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LEADERSHIP IN COMPLEX TIMES

MUST-HAVE LEADERSHIP QUALITIES AND ABILITIES

Mark Holmgren
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Mark Holmgren Consulting Services building capacity for new visions

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Introduction

My focus in this paper is on what is happening, what will likely be happening in the future, and the types and range of qualities I believe are necessary from our non-profit leaders.

Leadership in Complex Times has as its context the non-profit sector, and given my background and experience what I am offering may have more relevance for leaders in the human service sector.

That said, I suggest there are ideas here that speak of the leadership qualities required across all sectors, but that is for the reader to decide.

The thoughts and ideas herein are based on my many years of experience in leadership positions in the non-profit sector, including the 15 years I have spent providing strategic and change consulting services to large and small non-profits, as well as numerous government entities.

What's Coming

All of us know we are riding a stream of change toward a future we can't predict with any certainty. Not only is our destination difficult to discern but the journey toward it is often rocky, uncomfortable, and worrisome. The flip side is that all trends and changes offer opportunities and the excitement that accompanies them.

Every sector is facing the same socio-economic trends; how these trends impact our sectors and how we go about preparing for them are where we see differences, sometimes big ones. That said, here are some big trends that require the attention of today's leaders and of those whom we tend to label as emerging leaders.

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The Implications of Age

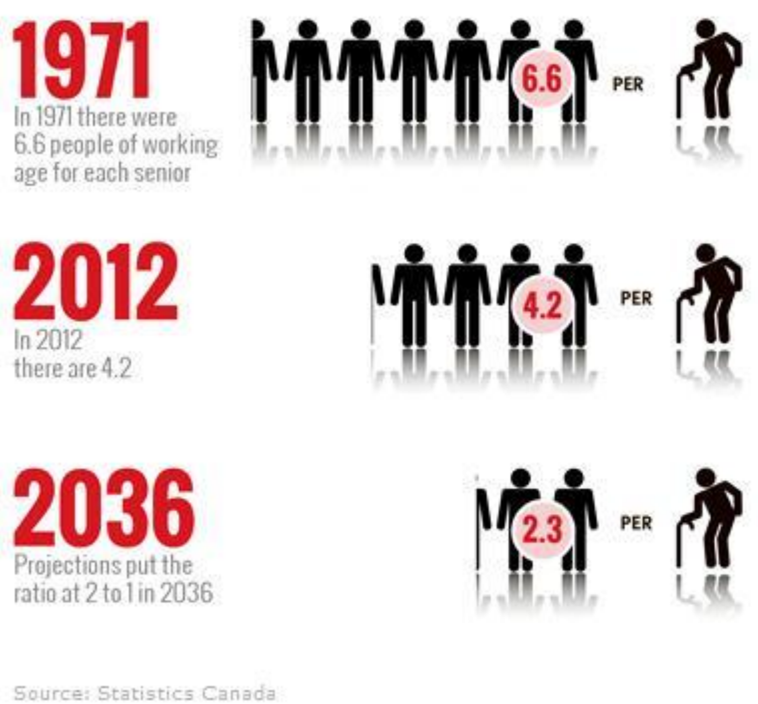
The aging of our population plus a low birth rate pose significant challenges for our communities. We tend to understand generally that a society with a growing life span into the 80's requires shifts and changes to health care and social support systems to accommodate older people, but the impact of aging goes much deeper.

From a general philanthropic perspective, one's capacity to participate in charitable giving and volunteering declines with age. As a bigger proportion of the population becomes older, what are the implications for those organizations that substantially rely on donations from individuals, especially boomers?

The financial impact goes even further. An aging population also affects the tax base. Older people make less money than they did when working. The fact that we have a lower than needed birthrate exacerbates the challenge because we are not currently replacing retired workers with the same number of new workers.

Although Alberta had the highest workforce participation rate of all Provinces in Canada in 2011 (74%), this rate of participation will not likely continue 20 years hence. As boomers retire and are not fully replaced by young employees, we will see the participation rate decline, some say by as much as ten points.

According to Statistics Canada, by 2036 there will be 2.3 workers for each senior citizen. In 1971 there were 6.6 workers per senior citizen. Just that information alone should serve as a bellwether for all of us.



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Immigration as Necessity and Challenge

Although there is still extraneous debate about immigration that seems to preoccupy our political and economic leaders, our financial future – and our social future – depend on ensuring we have appropriate numbers of people coming to Canada from other countries – people who can strengthen our workforce.

This will change the demographic and cultural makeup of Canada and its provinces and cities, calling for increased attention to creating and managing programs that promote, support, and deploy diversity. The required cultural shift will transform communities, workplaces, healthcare and our social interactions. The question is: transform them into what?

Do we truly envision a multicultural society? Do we really stand on common ground about what that even means? And who is the "we" doing the envisioning? Do immigrants come to Canada because they pine for being part of a cultural mosaic?

Immigrants from Visible Minorities

1970: 29,173

2010: 122,123

The community's answers to these questions will significantly shape the mindset and the work of the non-profit sector. How it serves the community will become increasingly complex and if we are not careful, increasingly polarized by pockets of community interest groups positioning for scarce resources and influence over policy makers. Funders will be increasingly pressured to placate, which will run against the grain of being impact-focused.

The Politics of Funding

How the non-profit sector will be resourced is another big question leaders must address. Funding has always been a challenge. Over my entire career I have heard organizations decry the lack of funding while granting bodies, including governments, remind the rest of us there is a finite pool of money.

At a recent gathering of non-profit leaders I listened to one of the speakers remind us that government funding will be decreasing in the future. The warning included some foreshadowing of what might be changing in how funds will be delivered. Purchasing results, social financing, and the dissipation of organizational and/or program funding were among the predictions, along with

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the ever-pervasive, and often misplaced call for non-profits to behave more like businesses.

Of course there is not an unending supply of money, but what money we do have may be less of an issue than the decisions we make about how and where to spend it. For example, the sector's current experience, in general, is that funding from governments and major funders is thin, flat, and at risk.

