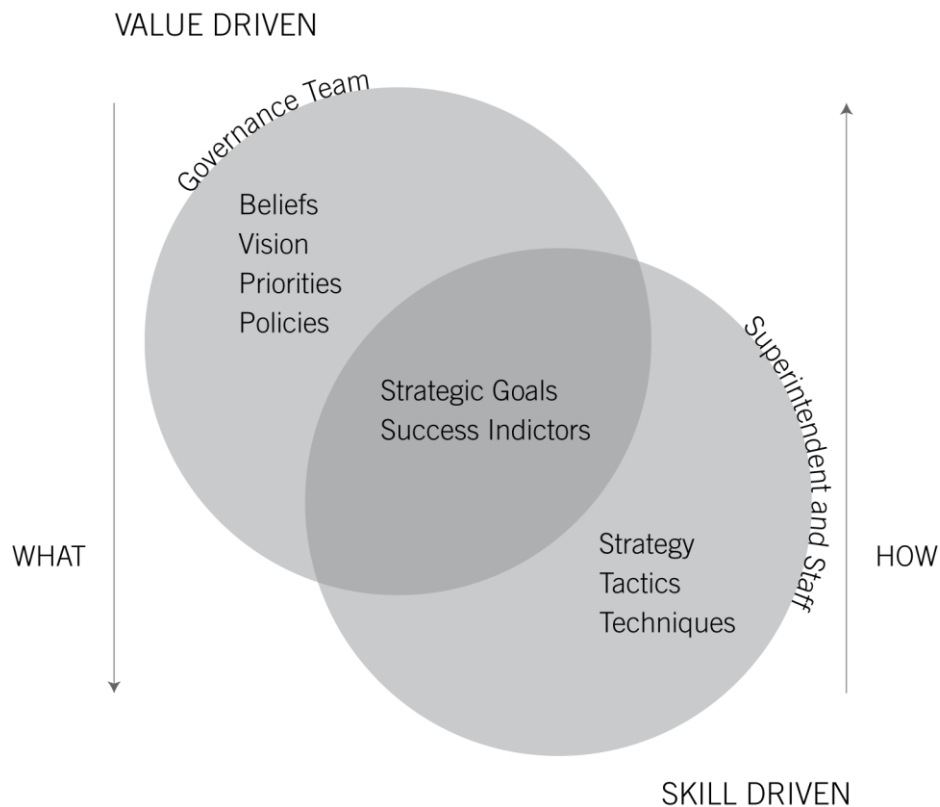


# A Systems Approach to Board Governance

A major variable, in many ways perhaps the most important, in achieving success in any organization is the effectiveness of the governance function.

Most simply put, governance is the process where the direction for the organization is set, the structure is established, and accountability, both fiscal and programmatic is assured. Governance is the connection between boards and professionals, between policy and application, between strategy and tactics. Governance is the heart of American democracy. Public agencies, non-profit organizations, and public corporations all strive to maintain a critical balance between the people they serve and the professionals they employ.

Nowhere is this more evident than in California public agencies. Utilizing effective governance practices, private citizens, once elected to the board, work with the executive staff to keep the organization's efforts focused on its mission, values and strategic goals.



1 Board Governance: Sources—Adapted from the work of Davis Campbell & CA School Boards Association

Board members set and monitor the direction of the organization with the chief executive, who translates this direction into action. It is therefore vital that the board and chief executive officer have a respectful and productive working relationship based on trust and open communication.

Whether in the boardroom or out in the community, board members are always stewards of the agency. The integrity of the organization is dependent upon the responsible and professional manner in which each board member, and the board collectively, fulfills its governance roles and responsibilities.

#### *Governance Mindset*

- *Systems Thinker*
- *Preparation*
- *Strategic Focus*
- *Manner Matters*

One fundamental characteristic found in all successful governance systems are individual board members and executive staff who have developed a governance mindset. Knowing how to think about governance, and always applying that knowledge and understanding during board operations, is an essential characteristic of an effective board

member. Governance mindfulness is understanding the role and responsibilities of the governing board and how individual members can enhance their positive, value-added impact.

A governance mindset is characterized by four fundamental attributes.

Board members with a governance mindset are **system thinkers**. They have developed a fundamental understanding of how all pieces in the organization connect. They understand that one policy or decision in one place will impact a policy and decisions in another.

Board members with a governance mindset have a **strategic focus**. Their understanding of the strategic direction of the agency is like a computer software program always running in the background. Operational issues are considered at the board level only as they impact the strategic direction of the agency.

Board members with a governance mindset understand that everyone must be **prepared** and make decisions based upon evidence and results, not solely on personal beliefs. The quality of information supporting policy making and accountability is key to successful, long term implementation.

Board members with a governance mindset are clear that **manner** makes a big difference in the ability of the team to function effectively. With a governance mindset, the issue is not

personal but rather how the board can operate with the CAO or Chief Administrator in a collaborative, strategic way.

