Washington Nonprofits

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Governance as Innovation & Teamwork

At a typical board meeting…

- What percentage of time is <u>not</u> put to good use?

- What percentage of intellectual capital is <u>un</u>tapped?

- How often are ideas put into play productively v. explanations and reports?

- What are you optimizing? (quicker OR better decisions)

- What are the goals of your board meetings?

- If you wanted better thinking, what would you do differently?

Consequential Governance

- Simply stated:
  - A board that discerns, deliberates, and decides issues of consequence.

  - Goals are:
    - Better questions
    - Better thinking
    - Airing and understanding of divergent views
    - Better insight
    - Better decisions

Basic Propositions

- Governance is not a zero-sum game.

- Better purposes produce better performance.

- Board engagement depends on significance of issues, opportunities for influence, and probability of results.

- Trustees add value and derive value from meaningful participation in consequential discussions.

Getting to Great Thinking

- Metacognition and "self-overhearing"
  - (Lehrer and Tetlock)

- Getting on the balcony
  - (Heifetz)

- Tri-modal governance
  - (Chait, Ryan, & Taylor)

Modes of governance

- **What?**
  - Fiduciary: Stewardship of tangible assets. Oversee operations; deploy resources wisely; ensure legal and financial integrity; monitor results.
    - ROLE: STEWARD   RESPONSIBILITY: <u>OVERSIGHT</u>

- **How?**
  - Strategic: Partner with senior staff to think strategically; scan internal and external environments; design, reflect on, and adapt strategic plans; strengthen competitive advantage.
    - ROLE: STRATEGIST   RESPONSIBILITY: <u>FORESIGHT</u>

- **Why?**
  - Generative: Source of leadership to discern, frame, and confront challenges rooted in values, traditions, and beliefs; engage in sense-making, meaning-making, and problem framing.
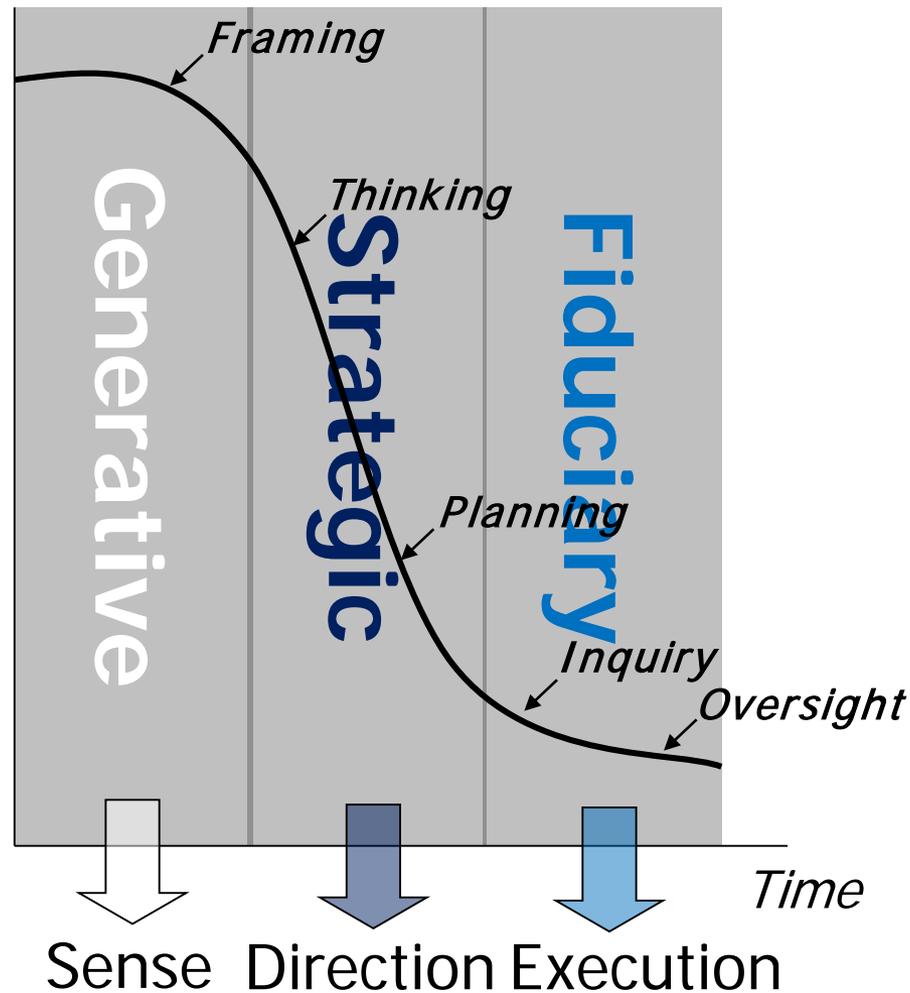   - ROLE: SENSE-MAKER RESPONSIBILITY: <u>INSIGHT</u>

Ethnographer Elizabeth Lindsey

We live in a society bloated with data but starved for wisdom.

DATA ➡ INFORMATION ➡ KNOWLEDGE ➡ WISDOM

Modes on the Generative Curve

Opportunity for Generative Work

Chait, R, Ryan, W., and Taylor, B. (2005) *Governance as Leadership*. BoardSource and Wiley.

