Carver Policy Governance Model in Saudi Arabian Charities

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Abstract: This study was carried out has mainly focused on Governance Theory that presents standards and best practices and the Performance Measurement (PM) as a key role of the charity Board of Directors (BODs). As well, significantly, the findings that have emerged from the qualitative approach, semi-structured interviews, analysis and discussion provide deep understanding of the PM and the actual and practical successful assessment models. The evidential outcome suggests that the roles of the BODs and the governance style of the charity are the essential factors in measuring performance. Also, charities should consider the various aspects when measuring their performance such as a governance aspect and BODs' roles.

1. Introduction

Furthermore, the study has explored the PGM which delineated the basic role of the charity's BODs in constructing and developing PM. several researchers originated governance function with various theories; **Al-Habil (2011)** categorized governance theories to three levels; the institutional; organizational or managerial and street levels. Consequently, for this study focus, I adopt the organizational or managerial stance of governance. Additionally, **Pritchard (2015)** stresses that Carver Model gives four philosophical foundations of PGM regarding the board roles, these are; accountability, servant-leadership, clarity of group values and empowerment. With respect to that, the Carver PGM was chosen. **Carver (2007)** PGM confirms the monitoring of performance with emphasizing of the objectives' achievement. Carver (1990–1999, 2013) assert that the PGM informs board main functions such as planning, mission, budgeting, reporting, CEO evaluation and fiduciary responsibility; thus, it is a complete theory of governance.

The Policy Governance Model (PGM) that found by John Carver in 1990 **(Plumptre & Laskin, 2003)** demonstrate the basic role of the charity's BODs in improving and developing the measurement process of charity performance.

The literature on non-profit governance has highlighted several studies of Carver's PGM, Carver and Carver (1990–1999, 2013) assert that the PGM informs board main functions such as planning, mission, budgeting, reporting, Chief Executive Officer (CEO) evaluation and fiduciary responsibility; thus, it is a complete theory of governance. In addition, PGM has potential to apply in any type of organizations such as large or small, profit or non-profit

organization, so it is a universal theory of governance. Furthermore, Carver's PGM enables board to effectively concentrate on macro-management, thus, it is a conceptual and coherent paradigm of principles and concepts. **Jayne (2003)** referred to Carver's PGM as a hallmark for good governance; **Moore (2008)** described it with respect to its culture of discipline, accountability and monitoring that result in achievement of organization's objectives, **Brudney & Nobbie (2002)** echoed Carver central aim of constructing this model as to improve board performance and organizational effectiveness, in addition to completely encourage board to professionally governing the performance, however, PGM is a guidance of people to mission accomplishment **(Carver, 2005).** According to **Carver (2007)** PGM confirms the monitoring of performance but only against criteria clearly stated in ends and limitations policies, as well, it evaluates the objectives achievement compared to carefully stated expectations.

Al-Habil (2011) offered a logical explanation of theories of governance with respect to three levels; the institutional level which includes systems, rules and values that found in the policy studies approach; the organizational or managerial level represents in bureaus, departments, executive that exists in nongovernmental entities linked to government, the principal-agent theory and theories of leadership are associated example of this level; finally, the street level where the main governance execution, the measures of efficiency, organizational culture, leadership, accountability are such theories of it. Similarly, **Hughes (2010)** referred to three broad schools of governance literature: corporate governance, "good" governance, and public

governance, he emphasized the importance of context which the governance applying.

However, for the scope of this paper; I adopt the organizational or managerial stance of governance as **Cornforth (2012)** advised that levels of analysis as a practical method to distinguish between different terms usages, also, **Ansell & Gash (2008)** suggested that governance to management is broad and covers various aspects of the governance process such planning and policy making. In addition, this approach might relate to the social participation in public affairs **(Oliver, 2015).** Nevertheless, there is criticism of this approach; **Cornforth (2012),** and **Ostrower & Stone (2006)** pointed out the influence of the wider governance system on the organizational governance such as regulatory, audit and reporting requirements, inspection bodies and key stakeholders, in addition to internal actors, such as managers, members and advisory groups.

Thus far, the Carver model is among the most universally governance models for NPOs, it is created and developed by Carver to inspire board to envision the whole organization policy aspects and adequately govern them **(Jayne, 2003), Hough & Partner (2002)** described PGM as a sophisticated 'management by objectives' approach to governance; in specific, **Brudney & Nobbie (2002)** delineated Carver model as a framework to study the BODs' performance, responsibilities, activities, and the relationship with non-profit management. However, **Carver (2000)** claimed that the philosophical foundations of the model based on "Jean-Jacques Rousseau's social contract, leadership philosopher Robert K. Greenleaf's servant-leadership and modern management theory". In the viewpoint of **Pritchard (2015)** John Carver gives four philosophical foundations of PGM regarding the board roles, these are; accountability, servant-leadership, clarity of group values and empowerment.

