

Leadership: Nine Challenges for Transformation

By William S. White, President, Charles Stewart Mott Foundation

I have been given an impossible task -- namely talking about leadership to leaders and to an organization which has been in the leadership business for 20 years. In preparing for this assignment, I reread EastWest Institute's (EWI's) 20th anniversary pamphlet, *"Twenty Stories for 20 Years."* Let me say at the outset that I am very pleased that you decided not to "declare a victory" and close up shop at the end of your first decade. If you had closed the Institute, we at the Mott Foundation would not have had the opportunity to partner, and yes, scheme with an incredibly talented and wonderful group of people. And, more importantly, your mission statement "promoting change to secure freedom, peace and prosperity" is important, and you are the right folks to pursue it.

As I contemplated the partnership between EWI and Mott, these are some of the memories: John Mroz addressing the Mott Board in Flint, Michigan, as well as in Moscow and Bratislava; Steven Heintz and I visiting the Slovakian tank plant in Martin; Vasil Hudak accompanying the Mott Board through Slovakia; Mott's Prague-based staff and EWI's Prague staff collaborating; meetings in Debrecen, Kosice, Budapest, Usgorod and elsewhere to launch the Carpathian Foundation and the leadership provided by Vasil and Stephen to not only successfully incubate, but also to assure the success of the Carpathian Foundation; and, EWI's high

level diplomacy, particularly in Poland, Russia, and Ukraine. I have omitted cities and memories, but I will never forget the picture of John paddling a kayak on the Sturgeon River in Northern Michigan and, in typical John style, thinking he was the invincible Ernest Hemingway. John can tell the rest of the story.

As I think about EWI, words and phrases come to mind: trust; intellectual entrepreneurship; informed risk taking; thinking out-of-the-box; a sanctuary for discrete conversations; incubator; catalyst; mobilizer; networker; flexible; staying power; learning organization; blending grassroots pragmatism with high level policy discussions; tempered optimism; neutral convener; energetic; and, yes, change agent.

Through its history and experience; through its respect for other cultures; through its leadership; and through the ethical behavior, its excellent board and staff, EWI is well-positioned to tackle some of the fundamental issues of the day.

After reflection, I prepared my own version of an EWI mission statement: (As an aside, I then read yours -- naturally, it's better.)

"EWI is a values-driven, action-oriented, think tank dedicated to bringing freedom, peace and mutual understanding to East-West issues through dialogue, pragmatic entrepreneurial programs and ethical leadership."

Clearly the challenge of the day is to nurture and develop ethical leadership in all aspects of society. Without ethical and transparent leadership, there can be no open or civil society. Today's interconnected world demands that we develop new ways to approach problems. Increasingly, the world needs to follow EWI "on the road less traveled." Traveling this road requires out-of-the-box thinking. It requires keeping one's ear to the ground so you can hear the distant hoof beats. And it requires agreement that each person is precious and must have the opportunity to succeed. This last requirement is a tall order, a worthy goal, and in my opinion, doable.

I don't know what causes evil, but we have learned that poverty, ethnic tensions, political powerlessness, suppression of human rights and civil liberties, arrogance and illiteracy are a good breeding ground for evil and fanaticism. And, let me hasten to add that we can find most, if not all, of these ills in the United States. I also believe that the antidote for evil is good, and the way to arrest evil is through carefully targeted good works. It is imperative that we intensify our efforts to join together to make the world a better place, a more sustainable place.

In his book, *Which World: Scenarios for the 21st Century*, Allan Hammond of the World Resources Institute describes three scenarios that we can select for our future: the Market World, the Fortress World, and the Transformed World.

- The Market World reflects a society with increased private enterprise and expanded global markets. This scenario sees prosperity, technology and economic progress — in other words, economic globalization as a way to improve the human condition.

- The Fortress World highlights the growing gap between rich and poor, creating a society that pits people against each other. This scenario could occur if Economic globalization, i.e., the Market World, fails. This scenario could lead to Widespread violence and chaos, resulting in people holing up. For some, this could have been the response to the attacks on America.

- The Transformed World envisions a future in which social, political and economic reform create a better life, not just a more prosperous one. It focuses on human creativity and compassion as keys to providing opportunity for all. In the Transformed World, more people participate in decisions that directly affect their daily lives. They feel a sense of ownership for the environment and their government. Nations become less insular and more responsive to their global neighbors' concerns. Leaders look beyond the immediate horizon to recognize the impact of their decisions. This form of globalization endeavors to empower all in a sustainable way.

The Transformed World scenario is based on fundamental values and is, I believe, the one we should pursue. To do this, we must work with those who think differently than we do, but who share a common desire for a better world. Leadership in all sectors of society will have to be creative and compassionate if we are to move forward.

Let me read what Nelson Mandela had to say about transformation:

“I have never lost that hope that this great transformation would occur, not only because of the great heroes, but because of the ordinary men and women of my country. I always knew that deep down in every human heart there is mercy and generosity. No one is born hating another person because of the color of his skin or his background or his religion. People must learn to hate, and if they can learn to hate, they can be taught to love. For love comes more naturally to the human than its opposite. Man’s goodness is a flame that can be hidden, but never extinguished.”

Mandela, the man, epitomizes great leadership. So what do we mean when we say leadership? Before answering the question, let me offer a disclaimer. These comments on leadership were originally made to a group of U.S. nonprofit leaders and thus the audience provided context for these remarks. I recognize that words like leadership, management and the exercise of power or authority, mean different things to different people.

Also, when I link the word ethical to leadership, I am acting like a skydiver who jumps out of an airplane without a spare parachute. Many of us here today come from different cultures, and from different sectors. For instance, many of you have spent your careers in government or business. Please take the spirit of these

brief remarks on leadership and translate them into your experience. Also, in discussing leadership, I think it is always important to contemplate what it’s like to walk in another person’s shoes.