Framing

Thinking

Planning

Inquiry

Oversight

Generative

Strategic

Fiduciary

Time

Sense   Direction   Execution

Value-Added Work
Higher on the Curve

FIDUCIARY

Oversight	Inquiry
Scandal free?	Safeguards?
Affordable?	Opportunity cost?
Clean audit?	Insights from audit?
Legal?	Ethical?
Can we get the gifts?	Do donors expect too much control?

STRATEGIC

Making plans	Making strategy
See the future?	Understand the past?
What's the plan?	What's the idea?
Process steps?	Signs of success?
Size of markets?	New markets?
What are the planned costs?	What are the intended outcomes?

Does the idea align with or change mission?
If we do this, what will people infer about our values?
How else might we look at this?

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Generative Governance

The board generates:

- Insight and understanding about a question, problem, challenge, opportunity, or the environment; and,

- A sense of the organization's identity – 'our way' of responding to the problem or environment, or seizing the opportunity.

The criticality of thinking and framing

"If you boarded the wrong train, it's no use running along the corridor in the opposite direction."

~ Dietrich Bonhoeffer

Innovate: Frame and Reframe

- With management, decide what to decide.
  - Wear "tri-focals" to examine "triple helix" issues.
  - What are most important questions to address in next year?
  - How might we frame the issues?
  - Establish decision agenda.

- Schedule KEDAAN dialogues.

  (What Keeps the Executive Director Awake At Night?)

Innovate:
Structure for Strategic Intent

- Strategy should drive structure, not simply mirror the organizational chart.

- Ensure that the board drives committees, not vice versa.
  - Develop derivative agendas for committees.
  - Encourage board to assess, merge, differentiate, eliminate committees.
  - Streamline structure to increase impact, broaden participation.

- Propose and empower strategy-driven, outcomes-oriented task forces.

- Coordinate and integrate committee work.

- Wean staff from tightly coupled committees.

Innovate:
Hold Meetings that Energize

- Fit format to content and purpose; emphasize themes.

- At the outset: State meeting goals outcomes and how the board can add value.

- Furnish less data with more meaning (e.g., dashboard).

- Maximize discussion; minimize presentation by creating efficiencies.

Consent agendas	On-line work	Flash reports
Pre-clarification protocol and responsive reports		

- Broaden participation.

Advance surveys	Advocacy panels	Silent starts
Anonymous input	Role plays	Breakout sessions

Innovate:
Hold Meetings that Energize

- Ensure robust discourse, dialogue, and debate on critical issues.
    - Tap trustees' intellectual capital.
    - Develop and disseminate advance discussion questions.
    - Encourage collegiality, elicit dissent (have devil's advocates).
    - Have devil's inquisitors.
    - Pose catalytic questions.
    - Entertain various "what if" scenarios.

- At the end: Summarize implications, expectations, next steps.
   - Be clear about what we did and will do.

Innovate:
Increase Accountability

- Position board as a model of performance accountability.

- Disperse responsibility for the quality of governance.

- Make decisions as if you had to explain them to stakeholders.

- Enforce group norms; do not tolerate violators.

- Evaluate the board, individual trustees, committees, meetings and demonstrably respond to results.

- Hold executive sessions for reflective practice.

- Convey examples of board's pivotal contributions and shortfalls.

Innovate:
Build a High Performing Team

- **Teamwork**
  - Have clear and compelling shared purpose
  - Set consequential, challenging goals
  - Avoid group think through appropriate deliberation
  - Maintain an appropriate sense of urgency
  - Articulate team goals; do not allow individual goals to take precedence over team goals
  - Get to know each other personally/attend to social capital/build trust

- **Courtship before marriage**
  - Personal style as well as technical expertise
  - Be mindful of group dynamics, culture, values

- **New trustee orientation**
  - To the organization and board norms/culture
  - Provide mentors, glossaries, directories, connections, frequently asked questions

- **Succession planning**
  - Enforce term limits, not just terms
  - Attend to succession for trustees, chairs, board officers
  - Be transparent

Troublesome Trustees
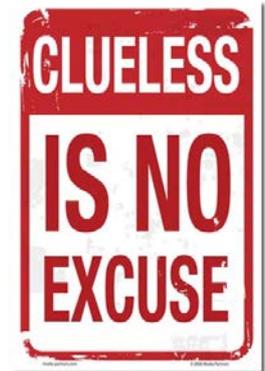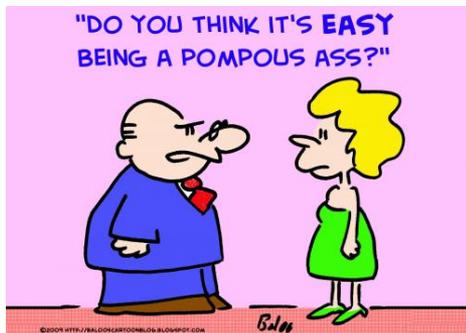
Don't Allow Business as Usual

- Discuss board behaviors, routines, and culture

- Disrupt routines

- Experiment

- Innovate

Questions for the group.

- What resonates most with you?
- What are some things you'd like to try?

- About what are you skeptical?
- What has you perplexed or worried?