board provides the CEO with Ends policies, it truly is giving the CEO a valuable gift in the form of outlining the purpose of the organization, the Why

behind its existence. A wise CEO will take this information and use it to attract, inspire, and motivate employees while helping them connect their purpose to that of the organization.

At this point you may be thinking, "I have seen Ends policies before, they can be very high level and not very inspiring." True, Ends policies as written may not be the most inspiring marketing slogan. However, they do contain the information CEOs can use to create a clear, inspiring sentence to communicate the Why of the organization to everyone on the organization chart. Similarly, the CEO interprets the high level wording of the board into measurable standards for achievement. Each employee can know exactly how his or her own contribution fits into that achievement. This helps to maintain the clarity and alignment an organization needs to attract the right people, have them rowing in the same direction, and experience joy and fulfillment as they know how they are contributing to a purpose that is bigger than themselves.

So, the next time you are reviewing or monitoring your Ends policies, remember just how significant these are to everyone in the organization, regardless of where they find themselves on the organizational chart.

Think of it as your source for all things board governance. We've created a dynamic site with access to a broad range of governance expertise in a wide range of fields... delivered as **online bite-sized continuing education**. All the information is stored and indexed for easy access.

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Two CEOs Share Their Experiences Achieving Policy Compliance



RICHARD STRINGHAM - SENIOR CONSULTANT

For boards using Policy Governance®, the job of the CEO is straightforward: achieve a reasonable interpretation of each of the Ends policies, while complying with a reasonable interpretation of each of the Executive Limitations policies. In doing so, the board does not prescribe means of achievement, thus leaving the CEO space to choose operational means within the board stated limitations.

Of course, a board applying Policy Governance principles will, regularly and rigorously, hold the CEO accountable for achievement of Ends and compliance with Executive Limitations. If neither the board, nor Policy Governance prescribes means of achievement, how do CEOs operate between receiving their policy marching orders and demonstrating accountability? That was the question that we put to two CEOs who are accountable to boards using Policy Governance.

Janet Bradshaw, P. Eng., FEC is the CEO & Registrar for Professional Engineers & Geoscientists Newfoundland & Labrador, with a team of eight staff. For Bradshaw, once she has received a new or revised policy from her board, the first thing she does is develop “solid, reasonable, measurable interpretations of the policies.” In some cases, she will involve key staff in what can become “hearty discussions” as she determines the interpretations.

Once she has determined measurable interpretations, she will work with her senior team members to draft a strategic plan. The plan is designed to achieve her interpretations of the Ends and Executive Limitations policies. Once the plan is drafted, the whole of the staff team reviews the plan, provides feedback, and revisions may be made accordingly.

The plan assigns activities to appropriate staff with each staff member being aware of what will be measured to determine levels of compliance in her/his areas of responsibility. Bradshaw sees this as critical for clarity: “Once staff are aware of exactly what will be measured, they have greater clarity on what they are aiming for.”

Roy Eyre, President at Wycliffe Bible Translators of Canada, has a worldwide team of approximately 500 people. Recognizing that very few staff are familiar with Policy Governance, Eyre notes: “It doesn’t work to take Ends policies to staff.” In a manner similar to Bradshaw, Eyre begins with his interpretations including measurables which he weaves into his strategic plan at a higher level. In doing so, he always works with at least one person on the leadership team to get feedback.

Using a “giant spreadsheet,” certain people on his team are then tagged with elements of the plan, including the measurables. From Eyre’s experience, the more the work can be spread out, the more buy-in is created.

Eyre notes that his team has really grown in performance management with department heads reporting progress toward measurable goals. He tries to align interpretations with existing performance measures where possible, reducing the need for additional measurements, and estimates that they do so approximately 80 to 90 percent of the time.

Of course, over time, many reasonable interpretations can be ongoing. Instead of constantly seeking to improve interpretations, thus creating new requirements for measurement, Eyre prefers not to change those interpretations which are “good enough.” Accordingly, he uses a system to evaluate existing interpretations: red, to denote those that need to be replaced by something better; orange for those that are okay, but a better measure is preferred; and green which does not require any change.

Both CEOs emphasize the need to create measurable interpretations soon after receiving new or revised policies from the board. Given the need to have systems for both achievement and measurement of achievement in place, waiting until the 11th hour when the monitoring report is due is a recipe for failure.

Although both CEOs take direct responsibility for creating the interpretations, each finds it important to push the awareness of what will be measured to determine compliance out to their reports. Greater clarity of what will be measured results in more focused work and ultimately achievement.