By thin, I mean insufficient amounts of money are being applied to major challenges and issues as funders continue to scatter rather than focus funding. Thin funding is rooted in a funder's desire to spread out its largesse to maximize stakeholder approval. The emphasis is more on placating influencers than improving community conditions. This scattered approach to funding is oddly enough accompanied by complaints that there are too many non-profit organizations delivering duplicate services.

The non-profit sector's health is also threatened by government contracts that too often fail to cover full costs of service delivery, even though such contracts are more often than not in place to deliver government mandated services. We see such underfunding in our health, education, and social service programs. All of us know it and together we appear committed to sustaining such inequities.

There is something inherently wrong when a well-paid, pension earning government bureaucrat sits across the table from me and explains why my staff cannot be paid as well as he is and why the funding of their retirement is not possible. It is even more irksome when that person is someone who could not cut the mustard where I work in terms of experience and ability to do the work my staff do.

Of course, this is not the fault of the bureaucrat – in fact, most I deal with are good, decent, and talented people working in a system they are required to perpetuate. Truth be told, the sector itself holds the lion's share of culpability because our self-view of the sector as a low-cost provider and because we fail to present a common voice on the matter to our political leaders.

Hamilton's successful businessman, Mark Chamberlain, when speaking to a large audience of Edmonton business and community leaders, has been active for years trying to end poverty in his community. He is critical of businesses that pay poverty-inducing wages while generating record profits.

He mentioned the low wages offered by a particular big box store and told us that next time we shopped there, we should thank the

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check out cashier for subsidizing the savings we realize at the till. In other words, the few dollars we save are saved on the backs of the working poor.

This phenomenon has relevance to our sector. It is an accepted practice that non-profit employees are paid less than employees in the other sectors. It's as if society as a whole places less value on child care, education, art and culture, helping the homeless, and so on and that "lesser" value necessarily means those who deliver it are of less value, too. Non-profit workers subsidize social good. Why is that?

The Limits and Opportunities of Corporate Social Responsibility

There are those who are encouraged by the increase in corporate social responsibility and associated granting programs being offered by large companies. I welcome increased participation in philanthropy by corporations, but the reality is that corporate giving is a small piece of the funding pie. I don't see that changing anytime in the near future, if ever.

As well, business tends to allocate funds in small grants in order to expand its reach into various sub-sectors of the overall non-profit sector – like arts and culture, social services, recreation, education, health, and so forth. Sometimes they seek to issue grants where they can have the biggest, recognized impact rather than direct monies to what will have the most community impact.

Corporate funding is helpful and needed but less likely to result in large grants or donations in favor of many smaller contributions that allow corporations to ensure they are supporting across geographical and market-related communities. Again, thin funding is the implicit strategy.

This not a criticism of the corporate sector – although I suggest many more businesses could increase their philanthropic expressions. Corporate Social Responsibility offers opportunities for engagement of employees in what matters to them beyond the workplace – through education and information, the opportunities to volunteer, and yes of course to share their own individual, philanthropic inclinations.

Social Enterprise – Yes! But Not a Panacea

Others see hope in the potential of social enterprise as a means to generate significant dollars to fund the non-profit sector. It is more likely that significant revenues from social enterprise ventures will benefit larger non-profits than those who lack the means to launch and sustain such social businesses.

At Bissell Centre, where I am the CEO, we are active in social enterprise developments which currently generate 12% of our

There is interest expressed across the funding community of forming long-term partnerships with those organizations that can produce results, and yet too many funders fail to offer long-term funding arrangements.

The desire for partnerships is often thwarted by archaic funding mechanisms. For example, what are the prospects for sustaining authentic partnerships focused on having long-term impact when each year funders put out request for proposals?

budget. We generate a small “profit” which we invest in social programs. This is a good thing of course. However, social enterprise is not going to become a leading source of income at Bissell Centre or across the sector. It has a fit for some organizations, but it is not and will not be the “new normal” for financing the non-profit sector.

What social enterprise does offer is the means by which some programs can become self-sustaining or whose funding shortfalls can be topped up by social enterprise profits. For example, at Bissell Centre, we see promise in expanding our successful employment services program to include small business ventures that put more of our clients to work and whose wages are covered by the income they generate.

There is another related trend we need to pay attention to which is the dissipating line that divides non-profit and private sector work to do social good. This is not just about both sectors engaging in social enterprise; it’s about how society is broadening its perspective on how social good should be delivered.

The support from citizens for positive social impact will no longer be primarily focused on donations but also where they choose to spend their consumer dollars. This is a good thing in that it generates more resources to fuel social benefits; the risk is that the value of philanthropy becomes diminished by becoming more transactional than altruistic. We still need altruism, don’t we?

Contradictions to Address

The current funding environment is rife with contradictions. Funders want to ensure their dollars are producing results while failing to fund the infrastructure of organizations. Without sufficient infrastructure programs cannot be sustained. Few provide core funding and too many funders are project focused and often state they will not support salaries or facility costs, as if those dollars will magically flow from other sources.

Such funders want to believe that their resources are value-add supports to a sector that is sufficiently funded for its core activities. The premise is reasonable, but it has little bearing in reality.

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have meaningful conversations about how to craft collaborative, long-term strategies together when those with the resources continue to operate in annual cycles?

Why is it that funders hone in on the administrative costs of non-profits while often being one of the major contributors to such costs? Every funder has its own application process, its own separate funding criteria, its own review process, its own reporting requirements, and the list goes on. The lack of collaboration on such matters among funders within and outside of government is a major challenge for non-profits.

Why is it that funders often demand a level of collaboration that they themselves do not emulate? At the same time as they might criticize or lament the growing number of non-profits, why are they silent on the escalating number of foundations, giving circles, family trusts, and so forth?

Who will fund the substantive costs of a merger? What about the lost opportunity costs of a merger? For example, two organizations that have two casinos will merge into one that can only have one casino. Granting opportunities once available to both will now be available to just one.

While we need to address the aforementioned narrative about our funding climate, in doing so we seem to be sidestepping or just not seeing at all how we, as a sector, just buy in to the premise that we should expect less funding (while by the way continuing to do more).