When I think of the qualities of leadership, I think of seven fundamental needs.

One, the need for a clear, well-articulated, ethical vision that is founded upon the values we hold dear and which respects diversity of opinion, culture and person.

Two, the need to listen and give voice to those who are oppressed, marginalized and socially excluded so they can be empowered to direct their own lives.

Three, the need to creatively and practically deliver the ideals we espouse in an ever-changing world. In essence, we must be able to translate ideals into reality. There should also be a willingness to take best practices and apply them to help meet ever-changing needs. Also, we must learn best practices from others.

Four, the need to courageously say, “I do not know,” yet be willing to lead in such a way that our uncertainty reflects a mind that is open to learn and grow and change.

Five, the need to value partnership while recognizing and accepting differences, tensions and conflicts so a common, sustainable approach can be formulated.

Six, the need to provide space for dialogue and time for reflection.

Seven, and finally, the need to provide inspiration that will give confidence and courage to others and enable us to jointly move forward.

The goal of creating an inclusive society based on the respect, dignity and integrity of each individual demands that we in the broadly defined nonprofit sector join with the business sector and government to provide this type of leadership. To ensure that every voice is heard is our major challenge.

Now I'd like to ask: How well are we doing? There are nine challenges I would like to talk about.

One, we in America's nonprofit sector have portrayed ourselves as the champions of the poor, the disenfranchised and the oppressed. We have claimed our position as defenders of their rights, as advocates for enabling and supporting policies in the fields of welfare reform, education and health. However, have we delivered on our promises? More importantly, have we listened to the people? Have we facilitated their involvement as equal partners in helping solve the problems they face?

Two, there is now an even greater need for us to address issues of diversity and to work together for tolerance and understanding. Are we too quick to judge people's customs, habits and cultural norms when they are different from our own? More importantly, are we prepared to support and defend diversity and to work to eradicate racism, as we advocate for every voice to be heard?

Three, earlier I referred to the notion of partnership. No one sector — be it government, business or non-government — can do everything on its own. To move forward, all facets of society — including the media and religious communities — need to work together. So how do we maximize our combined resources? Do we seek opportunities to work together? Do we seek to understand how each other works?

Four, — now we're getting down to the basics — “stick to your knitting” a phrase used by Tom Peters and his colleagues as a successful management strategy. It applies to our sector now. We need to ask: Are our management structures appropriate for today and tomorrow's needs? Do we have strong, engaged boards and competent, committed and compassionate staff? Are we running cost-efficient operations? Are we transparent and accountable? Are we sufficiently aware of our constituents and their needs? Are those the needs we respond to? Sadly, the non-governmental sector is not perfect. It reflects society. For instance, some grantees of the Mott Foundation have been incompetent, have engaged in criminal activity, and have caused conflict.

Five, in the U.S., there are not enough foundations, nonprofit organizations, educational institutions, and other organizations, again in the broadly defined third sector, with a global perspective. Transformational leadership requires informed debate and dialogue on foreign policy issues and understanding of strategic global concerns. And we can do this without turning our backs on our domestic priorities. For example, this is one instance where “thinking globally” but “acting locally” might pay big dividends.

Six, we are all aware we face economic challenges. Many foundations, nonprofit organizations and other sector institutions have experienced reductions in their revenues and assets. At the same time, our sector has vast resources, both in terms of the voluntary spirit and also money. While most of us have experienced a recent economic recession, there should never be a recession of the human spirit. We have conquered uncertainty and fear before, and we can do it now.

Seven, to achieve the transformed world scenario we need to invest in leadership that can be effective not only in individual regions and nations, but also in our globalized world. The philanthropic spotlight often highlights NGO leadership for good reasons. Time and time again — but not always — NGOs have been the staunchest guardians of civil society and promote citizen action, entrepreneurship and empowerment. They enable people from all walks of life to have greater control in, and say about, their lives. NGO leadership needs to be nurtured for today's increasingly turbulent world.

At the same time, we must not ignore opportunities to strengthen leadership in business and government. We must invest in all three arenas. Think about the three-legged stool — it's simple, but incredibly solid. Why? Because its three legs support the weight of anyone who uses that stool. Likewise, each sector — government, business and NGOs — must leverage its unique strength to create a vital and enduring civil society.

Eight, once we've helped to develop leadership, we need to ensure its continuity, particularly in the NGO community. Most of the NGO leaders I know are impassioned and principled. They are dedicated to building better communities and ensuring that citizens enjoy freedom, dignity, and respect. But we know the sector loses effective leaders. We need to build NGO organizational capacity to guarantee that organizations have the resources to retain exceptional leaders.

Nine, we need to seed, water and fertilize cross-sector networks of leaders. NGOs have a special role to play because often their success depends on effectively building networks between governments, between commerce, and between citizens. At the same time, NGOs need to translate their work on the ground to the broader public policy arena and this requires strong relationships with receptive governments and enlightened political leaders. And yes, at times the NGO sector finds itself in opposition to government policy or business practice. Let me close with some combined thoughts from Martin Luther King, Jr., who was a true leader and great champion of unheard voices:

“Sooner or later all the peoples of the world, without regard to the political systems under which they live, will have to discover a way to live together in peace. ... Granted that the easy-going optimism of yesterday is impossible. Granted that we face a world crisis which leaves us standing so often amid the surging murmur of life's restless sea. But every crisis has both its dangers and its opportunities. It can spell either salvation or doom. If you lose hope, somehow you lose the vitality that keeps life moving. You lose that courage to be, that quality that helps you to go on in spite of all. And, so, today I still have a dream.”