Bradshaw, who was personally trained by Miriam Carver at the Policy Governance® AcademySM, adds one more piece of advice: it really helps if members of the senior team are well-trained in Policy Governance. Currently, one of her team members is a graduate of the Govern for Impact, Policy Governance Proficiency program while another is enrolled to start in September.

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“Greater clarity of what will be measured results in more focused work and ultimately achievement.”



FREEDOM AND ACCOUNTABILITY: TWO SIDES OF THE SAME COIN

JANNICE MOORE - PRESIDENT

PAUL ZILZ - CONSULTANT



Freedom and accountability! You cannot have one without the other or your organization will suffer serious ramifications.

In Policy Governance® the CEO is given a significant amount of freedom regarding the best way to achieve the results specified in the board's Ends policies. However, that freedom is only one side of the coin. The cost of that freedom is the significant accountability the CEO has to the board: accountability to achieve a reasonable interpretation of the Ends, and accountability to comply with whatever Executive Limitations the board has set regarding the means used to achieve the Ends. The way in which the CEO demonstrates this accountability is by providing the board with regular monitoring reports, at whatever frequency the board determines is appropriate. The board may choose to supplement these reports with reports from external experts, or by directly inspecting evidence of compliance with its policies. Regardless of the method chosen to examine the data, the CEO is the one who is accountable to provide the board with a reasonable interpretation of the policy.

The concept of reasonable interpretation is often misunderstood. It's actually intended to be an operational definition – a clear, concise, defensible measure that, if achieved, would demonstrate achievement of the Ends, or compliance with the Executive Limitations being assessed. Our experience gained from coaching hundreds of boards has shown us several things:

- While simple in concept, producing a defensible measure to demonstrate

policy compliance is not as easy as it looks at first glance.

- When the CEO does provide solid monitoring reports, the implementation of Policy Governance proceeds much more smoothly. Boards that may have previously delved into micro-managing operational means are much more willing to delegate if they are receiving monitoring reports that assure them delegated policies are being met.

- When a CEO does a good job of interpreting the policies, as soon as the board has written them (not just before the monitoring report is due), and sharing them internally, the effects filter down throughout the organization, making expectations clear to employees at all levels and resulting in improved performance. In fact, the CEO's reasonable interpretations of Ends should form the basis of all planning and execution done by the staff, thereby focusing all organization effort on achieving the Ends as reasonably interpreted by the CEO.

Once the interpretation is clear, gathering the evidence to actually demonstrate achievement of Ends, or compliance with Executive Limitations, can be built directly into regular operational procedures.

Here is how we at The Governance Coach™ can help you demonstrate accountability while enjoying freedom to achieve results. Over the years we have supported many CEOs in learning how to develop solid metrics to demonstrate policy compliance. That experience has now been incorporated into a virtual course for CEOs and anyone else on the management team to

whom the CEO may have delegated some responsibility for producing monitoring reports.

If you have been struggling to produce good monitoring reports, this resource is for you!

If you're not sure what a reasonable interpretation is, how to properly develop one, or what the three components of good evidence are, this resource is for you!

If your board is saying there is "too much narrative" in your monitoring reports, this resource is for you!

Check out the information about the Writing Monitoring Reports course in this issue. Then contact us at info@governancecoach.com to get all the details and sign up.

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“When the CEO provides solid monitoring reports, the implementation of Policy Governance proceeds much more smoothly.”



HERE'S HOW WE CAN HELP YOU!

FOR CEOS/MANAGEMENT TEAM: WRITING MONITORING REPORTS

A virtual course, including 6 modules for the CEO and any other management team members involved in writing monitoring reports to complete individually, but also to learn as a group. It includes:

- video presentations covering all aspects of writing a monitoring report including **how to write a good interpretation, how much data is enough, how to show evidence to demonstrate compliance** with board policy and much more.
- supporting reading materials and tools
- interactive questions to check your understanding of the content
- live webinar sessions with one of our consultants, scheduled and tailored specifically for your organization, to answer your questions as you work through the modules, including discussion of real monitoring reports from your organization.

FOR BOARDS: ASSESSING MONITORING REPORTS

A virtual course, including 5 modules designed for your board members to complete individually, but also to learn as a group. It includes:

- video presentations covering all aspects of monitoring, including **how it fits in a total system as a key component of accountability, how to assess interpretations, how to assess evidence, monitoring logistics, special cases and typical problem areas**
- supporting reading materials and tools
- interactive questions to check your understanding of the content
- live webinar sessions with one of our consultants, scheduled and tailored specifically for your organization, to answer your questions as you work through the modules, including discussion of real monitoring reports from your organization.

