



## 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:<sup>1,3</sup>**

- 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.<sup>3</sup>

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For more on this resource, visit

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



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

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](http://www.nist.gov/baldrige).
2. Source: John Vinyard, Genitech.
3. Source: Baldrige National Quality Award Program Criteria, 2017-2018.