

Governing Frameworks and the Gift of the Good Question

AGENDA

1. Welcome and Introductions
2. Sense-making and Leadership – Role of the Board or Trustee
3. Governing Frameworks (lenses) that help make sense of the environment in which to exercise exercise leadership. “Three frameworks are better than two”
 - Fiduciary
 - Strategic
 - Generative
4. The Gift of the Good Question

Good questions help us become both curious and uncertain which is always the road that opens us to the surprise of new insight. – Margaret Wheatley

 - Asking Questions
 - *The question before the questions
 - *How to ask open ended questions - handout
 - *When to ask questions
 - *Questions for changing organizational stages
 - *Examples of sense-making questions
5. Group discussion
 - Café-style discussion with scenarios provided
 - General Q&A

BOARD GOVERNANCE of NONPROFIT ORGANIZATIONS

According to the authors of *Mission-Driven Governance*, “governance is how boards of directors and executives work together to ensure the success of their organization.”¹ As the stewards and legal guardians of a nonprofit organization the Board of Directors is responsible for providing *good governance* in its efforts to achieve the organization’s mission and goals, and ensure its current and future welfare.

“Governance as Leadership²”

The benefits of the Governance as Leadership model include empowering the Board & helping it form a more genuine & effective constructive partnership with staff; better engaging the collective mind, talent & work of the Board; and enhancing the performance of the Board, staff & organization.

- Board & Executive Director operate in a “dynamic partnership.”
- Board & Executive Director think in new, disciplined manner using the three (3) modes of governance recommended by BoardSource: Fiduciary, Strategic & Generative.
- All three (3) governance modes are equal.
- A “Culture of inquiry” cuts across all three (3) modes of governance.

Fiduciary Mode: Board’s central purpose is *stewardship of tangible assets*. Its core work is to *ensure legal compliance & fiscal accountability, ensure efficient & appropriate use of resources, and oversee operations*.

Sample fiduciary inquiry questions:

What does the opportunity cost?

What can we learn from the audit?

How well does the budget reflect our priorities & mission?

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Is this business model viable?

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Sample generative questions:

What key questions should we be asking?

What are the decisions ahead of us and what process(es) should we use to make them?

What can we learn from this?

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Fostering a Culture of Inquiry in the Generative Mode³

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The Board operates in the generative mode when it's engaged in deeper inquiry; and explores root causes, values, optional courses & new ideas. Fostering an authentic and sustained culture of inquiry at the Board level requires a more thoughtful focus on how Boards think and deliberate. Boards can foster more meaningful dialogue and make more effective decisions by asking better questions, promoting more evocative discussions & stimulating authentic debate.

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Board Governance: Fiduciary, Strategic and Generative Questions to Guide Organizational Growth

By Lina Park, University of San Diego, Nonprofit Management and Leadership Program, Spring 2011

The guide will provide research-based, yet brief, description of an organization's life cycle and compares it to the board's life cycle. Following the description are key fiduciary, strategic and generative questions that have been developed through gathering and assessing various academic journal articles and presentations from experts in the field in both organization and board development. As every nonprofit organization is unique in its culture, capacity and capability, the following should be utilized as guiding questions that begin to spur deeper questions specific to your organization.

Organic Phase

During the organic phase, the organization is establishing itself in the community. Usually during this time, intuition is utilized in running day-to-day operations and activities. There is high energy, passion, informality and creativity.

The board also shares strong passion and commitment to the mission, the Executive Director, or both. There are two kinds of boards: a leading board with a strong sense of ownership or a following board with strong ties to the Executive Director's vision. At the board level, there is high energy, passion, informality and creativity as well.

Fiduciary

- What does our ideal ED look like?
- How can we help ED juggle the work?
- How should we address bookkeeping or financial accountability?
- What operational areas need to be addressed to ensure success?

Strategic

- How do we track impact?
- What infrastructure needs to be in place to ensure organizational success?
- What role do we want to move toward long-term?
- What steps need to be taken to ensure positive staff and board relationship?
- How will we function during turbulent times?

Generative

- Why do we exist?

Enterprising Phase

In the enterprising phase, the organization has achieved credibility in the community and is beginning to expand their impact in the community. In doing this, it may begin chasing fund, which will result in confusion between growth and over-stretching of staff, and potential mission drift.

During this phase, the board is beginning to become larger, more diverse and formalized. In addition, authority and power is beginning to be spread out through developed or developing committees or committee chairs. At this stage, there may also be potential power struggles between board and staff or a move toward a more balanced board and staff relationship.

Fiduciary

- What resources and staff are necessary for the organization's success?
- How are finances being accounted for?
- Are policies and bylaws in place?

Strategic

- How can we remain authentic to the mission?
- When should strategic planning/process take place?
- How can we provide leadership and support in order to take the organization to the next level?
- Who should we recruit? Is a board development plan in place?
- How can we productively work with board and staff?
- Are innovative programs fitting with our mission?
- Do I have capacity to provide leadership and resources during this phase?