HOW YOU BENEFIT:

- Live interaction with a professional Policy Governance consultant as you learn
- Your board can learn together even though not physically in the same room
- No travel costs – available worldwide (in English)

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Click the link below to see what our clients say about our virtual courses!

<https://youtu.be/jN3YyUJNHCw>

What Information Should the CEO Provide to the Board?

DAVID GRAY - CONSULTANT



needs for this work:

(a) information which informs the Board's policy-making decisions; and

(b) information about whether or not the CEO (and, through the CEO, the organisation) is achieving the Board's policies over time.

The Board might refer to the former as decision information, which might include environmental information, contextual information, or strategic information, and the latter as monitoring information, but labels aren't really important—it's the nature of the information that matters.

Decision information

Information in the first category, which informs policy-making, can be further divided into two sub-categories:

(i) information which informs the Board's decisions about the long-term outcomes, or Ends policies, of the organisation; and

(ii) information about the risks faced by the organisation, which will inform decisions about the Board's Executive Limitation policies.

Information which informs Ends policy decisions might include environmental scans, the outputs of strategic foresight exercises, forecast market conditions and a host of other things. An important feature of this information is that it will always pertain to outcomes, or Ends, not to strategies, or means. The Board's need is for information that will better enable it to make sound decisions about the difference the organisation intends to make, not information about how the difference will be made. The latter falls within the CEO's domain, not the Board's, so the CEO will need to resist any temptation to provide such information.

Information which informs Executive Limitations decisions might include various kinds of risk analyses (often presented in matrix or tabular form), changes in legislation or regulations,

professional standards for compliance, and so on. The chief characteristic of this information is that it will inform the board about organisational conditions or circumstances which would place the organization at greater risk than the board determines is appropriate. The board can then place those conditions or decisions off-limits through its Executive Limitations policies.

Of course, the Board is free to develop other sources of information in addition to the CEO—there are some good reasons for it to do so. The Board is likely to engage subject-matter experts to educate it about matters relevant to the organisation and future potential. Board members may attend relevant conferences or symposiums, or subscribe to a variety of publications, and share relevant learnings with the whole board. Such sources are both valid and valuable, provided they directly inform the Board's work.

Monitoring Information

Anyone familiar with Policy Governance will know that monitoring information presented to the Board by the CEO needs to comprise certain very specific elements. The Board's objective in receiving such information is to measure the extent to which the CEO is complying with its policies (whether Ends or Executive Limitations). Thus, the information needs to comprise an operational definition of the policy being monitored – a specific, defensible measure against which compliance with the policy can be measured, a justification for the operational definition, and data showing acceptable performance against the operational definition. The CEO's responsibility to provide such information is clear.

Incidental Information

There's a further category of information that the CEO will present to

the Board. It's usually called incidental information and is to be found in the CEO's incidental report to the Board (as opposed to in a monitoring report). This comprises all of the nice-to-know information that might help to keep the Board connected in a general sense to what's going on within the organisation and its environment, but does not directly inform the Board's policy-making work and requires no board decision. Sometimes, it won't even appear in Board papers and will instead be distributed separately.

An important point to note is that it is the Board's responsibility, not the CEO's, to define its own information needs. Just this week, I had a conversation with a CFO about demands his CEO was placing on him to provide "great" financial information to the Board. The CFO had had some success in developing new formats to present additional information to the Board, but had also completely missed the mark on a couple of other occasions and was discouraged by this. I pointed out to him that the CEO had things completely the wrong way around, and that it was the Board's responsibility to spell out what it needed from the CEO, and for the CEO to then delegate responsibility for producing it to the CFO.

A CEO who has not worked with the Policy Governance system will quickly need to become familiar with the way information is categorised under the system and to understand the nature and extent of information he or she is required to present to the Board in each category. If the Board has not made clear its requirements, the CEO will need to point this out.

By making the information provided to the board clear, succinct, and clearly identified as for decision, for monitoring, or just incidental, the CEO makes a significant contribution to the board's ability to govern effectively and efficiently.

Welcome to the Team!



JEFFERY SCHAU, GSP

Jeffery Schau has over 20 years of leadership experience, so he knows firsthand the impact leadership has on an organization, which has fueled his passion for excellence in leadership and healthy organizations.

He loves to work with leadership teams, helping them gain clarity and alignment around why the organization exists and how it behaves, all while minimizing confusion and dysfunction within the organization. In doing so, the organization is set up for success, while those involved are able to unlock their potential and experience a greater level of joy in their work.

