



Ensuring Responsible Governance

Organizations pursuing Baldrige recognition must demonstrate how they carry out their governance in eight areas of responsibility. They must answer questions such as:^{1,3}

- How do you govern your organization and fulfill your societal responsibilities?
- How does your organization review and achieve the following...?
 - » Accountability for senior leaders' actions
 - » Accountability for strategic plans
 - » Fiscal accountability
 - » Transparency in operations
 - » Selection of governance board members and disclosure policies for them, as appropriate
 - » Independence and effectiveness of internal and external audits
 - » Protection of stakeholder and stockholder interests, as appropriate
 - » Succession planning for senior leaders
- What are your results for governance accountability?
- What are your key current findings and trends in key measures or indicators of governance and internal and external fiscal accountability, as appropriate?

The table below illustrates how a board might “hardwire” Baldrige criteria into their governance structure and practices.³

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For more on this resource, visit

<http://trustees.aha.org/transforminggovernance/email-trustee-quarterly-baldrige.pdf>.



Governance Concept ³	How the Board Drives Behavior ²	Board Committee Driving Compliance ²	How the Board Ensures Performance ²
Accountability for senior leaders' actions	Approval, deployment and review of goals	Board: Finance, Investment and Audit, HR, and Chair:CEO (1:1) discussions	<ul style="list-style-type: none"> Multiple Boards of Directors (BOD) reports BOD member questions
Accountability for strategic plans	Review of strategic plan and budget, dashboard performance reviews and key indicator reviews	Board: Performance Review Committee, Finance, Investment and Audit, HR	<ul style="list-style-type: none"> Board book Board scorecard Multiple measures
Fiscal accountability	See above	Finance, Investment and Audit	<ul style="list-style-type: none"> Internal and external audits
Transparency in operations	Individually signed Code of Conduct (CoC) and Conflict of Interest (COI) form every year	Board	<ul style="list-style-type: none"> External audits Community oversight
Selection of governance board members and disclosure policies for them	Systematic nominating process with selection criteria	Nominating Committee	<ul style="list-style-type: none"> Individually sign Conflict of Interest (COI) forms annually Self-evaluation BOD evaluation
Independence and effectiveness of internal and external audits	Audits conducted	Finance, Investment and Audit	<ul style="list-style-type: none"> Internal and external audit results
Protection of stakeholders and stockholder interests	Various stakeholders on the BOD	Board	<ul style="list-style-type: none"> Internal and external audit results
Succession planning for senior leaders	Chair: CEO plan Succession planning process Plans developed for all Senior Managers Management development	Chairman HR Board	<ul style="list-style-type: none"> Updating Review each year Promotions from plan

Sources:

1. Baldrige Excellence Framework. 2015. 2015-2016 Baldrige Performance Excellence Framework: A Systems Approach to Improving Your Organization's Performance (Health Care). Gaithersburg, MD: U.S. Department of Commerce, National Institute of Standards and Technology. www.nist.gov/baldrige.
2. Source: John Vinyard, Genitech.
3. Source: Baldrige National Quality Award Program Criteria, 2017-2018.