

Board Leadership: From Concept to Practice

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Wayne Stewart

The topic of leadership of non profit sector agencies has been highlighted in a series of recent studies and books that focus on issues facing the sector, at this point in time and into the future. The importance of leadership and of our role as sector leaders has grown along with the role of our agencies in providing services and preserving social capital and quality of life.

Our communities are counting ever more on our work and we must in turn be up to the leadership task. So, let's take a look at some of these issues, some recent theory, some practical suggestions and especially the challenges put forth in current thought on sector leadership. As Rick Mercer might say, "we're Canadians; we're up for a challenge."

Before we move on, let me suggest an option to a normal manner of proceeding. When faced with a problem, whether in our work or personal life, our immediate impulse is to get right to the solution, to look for a way out of the situation, to identify the 'how' to fix the problem. Most often, we fail to even look for, let alone identify, the meaning in the situation, the underlying cause of the problem, the 'what' of that we encounter. As Peter Block suggests, "*the answer to 'how' is 'yes'*" (in other words, it is vital that we look for meaning before we seek, find and implement the fix). The first step in any enquiry must be to look for the 'what' and only then to identify the 'how.' We'll try to do a bit of this in the next few minutes.

In a June, 2005 report issued by the Calgary Centre for Non Profit Management, *Addressing the Leadership Challenge*, based on 250 responses from sector EDs across Alberta, the authors point to some of the problems facing boards and senior staff. For example, EDs report that the role is much more complex and the workload much higher than they had anticipated. Further, expectations were not made clear when they were hired, particularly around the fund raising role.

EDs expressed disappointment that board members were generally unprepared for their role, a result partly attributed to inadequate attention to recruitment and poor orientation processes. This suggests lack of understanding of and growth in the board role and yet the same EDs identify their board as one of the chief factors in their own development (the 'blind leading the blind.'). Fully 82% identified lack of a succession plan for staff positions although this applies equally to the board (the report suggests a "lack of due diligence on the part of potential members when joining the board").

On the 'good news, bad news' front, half of the respondents view their board's role in "financial oversight/budgeting, strategic planning, and advocacy" as 'effective' or better. As we will see, these are basic/core functions of a board. Not surprisingly perhaps, EDs also expressed frustration with micro-managing of operational matters by the board.

Whatever else we have learned about sector leadership, it is pretty clear that role clarity is critical to an effective operation. Without clarity of roles (who is responsible and who has the authority for each part of the work), the organization will simply not function at its best. Understanding one's role is a necessary condition to becoming an effective board member.

The role of board member has received lots of press in recent times. Some of the approaches take the form of identifying responsibilities and providing templates (our own Alberta Community Development model is a good example) while others appear more

akin to prescriptions (the Carver model for example). Richard Chait and others, in the recent *Governance as Leadership*, suggests an approach that captures much of the best of the others and it is on his work that my further comments are based.

In the first chapter, the authors identify a few basic premises that underlie their approach. The first of these is that non profit **managers have become leaders**. In the absence of leadership from the board, the ED has assumed the role normally associated with governing, including articulating the mission, vision and values and playing the lead role in development of strategy. In a sense, the board is being governed, rather than governing. How many of those of us who serve on boards have had that sinking feeling at some stage in our board work.

The second premise can be seen as a corollary of the first: that **board members are acting more like managers**. The result is a complete reversal of roles. The governing role is taken over by the ED (often filling a gap left by the board); the board in turn, perhaps looking to make some form of contribution, dives into the operational details. In fact, as the authors point out, much of the prescriptive literature actually focuses squarely on such details. Very often, board committee structure echoes and emphasizes this focus; so too can reports to the board from the ED. How many of us face this dilemma in our board work? We know we should focus on the big picture but we seem hopelessly trapped in the details. This also points to the trap that the ED who wishes to control the agenda potentially faces. The trade off can be that your board gets into the operational details which should surely be within your sole purview. Surely it is better to have your board fully engaged in board work.

