

Governance as Leadership *In Action!*

An Overview

*Governance as Leadership, Reframing the Work of Nonprofit Boards*¹, has practically revolutionized the way nonprofit leaders view the work of the board. The authors dared ask, “Why is there so much rhetoric that touts the significance and centrality of nonprofit boards, but so much empirical and anecdotal evidence that boards of trustees are only marginally relevant or intermittently consequential?” What we have learned, as a result, is that problems of performance may actually be a more fundamental problem of *purpose*. Board members are not confused about their role -- they are dissatisfied with their role.

Governance as Leadership challenges boards to engage in three modes of governance, to enrich their work and enhance their value to the organization: (1) fiduciary, (2) strategic, and (3) generative. In the fiduciary mode, board members provide oversight. This typically involves budgets, investments, fundraising, policies and practices, to name a few. In the strategic mode, board members may figure out how to get from the present to a preferred future. In the generative mode, the board must figure out what the preferred future is.

Generative work can be defined as any discussion or activity that tends to make sense of the organization, or any part of the organization, or its internal and external environment. It allows the board to confront challenges rooted in values, traditions, and beliefs and engage in sense-making and problem framing.

Generative, literally, is what comes first. Generative thinking is where goal-setting and direction-setting originate. Brilliant ideas, not brilliant plans, are springboards for revolutionary strategies.

Generative Mode -What it is and isn't:

- Implicit, rather than explicit.
Gets to the heart of values and vision.
- Thoughtful, rather than technical
- Framing the problem, rather than finding the solution
- Making sense of knowledge, information, and data, rather than looking for an answer in them
- Telling a story, not making a case

¹ Richard P. Chait, William P. Ryan, and Barbara E., Taylor (2005)

Bringing *Governance as Leadership* into the Boardroom

Probe, Identify, Explore

How effective is your board when it comes to probing how they arrived at their sense of a problem or opportunity; identifying alternative ways of framing the issue; and exploring the sense of the past, as it relates to the organization's proposed future? An inquisitive board that challenges assumptions, grapples with uncertainty, and provides a diversity of perspectives adds value. Getting to that point may require first working on the board culture.

Assess Your Culture of Inquiry

The board's culture will significantly influence how board members work together and engage to carry out the organization's work. It is no surprise then that boards which work efficiently and seamlessly in the generative mode tend to foster a genuine culture of inquiry.

A culture of inquiry is dynamic and exists where board members have mastered the skills of listening, dissecting the issues, and responding thoughtfully and truthfully. Indicators of a healthy culture of inquiry include:²

- ☐ a sense of mutual respect, trust, and inclusiveness among board members,
- ☐ the capacity to explore divergent views in a respectful rather than adversarial manner,
- ☐ a willingness to gather relevant information to inform decisions,
- ☐ equal access to information,
- ☐ the presence of active feedback mechanisms that help the board engage in continuous improvement, and
- ☐ an individual and collective commitment to decisions, plans of action, and accountability to follow through on the board's agreements.

In such an environment, board members appreciate candor, dissent, deliberation, learning, and information gathering as part of the decision making process. They reject dysfunctional politeness in favor of robust discourse.

To assess your board's culture, consider having the board answer and discuss the following questions:³

1. How well do we foster a sense of inclusiveness among all board members?
2. Is there sufficient diversity of backgrounds, opinion, and thought amongst our board members to ensure a diversity of opinions?
3. Do you find board members open to listening to differences of opinions with their peers?
4. How comfortable are Junior League board members in engaging in constructive debate within the boardroom on consequential issues?
5. Does our tradition of politeness inhibit our willingness to express divergent views?
6. Do board members receive materials in advance that provide appropriate background for discussing issues or making decisions?

² *Culture of Inquiry, Health Debate in the Boardroom*, Nancy R. Axelrod (2007)

³ Derived from *Culture of Inquiry*, © BoardSource 2007

7. Are different formats used for board meetings, such as small-group discussions, facilitated sessions on strategic issues, or outside speakers?
8. Does the board enlist information from outside the organization, such as articles, research, reports, or feedback from external experts or stakeholders on issues that require additional expertise?
9. How willing are board members to ask for additional information?
10. Does the board chair try to engage all board members in discussions?
11. What mechanisms help ensure that all voices are heard?
12. Are board members acknowledged for asking great questions?
13. Does the board spend sufficient time exploring alternatives and consequences before it makes critical decisions?
14. When making or following board decisions, how do board members put the interests of the organization above all else?
15. How does the board balance input from the membership with the best interests of the organization?
16. Does the board give careful consideration to questions or concerns of the general membership?
17. What mechanisms does the board enlist for feedback on its performance, such as meeting evaluations or board self-assessment tools?
18. How effective is the board in reaching sustainable agreements on complex or controversial issues?
19. What suggestions do you have for enhancing the way the board works together as a group?

Fostering a Culture of Inquiry

Trust, information sharing, teamwork, and dialogue help strengthen the culture of inquiry. This is a real challenge with one year term limits, but there are steps you can take. For example, schedule a board retreat in the Spring to discuss board members' answers to the above Culture of Inquiry questions. The questions can and should be used to initiate a candid dialogue about how the board will operate during the upcoming year. It's also an opportunity to emphasize that it's o.k. to respectfully disagree and raise contrary viewpoints.