In the richest Province in Canada, which is one of the richest countries in the world, just how true is it that there is not enough money to invest in the health, education, and social well-being of our citizens? Where does choice come into the picture? Where do community values play a role?

All of us want economic growth and prosperity but to what extent do we really evaluate who benefits from such largesse? To what extent is society – and all its various sectors and sub-sectors – willing and ready to tackle wicked questions?

When it comes to poverty, are we asking ourselves questions that go beyond how we can help the poor? Do we have the courage to ask as well who benefits from poverty? Who thrives at the expense of low wages?

The Yin and Yang of Technology

Technology has revolutionized not only how we work but how we live our personal lives and even how we identify who we are, how we see the world, how we relate to one another. At the same as

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technology has opened our lives up to the world around us and connected us in ways never before possible, it has also served to over connect us and too often replace direct human contact with virtual ways of connecting and communicating.

In general, non-profits lag behind other sectors in this area, lacking the resources to appropriately exploit technology to do social good as well as to create efficiencies. This lack of capacity is due to leaders who have not valued technology as much as they should have but also because those who fund and donate to non-profits fail to see the value of a technologically savvy sector.

Increasing the sector's activity with social media is no longer a nice-to-think-about possibility. The trends in philanthropy alluded to earlier call for non-profits to be able to operate in a giving environment that will become increasingly dependent on smaller donations that younger people will direct to causes more so than to organizations.

Online giving will continue to grow each year. The fact that today it remains a small piece of the overall giving pie should not be seen as rationale for not paying attention to the eventuality of micro giving becoming a major source of revenue in the future. The paradigm is shifting from few giving lots to lots giving a little.

Leadership in Complex Times

Over the years I have held various leadership positions and to be honest my performance varied. I can't claim to have been a stellar leader in all of the leadership positions I have held.

As a consultant to non-profits, associations, and governments, I had the good fortune to meet and work with a wide range of leaders. Not all impressed me, but many stood out – and still do - as exemplary leaders, not to mention people.

Truth is I learned a lot about leadership from all of my personal experiences as well as all of my relationships throughout my consulting career. My attempt here is to share some of those learnings. A good portion of my consulting practice has been helping organizations to understand their environments and foster change in direction and in operations to achieve new visions.

That work helped me develop an understanding of the trends and forces that are facing our communities, but in particular non-profit organizations, where I have spent most of my career in or around. What I am offering here is aimed at non-profit sector leaders but I

Leading an organization to a "changed state" is actually about helping people change fundamental aspects of who they are at work far more than what they might do differently.

This may not be that much of a challenge if incremental or small change is the goal; however, bigger change – either major reform or transformation – cannot take place without *personal* reform or transformation suggest the must-have abilities I am espousing have carry over to other sectors, too.

The Nature of Organizations

Before identifying the must-have qualities and abilities of a leader in complex times, it is important to understand the nature of organizations – whether large or small – and how they work or function.

First of all, organizations are a collection of people. The extent to which they are able to work synergistically toward a common aim or end is what determines the impact and the quality of the collective's performance. Though our inclination is to wish otherwise, organizations are complex, dynamic, and resistant to engineering[1]. This is because the people in them are from diverse backgrounds, have a vast array of talents, interests and motivations, are always learning and changing, and don't perform well in a static or rigid environment.

This is one of the conundrums leaders face, especially leaders charged with steering their organization through complex, often chaotic times. While people are always changing, they are fairly consistent in their resistance to change that is not organic to who they are and what they currently do. Although people are willing to adjust their performance to integrate best practice into their work, they are far less inclined to embrace changes that may revolutionize what they do and how they identify themselves professionally, if not personally as well.

Leading an organization to a "changed state" is actually about helping people change fundamental aspects of who they are at work far more than what they might do differently. This may not be that much of a challenge if incremental or small change is the goal; however, bigger change – either major reform or transformation – cannot take place without *personal* reform or transformation.

This is, in my experience, where many organizations go wrong when it comes to effecting big change. They may have the best ideas and visions about where their organization needs to go or what it needs to become, but then they go about trying to achieve big change without paying sufficient attention to personal resistors to big change which often means that status quo practices, structures, and roles are maintained.

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[1] From Understanding Complexity - The Cynefin framework by Keith De La Rue on Dec 07, 2008, a slide presentation located in Slideshare.net.

The truth is that whatever the organization is facing or being challenged to accomplish is precisely what its people are facing on a personal/professional level. Even those who are capable of engaging in out of the box thinking are typically resistant to a scenario that requires them to throw the box away entirely. No box to reference is too chaotic and without that touchstone people feel vulnerable, uncertain, and they worry about personal failure.

This poses the following wicked question to today's leader: *How does a leader champion and facilitate transformation of the organization when the people in the organization look to the leader for stability, continuity, and identity?*

In my development of must-have leadership qualities, I have stayed away from the usual fare, which tends to include words like integrity, transparency, team work, inspiring, and so forth. This is not to say they are not important, but rather I am suggesting such qualities are basic requirements when it comes to what attributes a leader needs.

My work and my thinking have been influenced by many people in the sector as well as numerous writers and thought-leaders. One inspiration for this paper is rooted in a presentation my friend and colleague, Mark Cabaj, gave at the opening plenary of the Tamarack CCI 2010 Gathering, which took place in Kitchener, Ontario.

His remarks were purposed to set the stage for the five days of learning and conversations that were to follow. But they also got me thinking about what I have learned about leadership in our complex world and what qualities and abilities leaders need to have to steer their organizations into the future. Here is a quick snapshot of what Mark Cabaj offered:

- ☑ *We need leadership that acknowledges the complexity and chaos of the world in which we live.*
- ☑ *We need leadership that is rooted in the sometimes grim reality of our day to day world, yet concurrently is able to fuel our highest aspirations and embolden us to great change.*
- ☑ *We need leadership that is authentically inclusive; recognizes multiple truths in the world; and taps into our shared wisdom.*

People who are certain they are right and others wrong, who believe there is just one way to do something, and who operate within the mythology of neat and tidy solutions will not only be hard pressed to be leaders, but will have a hard time finding meaning in their work.