Effective boards are more than just a collection of individuals. Boards operate as organizational units; they have jobs to do as a board, cultures which govern behavior, and policies and protocols that establish a stable, sustainable governance infrastructure. In virtually every case, boards that are high performing govern as a team with a solid unity of purpose. They are **collaborative** in that the board works together with each other and the staff in a professional and ethical manner. They operate in a climate of mutual respect.

*Effective Boards are:*

- *Collaborative*
- *Cohesive*
- *Committed*
- *Consistent*

They are **cohesive** in that they have a deep and shared understanding of the work of the agency, they own the successes and share responsibility for the losses. Words have shared meaning, They are clear about the roles and responsibilities of the board and establish norms to help define their relationships.

They are **committed** to the work of the board, to the actions taken and policies adopted. They understand and are committed to the deep meaning of the vision and mission and the core beliefs and values of the agency. They understand that words mean nothing if not backed up by action.

They are **consistent** in their determination to stay the course of their work. They do not take action lightly; they do not change course on a whim.

*Board Responsibilities*

- *Setting Direction*
- *Structure*
- *Support*
- *Accountability*
- *Community Leadership*

Highly effective board members and boards, fully understand the governance job. They understand that governance is not an administrative job; that the board's role and responsibilities are unique to the governance function. Board members with a governance mindset understand the critical strategic role of the board. A role that only the elected board in the agency can play.

Boards fulfill this role by performing five major responsibilities. These are setting direction; establishing an effective and efficient structure; providing support; ensuring

accountability; and providing community leadership as advocates for residents, the agency and its programs and services.

These five responsibilities represent core functions that are so fundamental to an agency's accountability to the public that they can only be performed by a governing body. Authority is granted to the board as a whole, not each member individually. Therefore, board members fulfill these responsibilities by working together as a governance team with the CAO to make decisions that will best serve all the residents in the agency.

Of all the roles and responsibilities of governing boards, none is more central to the purpose of local public governance than **setting direction** for the agency and ensuring that a long-term vision, mission and strategic goals are established.

The board is responsible for establishing and maintaining an organizational **structure** that supports the agency's vision and empowers the professional staff. Although the board does not implement policies or programs, board members are responsible for:

- Employing the CAO and setting policy for hiring of other personnel;
- Overseeing the development of and adopting policies;
- Establishing budget priorities, adopting the budget, overseeing facilities issues; and
- Providing direction for and accepting collective bargaining agreements.

After establishing the structure, boards – through their behavior and actions – have a responsibility to **support** the chief administrative officer and staff as they carry out the direction of the board. This involves:

- Acting with a professional demeanor that models the agency's beliefs and vision;
- Making decisions and providing resources that support mutually agreed upon priorities;
- Upholding agency policies the board has approved;
- Ensuring a positive personnel climate exists; and
- Being knowledgeable enough about agency efforts to explain them to the public.

As community representatives, boards are **accountable** for the performance of the agency programs and services. Boards establish systems and processes to monitor results, evaluate the agency's progress toward accomplishing the agency's vision and communicate that progress to the local communities. In order to ensure personnel, program and fiscal accountability, boards must be objective and remain outside the day-to-day operations of the administration. The Board is responsible for:

- Evaluating the chief administrative officer and setting policy for the evaluation of other personnel;
- Monitoring, reviewing and revising policies;
- Serving as a judicial and appeals body;

- Monitoring service and program effectiveness and requiring program changes as indicated;
- Monitoring and adjusting agency finances; and
- Monitoring the collective bargaining process.

Board members have a responsibility to involve the **community** in meaningful ways in setting a direction for the agency and to communicate clear information about agency policies, programs, fiscal condition and progress on goals adopted to achieve the vision. Boards are advocates for residents, the agency programs and services. Board members build support for their agency in the local community and at the state and national levels.

## Governance Tools to Support Best Practices

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### *Four Governance Tools*

- *Discussion Meetings*
- *Governance Handbook*
- *Board Self Evaluations*
- *Continuing Education*

There are four important governance tools, which assist boards in the development and maintenance of an effective governance system. The first, is the utilization of **discussion meetings**. Discussion meetings are publicly noticed, informal but official meetings of the board and CAO to create a venue for open, candid conversation around strategic and operational governance issues.

Based upon these discussions, **a governance handbook** or manual can be developed which includes unifying documents and discussion agreements including mission, vision, norms, protocols and any other document or action that supports effective governance.

The third tool is the use of **board self evaluations** or assessments. High performing boards conduct self evaluations on an annual or biannual basis. These self evaluations, among other things, can measure the board's performance or adherence to board adopted protocols.

Finally, almost every high achieving board participates in regular **continuing education** to consistently strengthen the board's operation.

# Governance Clock

