

Transitioning Board to a Strategic Thinking Entity Action Plan

1. What is your stated purpose for transitioning your board to a strategic thinking entity? Why are you going to transition your board? What is the benefit to the organization?

2. Who will be my champions for change?

Name	Why? / How will I develop them?

3. What are the most significant barriers that I will face in making the transition?

A. _____

B. _____

C. _____

4. How will I overcome these barriers?

BARRIER A: _____

BARRIER B: _____

BARRIER C: _____

5. What will I commit to do differently? _____

6. How will I know if I am making progress? _____

7. What are my next steps?

1. _____

2. _____

3. _____





NELSON STRATEGIC CONSULTING

Board Diversity in Homogeneous Industry

By Robert F. Nelson, CAE



Although not-for-profit boards are more diverse, on average, than for-profit boards, achieving optimal board diversity is especially challenging for associations that represent industries that are lacking diversity in the upper executive ranks. However, even in situations where the bulk of industry leaders are white males, there are steps that can be taken to formulate a diverse board.

Ultimately, the goal is to achieve diversity of thought; diversity of thought is achieved by intentionally recruiting people with varied backgrounds to a board that embodies inclusivity. An inclusive board is a welcoming board where members feel comfortable in expressing their views and everyone's point

of view is valued and considered.

The first step is to truly internalize the belief that organizations benefit from diverse boards. Diversity is important for many reasons and delivers a wide spectrum of benefits. Diversity of perspective enriches generative dialogue and positively impacts issue framing. Diversity of thought enhances creative thinking opportunities and is equally helpful in an analytical regard. Diversity is paramount if one desires a strategic thinking board, as it makes it easier for boards to see distant things closely and to take a distant look at those things that are close. And, a diverse board sends a powerful message about the organization. If you are committed and your Board is committed, diversity can be achieved.

Gaining board commitment is an absolute must to achieve your diversity goals. This begins with identifying some diversity champions on your board. Ideally, the chairperson will champion diversity. You need champions that are as committed to diversity as you are. If you don't feel you can get the commitment that you need from the current chair or potential champions, patience might be in order. Ultimately, it is important

to memorialize the commitment to diversity in writing. This can be done in the form of a board diversity resolution, a written board profile document expressing the need for diversity among other attributes, or as a prong of organization's overall strategy, if it is part of the strategy.

Keep in mind, the goal is not to create a quota program. The goal is to create a board of diverse individuals who have the requisite skills and background to make a quality contribution to the board and the organization. As such, the board selection process should place considerable weight on candidate attributes.

In discussing the need for and benefits of diversity with the board, it is important that judgments are not made about why up until now the board has not been diverse. Extra care should be taken to ensure that the discussion remains positive and about the future, not the past.

Early in the process of transitioning to a diverse board, diversity and inclusion training should be provided for the board. Training on inclusion is key to ensuring a healthy environment once your board becomes more diverse; it is not about diversity alone, its about diversity and inclusion. A more advanced understanding of diversity will also be helpful in reducing any feelings of guilt that some board members may have and in strengthening the commitment of others. Check with some of your larger members; some of them might have diversity and inclusion professionals on staff that might be able to provide training for your board.

You or the Board may also want to create a diversity task force to identify mechanisms to increase board diversity. The task force members should be as diverse as possible. As such, you may have to go outside of the board for additional task force members. If you do create a task force, make sure that it is given

clear objectives and a set timeframe for completing its work and reporting back to the board.

In the meantime, here are some ideas you could implement to increase the diversity of the pool of qualified candidates or to start the diversity dialogue.

Increasing Diversity

1. Create a profile of the current board to determine missing links.
2. Identify current barriers to achieving board diversity and develop strategies to overcome the barriers.
3. Seek maximum diversity on the committee that is responsible for nominating candidates. As your organization becomes more diverse, seek to continually increase the diversity of this committee.
4. If necessary, amend your bylaws to allow for outside directors. It can be a challenge to find outside directors to fill association board seats; consider approaching other association CEOs who meet your diversity requirements.
5. Allow for some board seats to be filled with people who have not yet reached senior executive status in your industry. This is especially important if your industry has few people of color or women in its senior executive ranks. This approach will also allow you increase millennial participation.
6. If you currently have some diverse board members, seek their advice and exploit their networks to identify additional candidates.
7. Find out where the diverse candidates are and go to them. What organizations do they belong to? Are there LinkedIn groups where they might be congregating? Identify and nurture "sourcing channels."

