



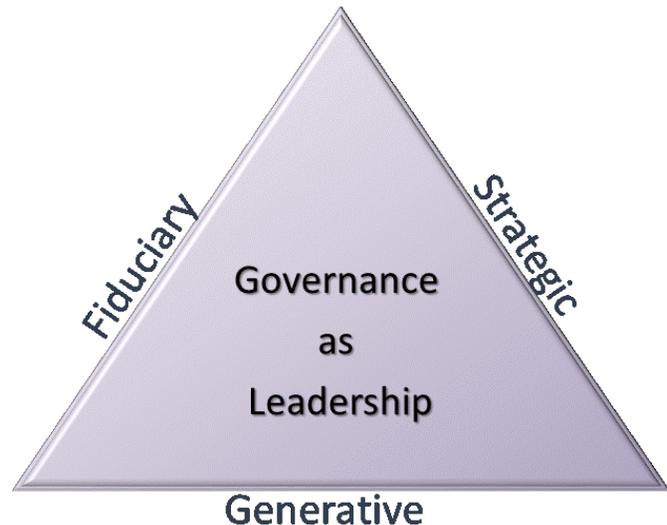
Non Profits. Strength. Learning. Change.

Board Governance as Leadership Summary

Based on work by Chait, Ryan & Taylor

Governance as Leadership reframes the way we look at Board work with a goal to raising Board awareness and conversations to a higher standard. By thinking about Board work under three components: Fiduciary, Strategic and Generative, Boards can manage their roles and achieve results in new ways.

These three concepts of Board thinking are diagrammed as a triangle, graphically illustrating the landscape of governance. Boards typically work within a preferred position within the triangle and seldom try the other modes. Ideally, a Board would be prepared to shift and welcome different thinking approaches as the situation warrants. It's a great self-awareness exercise for a Board to realize the variety of choices possible for their leadership and decision-making processes.



These thinking styles complement traditional Board decision making, helping strengthen good practices already in place.

As non-profit Boards work towards updating their thinking with this fresh framing of Board work, they experience a new energy.

Implementing these ideas encourages greater Board engagement and stronger governance as we challenge our traditional approaches to Board work. The Governance as Leadership framework works in concert with tried and true Board governance practices, reminding Boards of their leadership role.

Implementation takes thought and exercises your skills as a leader. For example, thoughtful leadership questions to bring to the Board table take time and patience to develop. There are many simple tools and techniques available to help you implement the Governance as Leadership experience.

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Introduction to Fiduciary, Strategic & Generative Frames of Governance

Fiduciary: Focus is on “Conformance” – Control Mechanisms

Fiduciary duties embrace the familiar “Board work” found on the agenda of Boards everywhere. Once the ground-work for basic Board functioning is in place, then in their leadership role, Boards can take fiduciary governing and stewardship to new and higher levels of thought. Traditional fiduciary roles include:

- Financial oversight and stewardship
- Legal responsibility and accountability to members, governments & stakeholders, including liability and risk management
- The Board as the permanent entity for the organization (even though individuals serving on the Board change)
- Trustee role on behalf of the public, ensuring effective use of resources
- Supervision of the non-profit organization through the one Board employee, the Executive Director (ED) or CEO.

Strategic: Focus is on “Performance” – Direction Setting

The Board is responsible for strategic thinking and decision making at the highest levels. Strategic thinking and wisdom can take a Board member beyond the immediate professional skills he/she brings to the table to value-added leadership in:

- Policy Making for Governance Policies
- Problem Solving
- Strategic Planning
- Strategic Decision Making (different from the strategic planning role)

The Board can engage in strategic thinking and strategic reflection at each Board meeting. Ask: *“How are our decisions helping us to go in the direction we want to go?”*

Generative: Board thinking leading to Organizational Robustness – Sense Making

Working in concert with the CEO/ED, generative thinking invites Boards to take a fresh look at opportunities and challenges from a broader perspective. Using knowledge and data plus Board insight, generative leadership provides long term impact and meaning to the non-profit organization by creating a fresh understanding of complex and ambiguous situations. This activity is called “sense-making” or “problem-framing”. How often have we heard someone say: *“When you put it that way, it makes sense!”?*

Generative thinking is characterized by:

- Noticing cues and clues.
- Looking at an issue from different perspectives and viewpoints. Reorganizing data into patterns, seeking different frames of reference.
- Thinking retrospectively to uncover patterns and to recognize the compelling organizational stories and history.

Generative thinking is the fun part of governance bringing a deeper meaning and value to Board service. Board members are great resources. They have the passion for the mission combined with objectivity and distance. Their reflections can provide incredibly valuable insight. Too often, decisions come to the Board packaged, digested and all that's left is the official Board approval. For major turning points, the Board needs to be involved when the issue is at the level of "Wow, we need to work on this".

Lately, we have noticed that people refer to their governance as "generative governance". It would be alarming if the only types of discussions around your Board table are generative in nature. Hopefully, your Board will consider its fiduciary and strategic roles as well.

As a challenge to your Board, consider engaging the Board with a thoughtful generative question at the start of your meeting agenda and moving the fiduciary discussions to later in the agenda. Try it!

Example:

"Keep it Cool" (KIC) is a small, imaginary charity with a mission to protect and rehabilitate wildlife at environmental spill sites. The hot Board topic this month is cost over-runs on the cages and equipment to manage wild animals. Supplier costs have doubled and equipment life cycle issues mean upcoming costly repairs on aging equipment. In addition, KIC is being called to an unprecedented number of river pollution/spills and floods in the region. No one had anticipated this.

Fiduciary Discussion: What's the budget for this expense? What can we do within the existing budget? Will we have to cut off our services earlier this year if we no longer have money for supplies? What is our life cycle plan for equipment replacement? Are we getting negative press over our failing services? Why did we not anticipate this?

Strategic Discussion: Is this program a major part of our strategy? Assuming it is, should we be approaching our funders to request additional funds? What are the consequences of going into debt to meet our major strategic initiative this year? If we have to cut off our services early this year for lack of budget, what's plan "B"? How can we position ourselves to meet our mission while keeping an eye on the finances?

Generative Discussion: Why does there seem to be a higher incidence of spills near wildlife corridors? Are the polluting companies aware that they are on major wildlife corridors? Do we need to have a wildlife awareness program for the polluting companies on wildlife corridors? What are the possible reasons for this sudden increase in pollution? Do we have a role at the municipal planning level? How do the 2013 floods in Alberta affect our presence and our Mission?

Looking at Board Behaviour in these forms of Leadership

	Fiduciary	Strategic	Generative
Key Question	“What’s wrong?”	“What’s the plan?”	“What’s the question?”
Board Focus	Define problems Review performance	Solve problems Shape strategy	Frame problems Engage in sense-making
Board Process	Parliamentary procedure	Logical and empirical discussion	More informal and creative
Problems are to Be	Spotted	Solved	Framed
Decision Making	Resolution	Reaching consensus	Framing the question
Board Sees Their Role As	Oversight & authority	Strategist	Fresh perspective
Performance Metrics	Facts, figures, finances, reports	Strategic Indicators, competitive analysis	Signs of learning and discerning

Adapted from: Governance as Leadership: Reframing the Work of Nonprofit Boards. Chait, Ryan & Taylor.

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