Additionally, the leadership should think about activities to help board members get to know each other so they can work better as colleagues, not passing acquaintances. Facilitated team building activities are an excellent way to break the ice and barriers that may inhibit open and honest discussions from taking place in the boardroom. Consider incorporating team building at the retreat, during orientation, and at regularly scheduled meetings.

The orientation process is another opportunity for board members to set the tone for the year ahead. Use this time to share organizational stories, mentor new board members, and talk about expectations for individual board members and the organization.

Finally, when recruiting new members, consider the richness a diversity of talent, backgrounds, and personalities can add to the quality of discussions. Boards should be strategic about board development, and board diversity should be high on the list of priorities. It's one of the best ways to ensure diversity of thought, which leads to better decisions for the organization.

Work at the Boundaries

Working within the confines of the boardroom can shield board members from cues and clues that help frame the issues and inspire generative thinking. Generative governing has boards starting and ending in the boardroom, but also, on occasion, venturing outside the boundaries of the boardroom to prepare for governing. For example:

- ❑ The board could meet with another community board or stakeholders to discuss common concerns, e.g., increased commercialization or changes in government policy.
- ❑ The board could meet with Junior League members, as a group, to listen and learn about the members' views, interests, and ideas about the work and direction of the organization.
- ❑ Board members could meet with partners or collaborators to learn how external stakeholders see the larger environment. After these discussions, board members are virtually compelled to ask each other a generative question: "What do you make of this?"

External boundary work -- meaning opportunities for the board to engage, observe, or convene as a group outside the boardroom -- provides not only exposure to new alternative frames like the examples above, but also new occasions for generative deliberation.

Deliberate Differently

Board meetings are not be a spectator sport -- they are a participatory event! Board members should feel they are able to voice their opinions, ask questions, and contribute intellectual capital.

Facilitation styles and techniques can help stimulate board deliberations. Listed below are some techniques that may work with your board. Note, however, that not every suggestion is for every board or every situation. They do, however, offer options for breaking through some of the formality of board meetings and making board members comfortable with the generative mode.

- ❑ **Silent Starts.** Take two minutes at the beginning of the board meeting for members to write (anonymously) the most important questions the board and management should address. Read and tally to identify the most crucial issues.
- ❑ **One Minute Memos.** At the conclusion of each discussion item, board members take a minute to write down what they would have said if there had been more time. Collect for review by the chair and chief executive so there's no doubt about what's on the board's mind.
- ❑ **Future Perfect History.** In breakout groups, develop a future-perfect narrative of how the organization moved from its present state to its envisioned state. Compare story lines and pathways and detours.
- ❑ **Counterpoints.** Randomly designate two board members to make the most powerful counterarguments to initial staff recommendations.

- ❑ **Role Plays.** Ask subsets of the board to assume the perspective of different constituent groups likely to be affected by the issue at hand. How would they frame the issue and define a successful outcome? What would each group regard as a worst-case scenario?
- ❑ **Surveys.** Prior to discussing a major issue, board members take an anonymous survey that includes questions like: What should top our agenda next year? What are we overlooking? What is the most valuable step we could take to be a better board? What are the most/least attractive and worrisome aspects of the proposed strategic plan? An analysis of the responses (not the loudest voice) drives subsequent discussion.

Ask Catalytic Questions

Catalytic questions are another way to invite creativity. Data and reports are not necessary; just a curiosity to explore and better understand the organization. Sample catalytic questions are listed below.

- ❑ What three adjectives or short phrases best characterize this organization?
- ❑ What will be most strikingly different about this organization in five years?
- ❑ What do you hope will be most strikingly different about this organization in five years?
- ❑ On what list, which you could create, would you like this organization to rank at the top?
- ❑ Five years from today, what will this organization's key constituents consider the most important legacy of the current board?
- ❑ What will be most different about the board or how we govern in five years?
- ❑ How would we respond if a donor offered a \$50M endowment to the one organization in our field that had the best idea for becoming a more valuable public asset?
- ❑ What has a competitor done successfully that we would not choose to do as a matter of principle?
- ❑ What headline would we most/least like to see about this organization?
- ❑ What is the biggest gap between what the organization claims it is and what it actually is?

Beware

Some issues will benefit from deliberation in three modes, but board members must exercise caution and restraint. If the roof is leaking, fix it! There's no need to engage in a generative debate. Over time, board members will become more adept at recognizing generative and "triple-helix"⁴ situations.

⁴ Triple-helix issues require fiduciary, strategic, and generative considerations.

Assess Progress

To see if your board is becoming more generative, try the following:

- ☐ Compare recent and past agendas. Do we do more generative work now?
- ☐ Review, over the course of a year, where and when board members worked at the boundaries.
- ☐ Consider how often the board spotted or missed “triple helix” issues in the last year or two.
- ☐ Survey board members on whether the climate for robust discussion has improved or deteriorated.

Have Fun

There’s no rule that board members cannot have fun. Board members should look forward to attending board meetings, not dread it. Ensuring opportunities for board members to share their generative genius and engage in meaningful work will greatly increase the capacity and ability of board members to better govern the organization.