Governance Mental Models:
Board member interpretation and decision making on strategic challenges

Max Freund
Claremont Graduate University
Division of Behavioral & Organizational Sciences
Claremont Lincoln University
Master of Arts in Social Impact
Partner, LF Leadership

Presented at the 2015 UMKC Governance Conference
Kansas City, MO 4/23/15
Case study: Healthcare Access Advocates
Governance as Strategic Leadership

- “Overall direction, control, and accountability” of the nonprofit (Cornforth, 2004a, 2012)

- Strategic Leadership:
  - Leadership of the organization (vs. in the organization) (Boal & Hooijberg, 2000)
  - Complex decisions of major consequence (Hambrick & Mason, 1984)
  - “Embedded in ambiguity, complexity, and information overload” (Hambrick, 1989, p. 6)
Strategic Leadership as Cognitive Process

- Organizations are reflection of top leaders’ cognition, values, and choices
- Decisions made amid bounded rationality

(Hambrick & Mason, 1984)
When is cognitive diversity helpful?
Behavioral Integration

Information sharing

Collaborative behavior

Joint decision making

(Simsek, Veiga, Lubatkin, & Dino, 2005; Carmeli & Schaubroeck, 2006; Carmeli & Halevi., 2009)
CEO-Chair Behavioral Integration

CEO-Chair Cognitive Diversity

CEO-Chair Shared Leadership Quality & Effectiveness

Environmental Dynamism

Board Behavioral Integration

Board Performance
- Ambidexterity
  - Decision quality
- Productive output
  - Fulfillment of core board roles & responsibilities
  - Decision quality
- Social processes
  - Relational conflict
- Team well-being
  - Member satisfaction
  - Turnover intent
  - Member engagement
Questions for feedback and input

- What are the ways in which CEOs and chairs differ in their thinking about:
  - Strategy?
  - Governance (board role & relationship to staff)?

- What other factors contribute to shared leadership between CEO and chair? How does it manifest?