



# Using Generative Governance Principles for BETTER BOARDROOM CONVERSATIONS

**Do your board members seem disinterested during meetings? Do your discussions regularly stall? It could be because your board is not being asked to think critically.** A board should be a strategic tool for an organization, identifying innovative solutions to advance its mission and support the community served. Too often, however, that is not the case.

For boards looking to take their performance to the next level, generative governance could be the answer. Generative governance moves past mundane tasks like reporting and rubber-stamping proposals. It provides an opportunity for boards to deepen their analysis and focus on more abstract concepts in order to be better able to adapt to a changing environment.

## THREE MINDSETS

Three key mindsets, each building on the previous, create a strong foundation for generative governance. Boards often need to start with the most basic, fiduciary oversight, and build over time and conscious effort towards generative insight.

- 1. Fiduciary oversight:** Comprising many different financial aspects, fiduciary oversight requires the board to review and approve budgets, establish monetary policies, ensure adequate reserves, and enhance the organization's reputation by promoting transparency and avoiding unnecessary risk.
- 2. Strategic oversight:** The board must work with the chief executive and other leaders to set a direction and define the organization's goals. The emphasis is on the partnership between the board and organizational staff—board members should be engaging as a strategic partner in developing and evaluating the organization's direction, not simply reacting to proposals from the chief executive.
- 3. Generative insight:** Along with the chief executive, the board must use generative insight to analyze problems and tackle ambiguous situations, which helps shape the organization's strategies and decisions. When providing insight and understanding about key issues or questions, generative insight requires that the board have a strong understanding of the organization's identity in order to tailor their solutions to the organization's goals and values.

Generative insight is often the most difficult mindset for boards to master, and can require them to step out of their comfort zones as organizational stewards. However, combining strong foundations in each of the three mindsets allows the board to achieve a higher level of leadership and governance.

## Adopting the third mindset

Oftentimes, board members can be so comfortable with fiduciary oversight that it is difficult to grasp the concepts inherent to generative insight. A few key tactics can help board members adopt a new mode of governance

- **Clearly define generative insight.** If board members don't fully understand what generative insight is, how will they be able to put it into practice? Allow elongated discussions about what generative governance is, how it can impact the board and organization, and why board members may be struggling to understand or embrace the change.
- **Practice all three types of governance.** Being able to define and consciously think in each of the three mindsets will help board members identify what distinguishes generative governance and how they need to change their ways of approaching conversations.
- **Recognize that using all three mindsets takes time.** Introducing generative governance to a board will not happen overnight. It takes a commitment from all board members, an understanding of what generative insight is and how to use it in the boardroom, and practice. The board chair and chief executive must ensure board members do not get frustrated, instead opening up discussion about specific challenges and inviting questions and comments.

## FOUNDATION OF GENERATIVE GOVERNANCE

In order to embrace a new mode of governance, board members must be prepared to engage on a different level than they did previously. Generative governance requires board members to analyze and discuss issues from a macro lens. This requires preparing for board meetings and asking different — and better — questions. Instead of focusing on the immediate, short-term considerations — such as whether or not the budget is balanced — the board should think deeper, instead asking about whether the budget reflects organizational priorities and advances the mission.

### Restructuring board meetings

One major piece of the board's operating procedures that will likely need to change when transitioning to a generative mode of governance is the way board meetings are structured. Board members must feel that they have the time and resources for critical thinking and debate.

#### Consent Agenda

If the board has not already adopted a consent agenda, it should. Many boards spend the majority of their meetings reviewing reports and approving new projects, leaving little time for critical thinking. Removing the amount of time spent rubber-stamping similar issues at the beginning of each board meeting allows for more time for discussion of bigger-picture issues.

#### Meeting Agenda

The organization's chief executive and board chair should work together on the meeting agenda to ensure enough time is built in for board members to thoroughly discuss and analyze critical issues. Additionally, the most important issues should be discussed first and any related items should be placed together in case information from one item informs the other.

