



Excellence in Governance

Equestrian Sports NZ
Workshop for Discipline Boards
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Graeme Nahkies
BoardWorks International

Introduction

As governors do you set a high enough standard for yourselves?

[The board has] *'...a dynamic obligation to be an insistent driving force obliging an institution to move towards distinction.'*

'...if a strong board sets distinction as its goal, invests the time and energy, organizes itself for the task, and stays with it, distinction is practically assured.'

Robert Greenleaf, *Servant Leadership*, 1977)



Boards that reach a high standard of performance...

1. Understand their role
2. Adopt an outcomes focus
3. Work hard to ensure they make the best use of their time
4. Use policy as their principal means of direction and control
5. Get the information that supports their *governance* role

Understanding your role

A 'discipline board' is a...

“...a committee of ESNZ delegated the responsibility of *managing* the discipline in accordance with the Constitution, Regulations and the Discipline By-law”

What is the purpose of 'governance' in an organisational context?



Direction
and control
of an
organisation

It is also about good stewardship



Fiduciaries are obliged to...

- Exercise a 'duty of care'
- Act honestly
- Avoid using their positions for personal advantage
- Comply with all relevant legislation and organisation constitutional requirements
- Act in the best interests of the organisation *as a whole*



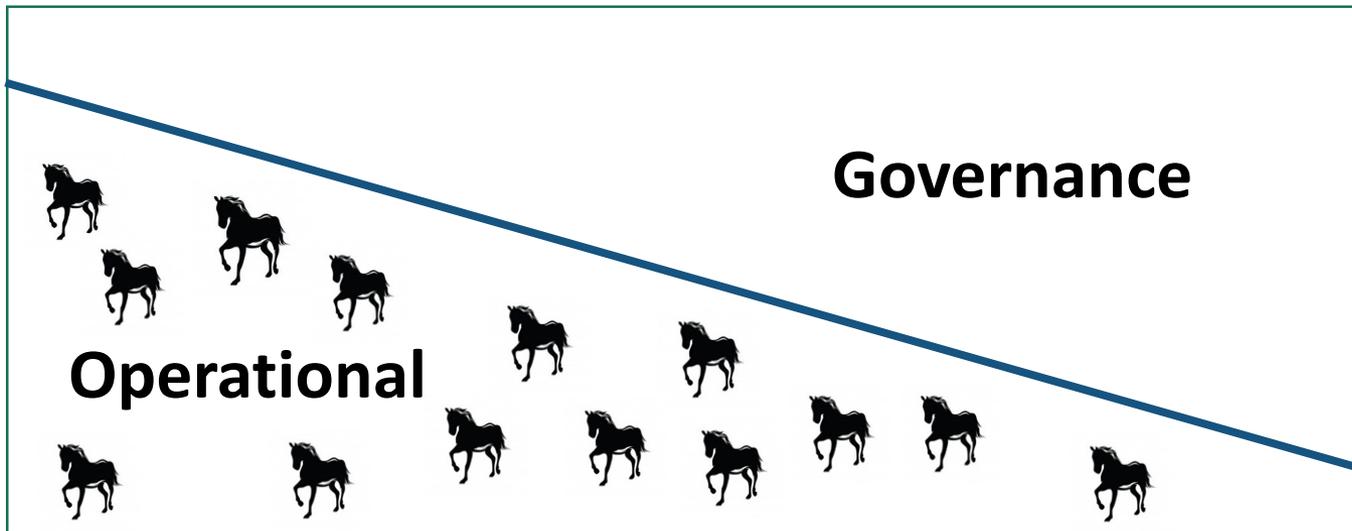
Fiduciaries must separate their 'interests' and their 'duties'



“...a person in a fiduciary capacity must not make a profit out of his trust which is part of the wider rule that a trustee must not place himself in a position *where his duty and interest may conflict.*”

Lord Upjohn (1967)

Be conscious of the governance – operations balance...



Supporting 'best practice'

Documentation of the board's role, responsibilities and performance expectations (board and individual)

- Board charter
- Governance policies (including delegations)
- Letters of appointment

Accompanied by:

- Deliberate succession planning
- Active induction and on-going education
- Regular board and director effectiveness review

Adopting an outcomes orientation



The strategic plans of most organisations are of limited, if any, use at the board level

The starting point for the board's work...



"Governance is the use of authority to set an organisation's purposes, and to ensure it serves those purposes effectively and efficiently."

(Chait, Ryan and Taylor)

Everything comes back to organisational purpose – and whether that is fulfilled

Boards should always start with the end in mind

‘What are we trying to achieve here – and who for?’