Methodology

The second stage of the research which essentially aims to explore phenomena in a certain context **(Kempster, 2009)**, explain the research topic in more deep perspective, and because of this aspect is important for this study which is connected with particular individuals who are the charities leaders in the context of the Saudi charitable sector, and because of the researcher seeks to discover and understand their governance influences on the PM; and to obtain deep insights into various sides of the performance evaluation, she added the qualitative instrument to achieve such a complex need **(Bryman & Burgess, 1994).**

As far as, the research contacted the charities that participated in the first stage to make an appointment with their chairman or chairwoman because it is easier to communicate and persuade them to participate in the study.

The researcher interviewed these leaders by phone and collected the answers but the obvious note that all of them expressed dislike of the use of recording during the interviews, thus the researcher wrote down the interviews' details. Thus far, the interviews were conducted with 13 participants with percentage of (10.7%) and started from 1st March and ended on 19th March 2017.

Results and Discussion
Semi-Structured Interview:

The semi-structured interview data was analysed, interpreted and discussed to provide the research with deep understanding of the governance theory and its related models, specifically the Carver PGM as a proposed approach that has advantageous potential to carry out the PM in Saudi charities. The data are presented with a focus on emergent results, discussion of the related studies and themes. The interviewees revealed their viewpoints and attitudes about PGM's potentiality to aid the Saudi charities to carry out the assessment of the charity's performance.

The result of the interviewees' profiles showed that the charities are governed by highly qualified professional society members. The interviewees have numerous specialties such as: Pedagogy and Education, Islamic Studies, Arabic Language, Personal Development, Engineering of Projects' Management, Management and Supervision, General Intelligence, Public Health, and Family and Community Medicine, Algebra and Chemistry. However, none of them are particularly specialized in governance area. In addition, the interviewees' years of experience in the charitable work in general range between four years and 25 years, the average of these years is 12 years which means the interviewees involve in charitable field for a reasonable time and gain necessary knowledge and practice to lead and govern their associations. Also, these periods include specific time of experience in a particular charity and a specific job position such as chairing, consulting or membership of BODs.

Most of the interviewees held leading positions because the researcher deliberately targets the heads of the BODs to explore their viewpoints about the governance of charities. The quarter of the members of BODs occupy managerial, developing and strategic positions. The majority of the interviews' participants carry out the governance responsibilities, in addition to their leadership responsibilities such as top managerial, organizational duties, making policies and strategies, and taking decisions. As well some of them had supervision tasks as well as the counselling and

advisory with interchangeable with the evaluation of performance and programs planning duties. Thus, these results quite comply with the researcher purpose of choosing the charities leaders to examine their approaches toward the PGM.

The discussion of the main theme:

The discussion of the main theme of the research revealed the results as following:

1.   Practicing of Governance Models

The researcher split the interviewees' answers to two parts; the first one aims to identify the familiarity of the respondents towards the Governance Models in general, and the second part aims to find out the different forms of governance that the interviewees practiced in reality to govern their charities.

Almost all interviewees are familiar with the governance functions either the formal form or some modern models such as BSC which confirms the new standpoint to develop and improve charitable work in Saudi. Nearly a quarter of interviewees govern their charity by applying the formal structure of management and its regulations as issued by the MSA while, 15.4% of them implicitly curried out leadership responsibilities. Significantly, the responses reveal the correlation between the academic and professional background, and the governance style; as the fourth interviewee and the tenth interviewee who are founders of their charities create their own governance models with concentrating on the highly professional and specialized committees.

The second part of interviewees' responses about their own governance forms demonstrates that the charities' leaders make intensive efforts to govern and develop their associations; some of these governance models are successful, there are particular features appear amongst these responses as following;

a. The effects of the previous and current academic and specialized experience. As some interviewees employ previous long-term careers' experiences to manage their charities such as the second interviewee.

b. The developing and modernizing of management and operations, these are done through different ways. For example; a number of interviewees assert that they mainly depend on the specialized committees to support their governance functions.

c. The independent governance models. as some responses indicate that they regulate their own instructions, regulations and rules and follow a definite agenda

d. That assigned in advance with fairly flexibilities (e.g. modifying strategic plans).

