

Source information provided at the end of the document.

Connecting with the Ownership

But understanding the important link that should exist between ownership and board does not settle the question of how that linkage can be established, particularly with owners too numerous to sit together for discussion. Deciding how to connect with owners probably needs to begin with debunking the many counterfeits of ownership linkage.

The most common bogus methods are public meetings and public hearings held by publicly visible boards, councils, and commissions. We have found, as you may have already discovered, that waiting for their owners to come to the board with valid input could involve a very long wait. Public boards that hold open meetings are to be lauded for doing the public's business in public, but the people who show up tend in the main to be staff, potential vendors, disgruntled consumers, and reporters hoping to see something controversial.

So if you are a board member, just listening to numbers of people, even if they truly are owners, is not enough. Board decisions are on behalf of the total ownership, not just those who take time to lobby you.

Take the school board as an example: meetings are open due largely to “sunshine laws” for transparency in conducting the public's business. While open meetings may well address that purpose, they do little for ownership linkage. Some or even most of the people in attendance might also be owners, but it is not their

ownership role or attitude that motivated them to attend. And even if they were all there as owners, self-selection makes what they have to say as owners virtually unusable. Yet school boards act as if their meetings constitute connecting with the public. In fact, they are a pretense of including the public, all the worse in that the hollow practice seems to make it unnecessary to pursue real ownership-board linkage.

Large ownerships can only be heard by extreme measures of reaching everyone or by far easier measures ensuring an acceptable statistical probability of representativeness. Inferential sam-

pling of large populations is a mature science that promises boards a high confidence that they know the values of their ownership on relevant matters. Yet few boards use such samples on a regular basis. Policy Governance uncomfortably confronts boards with this shortcoming.

Some boards decide that the community is the ownership from which they get their moral authority and then notice that the community is also the ownership of many other organizations as well. The boards of the counseling agency, the city, the nonprofit hospital, the parks district, and other organizations have the same or greatly overlapping ownerships. Not only that, but their ends, while not necessarily overlapping, when taken together define much of what a community is. Yet they rarely talk with each other. Board-to-board communication as an approximation of board-to-owner linkage is not only more manageable for many boards but a potential opportunity for cost sharing in setting up ownership input systems. It is unfortunate that this, too, happens rarely.

But making sure owners' input is on relevant matters demands that opportunity for ownership input be carefully structured. What are the governance-relevant questions for which a board needs answers? To continue the school board example, to get from the ownership opinions about the best way to teach reading, how to organize school bus routes, or the most customer-friendly way to arrange the school calendar would draw owners into decisions that shouldn't even be made by the board, much less the board's boss. The wisest gathering of owner values would be to help with the momentous ends questions a board faces—in effect, the reasons for having the school system to begin with. Wouldn't it be refreshing for boards to ask, “What technical abilities do you think children will need to have to be successful in twenty years?” or “Is competence in at least two languages worth forfeiting other educational outcomes, and if so, which ones?” Boards approaching the public in meaningful ways not only get the decision information they need but by doing so put the public back into public education. Settling on the right questions is crucial to getting useful owner input.

So boards that want to be responsible agents of the ownership must find a way to affirmatively reach out and include consultations with the whole span of elements of the ownership. Waiting for owners to come to the board always fails and is certain not to inform the board with a fair representation of the diverse viewpoints. In most organizations' ownership is great diversity; ownership linkage is incomplete if that diversity is not respected and sought out.

So if you are a board member, you are part of a group that is the starting point of organizational authority held on behalf of the owners. If you are a nonprofit board member, you are probably unpaid; by definition, this means you are a volunteer. But don't let the term *volunteer* belittle your role: you are as morally obligated as if you were paid.

complete if that diversity is not respected and sought out.

For a board to be a responsible agent of the ownership requires, then, a rationally derived identification of owners (unless their identity is obvious due to the nature of the organization), a method for hearing owners' values and opinions that is statistically respectable, and a carefully constructed range of governance-relevant questions for owners' reaction. It is not that a tabulation of owner input, no matter how valid, in itself determines what the board decides, say, about ends. The board must also add to its owners' wishes whatever further knowledge the board

may be privy to but that owners cannot be expected to know. The board must also consider what it knows about its organization's capacity in order not to assign undoable expectations. In other words, the board in this scenario is not just an adding machine but a reasoning body that acts with wisdom not gathered solely from owners but that is at all times in owners' interests. This kind of expert agent role is not an uncommon one. In retaining a lawyer, for example, we expect our interests to be served but for the lawyer's special knowledge to be used to do that.

We have in this Guide made the case that the most momentous decisions a board makes are ends decisions and that the closest relationship a board should have is with the ownership. For too long

boards have, instead, put most of their influence on operational means and nurtured their closest relationship with staff.

Conclusion

We have argued in this Policy Governance Guide that it is important that a board understand on whose behalf it makes its decisions. This reference group, which we call the ownership, forms the legitimacy base for the use of board authority. Further, we argued that possibly the most important decisions a board should make are ends decisions. Ends decisions, by determining whom the organization should benefit and what the nature and worth of the benefit should be, describe the only real justification for any organization's existence.

CARVER
POLICY GOVERNANCE®
GUIDE

ENDS and the OWNERSHIP

Revised and Updated

JOHN CARVER
MIRIAM CARVER

 **JOSSEY-BASS**
A Wiley Imprint
www.josseybass.com

Copyright © 2009 by John Carver and Miriam Carver.

Published by Jossey-Bass

A Wiley Imprint

989 Market Street, San Francisco, CA 94103-1741 www.josseybass.com

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400, fax 978-646-8600, or on the Web at www.copyright.com. Requests to the publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, 201-748-6011, fax 201-748-6008, or online at www.wiley.com/go/permissions.

Readers should be aware that Internet Web sites offered as citations and/or sources for further information may have changed or disappeared between the time this was written and when it is read.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

Jossey-Bass books and products are available through most bookstores. To contact Jossey-Bass directly call our Customer Care Department within the U.S. at 800-956-7739, outside the U.S. at 317-572-3986, or fax 317-572-4002.

Jossey-Bass also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books.

Policy Governance® is the registered service mark of John Carver.

Cataloging-in-Publication data on file with the Library of Congress.

ISBN 978-0-470-39253-9

Printed in the United States of America

REVISED AND UPDATED EDITION

HB Printing 10 9 8 7 6 5 4 3 2 1