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

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. Questions that arose help illustrate the three modes:

- What's in it for us?
- What are the security arrangements?
- How does it fit with our mission?
- How will the paintings be transported?
- Where will the paintings be displayed?
- For how long?
- How will the community that supports the museum react?

☺ **Type I is the "fiduciary mode."** In this mode, the board's central purpose is the stewardship of tangible assets, and its principal role is to act as a sentinel. It oversees operations and ensures efficient and appropriate use of resources, legal compliance and fiscal accountability. Analogies such as "the board is to the organization as an eye is to sight" suggest this board role. The questions about security and transportation in the Boston Museum example also point to this board role.)f the three modes of governance, the fiduciary role requires the least amount of knowledge by the board about the organization and its mission. But organizations often have boards that focus almost exclusively on "Type I" concerns.

☺ **Type II is the "strategic mode."** Here, the board's central purpose is to ensure a winning strategy for the organization, and its principal role is to be a strategic partner to senior management. Its core work includes setting priorities, reviewing and modifying strategic plans, and monitoring performance against plans. Participants' navigational analogies, such as "the board is to the organization as the rudder is to a ship," suggest this role. Questions that reflect this role in the Boston Museum example include: What's in it for us? What will the community reaction be?

☺ **Type III is the "generative mode."** Generative thinking is a cognitive process for deciding what to pay attention to, what it means, and what to do about it. Tellingly, this is also a good definition of "governance." In the generative mode, the board's central purpose is to be a source of leadership for the organization, and its principal role is as a "sense maker.," framing the situation. The board "decides what to decide"; discerns challenges and opportunities; and probes assumptions, logic and the values behind strategies. In the Boston Museum example, the question "How does it fit with our mission?" reflects the board working in a generative mode.

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 <u>do you hope</u> 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