☑ *We need leadership that is adaptive and flexible and embraces risk-taking, change and failure as opportunities for learning.*

While I am not suggesting the above four points cover all the ground of what kind of leaders and leadership we need in the sector, I was impressed with their comprehensiveness and their inspirational qualities.

My attempt now is to offer what I believe our must-have leadership qualities and abilities that the leaders we need should have.

Able to work with simple, complicated & complex problems

Some problems or challenges are simple like baking a cake. As Brenda Zimmerman suggests, follow a proven recipe (best practice) to address a simple challenge and you should be successful.

Complicated work or challenges require special skills and typically involve more than one person to achieve success. Zimmerman cites building a rocket as an example of complicated work. It is doable and the outcome is knowable, but it sure can be a challenge to make it.

Complex problems are such that the outcome is not knowable from the onset. Like raising a child. Who really knows what a child will grow up to be, think, value, or do? Google “how to raise a child” and you end up with 180 million choices.

In the human services sector, most of our work is with and about people. Problems arise when we try to come up with set, simple ways of dealing with complex individuals or families, as if there actually could be a recipe approach to all child welfare cases, all mental health challenges, all addictions issues, and so forth. Facile perspectives that produce the “get a job” recipe to ending homelessness are a part of the complexity we face. Value-clash, *if I can you can too* mindsets, and us versus them tendencies are among the countless elements of the complexity of ending poverty.

Brenda Zimmerman offers some guidelines for each respective problem-type.[2] For simple and complicated problems, she suggests there is merit in planning then acting, seeking out consistencies in our approach to addressing the problem, and in a sense, limiting our actions according to best or evidence-based practice. Here the

Complex problems require multiple actions and an understanding that detailed specifications and elaborate rules will not suffice.

Instead people need to engage in generative thinking and generative relationships.

[2] Expanded on from Brenda Zimmerman’s presentation at the Tamarack CCI 2010 Gathering in Kitchener, Ontario.

metaphor of a blue print makes sense, as well as deploying structures like project management.

When it comes to complex problems, the strategy changes. Basically there is no fool proof plan for addressing complex problems; rather we need to get skilled at, and comfortable with, an *act-learn-adjust-learn-act* approach. This requires "tight feedback loops" which in turn require consistent and disciplined communication among the players involved.

Complex problems require multiple actions and an understanding that detailed specifications and elaborate rules will not suffice. Instead people need to engage in generative thinking and generative relationships. We need leaders who can work with all types of problems but especially who can provide leadership, guidance, and animation with respect to the full range of problems they face and will face in the future.

Able to suspend certainty & have a high tolerance for ambiguity

People who are certain they are right and others wrong, who believe there is just one way to do something, and who operate within the mythology of neat and tidy solutions will not only be hard pressed to be leaders, but I suggest will have a hard time finding meaning in their work.

Suspending certainty does not mean one has no opinion or that there is no such thing as objective truth, but the quality of suspending certainty means a leader is able to set aside the need to be certain and right in favor of dialogue and authentic investigation into other ideas and perspectives.

People who launch their communication from a foundation of certainty are not likely to truly listen to others, much less invite and facilitate dialogue that could deviate from what it is they hold to be true.

Products of certainty include position papers, unyielding ideology, rigid structures, connect-the-dot procedures, hidden agendas, and strict adherence to models, meeting protocols, and stringent communication practices.

A high tolerance for ambiguity implies the ability to venture into areas of thought and possibility without having to know exactly what direction to take or where the destination actually is that you hope to find. It means accepting that you might end up in a place

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It means accepting that you might end up in a place totally foreign to you and your current abilities.

totally foreign to you and your current abilities. According to Martha Carlson:

> *"High tolerance for ambiguity means not needing to have all the answers before making a decision or taking action. It means taking measured and appropriate risks, even in the face of uncertainty.*
>
> *It means taking stock of what you DO know and what you CAN control or impact and moving forward.*
>
> *And, in the words of Dr. Martin Luther King, it's about 'taking the first step, even when you don't see the whole staircase.'*
> *As leaders, we must not only have a high tolerance for ambiguity ourselves, but we must also instill this in the people and teams we lead. And in times of uncertainty, others will most certainly look to us for [guidance] about how to move ahead."*[3]

A leader who is tolerant of ambiguity is, in effect, more than tolerant of it; he or she accepts ambiguity as a given, as a constant companion, and instead of attempting to view things through a mythological lens of clarity works with uncertainty, goes with the flow, and by doing builds and nurtures resiliency.

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> *"Resiliency is about handling setbacks, both personal and professional. It is about getting up and getting going, time and again, even on those days when you'd just as soon lay down by the dog dish. It's about having the perseverance to see through a challenge to its conclusion, to generate alternatives when past approaches no longer work, and to have faith that circumstances will come around. Sometimes it's a matter of asking yourself 'what's the worst thing that can happen here?' and, finding that both tolerable and unlikely, pressing on. Resiliency is not only handling adversity, but learning and growing as a result"*[4]

Things are moving too rapidly and on such a large scale that we no longer can operate effectively having to know everything before we try anything. Basically, a leader with a high tolerance for ambiguity is one with an inquiring mind that fosters inquiry in others. He or she leads by asking questions and welcomes responses by building on them, exploring with others, and being open to what unfolds.

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[3] Carlson, Martha 2009. "Building up a tolerance for ambiguity and greater resiliency." Retrieved December 23, 2012 from www.thebaileygroup.com/building-up-a-tolerance-for-ambiguity-and-greater-resiliency/
[4] *Ibid.*

My exposure to leaders suggests those with a high tolerance for ambiguity are well-informed generalists, innovative, willing to accept a high degree of risk, and have an ability to spring back from setbacks or failures. They tend to be natural in their willingness to work with whatever arises and slow to try to pigeonhole ideas or perspectives into mental models.

Able to foster & champion collective wisdom & generative dialogue

The minds of many typically out-think the mind of one. Or I should say, have the potential to do so. Poor group process, positioning certainty against other certainties, lack of trust, and hidden agendas will spoil the benefits offered by collective wisdom.

