

The Generative Mode of Governance - What Is It and How To Do It

from Richard P. Chait, William P. Ryan, Barbara E. Taylor. *Governance as Leadership: Reframing the Work of Nonprofit Boards* (New York: John Wiley and Sons) 2005

The Three Modes of Governance

Boards govern in three distinct modes. Each mode serves important purposes, and together, the three add up to governance as leadership.

An example: the Boston Museum of Fine Arts had to make a decision about whether to lend 21 Monet paintings to the Bellagio Casino in Las Vegas.

Type I is the "fiduciary mode."

The board's purpose - stewardship of tangible assets

The board's role - to act as a watchdog.

The board's task - oversight

The board's value - ensure appropriate use of resources, legal compliance and fiscal accountability.

"The board is to the organization as an eye is to sight"

The questions -

"What are the security arrangements?"

"How will the paintings be transported?"

The fiduciary role requires the least amount of knowledge by the board about the organization and its mission.

Type II is the "strategic mode."

The board's purpose - ensure a sound strategic direction

The board's role - set priorities, approve strategic plans, and monitor results

The board's task - foresight

The board's value - be a strategic partner with the HoS

"The board is to the organization as the rudder is to a ship,"

The questions -

"What's in it for us?"

"What will the community reaction be?"

Type III is the "generative mode."

The board's purpose - lead to the future

The board's role - make sense; discern patterns; frame the situation

The board's task - insight

The board's value - decide what to decide; go deep

"The board as an empowered think tank,"

Generative Thinking in Practice - Strategies for Board Meetings

- ^ **Have a consent agenda.** In developing the agenda for the meeting, combine all of the routine matters that need board approval into one item on the agenda that the board can vote up or down. This can free up time for other discussions.
- ^ **Use silent starts.** When there is an important matter for the board to consider, give everyone a minute to think about it and write something down on the topic under discussion. This helps people become more thoughtful and engaged in the topic.

- ^ **Use one-minute essays.** At the end of the discussion, ask people to write down what they would like to say about the issue if there were more time. After the board meeting, read what they have written. These often tend to be "Type III concerns"—comments that reflect generative thinking—which can be used to help set the agenda for the following board meeting.
- ^ **Include time for mini executive sessions.** During each meeting, have the board work for ten or fifteen minutes without an agenda. These brief sessions—which can be called "board reflection"—interrupt the usual pattern of just following an agenda and having the CEO always take the lead at board meetings.
- ^ **Promote robust discussions.** During discussions about even seemingly routine matters, look for "generative landmarks." These include multiple interpretations by board members about what a situation is or what requires attention, or indications that an issue means a great deal to many of the board members and touches on their perception of the organization's core values. Take advantage of these "landmarks" to promote generative discussions.
- ^ **Have as few standing committees as possible.** Instead, have task-driven committees that address specific issues, gather information about those issues, and then report to the whole board about what they have learned. The entire board should then discuss the committee's ideas.
- ^ **Change it up.** Let actions inform goals rather than vice versa. Reflecting on what actions reveal about our mission, vision, and beliefs offers a useful lens through which boards can examine their foundations and ensure what they do matches what they say.
- ^ **Consider even the improbables.** Exploring even the wildest scenarios can help boards make better sense of their aspirations and situations.
- ^ **Trust intuition.** Boards should not govern by hunch, but neither should they underestimate the value of intuition and inklings as launch pads for productive and consequential deliberations. By letting indistinct ideas into the boardroom, board members can discover new directions.
- ^ **Pose catalytic questions.** Questions that invite creativity rather than reliance on data or logic can provoke productive thinking:
 - ^ What three adjectives or short phrases best characterize this school?
 - ^ What will be most strikingly different about this school in five years?
 - ^ What do you hope will be most strikingly different about this school in five years?
 - ^ On that list, which would you rank at the top?
 - ^ Five years from now, what will this school community think was the most important legacy of this board?
 - ^ What will be different about this board and how it governs ten years from now?
 - ^ How would we respond if a donor offered us \$2,000,000 tomorrow?
 - ^ What has a competitor done successfully that we would not choose to do as a matter of principle?
 - ^ What newspaper headline about our school would we most want to see at the end of this school year?
 - ^ Where is the grossest discrepancy between what we say we do and what we actually do?
- ^ **Play roles.** Ask subsets of the board to assume the perspective of different constituent groups likely to be affected by the issue.
- ^ **Use breakouts.** Small groups expand available "air time," ease participation by reticent board members, and counter groupthink.
- ^ **Simulate decisions.** Pretending can force new revelations.
- ^ **Survey board members/targeted constituents with big idea questions.**
- ^ **Review past agendas.** How did we spend our time?

Additional Resources:

William P. Ryan, Richard P. Chait, and Barbara E. Taylor. "Problem Boards or Board Problem?" *The Nonprofit Quarterly*. Summer 2003, pp. 1-5.

Richard P. Chait, William P. Ryan, Barbara E. Taylor. *Governance as Leadership: Reframing the Work of Nonprofit Boards* (New York: John Wiley and Sons) 2005

BoardSource, *The Source: Twelve Principles of Governance that Power Exceptional Boards* (Washington, D.C.: BoardSource) 2005