Myths that We Have Encountered Concerning Policy Governance[®]

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Misperceptions of Policy Governance are much like the parable of the blind men and their encounter with an elephant. The blind men felt out with their hands different parts of the elephant and drew erroneous conclusions of what the elephant was. As they felt different parts of the elephant they even misunderstood those parts that they encountered because they failed to be able to see the elephant as a whole. The parts take on meaning when the whole is understood. This is an important systems principle as well. The parts have meaning only in context with the whole and with what the whole is designed to accomplish! Describing a part of something does not give it meaning. It derives its meaning in context with the whole and with the whole's meaning. Even describing all the parts does not lead to meaning. The meaning is not found through the parts of an entity. One must transcend the thing to an even greater context to discover its meaning. (Russell Ackoff)

The following are myths we have encountered, many directly quoted from the individual who stated them (sources protected).

1. "A board must be willing to reorganize with the necessary qualified board members."

While it prudent to have qualified board members, there is nothing in Policy Governance that says anything about the structure or composition of a board, much less stating that a board must reorganize for any purpose.

2. There must be delegation to a "central management" using "guidelines" for his responsibilities and for evaluation.

Policy Governance does not stipulate a CEO or equivalent. There are many Policy Governance boards that delegate to more than one authority under it. John Carver has observed that life is much simpler when a board has a single delegatee, but it is not required under Policy Governance. The beauty of Policy Governance is that it provides a way to handle the situation of multiple delegatees.

3. Referring to policies as "guidelines:"

Policies are not "guidelines." They are definitive instructions from the board to the CEO (or operating authority) concerning expectations of values and/or conditions to be maintained or met by the organization.

4. Policy Governance requires "refraining from involvement with the staff."

Again this is not true, unless one defines "involvement with the staff" as the right to direct or critique the staff by a board member. Policy Governance provides for role clarity as no other form of governance does, and role clarity, in fact, enables a healthy relationship with staff without muddling authority and roles. I chair a Policy Governance mission, and I and our board have wonderful and some close relationships with staff. We just don't violate our roles (nor do they). Therefore, we are trustworthy for both the President and the staff!

5. "There is confusion over ownership" and what the board does concerning understanding ownership. "For a hospital or community organization it is the community" but what about self - perpetuating boards - self standing NPs?

People regularly confuse ownership with "stakeholders," staff, volunteers, customers, etc. (These may be the same people, but the role and perspective are profoundly different.) But aside from people being confused due to lack of learning or understanding, what is the point? Does that confusion or lack of understanding definitions fault the model?

6. "The work of the board is Ends policies and activities and delegating all activities (called)…means to the CEO/staff." Or "Management is free concerning the means."

This statement is untrue. These kind of comments lead one to think that Policy governance gives carte blanc freedom to the CEO, which is absolutely not true. The purpose of the governing board is the provision of both direction and protection to its organization. The board does craft ends policies but not ends activities, but it also has quite a bit to say comprehensively about activities by the organization that create the ends and those activities required to protect the organization as well.

However, the policy approach to these areas differs; the *structure* of the policy depends on the nature of the issue. (Prescriptive language for Ends policies, Proscriptive for means policies addressed to the organization, whether dealing with ends "activities" or with other activities within the organization, and prescriptive for policies regarding the board's own means.)

The CEO is subject to the board's limitations - to any degree of control the board wishes. That said however, there are consequences to over-control even by a Policy Governance board. Too much control drives good CEOs away; or it leads to passivity and inertia, which mitigates initiative and creativity, and thirdly, over-control leads to much more work for the CEO and the board in terms of monitoring.

7. Policy Governance is a "brittle or rather inflexible approach…" (Another variation is to call it "one size fits all")

This is an extremely common assertion and is akin to stating that "having to abide by the laws of aerodynamics" when designing an airplane is brittle or inflexible. Yes, if you want an airplane that will fly. Otherwise, if you don't care if it flies, you can design what you want. The shallowness and foolishness of this assertion is patently apparent when we apply it to airplanes. So too, if you want to govern with the accountability, effectiveness, and assurance that are

inherent in the fundamental idea behind board governance while empowering the chief executive to execute creatively while, at the same time, effectively protecting the organization, Policy Governance principles must be adhered to, just as the laws of aerodynamics must be followed to be able to fly. However, because both are principle-based, they permit immense flexibility of application to a wide variety of circumstances. Failure to think of how to apply Policy Governance flexibly in a given situation reflects lack of understanding of the fundamentals. This doesn't mean that a board might not *want* to some aspect of it because they want to behave differently. But that behavior doesn't invalidate the model. Departing from the principles simply results in failure to achieve that part of governance which the model was intended to address.