In introducing their third point, the authors point out that “governing is too complicated to reduce to simple aphorisms, like ‘boards set policies which administrators implement’ or ‘boards establish ends which administrators implement’” (sounds like a critique of the Carver model).

The third premise posits “**three modes of governance, all created equal.**” Governance consists of: the fiduciary mode, the strategic mode and the generative mode. Chait uses the term ‘governance as leadership’ to describe the three mode model. This concept enhances the contribution of the board to the organization and the value of the organization to the members of the board at the same time.

The first mode, the **fiduciary mode**, is perhaps the most basic role of governing, the most fundamental work of trusteeship. Under this mode, the board assumes responsibility for stewardship of tangible assets and attends to financial discipline, informed oversight and mission fidelity. Board members are guided by the duties of loyalty and care. Under this mode, the “board looks inward to check for trouble and outward largely for financial purposes.” While obviously an important role of the board, boards stuck in the fiduciary mode suffer increased risk and missed opportunities that accrue from such activities as looking outside. In addition, board focus on the urgent drives out the important (too much ‘how;’ not enough ‘what’). Board members can “become bored spectators at a dull event” and will not likely hang around for long (how many of us have difficulty with turnover, in attracting new board members, in gaining quorum?)

In the **strategic mode**, the “board’s attention shifts from conformance to performance” and their perspective shifts from ‘inside out’ to ‘outside in.’ The role of the board now hinges on the power of their ideas and their responsibility shifts to the big picture, to the big ideas that will solidify the present and secure the future (a lot more of the ‘what’). The strategic mode calls forth the ability of the board to think strategically together, in partnership with staff. Board members fulfill the ‘boundary spanning’ role, bringing the outside perspective into the thinking process. While many, including Richard

Broholm in *A Balcony Perspective*, suggest that the strategic plan itself requires so much staff input that it rightly belongs with the ED, the role of the board in the thinking behind the plan is never in question. Board members bring the wisdom that comes from distance from the daily routine, wisdom so necessary in the strategic thinking process.

The **generative mode** moves the board and staff to a new and higher level of partnership in a search for meaning. This mode is all about 'what.' It often involves reframing information and data to make sense in a different way, to look for opportunities that are not evident in the other modes. Accomplished by thinking outside the box, generative work demands a fusion of the best thinking available in the organization and is hampered by strict lines of demarcation between board and staff roles. The gain is impact at the expense of clarity, individual contribution at the expense of comfort. This puts a lie to the role clarity argument; current thinking suggests that we be as clear as possible when developing roles and flexible in application. Board and staff must deal with ambiguity in the generative mode. Organizations adept at the generative mode encourage staff to bring difficult issues for open and complete discussion without fear. Board members are fully engaged and unlikely to opt out.

If Chait is right, if organizations work best with boards adept at all three modes, a whole bunch of new responsibilities become apparent along with roles that current boards may be ill prepared to assume. How are we to now conceptualize the skills needed? Where will we find board members and how will we develop their abilities?

Agencies have adopted a range of approaches to recruitment of board members, most of them with certain flaws. In many cases, particularly with start up and smaller agencies, a general appeal is made (who knows someone, anyone?) Some have used a 'skills matrix' which identifies the skills gaps and sets about recruiting someone who fits each gap (who knows a lawyer?) This can lead to what Chait calls a "Noah's ark of professional experts" that, not surprisingly, gets involved in the details of the area they have been recruited to represent (and we express surprise at the result).

Often missing are two key factors: passion for the agency mission and an ability to accept, support and work within the values of the agency, the latter recognizing the critical importance of relationships.