When first introducing generative governance, the chief executive and the board chair may struggle with formulating the right questions to encourage generative discussions. Starting with [catalytic questions](#) can help, but beyond that, questions should be open-ended, focus on long-term considerations, and relate to the organization's mission and goals. Restructuring meetings to emphasize generative governance requires a strong partnership between the chief executive and board chair, especially as it relates to stimulating discussion and encouraging the board to think critically.

### Pre-reading

When board members have not adequately prepared for meetings, too much time is spent reviewing documents and getting everyone up to speed. If the board is planning to discuss a newly proposed project or an issue impacting the community the organization serves, all board members should be given pre-reading well in advance of the board meeting to ensure they have time to digest the necessary information and come to the table prepared to share their opinions.

### Board Composition

All boards have a number of different personalities and working styles, which can make deliberation and decision-making difficult. One of the most important steps in encouraging discussion is to ensure no one dominates the conversation. It's important to hear from everyone in the room to stimulate discussion and eventually arrive at a better decision. Diversity on boards is a critical component of critical thinking — not just racial, ethnic, or gender diversity, but diversity of thinking styles and problem solving. Encouraging new ways of analyzing ideas and approaching big-picture questions helps deepen discussion.

## MOVE PAST TRADITIONAL BARRIERS TO CRITICAL THINKING

Certain problems that plague many board meeting discussions can be especially problematic for boards practicing generative governance. To encourage robust discussion, all board members must feel comfortable speaking their minds, but must also question assumptions, decisions, and conclusions — even their own! — to ensure common deliberation issues do not impact boardroom discussions. Identifying barriers to critical thinking is the first step towards promoting effective conversations. The next is to take steps to minimize the effect of many of these impediments.

🚩 **Barrier:** Fear of being wrong or changing one's opinion due to group consensus

**Approach to mitigating:** Encourage board members to ask questions instead of making statements. During deliberation, break the board up into smaller groups and ask each to discuss different solutions.

🚩 **Barrier:** Clarifying the difference between a “gut feeling” and information that a board member knows to be correct because of supporting data or testing

**Approach to mitigating:** Ask board members to play devil's advocate. Approaching a question from a different perspective could shed light on incorrect assumptions.

🚩 **Barrier:** Wedding oneself to an initial assumption or conclusion or assuming everyone in the room agrees on a solution

**Approach to mitigating:** Before discussing an issue, have board members write down the most important question they think should be considered. After doing so, anonymously read the responses and tally all similar questions.

### CRITICAL ITEMS FOR CHIEF EXECUTIVES

It's not just the board that will be impacted by a new governance model. An organization's chief executive must also be prepared for a change in boardroom dynamics. There are six critical things that effective chief executives must be able to do to:

- ensure that nothing is 'undiscussable' in the boardroom
- not think they have all the right answers or even all the right questions
- invite dissent
- share information, power, and leadership opportunities
- not shy away from questions from the board — understand governance is a partnership
- not be completely wedded to the past or too far out in front on the board

➤ **Barrier:** Assuming board members always make rational decisions

**Approach to mitigating:** Think about how decisions are made instead of the final conclusion. Consciously frame discussions. Labelling something an opportunity rather than a problem can influence how it is discussed and perceived. Continually question how an issue is framed, even during deliberation.

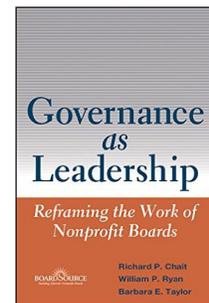
Generative governance is not a one-size-fits-all solution. The board and organizational leaders must mutually decide to adopt a governance as leadership model and then identify the best way to move forward. If the board is not ready, it should not half-heartedly attempt to implement generative governance — a half-adopted model can be worse than none at all.

Successfully adopting a generative governance model, however, can lead to higher-level thinking, more engaging and effective board meetings, and a stronger organization.

## HELPFUL RESOURCES



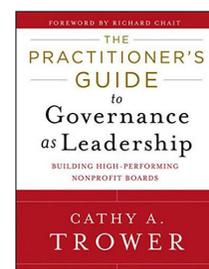
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