

# CENTERING PURPOSE IN TIMES OF CHANGE: A GUIDE FOR PURPOSE-DRIVEN BOARDS

Good decisions begin with the right questions. In times of uncertainty as well as stability, [Purpose-Driven Board Leadership \(PDBL\)](#) offers a framework that boards can use to ensure they are faithfully and effectively executing their roles and responsibilities by asking the questions that result in improved outcomes and advance the organization's mission and purpose.

During periods of rapid change, uncertainty or crisis, PDBL offers a framework to pause and reframe questions, discussions and answers. This enables boards to shift from fear and anxiety to clarity and purpose.

## THE PRINCIPLES OF PURPOSE-DRIVEN BOARD LEADERSHIP

PDBL is centered around four key principles:

### **Principle 1: Purpose before organization**

Prioritizing the organization's purpose, versus the organization itself. It reframes the duty of loyalty, focusing it on collective purpose and how the organization can best steward its resources in service to that purpose rather than centering only the organization itself.

### **Principle 2: Respect for ecosystem**

An acknowledgment that the organization is part of a collection of organizations working to address societal challenges and impacts, recognizing that its actions can positively or negatively impact its surrounding ecosystem, and committing to being a respectful and responsible ecosystem player.

### **Principle 3: Equity mindset**

A commitment to advancing equitable outcomes and interrogating and avoiding the ways in which the organization's strategies and work (allocation of resources, board composition and culture, etc.) may reinforce systemic inequities.

### **Principle 4: Authorized voice and power**

The recognition that organizational power and voice must be authorized by those impacted by the organization's work. This means engaging directly with those the organization seeks to serve in a way that ensures that decisions are made with a real understanding of community assets, needs, preferences, and aspirations.

Application of the PDBL framework during board deliberations and decision-making is a powerful tool in navigating uncertain times. It enables the board to effectively respond to the moment by keeping the organization's purpose at the center.

## TAKING IT TO THE NEXT LEVEL: THE THREE MODES OF GOVERNANCE

When combined with the Three Modes of Governance, PDBL becomes an even more powerful tool to help boards frame their questions in purpose-centered ways. Each of the three modes of governance builds on the previous one, creating a strong foundation for effective board governance.

### The Three Modes of Governance are as follows:

- **Fiduciary Mode:** the board is faithful to its mission, accountable for performance, and compliant with relevant laws and regulations. It exercises its legal responsibilities of oversight and stewardship. The board reviews and approves budgets, establishes monetary policies, ensures adequate reserves, and enhances the organization's reputation by avoiding unnecessary risk and promoting transparency.
- **Strategic Mode:** the board works with the chief executive and other leaders to set a direction and define the organization's goals. It is responsible for strategic thinking and direction setting to determine the organization's priorities and deploy resources accordingly. Board members should be a strategic partner in developing and evaluating the organization's direction, not simply reacting to proposals from the chief executive. The strategic mode uses a mental map model to help the board understand and predict the many influences in its internal and external environments.
- **Generative Mode:** the board's work includes efforts to make sense of circumstances, discover patterns, and discern problems. Along with the chief executive, the board uses 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 relies on the board having a strong understanding of the organization's identity so they may tailor solutions to the organization's goals and values. In this third mode, the board is not concerned with productivity or logic alone, but also with values, judgments, and insights.

## BRINGING IT ALL TOGETHER TO REFRAME FOR PURPOSE

As your board moves to make critical decisions, we offer the following examples of how to frame – or reframe – the important questions with which your board is grappling. Purpose-driven questions can, at first, feel like they are taking the board deeper than it wants to go right now. But that is precisely the point and power of applying the PDBL framework – to help the board execute its governance role in ways that look beyond the immediate crisis or uncertainty to center the organization's purpose and the communities it seeks to serve.

### Questions to Consider Regardless of the Decision Before the Board

- What are our criteria for making these decisions, and how do they align with our values?
- What data or information do we have today that informs our decision? How do we know?
- Who is operating within our ecosystem, and how does our work interact and complement each other?
- How would this proposed action impact all of the players and dynamics within our ecosystem? Will it help us—as an ecosystem—do the most good?
- Five years from today, what will this organization's key constituents consider the most important legacy of the current board?\*
- What headline would we most/least like to see about our organization?\*
- What is the biggest gap between what the organization claims it is and what it actually is?\*
- How does this proposed action contribute to our ecosystem's collective purpose?
- What's the goal we are trying to achieve?
- How will the decisions we make today be received by those we seek to partner with and serve?
- Is there anything we haven't considered that would widen our view?
- How do these threats impact our collective purpose? What will be the impact on the people we serve? What do they expect of us?
- How do the options on the table align with our collective purpose?
- Who is in the room for this conversation? Does the composition of our group ensure that our decisions are informed by and likely to be respected by those who are impacted by our organization's work?
- What evidence do we have that the decision on the table will advance equity, or at least avoid reinforcing existing inequities?

## Questions about Current Levels of Staffing or Programming

Instead of asking “Do we need to cut staff or programs?,” consider asking:

- What are our considerations for cutting staff?
- What will be the impact of those cuts on the people we serve, our reputation, and the team?
- Who of those we serve will be most impacted by staff and/or program cuts or changes?
- Is there a way to coordinate or hand off the services we offer to another organization in our ecosystem, thus preserving and furthering our purpose?
- How can we continue to provide services with as little disruption as possible to those in our community?
- If we have to make cuts, are there ways that those cuts would reinforce systemic inequities, and—if so—what are we willing to do to avoid that?
- Will this decision disproportionately affect one group over another? Are there steps we can take to mitigate that?

## Questions about Finances and Sustainability

Instead of asking, “Do we need to make budget cuts,” or “Do we need to close our doors?,” consider asking:

- What is the best way to fulfill our purpose from a funding / financial perspective?
- What do we hold in trust and for whom?\*
- What is our responsibility/duty to utilize our reserves at this moment of crisis?
- Are the reserves intended to perpetuate the organization's existence and/or are they (or should be) utilized for the benefit of those that we serve?
- Should we consider merging, dissolving, and/or partnering at this critical time? How does each of these options help us further our collective purpose and our ecosystem?
- If we could successfully merge or create a strategic alliance with another organization, which one would we choose and why? How would this option help us further our collective purpose and our ecosystem?

## Questions about DEI

Instead of asking, “Do we need to abandon or pull back from DEI?,” consider asking:

- What is our commitment to Diversity, Equity and Inclusion? (How do each of these principles show up? How are they in our values, board/staff culture, composition, and potential statements we may issue about significant events?)
- What is our current understanding of the political, cultural, and economic environment? Where is our understanding informed by accurate data as opposed to rumors and fear? What additional information, including legal counsel, would help inform our deliberations?
- What is our current level of risk? Where is the line we’re willing to walk to but not willing to cross? What is our level of exposure? What is our risk tolerance? (Risk tolerance may include lawsuits, community or donor displeasure, or other considerations specific to your community or field.)

*\*Governance as Leadership*

## A FINAL WORD

Purpose-Driven Board Leadership is based on the idea that who is on the board greatly impacts what they understand the work to be and how they prioritize that work. Said another way, board composition and structure are the “why” of PDBL; the principles are the “how.”

As you consider how to negotiate the issues at hand for your organization, it is possible that a portion of your board members will decide, for a number of reasons, including term limits, to complete their board service. As your governance or nominating committee considers whom to add, also consider how your board currently views itself, the organization’s work, and the community it serves. Does the board make informed decisions to further your collective purpose? Does the committee consider who has been invited to participate, who has been left out, and how the board’s actions are received by the people your organization represents, serves, and supports?