Once again, Chait and his co-authors are instructive. In an earlier book, *Improving the Performance of Governing Boards*, based on solid and extensive research, they outline the competencies required in effective boards, (pp 7-8):

Contextual Dimension The board understands and takes into account the culture and norms of the organization it governs. The board:

- Adapts to the distinctive characteristics and culture of the institution's environment.
- Relies on the institution's mission, values, and tradition as a guide for decisions
- Acts so as to exemplify and reinforce the organization's values

Educational Dimension The board takes the necessary steps to ensure that directors are knowledgeable about the institution, the profession, and the board's roles, responsibilities, and performance. The board:

- Consciously creates opportunities for director education and development.
- Regularly seeks information and feedback on its own performance
- Pause periodically for self-reflection to diagnose its strengths and limitations, and to examine its mistakes.

Interpersonal Dimension The board nurtures the development of directors as a working group, attends to the board's collective welfare, and fosters a sense of cohesiveness.

The board:

- Creates a sense of inclusiveness among trustees
- Develops groups goals and recognizes group achievements
- Identifies and cultivates leadership within the board

Analytic Dimension The board recognizes the complexities and subtleties of issues and accepts ambiguity and uncertainty as healthy preconditions for critical discussion.

The board:

- Approaches matters from a broad institutional outlook
- Dissects and examines all aspects of multifaceted issues
- Raises doubts, explores tradeoffs, and encourages the expression of differences of opinion.

Political Dimension The board accepts as a primary responsibility the need to develop and maintain healthy relationships among major constituencies. The board:

- Respects the integrity of the governance process and the legitimate roles and responsibilities of other stakeholders.
- Consults often and communicates directly with key constituencies
- Attempts to minimize conflict and win/lose situations

Strategic Dimension The board helps the organization envision a direction and shape a strategy. The board:

- Cultivates and concentrates on processes that sharpen institutional priorities
- Organizes itself and conducts its business in light of the institution's strategic priorities
- Anticipates potential problems and acts before issues become crises
- Anticipates potential problems and acts before matters become urgent

These competencies suggest implications for recruitment, for orientation, training and ongoing education of board members and for evaluation of board work. The list puts the skills required and the role expected of the board in a completely different context. We must ask different questions of prospective board members. We must identify an ability to deal with complexity, to operate in ambiguity, to think strategically, to work collaboratively and to represent actively and effectively.

We do our work as a team, in partnership with staff. We learn and grow together; orientation, while important, becomes only the first step in an ongoing process of education, learning and growth. We evaluate our work regularly in order to effect improvement.

We must look with new eyes at board structure as well. For certain, we must include the responsibility for board development within the mandate of a standing board committee. Further, Chait's proposal suggests changes to the content and conduct of board meetings and the expectations and reporting requirements of the ED (these items must wait for another day)

We govern through leadership; we provide one at the same time as the other and not at the expense of the other. We follow no prescribed model, instead operating in all three modes as required, moving from one to another seamlessly as the situation requires.

I now want to turn to the issue of leadership for a few minutes. We are called to provide leadership. What does that entail and how are we to act as leaders? For the answer to these questions, we turn to the work of Robert Greenleaf, the father of 'servant leadership.' Surely, since we are in the 'serving' business, servant leadership is *the* model for voluntary sector leaders.

The term 'servant leader' suggests a paradox and many reject it simply for that reason. Yet do we not live with paradox every day in the modern world? Leaders simply must learn to live with paradox and then help others to do so also.

The role of leader on a Chait board, most clearly in the generative mode, is to transform, to facilitate a shift from the current to a better state, to reframe the question from problem to opportunity. Kouzes and Posner (*The Leadership Challenge*) offer clarity on the role of leaders; successful leaders challenge the process, inspire a shared vision, enable others to act, model the way and encourage the heart. This is a reasonable and broadly accepted definition of the role of leader which serves as adequate description of the board role. Confusion arises in the way leaders go about fulfilling the role.

Servant leadership is really all about the attitude the leader brings to the work. Servant leaders live and work with a certain specific style and disposition that differentiates their approach from that of others.