8. "Ministries have had protracted board discussions on the ends and means definitions."

It is unclear what argument this assertion is making. The ends and means *definitions* are cut and dried in Policy Governance. However, if boards (or their members) fail to understand those definitions, they will, naturally, not only have trouble categorizing their thinking but also, consequently, their policies, into means and ends. Socrates discussed the difference between ends and means. The idea has been around a long time (long before Carver). Steven Covey, much more recently, discusses ends and means in his writings. Difficulty understanding means and ends by a board does not reflect on Carver, but on the board's lack of training or learning. They would have the same difficulty if they read Covey or Socrates.

9. "Team membership or major staff involvement is required to achieve the mission, which in ministries has a spiritual or biblical basis."

We have no argument with this statement as it stands, but what is the author's point? That Policy Governance prevents team or staff involvement in accomplishing the mission? No one would seriously assert that. However, he goes on and makes the uninformed statement that "Carver does not make room for reports from or presence of staff in board meetings." "The CEO cannot adequately convey or report these spiritual activities to the board without the assistance or presence of staff who are involved" (presumably in the activities). Policy Governance does not say who will be in the room or make presentations. Many Policy Governance organizations have the staff in the room, many do not, and many have them in sometimes and other times not. This variation from board to board (and CEO to CEO) is true for all boards, whether Policy Governance or not. It is more a function of the CEO and the organizational culture. The <u>nature</u> of the reports, however, <u>is</u> different in Policy Governance, and staff must understand that. It is not business as usual, presenting reports, plans, proposals, etc. and having them approved or received. Whether the reports involve spiritual activities is irrelevant. The principle is true in any case.

10. "The model was developed with a secular approach and must be adapted rather than adopted, for most Christian organizations."

Especially among ministries and churches this is a common misperception or misapplication of reasoning. Using our airplane design analogy, this is like saying that the laws of aerodynamics are "secular" and therefore, must be "adapted" to building airplanes that will be used for spiritual purposes. Applying the analogy, the erroneous reasoning is obvious. Both the principles of both

Policy Governance and flight are based on sound (and Biblical) values and reality. In aircraft design they must be applied to the *circumstances* within which the plane will be operating to accomplish a spiritual purpose; so, too, with Policy Governance. The values are Biblically sound. Values and reality are part of the way God's world works. Ignore them or violate them and you are in trouble, whether building or flying a plane, running a company or a spiritual ministry. Applying a taxonomy or category of thinking of secular (worldly or non-sacred thinking) versus spiritual doesn't apply in this case. We don't talk that way about handling our money (safely and responsibly) or of maintaining our home (safely and responsibly) compared to our church (safely and responsibly). The same is true for good governance. It requires the same standards. The same idea of excellence applies. Excellence and accountability are Biblical values and apply to all our endeavors.

Here are a few more we've heard that might be considered:

11. "There are many ways of governing (or many board governance systems). Policy Governance is just one of them."

In my (fairly wide) board experience, this statement probably means that boards indeed have many ways of behaving - how they conduct themselves. They certainly do. However, if one begins by defining governance (as one begins by defining "flying"), one comes to a far different conclusion. There are *not* many ways for a board to structure its process and still govern. There are not even a few ways.

12. "I know several boards who have tried Policy Governance and it didn't work. So there must be something wrong with it."

This is like saying, "I know many people who tried building an airplane, and it didn't work." Failure of an attempt does not invalidate the idea, application of a theory, or a model.

13. "Policy Governance only works in an American (or North American) culture. Especially the proscriptive approach is repugnant in some cultures, especially Oriental cultures."

There are people in every nationality and culture who do not like proscriptive language! However, the person raising the objection simply doesn't know what he or she is talking about. Policy Governance is, in fact, used in oriental cultures and is being taught in Asia, as well as the UK, Europe, the Americas and Africa. One of its greatest supporters is an oriental businessman.

14. "There are some things about Policy Governance that I just don't like (no reason given). So what's wrong with changing them to what I DO like?"

Does this need answering? Return to the airplane analogy for the answer. Boards regularly reject aspects of Policy Governance they don't like. When they do, the system fails and the Board eventually drifts back into becoming a 'hints and tips' Board.

15. "I don't like being tied down to one system. What if a situation arises that won't work in Policy Governance? What's wrong with changing it?"

Too bad. Try building wings the way you like and leaving out features you don't like and then jump off a tall building to test the changes you made that ignored the laws of aerodynamic. You will quickly discover what is wrong with that approach.