We need leaders adept at idea and action generating facilitation and who understand that dialogue is not about debating options but more about having conversations from which meaning emerges and ideas converge to create common desires and aspirations.

This is not about having like-minded people in the room; quite the opposite: diverse backgrounds, skills, mindsets, and interests are the fuel of convergence and the creation of visions and strategies that all can endorse and contribute to.

Today and tomorrow's effective leaders not only accept diversity, they seek it out. They welcome paradoxes, contradictions, and what may seem like chaos or confusion. They accept that it is rare that new ideas or innovations begin with any guarantees. They have to be crafted, nurtured, and tested.

While the desire to seek diversity is fundamental to being a leader in complex times, leaders need the talent and the tool box to effectively deliver on the desire, such as being capable of leading generative dialog.

Generative dialogue is different from and more than communication or discussion. "In skillful discussion, you make a choice; in a dialogue, you discover the nature of choice. Dialogue is like jazz; skillful discussion is like chamber music."[5]

Generative dialog involves catalytic thinking. This means thinking procreates more thinking in order to create a community of thought.

Leaders point to things and ask questions. Why do we do that? Why don't we do that? They serve as catalysts for discovery and understand that there is typically no *one* right choice, but rather many choices to consider and many ways to get the organization to where it needs to get to.

[5] From The Fifth Discipline Fieldbook, by William Isaacs

For an organization, group, or a board of directors to operate in a "generative mode", the following hallmark characteristics are necessary.[6]

- ☑ **A different view of organizations**
  Organizations do not travel a straight line or take a rationalized course from vision to mission to goals to strategy to execution. Progress emerges rather than just sits there waiting to be discovered at the end of the journey. Organizations move in iterative yet often unpredictable ways. We need leaders who not only accept this but work with the emergent nature of change and progress.

- ☑ **A different definition of leadership**
  Leaders must enable organizations to confront and move forward on complex, value-laden problems that defy a right answer or perfect solution. They don't set the course for everyone else, but rather release or discover ideas, options, innovations, and values which collectively move the organization in a direction.

- ☑ **A different mindset**
  Beyond fiduciary stewardship and strategic partnerships, adaptive leadership that is open to questioning the core of who we are and what we do is critical to vision-building and alignment of efforts. Leaders point to things and ask questions. Why do we do that? Why don't we do that? They serve as catalysts for discovery and understand that there is often no *one* right choice, but rather many choices to consider and many ways to get the organization to where it needs go.

- ☑ **A different role**
  Management, the board, and staff cannot be contained by position descriptions and terms of reference. People's minds, ideas, and questions must be a part of the equation, even if the result runs against the normative view of our collective work.

  Leaders in complex times invite the boat-rockers to the table; they welcome the messengers of minority perspectives; they work with others to weave together a

Leaders need to value and foster an environment that supports innovation, promotes experimentation and prototyping and accepts that innovative efforts are not always successful.

[6] Excerpted and adapted for this paper from *Chait, Richard P., Ph.D., Ryan, William P., Ph.D., Taylor, Barbara E. 2005. Governance as Leadership: Reframing the Work of Nonprofit Boards. Board Source.*

fabric of understanding and matrix of actions that will move the organization toward the impact it exists to deliver.

☑ **A different way of thinking**
Leaders must be intellectually playful and inventive as well as logical and linear. Seeing the mind as a playground of ideas and questions and recognizing that the intelligence of his/her people is an incredible resource to tap into are critical responsibilities of the person steering the ship.

While blueprints and maps have their place in thinking about organizational direction, they also limit thinking, in particular group thinking, to known and accepted pathways. Leaders must be able to work in both arenas. People will look to them for a rational explanation or a logical course of action in one context and then long for opportunities to test their creativity in another.

☑ **A different notion of work**
Leaders who *only* expect their employees to do as they are told, follow the recipes offered in job descriptions, or not deviate from work plans may produce some good results; however, stellar leaders realize that playing a game by the rules does not guarantee success.

Organizations need their leaders to be cultural artists who help foster opportunities for people to change their work, change their minds, and change not only what the work is, but why they do it. Leaders know that much is accomplished by both teams and by individuals and that often new directions flow out of allowing them to disrupt the usual routine to craft an alternative.

Sometimes the alternatives are superior, sometimes not. Organizations need a culture that values both the bright new idea and the failed attempts to find one.

☑ **A different way to do business**
Our organizations must embrace catalytic thinking and questioning. Yes we need plans and policies but the pace and degree of change are such that steadfast devotion to prescriptions and rules can blind us to the imperative to alter or dramatically change those things about us that are getting in our way of success.

How we do our business requires leadership that is devoted to group thinking, constructive disruption, positive

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deviance, and creating a way of being that allows people to transcend expectations.

Able to create conditions for experimentation & creative failure

In order to build a culture that allows for experimentation, prototyping, and that accepts failure as a key ingredient of success, leaders must be able to challenge the status quo and create and sustain conditions that allow their staff to do the same.

Sometimes I am cynical about what we just accept as being good and true; we have our own dogma that stipulates the objective truth offered by things like:

- ☑ Best Practice and Evidence-Based Practice
- ☑ Outcome Measurement
- ☑ Social Return on Investment (SROI)
- ☑ Collective Impact
- ☑ Carver's Model of Governance

This is just a partial list of what many of us in the non-profit sector seem to value, and I am the first to admit that such elements are often critical to success, but dogmatic adherence to them can sidetrack us, if not totally derail our progress.

Best practice or evidence-based practice may often be vital to moving forward but their very nature is also a rejection of alternative pathways that have been either discounted or ignored by those authoring what is "best" or what is "proven."

My experience with outcome measurement is that all too often we become mired in measures and the processes of measurement and abandon what it is intuitive or ignore our sense of things that is based on experience or observation. Often, we use outcome measurement as a paradigm everything must fit into, as if everything an organization does can muster up undeniable or crystal clear claims to a particular result or set of benefits.

