Fostering and Accelerating Generative Governance

Presented by:
Frank Martinelli
The Center for Public Skills Training
Primary Resources
Governance As Leadership

- Strategic
- Generative
- Fiduciary
Fiduciary – Board as Sentinel

- How are we doing to date?
- Are we in compliance?
- Anything wrong?

- **Ensure** effective and efficient use of resources
- **Ensure** legal compliance and fiscal accountability
- **Monitor** organization results
Strategic – Board as Strategist

• What should we be doing?
• Where are we going?
• What’s the plan?

• **Ensure** mission is relevant
• **Scan** internal and external environments
• **Monitor** outcomes & impact via critical success factors and benchmarks
• **Review and modify** strategic plan

*Source*: BoardSource
Generative – Board as Sense-maker

- What’s coming next?
- What’s the new question?
- What are the new possibilities?

- **Perceive and better frame** problems and opportunities
- **Encourage robust discourse** not quick consensus
- **Discover** strategies, priorities, and realities
- **Suspend the rules** of logic to tap intuition and intellectual playfulness

*Source: BoardSource*
<table>
<thead>
<tr>
<th>Board’s Role</th>
<th>Fiduciary Mode</th>
<th>Strategic Mode</th>
<th>Generative Mode</th>
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<tr>
<td><strong>Sentinel</strong></td>
<td></td>
<td><strong>Strategist</strong></td>
<td><strong>Sense Maker</strong></td>
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<td>Board Activities In This Mode</td>
<td>Financial oversight</td>
<td>Policy making for governance policies</td>
<td>Noticing cues and clues.</td>
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<td>Legal responsibility &amp; accountability including liability and risk management</td>
<td>Problem solving</td>
<td>Looking at issue from different perspectives</td>
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<td></td>
<td>Board role as permanent entity for pool</td>
<td>Strategic planning</td>
<td>Seeking different frames of reference.</td>
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<td>Trustee role on behalf of public, ensuring effective use of resources</td>
<td>Strategic decision making</td>
<td>Considering alternate futures</td>
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<td>Thinking to uncover patterns &amp; recognize compelling organizational stories</td>
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**Source:** BoardSource
Three Distinct Approaches

- **Fiduciary**: Problems are meant to be spotted and beg the question: *What’s wrong?* **Oversight**
- **Strategic**: Problems are meant to be solved and beg the question: *What’s the plan?* **Foresight**
- **Generative**: Problems are meant to be framed/understood and beg the question: *What’s the new question?* **Insight**

*Source*: Cathy Trower
In periods of deep, rapid change, goals can become ambiguous, if not contested. The future is uncertain. The way executives and board members make sense of facts matters as much as the facts themselves.

Source: Cathy Trower
What is Generative Thinking?

Engaging in activities that help the board take a critical look at emerging challenges from a fresh and broader perspective. Generative thinking creates a new understanding of complex and ambiguous situations that leaders may have never had to consider before; also referred to as “sense-making” or “problem-framing”.

Source: AGRiP & CentrePoint Non-Profit Management
A *black swan* event is something which can’t be predicted and has a profound effect on markets.

A *grey rhino* is a known economic risk that people choose not to act on despite the potential for harm.
Volatile: The environment demands you react quickly to ongoing changes that are unpredictable and out of your control.

Uncertain: The environment requires you to take action without certainty.

Complex: The environment is dynamic, with many interdependencies.

Ambiguous: The environment is unfamiliar, outside of your expertise.
Generative Board as Sense-maker

Strategic Board as Strategist

Fiduciary Board as Sentinel
Characteristics of Generative Mode Governance

- Culture of inquiry
- Tolerance for ambiguity
- Getting the board – and CEO - to think outside the box
- Being open to “new” and “different”
- Trusting environment
- Rewarding risk taking
- Commitment to ongoing learning

Source: Cathy Trower
The Critical Link Between Board Diversity and Generative Thinking

• Diverse viewpoints foster innovation and creativity

**Source:** Dr. Robin Stacia
What’s Coming Around the Bend for Pools: Spotting Generative Challenges
Five Markers for Spotting Generative Challenges