Generative

- Are we remaining authentic to the mission?
- Are we making an impact in the community?

Intentional Phase

At the intentional phase, the organization begins to take a fresh look at itself as it reviews its mission, priorities, threats and opportunities more deeply. Basic assumptions of how things have been done are challenged as a reorganization, downsizing and streamlining occurs. There is change that occurs not only in the process, but also in the culture of the organization.

At this phase, the board takes on greater responsibility. Some board members may feel more ownership as they are charged with more responsibility of asking the hard questions, while others are struggling to maintain authority. There may also be additional board responsibility to bring in increasing funds, which may generate into a growing board size.

Fiduciary

- What is going well?
- What are some areas of improvement?
- Do our financial plans align with our strategic, operating and development plan?

Strategic

- What impact have we made in the community?
- How can we increase our impact while remaining focused on the mission?
- What are some potential strategic partnerships and alliances?
- Who should be on our board?

Generative

- What does the mission mean for our organization?
- Do we need to change course?

Robust Phase

At the robust phase, the organization begins to look outward rather than inward. Though fundraising remains important, the strategic plans become less about systems and structure, and more about its involvement and contribution to the community, society or world. Though the organization must build for potential worst-case scenarios, it is also capable of innovating and taking risks. At this point, the organization has achieved respect, credibility, and prestige in the community. One challenge at this phase is the isolation and self-righteousness that may come from the ability to affect change.

As the board continues to evolve and grow in both size, various responsibilities will be charged to committees. In addition, as it begins to move toward becoming more institutional, the general board responsibility will shift to become a giving and/or fundraising board. The board will also attract higher profile leaders of the community.

Fiduciary

- How do we maintain financial accountability?
- How can we maximize and diversify our revenue sources?
- How do we ensure strong internal infrastructure and capacity?

Strategic

- How do we stay agile to the environment?
- How do we maintain stability during turbulent times?
- How do we continue to inspire?

Generative

- What are our values?

Reflective Phase

At this phase, the organization begins to see itself as one that can shape the future. At the forefront of change, the organization is going back to its beginnings as it returns to the questions asked during the organic phase. The ultimate question during this time is “How can we do it better?” The organization begins to act young again, regardless of size, by conducting thoughtful activities.

Usually, the board has also collectively formed many relationships in the community through recognition and status. Just as the organization is at the phase of reflection, the board also will have the opportunity to be more reflective in its approach toward governance.

Fiduciary

- How efficient and effective is our organization?

Strategic

- How can we continue to lead?
- How impactful is our organization?
- How do we remain relevant and dynamic in the changing environment?

Generative

- Why do we exist?
- How should we continue to exist?

Note: This guide was developed through the analysis of journal articles and presentations by several authors and experts, including Paul Light, Karl Mathiasen, Liz Shear and Julie Siciliano. For detailed information and references, please refer to the comparative analysis report titled *Comparative Analysis: Understanding Board’s Role in an Organizational Life Cycle*.

Brief definition of the three lenses of board governance:

Fiduciary governance involves managing of tangible assets, including operations, compliance and accountability. It focuses on legal and technical aspects of the organization and is a role that most board members are most familiar.

Strategic governance creates and evaluates the impact of an organization. It focuses on synthesizing and analyzing ideas into plans, and thinks into the future of an organization. It also sets the course and direction for the organization.

Generative governance focuses on assumptions, existing values, insights and culture to address core problems or opportunities to discover what is important to the organization. It involves making sense of circumstances and meaning of events.

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Framing Honest, Open Questions

Some guidelines for asking open questions include the following:

1. The best single mark of an honest, open question is that the questioner could not possibly anticipate the answer to it.
2. Ask questions aimed at helping the person/organization rather than satisfying your curiosity.
3. Ask questions that are brief and to the point rather than larding them with background considerations and rationale - which makes them into a speech.
4. Ask questions that go to the person as well as the problem - questions about feelings as well as facts.
5. Trust your intuition in asking questions, even if your instinct seems off the wall.
6. Consider holding a question rather than asking it immediately, particularly if you're not sure it's a good question. If it keeps coming back to you, ask it later.
7. Allow questions to "bubble up" or emerge, rather than force them.
8. Watch the pacing of your questions. Questions coming too fast can feel aggressive.
9. Avoid any storytelling, or behaviors that call attention to yourself.
10. The best questions are simple questions.
11. Avoid questions with right/wrong answers.
12. Sometimes questions that invite images or metaphors can open things up in ways that more direct questions don't.
13. As you listen deeply to what is being said, try to allow questions to come from your heart, rather than your head.

Learning to ask honest, open questions is challenging. We may slip occasionally into old "fixing" habits. It helps to continually remind ourselves that our purpose in this exercise is not to show what good problem-solvers we are, but simply to support another person (or group of people) as he/she considers questions that will illuminate the decision to be made on behalf of the organization.