

Setting Standards for Board Leadership:

An Introduction to SAA's Governing Policies Manual

In the following pages, we invite you to read and learn about the “best practices” and state-of-the-art “Policy Governance” principles that underlie Suzuki Association of the America’s governing policies and structure.

This framework for the Board’s decision-making, and especially its delegation to and oversight of the CEO, is quite distinct from how “traditional” boards operate. We want to share this information with all members, and especially those who wish to be considered for appointment or election to the Board. The SAA Board is committed to a complete review of its policies and practices in Fall, 2020.

The Rationale for a Governance “Model”

Nonprofit boards are far too often seen as “dysfunctional.” Observers commonly cite examples such as: “micromanaging” employees who were ostensibly hired for their specific expertise; being reactive rather than proactive; allowing deliberations to be steered by dominating members; personal agendas, or those of a small but vocal constituency, overtaking the “good of the whole;” lack of clarity about the respective roles/authority of the board and of management; confused messages to management about priorities, and a subsequent lack of objective criteria or process to evaluate management’s performance.

These failings are often present, even among boards comprised of bright and committed people who enjoy high camaraderie. If internal conflict is added to the mix, the dynamics can be far worse. Meetings become characterized by power struggles rather than by leaders representing the interests of those they should be serving. Over time, the ability to attract and retain quality employees is diminished, and a “dysfunctional” board culture repels, rather than attracts, leaders wanting to volunteer time and service in ways that are both productive and gratifying.

The benefits of an alternative approach are clear: board leadership that is strategic rather than tactical, focusing on the organization’s broader interests, and optimizing the empowerment and strengthening the accountability of the CEO and his/her team, would enhance and sustain the organization’s long-term mission-related success.

An Approach Based on Principles

“Setting policy” is commonly identified as a key role of a board of directors. SAA’s Board structure is based upon ten principles collectively referred to as “Policy Governance®.” Described in detail in the bestseller, *Boards That Make a Difference* by Dr. John Carver, the Policy Governance approach has been adopted and utilized by many leading organizations, ranging from the Certified Financial Planner™ Board of Governors, to the California Judicial Council, American Cancer Society, and more.

Emphasizing the Board’s role as the “purchasing agent” acting on behalf of the “ownership” (which our Board has defined as *everyone in the Americas who subscribes to Dr. Shinichi Suzuki’s philosophy*), the policies focus the Board’s attention on interacting with and understanding needs, values and opportunities for serving the ownership, setting clear performance expectations for the CEO, and carefully monitoring to ensure CEO accountability for meeting those standards.

Though avoiding “micromanagement” is clearly an aim of Policy Governance, it is not to make a “hands-off” SAA Board, but rather to ensure that it has its “hands on” the right things – ensuring that the results optimize the return on membership dues and program/service fees revenue.

The SAA Board’s “Governing Policies Manual”

The Board’s policies are organized in four categories, each with a specific focus. They are:

- Ends: These describe the desired/expected organizational outcomes SAA is to produce for/on behalf of the ownership.
- Governance Process: These detail how the Board functions and its responsibility, as representative of the

ownership, not to “manage” the business operations, but to govern them (i.e., ensure they are well managed). Among these are *Board Members’ Code of Conduct* and *Board Members’ Individual Responsibilities* policies, which all of our Board members are expected to commit and adhere to.

- **Executive Limitations:** These define where Board authority ends and the CEO’s picks up, by establishing parameters of authority within which the CEO must operate.
- **Board/Staff Linkage:** These detail the manner in which the Board delegates authority to the staff organization (through the CEO), and how it monitors and evaluates operational performance.

Key Principles for Board Leadership

Adopting well-crafted policies alone does not make a Board an effective and accountable leadership team. Acting in accordance with the principles and concepts within the policies does.

To ensure long term role clarity and accountability for performance at both the Board and staff levels, it is expected that the Board and its members will act and make decisions consistent with these core principles.

1. **Acting on Behalf of “Owners”:** The Board’s fiduciary duty is to be the voice of and serve the ownership collectively (not specific segments).
2. **The Board’s Purpose:** The word “governance” emanates from the Latin *gubernare*, the translation of which is “to steer.” The Board is the link in the chain of authority from the ownership to the operating organization to which it gives direction by delegating both responsibility and authority.