And even worse, we allow our devotion to outcomes to serve as a gatekeeper against aspirations or visions when they do not immediately offer measurable or demonstrable indicators of change. It's as if we all get on a bandwagon and no matter how obvious it is that we are not getting anywhere close to our destination, we are loathe to question the ride.

Yes, SROI has its upside, but not if policy and grant makers end up thinking the results of all human service programs or arts and culture events must have financial measures that prove efficiencies

While they pull out the best elements of models to fit the organization's environment and context, stellar leaders are committed to challenging what they hold to be true, through fostering innovation, creativity, testing and prototyping, and risking failure in the pursuit of better ways to get things done. Failure is always a companion along the way.

or cost benefits. Sometimes the right thing to do just costs more money than how we were doing things before. Impact should be efficient, but cost savings should not supplant impact.

Yes, collective impact can lead to the best course of action, but not if we end up promulgating this mindset as everyone's rule of engagement. Collaboration is not always the best course of action; it is not an end in and of itself.

Funders that demand that organizations must collaborate on proposals are closing their minds to thinking and approaches to problem solving that might see collaboration unfolding in the delivery of what is being proposed. And in some cases, perhaps many cases, forced collaboration could very well produce more costly and less impactful services. And, at the risk of being sacrilegious, sometimes it is best to go it alone.

I listed Carver's Model of Board Governance because it was, at one time, the guru of governance models. It became the best way and for many the only way for boards to govern. Now, years later, organizations have realized the downside of that model in terms of how it can exile governance from leadership and management, disengage board members from what really matters, and reduce the board to being preoccupied with reviewing ends statements and CEO restrictions.

There are of course excellent components of the Carver approach, but his model – indeed all models – are by themselves incomplete, and often lead to failure if the expectation is that strict adherence to them will save the day.

What we discover all too often becomes what confines us and stops us from future discovery. Even though we know there is no one solution, no single right way, we still seek such certainty. Leaders in complex times know certainty is over-rated.

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Failure is always a companion along the way. It is a critical form of learning, perhaps more important than learning from successes.

When I was a furniture maker we prototyped methods of fastening legs to chairs and tables. We finally landed on one method that met our requirements for stress, stability, and durability, but only

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after we destroyed at least 50 pieces of furniture testing prototypes that failed. If it were not for these failures, we never would have discovered what worked.

Thomas Edison failed much more than he succeeded. **"**In his early years, teachers told Edison he was 'too stupid to learn anything.' Work was no better, as he was fired from his first two jobs for not being productive enough. Even as an inventor, Edison made 1,000 unsuccessful attempts at inventing the light bulb. One day, an assistant asked him why he didn't give up. After all, he failed over a thousand times. Edison replied that he had not failed once. He had discovered over 1000 things that don't work."[7]

Today's leaders must understand that our organizations require a culture that not only accepts failure but expects it and that instills a passion for innovation and an environment where failing forward is valued.

Upside down thinking is about turning core assumptions on their head completely and then having dialogue about the results of doing that.

Able to make meaning of facts/data

Those old days of "just give me the data" or the "data speaks for itself" doesn't cut it anymore. As John Ott says, we have to look at both the data and the stories data tells. The same data can tell a very different story, depending on values, perspective, mood, and how one copes with change or resists it.

For example, on a rainy day, all of us can see the rain. The rain is data. But there are many stories that can manifest through the data. Some stories will welcome the rain because it will replenish the soil or will cool down a hot day. Others will not welcome the rain at all because it keeps them from doing something or it makes them cold.

This year at the Bissell Centre we are experiencing a dramatic increase in the number of people lined up to do casual labor. We are way ahead in terms of number of clients from what we anticipated. One view of the data is that the increase is a good thing because it means more people who need our service are using it.

Another view of the same data is that the increase is the result of more people not having permanent jobs. Same data, different story.

[7] Retrieved November 4, 2012 from http://www.creativitypost.com/psychology/famous_failures

Working with data and their stories also means ensuring that we are collecting and fully analyzing the right data. Measurement against benchmarks is a good thing, but just as we must be clear and comprehensive about the data we collect, we also must look beyond benchmarks to truly measure success.

Let's use Housing First as a reference – again, using examples from Bissell Centre, though I suggest what follows pertains to all Housing First providers. Locally, all Housing First organizations assess prospective clients using standardized tools that produce a "score." For a client to be eligible for housing in this program he or she must score within a range. Below the range means that the client is not considered to be "chronically" homeless. Any score above the range indicates a complexity of conditions that are beyond the capacity of Housing First programs to effectively house and support.

The scoring system creates a cadre of clients that we believe stand the best chance of being housed and supported. Such an assessment makes sense, but it is also true that those outside of this ranking methodology are still homeless. While this may not constitute a failure on the part of Housing First services, at Bissell Centre we are concerned about everyone who is homeless. Part of our data story must include all of those who do not qualify for Housing First and challenge us to do something about that.

For our Housing First clients, one of the key benchmarks we are expected to meet is that at least 80% of our clients are still housed after one year. Bissell Centre exceeds that benchmark, but we will continue to measure tenancy beyond that in order to understand the permanency of our work. After all if 85% of our clients are still housed after one year but only 50% are housed after two, we need to know that, ask why, understand the stories, and develop a response that increases tenancy rates at the two year milestone.

Leadership often entails going beyond what others define as success. Not only must the leader of an organization look beyond required benchmarks he or she must instill in staff a mindset that considers and defines what success for our clients must look like, regardless of the viewpoint dictated by funders.

It is data *and* the stories and interpretations of people that must be processed by all involved. Effective leaders know this, work with it, and facilitate dialogue to reach understandings of the data, not just one interpretation – and also be prepared to go beyond what is expected.

Leaders should pose questions to their people that spark genuine inquiry and group think about alternatives to the status quo that are more responsive or relevant to environmental conditions and trends.

Able to ask wicked questions & engage in upside down thinking.

All too often easy questions do little more than produce status quo answers. *How we can improve our evaluation system?* Or *how can we expand our program?* These are not wrong questions, but their context tends to be all about improving on the status quo.