8. Develop relationships with groups that focus on diverse populations. For example, the Hispanic Chamber of Commerce or women's executive groups. Ask these groups for advice or assistance in identifying qualified, diverse candidates.
9. Launch a diversity education program for your industry that promotes the benefits of diversity in the executive ranks. Although this is a longer-term proposition for future association leadership, if your organization takes a leadership role in promoting diversity in your industry, your organization and industry will be better off in the future. This could take the form of speakers at your convention, webinars or a social media campaign, or it could be a mentorship program.
10. Be public about your desire to increase the diversity of your board. Use your website to let people know about your board diversity efforts. Use member communication vehicles to inform your

membership about your goal to identify qualified, diverse candidates.

11. Celebrate the diversity that you currently have. Include photos and stories of your diverse board members on your website. Look for opportunities at high profile events to engage them or highlight their involvement.

Building and maintaining a diverse board requires an ongoing commitment to proactively seek diversity. Although memberships and boards ultimately determine who is on the Board, identifying qualified diverse candidates should be a prime responsibility of the chief executive officer. If you are starting with an all white male board, you will want to give attention to the appearance of a "token" board member; one way to overcome this is to recruit three women or three people of color as you begin your transition to a more diverse board.

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Robert Nelson, a Certified Association Executive, (CAE), brings over a quarter-century of successful executive leadership experience, working with Boards and high-powered CEOs in a not-for-profit setting. Nelson brings hands-on experience guiding and facilitating the development of solutions to complex organizational challenges and global grand challenges for national as well as international organizations. He is adept at designing governance structures and an engaging Board development trainer. As a former association chief executive officer for almost two decades, Nelson understands the importance of developing practical, strategic solutions that work within the culture of an organization and are aligned with the organization's capacity potential. His expertise also includes the development of complex government affairs strategies, including referendum strategies, at the local, state, federal and international levels and he has international negotiating experience in a multi-lateral setting.

Dialogue: Six Fundamentals

By Robert F. Nelson, CAE



In today's fast paced world, does your board still take the time to dialogue?

Yes, we engage in discussions and deliberate issues, but we rarely slow down and actually dialogue. Engaging in dialogue at board meetings can add value to an organization through the creation of new ideas, the formation of shared meaning, and the free flow of diverse perspective. Also, a practice of dialogue can contribute to strengthening trust and relationships between board members.

Dialogue is the free flow of meaning between members of a board. The goal isn't to sell a

point, idea or position; instead, it is to explore with honest curiosity and understand the meaning of what people are saying. It is exploring ideas with no endpoint in mind other than to understand. Dialogue concerns itself with truly understanding, in a non-judgmental way, what is being said. It doesn't concern itself with what is right or wrong, or truth. In fact, it recognizes that what is said is not the whole truth, but simply part of a larger truth.

William Isaacs (1993) defines dialogue, "...as a sustained, collective inquiry, into the processes, assumptions, and certainties that compose everyday experience. Yet the experience is of a special kind--the experience of the meaning embodied in a community of people." Dialogue is a divergent conversation where the participants suspend judgment, listen rather than react, and identify assumptions upon which they reflect for the purpose of gaining an understanding of the meaning of what is being said.

Dialogue is iterative in the sense that when something is spoken it is listened to and built on by someone else. Unlike a discussion, dialogue doesn't seek to breakdown and examine the parts of what is communicated,

but rather seeks to understand and build upon what has been said. As those dialoguing seek to digest what others are saying and the meaning behind it, and contribute to the dialogue, new thoughts and ideas surface. Shared meaning is developed as the dialogue freely floats among board members; it is a collaborative conversation where all involved come to understand the assumptions of others and recognize their own assumptions.

If your board members aren't accustomed to engaging in dialogue, as described above, it is important that you clearly signal the beginning and end of a dialogue session. It is also imperative that the following fundamentals are reviewed with the board members at the beginning of the dialogue session.

Six fundamentals of Dialogue:

Intentionality / conscious effort: In today's society, we rarely dialogue; as such, it is not a natural behavior for most. As a result, it is important to frame a dialogue session, so as to ask participants to consciously engage in dialogue, with the understanding and agreement that the goal is explore an issue without making any decisions. Dialoguing is a win-win situation where the participants are not playing against each other, but with each other.

Sensitivity: Dialogue requires sensitivity on the part of the participants. They need to be sensitive to the process, to the way they respond and to the way others respond. It is important to recognize that one's opinions and own assumptions can sometimes block the needed sensitivity. However, simply recognizing this possibility often enables the required sensitivity.

