



Contents

ABOUT BOARDSOURCE	X
ABOUT THE AUTHORS	XI
PREFACE	XV
ACKNOWLEDGMENTS	XXV
CHAPTER 1 First Principles	I
Principle One: Nonprofit Managers Have Become Leaders	2
Principle Two: Trustees Are Acting More Like Managers	4
Principle Three: There Are Three Modes of Governance, All Created Equal	6
Principle Four: Three Modes Are Better Than Two or One	8
CHAPTER 2 Problem Boards or Board Problems?	II
Problems of Performance	12
From Problems of Performance to Problems of Purpose	15
Some Official Work Is Highly Episodic	17
Some Official Work Is Intrinsically Unsatisfying	18
Some Important Unofficial Work Is Undemanding	20
Some Unofficial Work Is Rewarding but Discouraged	22
The Challenge of Reform	23
CHAPTER 3 Type I Governing: Fiduciary	33
Type I Governing	34
The Type I Mental Map	38
The Type I Board	40
Assessing the Problems	45
Conclusion	49

CHAPTER 4	Type II Governing: Strategic	51
	Nonprofits Enter the Marketplace	52
	Boards and Formal Strategy: A Type I Approach to Type II Work	54
	Strategic Disillusionment	56
	Strategic Thinking: Beyond a Type I Mindset	62
	Governing in Type II Mode	65
	The Evolution of Strategic Governance	66
	Processes and Structures for Type II Governing	68
	Implementing Strategy	75
	Why Not Just Types I and II?	76
CHAPTER 5	Type III: Generative Thinking	79
	The Power of Generative Thinking in Organizations	80
	Inside the Black Box of Generative Thinking	82
	Toward Generative Governing	89
	Leadership as Governance: Executives Displace Trustees	90
	Governance by Default: Trustees and Executives Disengage	93
	Governance by Fiat: Trustees Displace Executives	94
	Type III Governance: Trustees and Executives Collaborate	94
	Can Boards Do It?	99
CHAPTER 6	Type III: Generative Governing	101
	Using a Type III Mental Map of the Organization	104
	Recognizing Generative Landmarks	107
	Generative Landmarks	107
	Embedded Issues	108
	Spotting “Triple Helix” Situations	109
	Working at the Boundary	111
	Working at the Internal Boundary	111
	Working at the External Boundary	115
	Looking Back: The Future in the Rear-View Mirror	116
	Deliberating and Discussing Differently	119
	The Cardinal Rule: Suspend the Rules	120
	Promoting Robust Dialogue	124
	Mind the Mode	130
	The Payoffs	131

CHAPTER 7	Working Capital That Makes Governance Work	137
	Intellectual Capital	142
	Reputational Capital	146
	Political Capital	150
	Social Capital	155
	Capitalizing on Trustees	161
CHAPTER 8	Where to Next?	163
	Is the Game Worth the Candle?	163
	Diagnostics	167
	“Attractive Nuisances”	174
	A New Covenant	179
	Coming Full Circle	181
REFERENCES		183
INDEX		189