2.   Learning of Governance Models

Regarding the details of this; train is knowledge education on governance work. The key goal of this question is to explore the possible of obtaining training or education of governance work by interviewees. The answers confirm that considerable efforts have been undertaken to learn and train on governance. There are three keynotes among the answers:

Firstly, the interviewees continuously learn and train on governance by self-education and by many parties such as; Institute of Public Administration, Salem Bin Mahfouz Foundation, Al Rajhi Charitable Organization and Arab Bureau of Education. Secondly, the main subjects that the interviewees study are; organizing and management of charity, leadership such as formulating vision and mission, strategical planning, making decisions, TQM and sustainability. Thirdly; the difficulties that interviewees encounter included; the lack of institutions that teach and train on governance as a whole. However, to overcome these challenges the tenth interviewee found a training, research and consulting institution; International Centre for Research and Studies (Medad), and constantly cooperate and coordinate with partners and many developed and educational parties such as Leaders Development. Also, some charities board members do not have motivation and awareness to participating to the training and education courses, however, the second interviewee install some software programs as an educational means to training the members on some procedures.

Interestingly, there is one interviewee out of thirteenth who do not have any learning or training on governance, but his charity has begun employing the BSC since 2013.

3.   Need of learning the Governance Principles and Concepts

With aiming to discover the interviewees' attitude about the necessity of getting professional knowledge and learning on governance; the vast majority agree that their boards need to learn the governance with ratio of 84.6%. The responses reveal main reasons for this need, for example; the academic and professional background of BODs members and the difficulties of distinguish governance and management principles. Similar to the previous section, the interviewees highlight the lack of training and education centers that could aid them to learn such subjects. Surprisingly, one interviewee emphasized the rule of limiting the BODs periods in the charity board as a reason of not accumulating adequate governance experience.

4.   PGM Basic Policies: Ends and Means

After a brief description of PGM Basic Policies: Ends and Means; the researcher seeks to explore the interviewees' opinions about the core policies of the Carver PGM by question six: Do think that the PGM two basic policies; Ends and Means help your board to

better evaluate performance? An overview of responses approves on the effectiveness of distinguishing between ultimate goals and the methods as proposed by the model to achieve better evaluation of performance with percentage of (84.6%). However, the interviewees express a number of concerns as following;

a. The need for more clarification

b. The exits of qualified and professional managers and staff, to avoid the influence of specialists

c. The consideration of perspectives of managers, chief executives and execution's levels

d. The different employment status; the BODs are basically volunteers, while the executives are employees

e. The exist of the feedback system and the responsibility of mistakes

In contrast, the tenth interviewee strongly argues that his charity governance style more developed and beyond this model, also, the second interviewee believes that the MSA regulations define and govern responsibilities and authorities very well.

5.   PGM Role in PM

In order to examine the benefits of PGM for measuring performance, the researcher asks the interviewees that: To which extent do think that PGM could help your board to carry on / develop / improve the PM? Most interviewees think that the PGM would help but they condition fully benefiting it when the charities resolve their serious challenges or problems such as; the negative role of Development Centres, resistance of change and corruption (1st interviewee); members different skills and cultures (2nd interviewee); the need for persuasion (13th interviewee). In addition, there are four interviewees believe that the model should apply firstly to find out its eligibility and adequacy practically. Unlike, the tenth interviewee asserts that his charity utilises multi and combined models and approaches to evaluate performance, e.g.: International standards of excellence, Quality Awards and ISO 1002 Certificate.

6.   Applicability of PGM

To explore the interviewees' perspectives toward the potential of applying the PGM in their charities by asking them in a more detailed account of the PGM principles: Which of the PGM principles do you think that might not be applicable for your charity? Why do you think that? The answers show an appreciation of most of these principles, however, they highlight interesting considerations, whereas, three interviewees remark the trustees or charity's owners as the General Assembly members not the community members as the PGM proposed because the Assembly members pay the annual partnership fees. In addition, some interviewees suggest applying the model firstly to

identify its complexity or advantages and disadvantages, also, the fourth interviewee think that the model needs more details about the roles of BODs in PM, as well the sixth interviewee emphasizes that principles' articulation needs to be more softening. The ninth interviewee does not approve on 'Principle 8; the board explicitly designs its own products and process and suggests that consulting or external party might decide organizational and financial powers and responsibilities, and hierarchal structure. Finally, the eleventh interviewee stresses the need for assessment of the BODs' performance themselves.

7.   PGM Components

To generally evaluate the PGM by interviewees the researcher asks them the following: Do you have any suggestions for improving the PGM components?…Especially those related to evaluating charity performance?…Modifications?…Replacements? The responses reveal that more than half (53.8%) do not think that the model need to be altered, whereas, three out thirteen (23.1%) believe that the application and execution of it would disclose the need for improvement, modification and replacement of any components. However, the first interviewee suggests increasing BODs power and authority, and evaluation of BODs by staff and community. In addition, the fifth interviewee emphasizes that the model requires intensive training and practises that the universities or specialty centers should carry out. Significantly, the ninth interviewee recommends that the PM should be explicitly and separately explained with regarding specialists' opinion during the process.