Curiosity: A bona fide curious state of mind is required. Participants must internalize the curiosity and come to believe that their curiosity is driving them to explore ideas and seek an understanding of the meaning of what

others contribute to the conversation.

Listening: Listening without prejudice may be the most critical fundamental of all. It is imperative that participants listen to what is being said and reflect on it, while trying to gain an understanding of the meaning behind what has been said. It is a matter of listening and reflecting as opposed to simply reacting. Listening, of course, won't prevent misperceptions. In fact, it is ok if one misperceives the intent of another participant, as this allows for new meaning to be created in common on the spot. This, in part, is the flow of meaning that occurs in dialogue.

Judgment Suspension: We have a tendency to judge what is said, based on our underlying assumptions or opinions. The objective is to recognize and acknowledge the judgments and then let the judgments go without acting on them. It isn't about suppressing the judgments; it is about acknowledging that they exist and moving on in a non-judgmental manner. It is important to acknowledge and suspend one's own judgments as well as the judgments of others.

Commitment to not Defend: Dialogue is successful when no participants attempt to defend their point of view. It is important that people enter into dialogue with an open mind, recognizing that no point of view is right or wrong, including their own. It is important to internalize the fact that all viewpoints are part of a larger truth. As such, participants must understand that no attempt should be made to have their viewpoints prevail and be willing to let go of their ideas in search of a greater truth. In short, dialogue is not a win-lose situation and there is no need to influence each other.

Introducing Dialogue at Meetings

If you are interested in inserting dialogue into your next board meeting, there are two ways that you could approach it. Both require that

you inform your board that you are going to engage in dialogue for a period of time and that the purpose is to dialogue, not deliberate or decide. Both options require a review of the fundamentals.

First, prior to the meeting you could identify a “big” strategic issue that confronts your organization. In this scenario, the objective would be to simply explore the issue. The advantage to this approach is that no decisions regarding the issue would be taken at the meeting. If interested in this approach, you might want to read about and engage in the generative mode of governance.

A second approach would be to identify an item on the agenda that requires action at the meeting. When taking this approach, you would engage in dialogue around the options that are being presented at the meeting. Of course, it is important that you clearly

delineate between the dialogue period and the subsequent deliberation period.

As a result of the dialogue void that exists in the lives of most, your board members may be uncomfortable when they first engage in the practice of dialogue. However, this will dissipate over time. When introducing the concept, you may find it helpful to discuss how dialogue can raise your governance performance to the next level.

Keep in mind that what is important is to engage in relaxed dialogue with a curiosity to understand the meaning of what is said and the assumptions that are behind the meaning. Doing so and seeing things as clearly as possible without judgment will produce shared meaning, create new ideas, and strengthen board relationships, as a result of understanding and accepting the assumptions of others as part of a larger truth.

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Generative Governance: The Missing Link

By Robert F. Nelson, CAE



Creating rewarding experiences for Board members and delivering value to the organization through Board engagement were always top of mind for me as a CEO of a national trade association. When a Board meets regularly, these can be difficult challenges if the Board limits its scope to its fiduciary and strategic responsibilities.

Governance as Leadership (Chait, Ryan, Taylor, 2005) introduces a third mode of governance – the generative mode. When Boards operate freely between the three modes of governance (fiduciary, strategic and generative governance), Chait, et al, argue that the experience is more rewarding for the Board

members and the value the Board delivers to the organization is greatly enhanced. I agree.

Generative thinking is what frames issues. It is where we make sense of things and define their meaning. CEOs regularly engage in generative thinking and, as individuals, most board members regularly engage in generative thinking in their day jobs. However, Boards themselves rarely engage in generative thinking.

Often the CEO already frames the issues before they are presented to the Board. Granted, CEOs rarely frame issues in a vacuum; CEOs often reach out to key members and key advisors very early on to discuss problematic issues. It is during this early stage that sense is made out of ambiguity, data, information, and knowledge. This is where the real power of leading an organization emerges. It is where organizations define the problems from which strategies will be developed.

By engaging the Board as a whole in making sense of assorted data, information and knowledge that surround a particular issue, one is creating a scenario where Boards are truly leading in partnership with the CEO.

This is rewarding for the Board member, as, most likely, they joined the organization to make a meaningful contribution to the work of the organization, not to provide fiduciary oversight. The diversity of perspective in the early stage of framing issues and problems is also a huge win for the organization; it helps ensure that the right problems are being addressed. It is a win for the CEO as well, as the executive gets the benefit of greater diversity of perspective, a board engaged in governing, and an assurance the she / he is

working on the “right” problems.

