



Test Your Ability to Recognize Policy Governance Principles in Practice *10 Scenarios*

SCENARIO 1) A NEW CEO

The board has hired a new CEO. They are pleased with their appointment but concerned about her lack of previous CEO experience. The board decides that in order to give their new CEO a good start and themselves assurance that all is well, they should form a sub-committee to advise the CEO for at least her first six months in the role.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 2) A TROUBLESOME CHAIR

The board's long-time Chair treats board meetings as mere formalities to be got over and done with as quickly as possible. He also has conversations with the CEO which he reports to the board as decisions made by him and the CEO. Some of these concerns emerge at a board retreat and the board decides to schedule time for developing more governance process policies to cover their concerns.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 3) INCOME SLASHED!

The organization has just experienced the loss of a substantial source of income. This is going to mean staff redundancies, the recasting of budgets and an urgent search for new income sources. The board asks the CEO to bring them a plan for showing what his/her intentions are for board members' discussion and approval.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 4) WHAT REGULATORS WANT

A school board becomes subject to new legislation that requires the board of trustees to approve a long list of matters (such as teachers' evaluation and compensation) that the board had hitherto delegated to its CEO within any reasonable interpretation of its policies. The board decides to change its policies to make it clear that the board rather than the CEO is now directly responsible for these matters.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 5) CEO EVALUATION

A board is due to discuss its annual CEO performance evaluation at its next meeting. A board member is designated to produce a summary of the results of all the past year's monitoring report assessment results. Several board members express concern that such a summary will not address some of the "soft" issues that they believe should be considered. The Chair schedules a portion of the performance evaluation meeting to discuss these issues as part of the evaluation.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 6) REPRESENTATION

Fred and Susan are elected to the board to represent District A on the board of a Legal Aid agency. District A is an area that includes many low income families. Fred and Susan consistently advocate for the people of District A to receive a greater share of the agency's resources. The other board members consistently defend their areas against any diminution of resource. The board agrees that it is locked in an unproductive debate. The board decides to embark upon a needs survey of the entire geographic area covered by the agency. This is to be followed by a series of ownership linkage initiatives that will inform its collective decision-making around the "for whom" aspect of its Ends policy.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 7) BOARD COMMITTEE

The board wants to review its Executive Limitations policies to make sure that they are all still saying what they want to say. The whole board has an initial discussion to identify policies that may need to be changed. The board then decides to create a committee to take a more in depth look. The committee is asked to come back to the board with further discussion points. The committee is also informed that they will eventually be asked to draft policy language for board decision.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 8) MONITORING REPORT

The CEO of a hospital submits a monitoring report that reveals that the organisation is seriously out of compliance on patient safety. The board is extremely concerned and immediately forms a committee to investigate and suggest solutions.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 9) RENAMING POLICY QUADRANTS

Board members struggle with the commonly used names for board policy quadrants i.e. Ends, Executive Limitations, Board-Management Delegation and Governance Process. They feel that the “foreignness” of these terms interferes with their sense of ownership of their own policies. They decide to change the names to: Strategic Outcomes, Risk Management Framework, Performance Management Framework and Board Operations.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):

SCENARIO 10) WHAT OWNERS WANT

The board of a charitable organisation has taken on the creation of “supportive public policy” as part of its board job. The board comes under enormous pressure from a clear majority of the organisation’s owners to take a particular political position. The board believes that its owners do not understand that this is likely to lead to the organisation’s demise. However, the board also believes that its owners’ wishes are paramount and takes up the position they request.

DOES THIS SCENARIO DEMONSTRATE PG PRINCIPLES IN PRACTICE?

MAIN PRINCIPLES NOT UPHELD (IF RELEVANT):