1. **Ambiguity** - Multiple interpretations of what’s actually going on
2. **Saliency** - Issue means a great deal to a great many
3. **High stakes** - Outcome of the discussion and decision leads to questions about core values and organizational identity
4. **Strife** - Confusion and conflict need to be resolved
5. **Irreversibility** - Decisions cannot be easily revised or reversed

*Source*: Cathy Trower
Examples of Generative Challenges

• **Public library** – the impact of AI
• **Educational foundation** – the rise of alternative educational pathways challenge traditional reliance on 4 year college degrees
• **Community development corporation** – success in neighborhood stabilization challenges the dream of affordable single family home ownership for current residents
• **Women's religious order** – a future without nuns
Exercise: Using the Five Markers, Identify a Generative Challenge Facing Pools

Hint: What are the game-changing disruptions looming around the bend?
Five Markers for Spotting Generative Challenges

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In Your Small Group ...

1. Review the five markers for spotting generative challenges
2. Alone and silently, try to identify a generative challenge facing pools
3. Quickly share a few ideas
4. Select one challenge and apply the five markers
5. Is it a generative challenge?
# Identifying and Pursuing Key Generative Thinking Opportunities

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<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
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<td>Prioritize New Questions</td>
<td>Identify Learning Objectives</td>
<td>Assign Responsibility</td>
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**Step 1**  
Prioritize New Questions

What is the most critical new question/emerging challenge requiring generative thinking?

**Step 2**  
Identify Learning Objectives

To *make sense* of this new question/emerging challenge, what new things will leaders need to know and be able to do?

**Step 3**  
Assign Responsibility

What resources can the pool access to *make sense* of the selected critical new question/emerging challenge?
Generative Challenge Brief

Generative Challenge: _________________________

1. Related to this generative challenge, what are the new questions we will need answers to?
2. In order to answer these questions, what do we need to learn about/have knowledge of to make sense of the generative challenge? Any additional resources we can access to help us?
3. Are there any barriers, obstacles or ways of thinking that will impede our ability to make sense of this challenge?
4. How can we tap leadership inclusivity as a resource in making sense of this challenge?
Step 1
Engage in generative thinking to make sense of emerging challenges facing the organization

Step 2
Translate generative insights into strategic focus areas and critical issues

Step 3
Conduct Rapid Refresh Strategic Planning Process to determine actions to address the identified issues
An Example for a Public Library:

- **Generative Challenge:** “What will artificial intelligence (AI) mean for libraries in the future?”

- **Potential Strategic Issue Statement:** “What kind of information and training will best prepare Library leadership to explore specific ways AI will impact/benefit workforce and library service provision in the future?”
Generative CEO Competencies

- Holds that nothing is undiscussable
- Invites dissent
- Don’t think they have all the right answers
- Taps diversity as an asset
- Shares information, power and leadership opportunities – shared governance
- Not wedded to the past or too far ahead
- Aware of history, context, and culture

Source: Cathy Trower
Mental Frames Needed For Complex Problems

- **Evidence:** Ability to see, understand, and interpret information from multiple perspectives.
- **Options:** An open mindset and the ability to be innovative both within and outside of boundaries.
- **Outcomes:** Preference for discovering and identifying various pathways to achieve outcomes.
- **People:** Ability to override group think, stereotypes, and similarity bias.
- **Process:** Focus on collaboration, curiosity, adaptability, and openness.
- **Risk:** Effective modulation of risk and reward.