Boards are accountable for far more than they actually do. Effective delegation is therefore critical. It has three key characteristics:

- Expectations are clearly *defined*.
- Expectations are clearly *assigned* (both responsibility and sufficient authority).
- Fulfillment of the assigned expectations is *verified*.

Virtually all Board challenges/dysfunctions are traceable to one of more of these three elements being absent. As a result, our Board’s structure is oriented to maintaining all three.

3. **The Board’s “One-Voice” Authority:** Except for those decisions reserved as member prerogatives in the Bylaws, the Board has authority over the operating organization. While the Board has tremendous power. Board members, however, do not!

An important legal fact, not widely recognized, is that no individual board member has any authority, unless the Board or the governing documents explicitly delegate it to him or her, or to an office they hold. The CEO is accountable for fulfilling directives of the Board, not of its members. Board members may offer suggestions/advice to the CEO, who in turn may decide not to follow it. Advice, by definition, may be turned down. Board directives, however, may not.

4. **Focus on Results:** Even if the Board and management act lawfully and ethically, and finances are sound, great value is not necessarily being produced in terms of organizational results. The Board’s most important role is to define those results priorities that constitute organizational success. Ends policies address intended impacts SAA seeks to produce for teachers, trainers, educators and the Suzuki community as a whole.
5. **Delegate to Management with Parameters, Not Approvals.** This is the aspect of SAA’s governance model that varies most widely from most nonprofit boards.

Boards typically exercise control over operations by “approving plans.” These essentially prescribe to the executive how to manage, which is ironic in that he/she was hired for having specific expertise that board members themselves don’t have. Instead of approvals, and with respect for the CEO role, the Board should address any concerns about “how things are done” by stipulating those decisions, actions or situations that

would be unacceptable, even if they work in producing desired results.

As an analogy, when ordering a meal, a person with a dietary restriction might request the avoidance of certain ingredients. To fulfill the request, the chef has a little less latitude, but does have clarity as to both the desired results and concerns of the party ordering the meal.

Extending this example to illustrate how “micromanagement” is born, and how SAA’s governance is designed to avoid it, consider what would occur if a group of five people, when ordering dinner at a restaurant, not only order the items they want, but they also require the chef to present a plan itemizing all the steps she/he plans to take to produce the meal, which the group would then critique and consider approving. Assuming such an agreement is possible, and that a chef willing to work in those conditions could be found, it’s unlikely that memories of the meal would be about exquisite cuisine!

6. **Objective Performance Monitoring:** Only with clearly stated expectations can a board objectively evaluate performance. At the same time, if expectations are stated, but the Board does not verify if they’ve been met, it hasn’t delegated – it has abdicated. For SAA, “checking” will be the act of comparing the CEO’s performance to those standards set by the Board (as a group).
7. **The Board’s Own Job Description:** It is imperative that Board agendas productively focus on optimizing its overall performance. In addition to fulfilling statutory mandates, the Board takes primary responsibility for three functions:
 - Connecting with the Ownership: The Board commits itself to hearing from a broad representation of the ownership and to facilitating understanding of the vision and work of SAA.
 - Clear Performance Standards: The Board will update and maintain its governing policies, setting forth performance expectations for the CEO and the operating organization, as well as for the Board and its members.
 - Assurance of Performance: The Board will ensure financial and organizational integrity, and successful achievement of results priorities, by systematically assessing the extent to which its policy standards are being met.

Fulfilling these three key components of the Board job description is a high calling, particularly for a group of part-time volunteers. By focusing its Board in this manner, SAA can be highly effective in serving the Suzuki community, without Board service being a burdensome commitment.

In Summary

Key benefits of the structure include:

- All of the Board of Directors’ ongoing policies are contained in one document.
- The collective and individual responsibilities of Board members are clearly articulated.
- The authority and accountability of the CEO is clearly defined, empowering her to make decisions, but limited to those within clearly defined parameters established by the Board.

To help the Board use its limited time, and that of the staff supporting the Board, to maximum advantage, this Policy Governance structure offers the promise of role clarity, mitigation of personal agendas, systematic delegation and accountability, and, most of all, strategic leadership focusing on achievement of SAA’s primary “End”:

To ensure that excellent Suzuki Education is recognized, sought, and provided to the benefit of all the peoples of the Americas.