

# Boards that make a difference essay examples

[Business](#), [Management](#)



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## **Introduction**

John Harvey has written many books and articles that have contributed substantially to the thinking about governance of nonprofits. His first book, *Boards that make a difference* has been reprinted many times before going into the second edition. He produced the work after consulting in over 19 countries. He has also engaged in training of more than 150 consultants and other nonprofit leaders in his advanced Academy workshop, some of which participated in the formation of International Policy Governance Association. His book has profoundly influenced, particularly in Canada with many organizations holding debates whether to 'Carver or not' (Carver, 2011). His work has also inspired many books and articles in this field of study.

John Carver, a leading expert in the field of board leadership, has collected immense information in one comprehensive volume that compiles most of his noteworthy essays and articles. The book contains original essays, the best of the Board Leadership newsletters, and articles from varied publications. His book shows how boards can excel within their organization by adopting groundbreaking policy governance model.

The book provides guide to the Policy Governance model with information presented in a highly accessible format. Using a database of more than one hundred and fifteen articles, John Caver on Board on Leadership offers a concrete base for understanding and implementing this proven model for the success of boards. This volume has comprehensive resource that explores wealth of critical topics such as protecting board integrity, achieving meaningful diversion in the boardroom, handling complaints from staff, evaluating the mission statement, owning the board agenda, making informed fiscal policy, evaluating the chief executive officer, and knowing the right time to form committees. Designed to serve as a hands-on-guide, the book also includes an innovative frequently asked questions navigation tool, which helps in locating specific answers to questions on governing. The book targets executives, board members, consultants across nonprofit, government, and government sectors by providing them with a one-stop shopping for effective management for boards regardless of their sizes or mission.

### **The policy governance model**

Caver's book presents policy governance model that is essentially a sophisticated management by objective approach. Caver gives ten basic principles on which he builds his model (2011). The first principle is that the board governs on behalf of the people who are not present at board meetings. According to the author, trust forms the basis for governance and the board must establish, clarify, maintain, and protect the relationship of trust with the moral and legal owners of the organization. Second, the board members must speak with one voice, because the powers of directors are not

individual, but viewed as a corporate entity. The third principle is that boards should make decisions based on policy decisions. This is so because even in a very small organization, it is not practical for the board to control every interaction between the organization and the external environment. Policies sets stage for guiding the interactions within an organization and such gives the best means for framing such interactions.

Policy formulation should be conducted in layers, starting from board statements and working down in logical succession. Caver argues that starting at the highest-level leads to conclusive policies. Additionally, the board should define and delegate responsibilities, rather than react and ratify (Carver, 2011). Caver also suggests that boards should exert control of their staff through proscribing, not prescribe. As such, the board maintains overall control of the organization by enacting some regulations and limits, while not unduly interfere with the staff work. Caver also suggests that boards should engage in design of their own products and processes. The ninth principle guides the relationship between the board and the CEO. The relationship should be empowering in order to allow the CEO to make decisions without second thoughts regarding individual decisions, provided the decisions match any reasonable interpretation of the board's policy (Carver, 2011). The relationship should be safe to ensure decisions and actions align with organizational policy. Lastly, Caver points out that performance of CEO must be placed under rigorous monitoring, but in line with policy criteria explicitly established by the board.

In contrast to other approaches used by boards, Caver's Policy Governance separates issues related to organizational purposes with all other

organizational issues. This places emphasis on ends rather than means. Caver's model demands accomplishment purposes, and only practices limited control over staff's available means that do not violate the board's ethics and prudence. The book contains illustrative examples of Policy Governance model policies that have been adopted by real-world organizations. The means of the board are defined in accordance with the functions of the board and any other committees instituted by the board to accomplish its duties. These rules and decisions undergo voting procedure and once approved, the decision of the board can only undergo amendment, but never undermined. The expectations also set-out rules and guidelines regarding delegation of authority among staff and board members and the criteria that will be used in evaluation. Policy Governance model delegate responsibilities with care to establish a team that can establish its expectations. This model helps evade the problem of double delegation.

## **Critique**

Some authors argue that Caver model has its shortcomings. To start with, his model does not attempt to propose a conclusive theory of nonprofit organization, but merely a theory that relates to the role and function of the board. Second, the model overstates the legal role of shareholders, while the reality is that shareholders should have extensive legal rights than other stakeholders including staff and the board. Another argument is that outside the boardrooms, the legal powers of the organization are typically vested in the boards, and the board holds the responsibility to further delegate duties to other stakeholder groups. As pointed by Carver (2011), hierarchy is inevitable in all organizations. Additionally, policy governance gives powers

to the CEO who delegates duties to the staff provided the CEO does not breach the executive limitation policies.

This model fails to address how the board should relate to the external world, rather than concentrating on how a board should govern the organization. Caver (2001) identifies fundraising, advocacy, and public relations as some of the optional responsibilities of the board in the sense that the board retains the responsibility for their achievement or delegates that responsibility to the CEO or staff. He goes ahead and explicitly acknowledges the importance of dialogue among board members because it has positive effects (Carver, 2011). The author fails to include the interaction with the external environment in the diagrammatic presentation of the model, even though it would be easy doing so.

Carver argues that Policy Governance is the best model that is applicable to the theory of governance in the world today. He defends his argument by proposing that models that seek universal applicability are indeed the most valuable. Carver's assertions that there are no coherent models are not correct because there are other models of governance. He only considers other two models that do not give coherent description of categories of boards. The second category of models only gives list of practices that are perceived as ethical. These other models do not address the issue of delegation. This omission by the author that gives the board the power to execute any action in the name of the organization is striking.

Models, such as Policy Governance that distinguish management from governance operate in isolation from the realities of the overall organizational environment. Even though Carver also makes a clear

distinction between governance and management, he fails to make a solid distinction. There is an arbitrary line dividing management from governance. Carver's model gives the board the duty of designing roles and delegating to the management. Policy governance model prescribes the responsibility of each party, but this does not imply that the board cannot seek advice from the management. However, if there is no clear distinction in the functions of management and governance, there is no reason to have a board.

Policy Governance model separates policies from administration and ends from means. This proves impractical because policies cannot be separated from administration. In Policy Governance model, the board predicts outcomes by means of ends policies. The main weakness of this approach is that not all outcomes are predictable while others can be predicted with ease. Carver could have recommended the board and management to draft end statements with more outcomes that are general rather than outcomes that are more precise. Additionally, the model does not include findings on corrective measures that can be taken to find faults on the part of the board, the CEO, or the organization.

In conclusion, the author continues to explore the entrenched beliefs and habits that undermine the success of boards and replace them with new innovative approach to management. Carver's new model provides an empowering and important redesign to the role of board and staff and places emphasis on vision, values, empowerment, in addition to the strategic ability to lead. The new proven model has given board members and staff a new approach to board-staff relationships, board job design, and performance monitoring, and defining the role of the chief executive officer. The author

uses visual aids such as explanatory diagrams to enhance participation in seminars.

### **References:**

Carver, J. 2001, ' The Policy Governance model', Board leadership: Policy Governance in Action, 58, p. 3.

Carver, J. (2011). Boards that make a difference: A new design for leadership in nonprofit and public organizations (6th Ed.). Hoboken, New Jersey: John Wiley & Sons.