Leaders should pose questions to their people that spark genuine inquiry and group think about alternatives to the status quo that are more responsive or relevant to environmental conditions and trends.

As well, these questions should be asked to challenge our current best practice so that best practice does not just become the proven way to do the same old thing really well.

Here are some examples of wicked questions:

- *How can we commit ourselves to be accountable for achieving measurable results, while at the same time staying open to the possibility that we may be measuring the wrong outcomes?*[8]
- *How can we dramatically improve quality while drastically reducing costs?*[9]
- *Do we know how to build a movement large enough to achieve critical mass, power and diversity; while also staying true to certain contentious values and principles?* [10]
- *How do we organize our work into some orderly fashion when what we are trying to do is rife with unpredictability?*
- *Who benefits from poverty and how do we engage them in ways that produce results where there is a higher benefit if poverty does not exist?*

Upside down thinking may be a variation of wicked questions, but I suggest it is worthy of its own description and consideration. Upside down thinking is about turning core assumptions on their

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[8] Brenda Zimmerman quoting Paul Born in her presentation to the Tamarack CCI 2010 Gathering in Kitchner, Ontario.
[9] *Ibid.*
[10] From a Tamarack Handout on Wicked Questions, retrieved November 2, 2012 from http://tamarackcommunity.ca/downloads/CCI_downloads/Wicked_Questions.pdf

head completely and then having dialogue about the results of doing that.

For example as mentioned earlier, Bissell Centre provides services to the homeless, the addicted, and the mentally ill. Most of our clients do not fit into conventional life and frankly seem to lack the capacity and the skills to exist well in the society you and I take for granted. Our organization tries to help people operate their lives more productively in the community.

Here's the thing, however. *We* define community. *We* define what they need. *We* identify their barriers. *We* project our understanding of their lives onto to them as if how we see them is how they should see themselves.

Upside down thinking would turn that around and lead to a question like: What if all of our services were designed by the people we exist to help?

Another Bissell Centre example: our mission is all about ending poverty. We recognize that poverty is caused by personal events or deficiencies *and* by structural realities (like insufficient income security programs or an inadequate minimum wage).

We tend to see our talents and capacities to be focused on helping people with the personal changes they need to make and we tend to see structural contributors as residing outside of our organization.

Upside down thinking would have us talk about what we are doing or might be doing that pose structural barriers to the success of the individuals we are attempting to help rise out of poverty. In other words, we would in this exercise suspend our belief that we offer answers and focus in on how we are part of the structural problem.

The purpose is not to make ourselves feel bad or wallow in any failures we uncover, but rather we should engage in such thinking to ensure we can make changes that remove our own structural barriers.

Upside down thinking provides the opportunity to abandon what we take for granted as true and seek new ways of thinking and acting.

Organizations that focus on leveraging their strengths and asset are more likely to advance their missions than those that primarily concentrate on threats and weaknesses. This does not mean leaders should ignore organizational shortcomings or environmental forces that might cause harm, but progress is typically not brought about by predominately defensive actions.

Able to inspire personal change & organizational change.

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As well, to seek out transformative ideas from one's colleagues, a leader must face the tendency of people to more readily find reasons why something won't work than why it will. It is just human nature to see what can go wrong with a new idea.

New ideas are not as developed as status quo actions. The latter have history, rationale, habitual patterns, and hopefully a legacy of some degree of success. The very nature of new ideas is they lack history, evidence, a record of performance, and tend to be unsettling because they call into question all that we do and how we identify ourselves as professionals.

Personal change is key to organizational change or transformation. Unfortunately, change management tends to focus on the group dynamics of change while ignoring how each person's intellectual and emotional make-up as well as personal history and aspirations can make or break an organization's journey to a new state.

John Ott's four elements of change[11] (see diagram next page), help us understand that change leadership (as opposed to change management) must address four change quadrants, although I suggest the real potential of organizational transformation lies with a leader's ability to foster change in the interior of each and every individual in the organization.

It is not enough to tinker with budgets, launch new technologies and systems, redesign structures, or craft formal agreements or new policies. Adopting a new model that becomes subject to the status quo practice of people will fail.

The reason why new missions and visions fail or why a restatement of values becomes little more than words on paper is that new iterations of purpose and values will only have life if they inspire and support the changes in individuals that must take place for the group to change direction.

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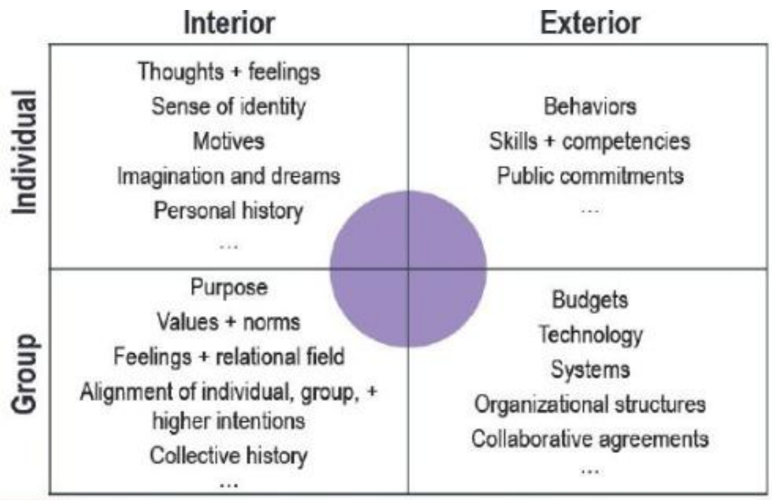
[11] John Ott and Associates, 124A 12th Street Manhattan Beach CA 90266.



Change leadership calls for leaders to understand and accept that people identify with their work. Their mental and emotional view of self is entwined with the work they do and the accepted reasons about why they do it. As well, their work is more often than not aligned with the education and experience they bring with them and the aspirations they have as professionals. Changing those fundamental aspects of self is a huge and unnerving undertaking.

Such personal change cannot be decreed or brought about by strategy workshops. There is not a course to take that will result in personal transformation. Rather leaders must be able to give birth to and sustain an environment of inquiry and reflection, authentic dialogue, and transparent, honest communications about the challenges all individuals are facing together.