Remember:

Doing a lot is not the same thing as *achieving* a lot



“Ends distinguish
purpose from path,
results from process,
and where one is
going from how one
is going to get
there.”

(Carver and Oliver)



Get rid of the



Organisations serve a purpose. They exist to achieve something worthwhile for someone:

- 'outcomes'
- 'results'
- 'benefits' (needs met)

Doing 'stuff' is how results are achieved not an end in themselves

EXERCISE: Purpose and outcomes



Please complete this sentence:

The [insert name of your discipline] board exists so that...

Tips:

- Define the benefit and the recipients
- Present (not future) tense
- No verbs

Existing

Promoting participation by **providing** an enjoyable experience of [discipline] and the pathway to elite competition

Purpose led:

[Discipline] exists so that [certain] people enjoy the experience of competing in [discipline] and have a pathway to elite competition

Plan to Make the Best Use of the Board's Time



“...most of what governing boards do either does not need to be done or is a waste of time when the board does it. Conversely, most of what boards need to do for strategic leadership is not done.”

(John Carver)

**To have impact
a board must
be highly
disciplined –
and focused -
in how it uses
its time**





Board impact is typically diminished by the failure to escape the gravitational pull of BAU

'Deep work is the killer app of the 21st century knowledge economy'

(The Economist)

Deep work: *professional activities performed in a state of distraction-free concentration that push your cognitive capabilities to their limit. Value creating.*

Shallow work: *non-cognitively demanding, logistical-style tasks often performed while distracted. Easily replicated and delegated.*

The Economist logo is displayed on a solid red square background. The text "The Economist" is centered in a white, serif font, with "The" on the top line and "Economist" on the bottom line.

Take a long term view of what your board will spend its time on

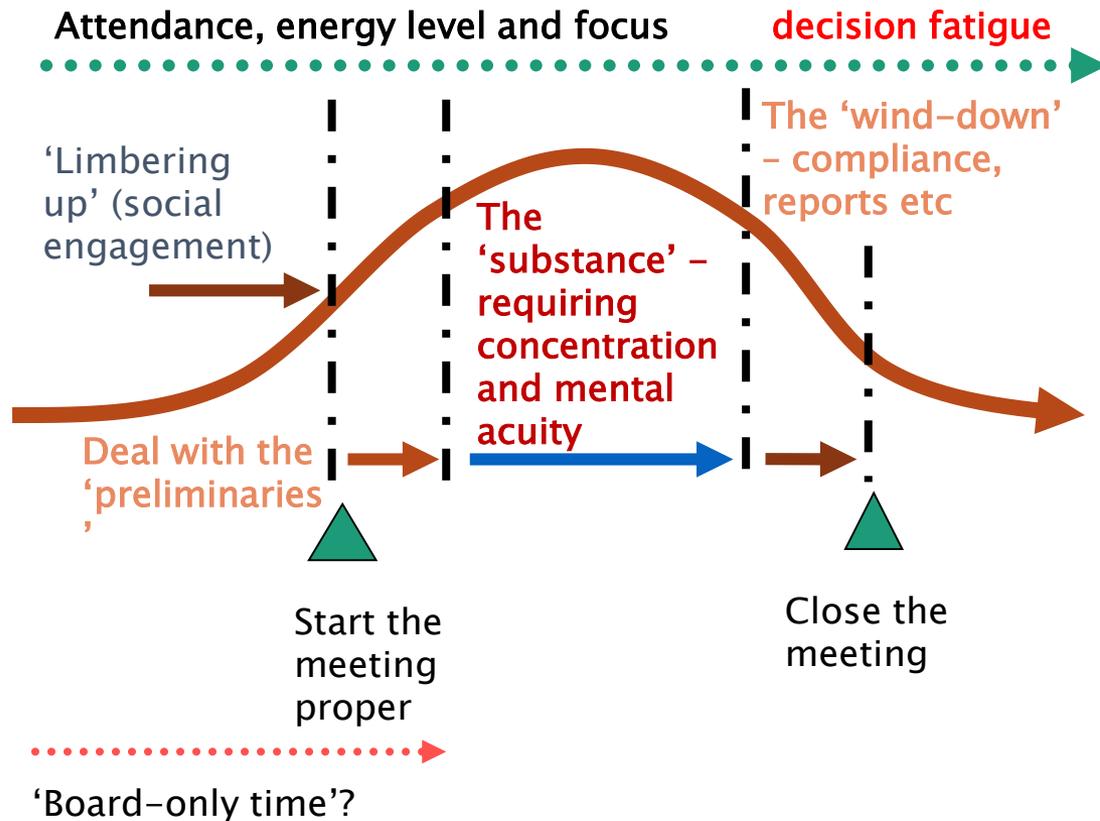


What is it that, if we focused on it, would produce 80% of the result we want?

