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

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Abstract

Governance is an inherently complex function, with board members addressing ambiguous situations through a multiplicity of functional roles such as oversight, support, resource procurement, and stakeholder representation. This paper will describe governance mental models as a form of taskwork mental model that board members hold as tacit descriptions of governance roles and functions, and which they apply to interpret and act on ambiguous strategic organizational choices. Based in multiple theoretical approaches to governance and literature on team mental models, this paper will propose a set of hypotheses regarding the nature of governance mental models, situational factors which cause rigidity of thinking, and processes enabling cognitive integration and behavioral flexibility, and implications at the dyadic level of board chair and CEO. The paper will also discuss potential implications for practice of governance and board leadership.