With this desire for great leadership, when nerve damage took him out of the practice of dentistry, he pursued his Masters in Leadership and Management at Briercrest Seminary which he completed in 2020 with additional certifications in Team Leadership and Conflict Management. Through these studies he was introduced to Policy Governance® and saw how it could help address the issues he witnessed while previously serving on boards. Thus, he continued his studies in Policy Governance, completing the accredited Policy Governance Proficiency program offered by Govern for Impact.



MICHEL PAULIN, GSP

Michel Paulin is a Governance Systems Professional (GSP) holding a certificate from the accredited Policy Governance® Proficiency Program offered by Govern for Impact. He also has a Certification with the Collège des administrateurs de sociétés university certificate program – (ASC-C.Dir) - Université de Laval. Academic credentials include a Bachelor of Arts (Economics) and Master of Business Administration.

Michel has over 30 years senior management experience within the financial co-operative and education sectors, and has consulted in Policy Governance, school board management and strategic enterprise risk management.

He has over 30 years of experience as a board member and board and committee chair for various local, provincial and national organizations across the public, private and not-for-profit sectors, and is currently Trustee and chair of the Governance Committee for the ONE-T Employee Life and Health Trust Board of Trustees.

CEO SUCCESSION: FINDING A LEADERSHIP PARTNER

ROSE MERCIER - SENIOR CONSULTANT



Hiring a CEO can be an intimidating responsibility for a board. After all, you are looking for the person who will be accountable for ensuring that your organization produces the impact you have determined is its purpose and protecting it from imprudent or unethical decisions or conditions. It's a big job!

When a board, or the agency it might engage to help in the process, begins the search, a typical first step is to decide how to make the opening known to those who might be interested, and then to figure out what the job posting should say. "We need a job description," someone might say. A board using Policy Governance will hopefully have an 'a-ha' moment and recognize that trying to craft a conventional job description will lead the process down a rabbit hole. A conventional description is merely a description of activities that, as John Carver says, misses the point of the CEO's job.

So how do you translate your policies into a description to use in a career posting? You might say something like this: The CEO will be accountable for accomplishing the organizational results specified by the board of directors, while ensuring the treatment of clients, staff, and stakeholders, organizational planning, financial activities, asset management, and support of the board is consistent with the board's standards of prudence and ethics. (You would likely incorporate a statement of the board's highest level Ends policy instead of saying "accomplishing the organizational results specified by the board.")

Having settled on a way of describing the CEO's job, you will likely proceed to identifying the desirable scope of experience, knowledge, and demonstrated ability to succeed as a CEO. You may want to say that experience in working with a board that uses Policy Governance® is an asset. Be forewarned: many applicants will assert they have such experience, but it often turns out to be experience with policy governance (note the absence of capital letters and service mark), which almost always deviates significantly from the principles of Policy Governance®.

Remember that the match between candidates' experience and demonstrated success with the capacity to lead your organization in the CEO role is primary. A capable CEO can develop an understanding of the principles of Policy Governance® and acquire the skills to develop reasonable interpretations, discern verifiable evidence, and write monitoring reports. Candidates for the position should be excited by the freedom they will have to apply the full range of their skills, knowledge and creativity. This freedom results from the board delegating its authority and accountability to the CEO role to produce the organization's stated purpose within the boundaries of prudence and ethics.

You want to ensure that through the selection process all potential candidates understand the CEO's and board's leadership roles are complementary but distinct and differentiated in the board's policies, and that the leadership team only works when each competently fulfills their role. It is important that you are clear in the selection process that, if not already

existent, developing the knowledge and skills to function within a Policy Governance® context is not negotiable. This is essential to both ensuring a smooth transition and safeguarding the board's ongoing governance viability. You may want to build such an expectation into the initial employment contract and provide the resources, e.g., a coach or learning program, to support learning.

The board's job of assuring organizational performance includes continuity in the CEO role. While the board may delegate the responsibility to lead the hiring process to a committee, the decision to select the CEO belongs to the board as a whole. Many boards accomplish this by specifying in the CEO succession committee's terms of reference that the committee's job is to produce a small number of candidates (usually two or three) for the board to interview and choose from among.

Through the hiring process, the board is searching for its organizational leadership partner. There is no app for getting the right match. CEO succession requires the same type of discipline that the board needs to apply in every other aspect of achieving excellence in governance.

.....
**"..the CEO's and
 board's leadership
 roles are
 complementary but
 distinct.."**

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