Two key tools:

- Annual agenda
- Inverted agenda

Sequence the agenda around the 'biorhythm' of a meeting



The board's primary orientation should be towards the future...

A board can't influence anything that has already happened...



EXERCISE: Preparing an 'annual agenda'



1. For your discipline board what are the 4 or 5 things that your board needs to get on top of in the next 12 months?
2. What else do you have to do whether you want to or not?
3. What do you usually spend time on that is not a good use of your board's meeting time?

Use the Policy Making Function as the Principal Board 'Means'

ESNZ

Effective policy making is the most powerful tool available to a governing board



Policy making is the way the board gives direction to, and exercises control over, the organisation's performance

It allows the board to be fully accountable for the organisation's performance without having to make all the decisions itself

'Policy Governance'

(after John Carver)

Governance Processes

'Ends'

How the board goes about its own business

The board's strategic outcomes

Prescription

The board's relationship with the CEO

Setting limits to the CEO's freedoms

Proscription

Board-CEO Inter-relationship

Executive Limitations

How much policy is needed?

In policy terms, the board has said as much as it needs to say when it is ready to delegate a *reasonable interpretation* (ie implementation) of its policy pronouncement to someone else



Closing the loop: Measuring and Monitoring the Right Things

ESNZ

Too many governing boards are little more than spectators to management *activity*...



...diverted from the thought leadership that is essential to their *direction giving* role and responsibility

Reduce the clutter



“We get too much of the wrong stuff”

Don't get distracted by history

Much of what is reported to governing bodies is historical – after the fact

You can only influence what has not yet happened



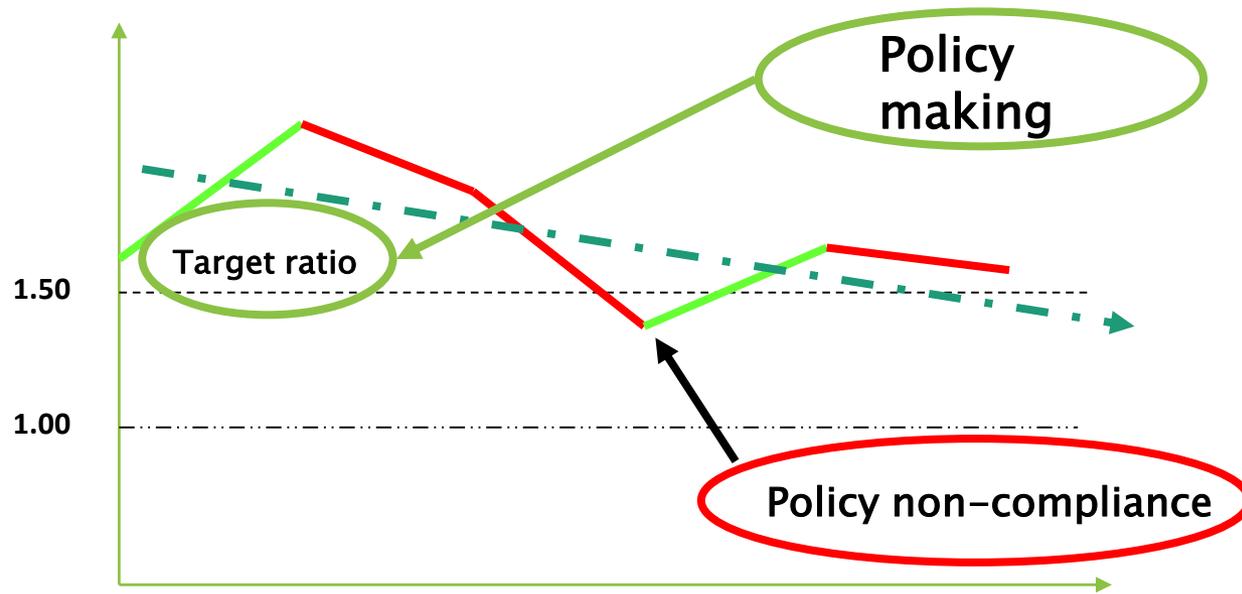
Measure and monitor what matters



‘Lead’ measures
not ‘lag’ measures

- Lag - weight loss
- Lead – calorie intake, calorie consumption

Criterion (i.e. policy) referenced monitoring





- A 'rough' measure of the right thing is better than a perfect measure of the wrong thing
- If you haven't said how it should be, don't ask how it is!