CEOs demonstrate leadership by identifying potential issues, investigating such issues, framing the issues and delivering some options for Boards to consider as they ponder how to strategically respond to such issues. However, CEOs can also demonstrate leadership by introducing a new mode of governance: generative governance. Do you think generative governance would work in your organization? Why? Why not?

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Protecting Against Groupthink: 17 Techniques

By Robert F. Nelson, CAE



Groupthink is a phenomenon that acts as a barrier to good governance. It is a form of self censorship that causes a failure of critical thinking when the desire for group consensus overrides ones ability or desire to critique / challenge a position, present alternatives or express an unpopular opinion. It is often in play when groups reach consensus without critically examining an issue; there is an illusion of agreement or consensus: “it appears as everyone agrees, so let’s move on.”

It occurs when there is a high level of group cohesion or a strong persuasive leader who articulates his or her opinion, especially when the opinion is expressed early in the

discussion. It also occurs when groups are isolated from contrary opinions.

Board meetings are perfect breeding grounds for groupthink. After all, healthy boards experience a sense of team and cohesion, and they are often comprised of strong leaders. Paradoxically, this sense of cohesion can cause boards to fail in their fiduciary duty, if they consciously or subconsciously engage in groupthink.

Creating a culture where disagreement and diverse opinions are valued limits the incidence of groupthink. Likewise, encouraging an atmosphere of open inquiry and fostering an open climate of dialogue are important protections. However, there are many more techniques that can be used to protect against groupthink.

Protection Techniques

Awareness: Make sure everyone on the board has an understanding and awareness of the causes and consequences of group think. This is a good topic to discuss and an annual board retreat / orientation.

Challenge Assumptions: Encourage board members to get in the practice of challenging

their assumptions and the assumptions of others.

Encourage Conflict: With practice, the board's level of comfort with conflict will increase.

Unpopular Alternatives: Always consider unpopular alternatives.

Avoid Isolation: Don't operate in a vacuum; don't avoid external criticism. When possible, seek out the opinions of people not on the board, especially before final decisions are made on important issues and certainly before decisions are implemented on controversial issues.

Consider Decision Implications: Engage in an open dialogue about the risks and consequences of the alternatives. Don't just focus on the positives.

Critical Evaluators: At the beginning of the dialogue, assign everyone on the board as a critical evaluator. This puts the importance of critical thinking at the forefront and creates an immediate awareness of the groupthink phenomenon.

Devil's Advocate: Appoint or ask someone to play the role of Devil's Advocate for each issue.

Loyal Opposition: Prior to the board meeting, appoint people to provide loyal opposition at the meeting. Provide them with background information that will prepare them to argue the side of the issue you want them to support. If a recommendation is being made, the loyal opposition argues against the recommendation. If options are being provided, you may want to appoint someone to argue each side of each option.

Reexamine Rejected Alternatives: Before a final decision is adopted, go back and reexamine rejected alternatives. In doing so, you might ask the question what would have

to happen to make this the best alternative?

Expert Opinion: Bring in an expert who knows the facts. Without introducing opinion, the expert can introduce facts into the conversation. The expert, not being part of the group, will not be impacted by groupthink. Instead, the expert, through the introduction of facts, will act as a critical thinking catalyst.

Agenda design: Make sure ample time is provided to discuss issues. Put the big issues at the beginning of the agenda, so they can be discussed when the board members are not tired or rushed to leave. If people are tired or rushed, they are more apt to be impacted by anchoring or prematurely move to consensus.

Subgroups or breakouts: Break the board into subgroups or breakouts to discuss issues. Of course, when using breakouts other groupthink protection techniques can be employed as well.

Six Thinking Hats: Six thinking hats, created by Edward de Bono, is a parallel thinking process that engages, in a systematic way, board members in mindful thinking. The process aids the board in looking at issues clearly and objectively from different angles.

Leadership Development: As part of leadership development training, board chairpersons should be made aware of their potential impact on group thinking. They should have an understanding of what causes it and what techniques they can use to protect against it.

Chair Impartiality: Chairpersons should refrain from expressing their opinions about any preferred outcome. It is important that the chair and other leaders appear impartial during discussions.

Encourage Input: Chairpersons should encourage members to provide input, challenge ideas and present objections.