While facing challenges to personal identities, people need to be engaged in creating the processes that allow them to face these challenges. New patterns of interactions, of exploration, of values at work must emerge not be offered up as prescriptions to follow.

And yes, this takes time. This may be one of the biggest barriers we fail to recognize as leaders. Transformation takes time. It's messy. It's scary. It's not a science. Organizational transformation is always sourced in human experience and struggle. Always.

Able to work with differences & build on the positive

Often when we talk about diversity, we gravitate to discussions about creating synergies across ethnic groups or focus in on how to be more inclusive of Aboriginal people in our work. We want the right balance of age and gender and income. We want our boards and staff to have

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collectively the set of skills and dispositions that will help move our organizations forward.

Of course the embrace of diversity is critical to effective leadership; however, I am offering here an additional perspective than the usual fare.

All too frequently leaders in the sector are overly positional and unfortunately adversarial. We see this in government when opposition parties seem to continually lambast the government, find fault with everything, and point out that not enough is being done. It is almost an automatic reflex, and from where I sit is most often antithetical to effective leadership.

Not too long ago, Alberta's Premier Redford announced that the Province was going to embark on a poverty reduction strategy and also undertake actions that would end child poverty in five years. Within an hour, non-profit groups were criticizing the Premier for not having sufficient details identified in the strategy announcement.

Somehow, those voices forgot that all of us who work with the poor had been calling on the Province of Alberta for many years to recognize poverty as a major issue and to make a commitment to address it. Instead of raking the Premier through the coals for not offering up a comprehensive strategy off the mark, perhaps a better strategy would have been to celebrate the announcement and to voice our willingness to work with the Province to create one.

Imagine, if you will, the criticisms that would have flowed if indeed the Province of Alberta had announced a comprehensive strategy. I wonder if the same voices would have criticized the Premier for not consulting with the community before releasing such a detailed strategy.

Operating in positional and rigid conditions typically achieve little more than lose-lose scenarios. Finding the positive does not mean ignoring differences. It does not mean collective work to create a poverty reduction strategy will produce a panacea of like-mindedness. However, if we engage one another from the viewpoint that everyone has a common or at least similar aspiration and if we focus on building positive relationships around that, we stand a better chance of creating synergy and moving forward together.

Leaders create opportunities for engagement, especially with those where they anticipate differences. They do not see advocacy as a vitriolic undertaking. They point toward areas of common interest and make invitations to address them. Effective leaders know that effective collaboration does not rise up out of a miasma of criticism and blame.

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Able to foster collaborative leadership within a hierarchical framework.

To be a collaborative leader, one must accept accountability for engineering and supporting what Hank Rubin refers to as a "heterogeneous team to accomplish a shared purpose."[12]

Addressing leaders, Rubin goes on to say, "Your tools are

1. the purposeful exercise of your behavior, communication, and organizational resources in order to affect the perspective, beliefs, and behaviors of another person (generally a collaborative partner) to influence that person's relationship with you and your collaborative enterprise, and

2. the structure and climate of an environment that supports the collaborative relationship."

David Archer and Alex Cameron add to the discussion by suggesting that a collaborative leader is focused on achieving impact by working across boundaries and differences among organizations. "Getting value from difference is at the heart of the collaborative leader's task… they have to learn to share control, and to trust a partner to deliver, even though that partner may operate very differently from themselves."[13]

Archer and Cameron go on to identify some key attributes of a collaborative leader.[14]

- ☑ They seek out personal motives for collaborating. In other words they understand that each person brings self-interest to the table.
- ☑ They help to discover ways of framing complex situations for everyone involved in order to understand patterns, possibilities, and alternative approaches to addressing complexity.
- ☑ They understand conflict will arise and do not fear it. They prepare for how your conflict will be processed in advance.
- ☑ They recognize that some people or organizations cannot or will not engage in partnerships. Rather than force collaboration, they focus on working with those who want to collaborate.

Collaborative leadership means that *the* leader of an organization understands that everyone leads within an organization and throughout a collaboration.

The roles and authorities may be different. The contexts in which leadership is expressed may vary. But the challenges and issues our organizations are too vast and complex to imagine much less enforce a leadership style that contains leadership to a select few.

[12] Rubin, Hank (2009). *Collaborative Leadership: Developing Effective Partnerships for Communities and Schools*. Corwin Press
[13] Archer, David; Cameron, Alex (2008). *Collaborative leadership – how to succeed in an interconnected world*. Butterworth Heinemann. ISBN 978-0-7506-8705-8.
[14] *Ibid.* I have adapted and added to the work of Archer and Cameron.

- ☑ They understand collaborative relationships must have a long-term view and they have the courage to commit themselves to sustaining such relationships for the long term.
- ☑ They manage the tension between focusing on delivery and on building relationships.
- ☑ They are steadfast in their investment in creating and sustaining strong personal relationships at all levels within and beyond their organizations.
- ☑ Their leadership style is such that it injects energy, passion and drive across relationships and throughout the collaborative work being undertaken.
- ☑ They have the confidence to share the credit generously. In fact, credit at a personal level is ultimately not all that important.
- ☑ They continually develop their interpersonal skills, in particular: empathy, patience, tenacity, holding difficult conversations, and coalition building.

Collaborative leadership means that *the* leader of an organization understands that everyone leads within an organization and throughout a collaboration. The roles and authorities may be different. The contexts in which leadership is expressed may vary. But the challenges and issues our organizations are too vast and complex to imagine much less enforce a leadership style that contains leadership to a select few.

Yes, there are still hierarchies, but they exist as part of a collaborative system, but not to regulate it as much as serve as a foundation for its manifestation across the organization and across collaborative players. Managers, for example, that clearly understand how decision-making works in their organization will find in that understanding pathways and territories for their own expressions of leadership.

While a CEO may have the final say on many matters, the true measure of collaborative leadership is the extent to which a CEO has to decide and act alone. If such individual actions are frequently necessary, then it is time to question and likely fix what is blocking collaborative leadership.

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