**Source:** Deloitte Review
Barriers to Generative Thinking

- Lack of cognitive and demographic diversity
- Absence of generative competencies on the part of the CEO and board
- Inadequate meeting design and facilitation
- Weak Board Chair/CEO working relationship
- Outmoded/obsolete mental models, beliefs, and assumptions that impede sense-making and problem framing
Core Strategies and Tools

1. Test different approaches to design and conduct of board, committee and task force meetings
2. Foster a dynamic Board Chair/CEO bond
3. Utilize discoveries and learnings from strategic foresight work
4. Examine mental models and revise if needed
5. Provide access to generative thinking resources
Redesigning Board and Committee Meetings

From a Focus On The Past
- Board meetings emphasize one-way transmission of information and reports
- Same agenda structure

To a Focus On The Future
- Meetings are outcome driven
- Emphasis on participation and action
- Deliberation on critical emerging issues
- Meetings used for strategic and generative work
A dynamic Board Chair-CEO relationship built on:

- Depth of interactions
- Building high levels of trust
- Being strategic and generative about the work you focus on together

Mary L. Hiland, The Board Chair-Executive Director Relationship: Dynamics that Create Value for Nonprofit Organizations
New Meeting Techniques

- Silent starts, 1 minute memos
- Counterpoints, role plays, simulations
- Surveys & prep activities
- Small breakouts
- Ways to deliberate differently

Source: Cathy Trower
## Ways to Deliberate Differently

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<th><strong>Catalytic Questions</strong></th>
<th><strong>Retrospective Thinking</strong></th>
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<td>What is the biggest gap between the case we make for member support &amp; actual actions and accomplishments? What does that say about our pool?</td>
<td>What are our pool’s successes or setbacks? How and why did they happen? What does this mean for the future?</td>
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<th><strong>Future-Perfect History</strong></th>
<th><strong>Dominant Narratives</strong></th>
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<td>It is the year 2030 and we have achieved desired recognition! This achievement could not have happened if our pool board had not ...</td>
<td>How do you trace the pool’s past trajectory or saga? What does it mean? What does it suggest about what to do next?</td>
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*Source: Cathy Trower*
### Foremost Challenges Worksheet

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<th>Step 4</th>
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<td>Foremost critical issues &amp; challenges the pool needs to address over the 1-3 years. (How should we frame the issue?)</td>
<td>What roles would be appropriate for the board to play in addressing each issue listed in Column 1?</td>
<td>Clarify the board's need for info and education re: this issue. (What’s needed to make good decisions)</td>
<td>What resources can the Board access to help address this issue?</td>
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Critical Issue Briefs

Critical Issue ______________________

• Opportunities and threats for the pool?
• How are other organizations responding?
• What major choices, decisions and/or shifts in direction does this issue challenge us to consider?
• What are high leverage strategies that help us respond to this issue?
Scenario Thinking

AGRiP Strategic Foresight Resources
Framing the Future: A Guide to Strategic Foresight
Seniors and Youth Using More Public Transit

Public transit use by older Americans increased by approximately 40 percent over the past decade and adults under the age of 30 are more than twice as likely as their older counterparts to use transit.

Source: U.S. Department of Transportation, *Beyond Traffic 2045*
Thriving in Uncertainty: Making Your Pool Future Ready

IS YOUR POOL FUTURE READY?
Tapping The Connection between Scenario Thinking & Mental Models

Fostering Generative Thinking
Mental Models

Scenarios
Our mental models, beliefs and assumptions can be expected to influence our efforts to think about the future and develop alternative scenarios about how the future might unfold for us.

At the same time, scenario thinking can stretch our thinking about emerging challenges and opportunities that the future might hold for us, and in the process, alter our beliefs and assumptions.
Now What?

• Think about the ground we covered during this presentation
• What can you begin to do to position your board for more strategic and generative governance?
Consider ...

1. Increase governance inclusivity
2. Rethink board, committee, and staff meetings re: three modes
3. Recruit, develop, and equip board and staff leadership for generative work
4. Link generative work to ongoing strategic thinking and planning
5. Pursue additional inclusion training and education opportunities
Nicholas Negroponte, founder and former director of the M.I.T. Media Lab urges leaders to “maximize the differences” in their organizations:

The best way to guarantee a steady stream of new ideas is to make sure that each person in your organization is as different as possible from the others. Under these conditions, and only under these conditions, will people maintain varied perspectives and demonstrate their knowledge in different ways. There will be a lot of misunderstanding – which is frequently not misunderstanding at all, but the root of a new idea.
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