Literally ask for opposing views. Reward the input without making any judgment on the contribution.

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Dare to Dream

By Robert F. Nelson, CAE



There are a lot of association management practices and general management theories focused on advancing organizations, but, when it comes down to it, if you want to propel your organization to the next level: dare to dream. This thought was crystalized for me when, going around the room at the end of a board leadership development session I conducted, a board member said the most important thing he heard all day was “dare to dream.” Dream not about what is, but about what’s possible.

In order to dream effectively, one must be willing to challenge their own assumptions, be open to letting go of long held beliefs and practices, and have the courage to challenge the status quo. Of course, to ultimately lead

change, one must also be willing to challenge the assumptions of others, in an appropriate manner, and embrace calculated risk taking.

Give yourself permission to dream about the possible. Let go of your fear and imagine what could be. Once you have formulated your vision, develop a strategy to get there and articulate the vision and strategy with clarity. In the end, it is not just about daring to dream, it is about daring to do things differently.

For even bigger dreams, create a board culture wherein the board as a whole dares to dream. Engaging your board in generative dialogue will add value to the organization and the board member’s experience, as well as build trust and free members to collectively create a dream that no one member may have envisioned alone.

Believe And So Shall It Be

Dreams do come true. This is especially true if you believe in them. It’s time to dream of what could be if your organization is at a transformational moment. It is also time to dream if everything is running smoothly and you’re experiencing a high level of comfort with what is. Remember, comfort with what is can be the enemy and often holds us back

from achieving what could be.
So, if you want to add member value, create relevancy, transform your governance system, create growth, or strengthen the CEO – Board partnership, dream about what could be and then dare to do things differently.

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Board Candidate Attributes

The following are attributes that can be used when evaluating potential board candidates. Although candidates would not be expected to meet all of the criteria, these criteria, along with consideration of board diversity, can be given weight when identifying candidates. In developing your organization's list of candidate attributes to measure against, consider the current and future needs of your organization. Depending on the make up of your board at any given point, you may want to give more or less weight to the various attributes.



- | | |
|--|--|
| <input type="checkbox"/> CEO/General Manager | <input type="checkbox"/> Connected to resources and/or external environment |
| <input type="checkbox"/> Proven leadership expertise | <input type="checkbox"/> Interest in advancing the organization's mission and purpose |
| <input type="checkbox"/> Strong strategic thinking skills | <input type="checkbox"/> Ability and willingness to support organization's programs |
| <input type="checkbox"/> Strong problem solving skills | <input type="checkbox"/> Recognition of fiduciary responsibility to the organization |
| <input type="checkbox"/> Strong decision-making skills | <input type="checkbox"/> Individual's values are consistent with the organization's values |
| <input type="checkbox"/> Logical/analytical thinker | <input type="checkbox"/> Historical perspective (industry and organization) |
| <input type="checkbox"/> Results oriented | <input type="checkbox"/> Interest in advancing the industry |
| <input type="checkbox"/> Creative thinker | <input type="checkbox"/> Ability to participate, commit time |
| <input type="checkbox"/> Open minded | <input type="checkbox"/> Prestige within industry and community |
| <input type="checkbox"/> Strong ethics | <input type="checkbox"/> Global perspective |
| <input type="checkbox"/> Integrity | <input type="checkbox"/> Prior non-profit Board experience |
| <input type="checkbox"/> Proactive | |
| <input type="checkbox"/> Team player | |
| <input type="checkbox"/> Visionary - can identify and articulate opportunity | |
| <input type="checkbox"/> Authority to act on behalf of their company | |

Strategic Questions: Tools of Inquiry



Part of getting a board to think strategically, is getting them to ask the right questions. If you want boards to ask the right questions, you often need give them the questions. These questions can be used as a framework for presenting background papers to a board. It is also important that the board chair has the questions, as they can be helpful in guiding board discussion.

- What do we know about the strategic position of our organization related to this issue?
- Does this really align with our strategy? How?
- How does this reflect our priorities?
- What assumptions do we hold about this issue?
- What is happening in the environment that could impact this issue? Looking forward, how is the environment evolving?
- Looking back over a period of time, what changes appear to be happening that might be associated with the issue?
- What other ways could we handle this issue?
- Why is the issue occurring? Engage **Toyda's 5 Whys** and ask the question multiple times.
- How could we get a broader perspective of the issue?
- What critical information do we need to know to solve this issue?
- What do we know we know about this issue?
- What do we think we know about this issue?
- What do we know that we don't know about this issue?