From the Greenleaf website, we read "the servant leader is servant first. It begins with the natural feeling that one wants to serve. Then conscious choice brings one to want to lead." Greenleaf goes on to say, "The best test of servant leader is: do those served grow as persons; do they, while being served, become healthier, wiser, freer, more likely themselves to become servants? And what is the effect on the least privileged in society? Will they benefit?"

Surely these are the questions that we automatically ask ourselves in the voluntary sector and, just as surely, we must seek to be servant leaders. As we lead transformation, we do it as servants: to the cause, to our employees, to the people we serve, to community and to society.

Greenleaf adds to our understanding by identifying ten characteristics of servant leaders. Interestingly, the very first one is listening, a lost art in today's world. If we are to serve, we must listen intently to others, for how else can we really understand their needs and then help them grow?

The foundation for a role as servant leader is self awareness. Our ability to serve requires self care and a solid sense of self assurance which in turn requires a thorough knowledge of self. We cannot care about something that we do not know. To instill trust, we must exhibit integrity; our actions and decision processes must be consistent over time. To act out of a lack of integrity creates confusion and ultimately inaction. We must know our self and then 'be' our self.

Some still might hold that servant leaders must, by their nature, be weak and ineffective when confronted with conflict or incompetence. "We must live with that employee who cannot do the job, for we are his/her servant," they might protest. A servant leader will, however, balance the needs of the individual against the collective needs and act to put people where they can contribute, often more quickly than his/her autocratic counterpart. Leadership is not a role for the faint of heart; servant leaders must be strong, able to deal effectively with any situation they encounter, in service to the whole.

Finally, we will only be truly happy when we discover whom we really are and begin to live it. We can only lead successfully in the longer term as servants. We learn much from Jonathan Livingston Seagull who refused to accept a role as just one of the flock. He discovered who he really was; he learned to fly higher than anyone else, and then he turned to helping others grow as he had done.

Servant leadership is the only model that serves oneself as it serves others, that contributes to your own growth as it adds to the growth of others. To lead is to be, and servant leadership is the proper mode of 'being' in the voluntary sector.

So, let's sum up this short journey that has taken us but a few minutes of time but hopefully has introduced some provocative notions that might help in our work.

We have looked at a few of the issues that plague our sector and affect the ability of each of us to contribute and to find value in our work. We have seen through the work of Richard Chait the folly of the role reversal that each of us has experienced at some point. We have investigated an alternative model of governance along with the skills and expectations of the governors. We have argued that board members must engage in the role of leadership of their agency and have provided an approach to leadership that is both effective and appropriate. In all of this, we have, I hope, issued a challenge to conventional thinking on these subjects. Finally, I hope that we can each go from here with hope and enthusiasm for the opportunity that governance as leadership presents for each of us, whether we serve as ED or as board member.

Governance as Leadership provides a model for the times, a model that attracts the best and engages them fully. Board members will no longer be bored spectators at boring events. Rather they will be team players in an exciting game, a game that offers the opportunity for contribution and value to client and community as it engages and inspires its members in the service to which they have been called.

References:

Books

Broholm, Richard, *A Balcony Perspective*, St Paul, MN, Centered Life, 2004.
A delightful wee book with a different take on the board/staff relationship.

Chait, Richard P., et al, *Improving the Performance of Governing Boards*, Phoenix, Oryx Press, 1996.
Focuses on board development and competencies. Based on solid research of US college boards.

Chait et al, *Governance as Leadership*, Hoboken, NJ, 2005.
Three modes of governing, developing the generative mode in detail.

Websites

Alberta Community Development: www.cd.gov.ab.ca
The web site provides pdf versions of a series of helpful newsletters and workbooks on board issues.

Greenleaf Center for Servant Leadership: www.greenleaf.org
Further description of the concept, resources, conferences.

Voluntary Sector Knowledge Network: www.vskn.ca
The VSKN provides information, advice and links to other sites on various aspects of non profit governance and management, including fund raising and human resource issues.

