Introduction

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

These three concepts of Board thinking are diagramed below as a triangle, graphically illustrating the landscape of governance. Boards typically work within a preferred position within the triangle. Ideally, a Board would be prepared to shift and to welcome different thinking approaches as the situation warrants. It’s a great self-awareness for a Board to realize the variety of choices possible for their leadership and decision-making processes. This concept of thinking styles is in addition to the traditional Board functions, strengthening good practices already in place.

Many Boards in Canada are working towards updating their thinking with this fresh framing of Board work. Boards who are implementing these ideas are experiencing greater Board engagement and stronger governance, challenging our traditional approaches to Board Governance. CentrePoint has committed to bringing practical aspects of this new Board framework into Alberta, in concert with tried and true Board governance practices.
Summary of the Fiduciary, Strategic & Generative Frames of Governance

**Fiduciary: Focus is on “Conformance” – Control Mechanisms**
Fiduciary duties and activities embrace the familiar “Board work” found on the agenda of any Board. Once ground level 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
- Legal responsibility and accountability to members, governments & stakeholders, including liability and risk management
- Board role as the permanent entity for the organization (even though Board membership changes)
- Trustee role on behalf of the public, ensuring effective use of resources
- Supervision of the non-profit agency through the one Board employee, the Executive Director 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 planning role)

**Generative: Board thinking leading to Organizational Robustness – Sense Making**
Working in concert with the CEO, 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”. “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 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”.

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 the cost over-runs on the cages and equipment to manage wild animals for cleanup. Supplier costs have doubled in the last year 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 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 funder 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 even 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 municipality planning level?

### Summary of Board Behaviour in these forms of Leadership

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


Generally Accepted Practices for Sustainability in Non-Profit Management, CentrePoint Non-Profit Management:2009 www.thecentrepoint.ca