8.   Additional Considerations

Finally, to generate more standpoints about the PGM, the researcher encourages the interviewees to freely evaluate the model by asking them the following: Do you like to add further comments? The respondents raise important issues that actually obstruct the development of charities. The comments revolve around four main themes; these are: development and improvement of charities, training and educating BODS and staff, provision of financial resources, roles of MSA, specialised parties and community. In addition, the interviewees highlight various concerns, for example; two interviewees assert that the Saudi charitable organizations perform with more institutional approaches and become more mature and professional. Also, the interviewees mentioned availability of many centers and institutions that train and develop organizations according to their needs.

Furthermore, the interviewees explain a number of obstacles that should confront before adopting new approach, and recommended some solutions such as; accurate determination of authorities and

responsibilities (3rd interviewee); replacement of recruitment system which based on contracts to permanent employment, thus, minimizing the turnover of qualified staff (5th interviewee); amendment of the strategical assessment to conduct by especial department with counselling nature (9th interviewee); revising the regulation of BOD work by MSA and Social Development Agency (11th interviewee); easing execution, monitoring and supervision by beginning with strategical planning then intensively practicing it (13th interviewee).

Moreover, the twelfth interviewee concluded that the PGM application would depend on charity type and style, finally, the thirteenth interviewee believed that the PGM is a good model and has a potential to apply in Saudi charities.

Research's Findings
Discussion and Findings of the Semi-Structured Interview

This section presents the empirical findings and results of the qualitative approach. This research covers 100% participants in top positions of the boards of the Makkah Region charities. The semi-structured interviews provide the research with the main data which has included ten themes and twenty-two sub-themes. The participants were confident in their explanations of their perspective regarding their important roles of governance their charities, also, their patience and respect to others encourage and help the researcher to gain this worthy information.

However, in spite of the fact that the participants stressed the agreement of the suggested model; Carver PGM, The analysis of the data that has been gathered in the semi-structured interviews with these chairmen, chairwoman and board members highlighted key themes which related particularly to the governance; in terms of the practicing of governance models, the respondents were obviously familiar with governance whether explicitly or implicitly, in addition, some participants practised more advanced approach to govern their charities.

With respect to the learning of governance aspects; the participants have obtained sufficient knowledge and practices on governance through educational and training courses and enlarge this theory to include many areas such as leadership and top management. Also, there was disagreement between interviewees about the existence of appropriate institutions or that should provide charities with adequate train and education on various charitable aspects.

Consequently, the participants strongly agreed on the necessity of learning and training on the governance and again they highlighted the deficiency of suitable institutions and parties to provide them with this knowledge.

Regarding PM as a central of this research, and as a key duty of BODs according to the PGM, there were various perspectives about this propose, however, there was partial agreement on the importance of PM, there was interesting thoughts about this duty; mainly because of cooperation between different departments to carry on PM. Significantly, the interviews revealed the existence of practical and successful PMM, in addition to employing the BSC in some charities.

Furthermore, the core area of Carver model was the PGM basic policies: ends and means were highly appraised by participants, but they conditioned applying it according specific competences of charities. Similarly, the assessment of PGM Role in PM was obtained strong approve by participants, yet again, to apply this model; special requirements should be completed by charities. Alike, there were 'excellent' constructed PMMs.

The evaluation of PGM principles by the participants generally was positive but there was some caution about the definite meaning of trusteeship and ownership of a charity, as one participant claimed that General Assembly is the charity's owner. Also, there was call for evaluating BODs' performance. Markedly, the MSA formal regulations have already indorsed these principles in *The Regulations and Articles of Charities and Foundations* according to one participant.

Identically, the PGM components were positively appraised with some cautious viewpoints, such as expanding BODs' authorities, assessing BODs' performance, linking the PGM adjustment to its implementation's outcomes. The most important suggestion is that a call for clearly and independently explaining PM by specialists during the measure process.

Moreover, the open discussion about the PGM provide important insights into the research subject, these highlighted the challenges that faced Saudi charitable sector such as charities' development and improvement; staff and BODs' training and educating; financial resources provision and community, specialised parties and MSA roles.

Conclusions

This thesis addresses the gap in knowledge of the performance measurement of charity organizations, especially in the Saudi context. It provides a rich and considered the understanding of this area. Furthermore, this research extends and adds to the theoretical knowledge of PMMs by empirically validating the comprehensive aspects and criteria of these models.

Moreover, the researcher proposes a model for a comprehensive evaluation of performance in a charity organization. This framework accounts essentially on the governing role of BODs as well as the charity's characteristics.

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8/3/2019