



everyone's family

COLLABORATIVE LEADERSHIP: Making it work when there is no-one in charge

ANZSOG - LEADING PUBLIC SECTOR CHANGE

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Good morning, it is a pleasure to be here with you today and thank you Paul for your kind invitation.

This is indeed a provocative heading which I heard uttered in a real life situation in Melbourne just the other day...

We have been living through a period when megatrends have been manifesting themselves but in a subliminal way, and we aren't necessarily cognisant of them. One is reflected in our interconnected and interdependent world – witness the Global Financial Crisis – and one we might reflect on today is the different shape of organisations and the roles of the people within them.

I would like to introduce a number of thought-provoking slides and tell a few stories to stimulate some discussion around what this means...

Let me also share with you the observations of **Dr Susan Raymond**, the Chief Analyst at OnPhilanthropy.com, which I think provide a neat summary of the issues you have been grappling with on this course:

“Things used to be fairly clear, at least so I am told by those older than me. Private corporations sold things in the marketplace. Governments protected the national security and made sure people followed all the rules. Charities took care of society's poor and its orphans and widows. Individuals and families took care of pretty much everything else.

Today, very little is clear, at least by yesterday's metric. Non-profits compete with corporations in the marketplace for everything from used cars to health care. Government agencies are setting up charitable foundations. Private entrepreneurs are taking the principles of the marketplace into social service provision via venture philanthropy.

Is this an identity crisis or further proof of evolutionary theory where we see converging playing fields of commercial markets and non profit endeavours?"

I would argue that it is clearly the latter, but the issue of **identity** remains critical in understanding how leadership could and should operate in this new collaborative context.

Let me explain what I mean. As Raymond points out, there used to be clear differences between the focus of the non-profit, corporate and public sectors, with accompanying divergences in the type and practice of their leaders. Some of these differences were elucidated by **Jim Collins** in his monograph 'Good to Great and the Social Sectors', which compared the characteristics of leadership in the corporate and non-profit sectors and highlighted what I believe to be a profound yet largely unappreciated difference:

	Business	Nonprofit
Leadership	<ul style="list-style-type: none"> • Governance structure and hierarchy relatively clear and straightforward. • Concentrated and clear executive power. • Can often substitute the use of power for the practice of leadership. 	<ul style="list-style-type: none"> • Governance structures often have more components and inherent ambiguity. • More diffuse and less clear executive power. • True leadership more prevalent, when defined as getting people to follow when they have the freedom not to.

The point Collins was making here was not that nonprofit leaders are any less decisive than business leaders, but that they operate in a far more complex and diffuse power map that in the case of The Smith Family includes governing members, directors, advisory boards, governments and indeed thousands of volunteers, all of whom have their own agendas and concerns. This limits the practice of

what Collins calls **executive leadership** (where the individual has enough concentrated power to make the decisions themselves), and increases the instances of **legislative leadership**, which relies more on persuasion, political currency and shared interests to create the conditions for decisions to happen.

This is the kind of leadership that exists when no-one is *visibly* 'in charge', and as Collins recognised, would be the kind of leadership more suited to drive the collaborative governance structures that our intractable problems require. This is why he so vehemently concluded that

“We must reject the idea - well-intentioned, but dead wrong - that the primary path to greatness in the social sectors is to become "more like a business".

So how does the public sector fit into this? While not included in the Collins study, I'm sure you would agree that the practice of leadership within government has for the most part followed the business more than the nonprofit experience. Not so long ago, it was easier for a small group of policymakers to define the public good and seek to deliver collective solutions from on high.

The values that were accepted and promoted within the public sector were of **hierarchy, specialisation, efficiency and standardisation**, and tight performance targets discouraged managers from taking the risks associated with experimentation or innovation. Now, as we approach the end of the first decade in a century where the population has greater power than ever before to shape their own lives, the pressures on government have changed dramatically.

As **Charles Leadbeater**, a leading authority on innovation from the UK (and who is also visiting Australia next week), the intractable issues we now face as a nation require us to embrace a new paradigm of leadership that is able to mobilise:

“...our democratic intelligence: the ideas, know-how and energy of thousands of people to devise solutions rather than relying on a few policy-makers to come up with the best approach.”

In other words, in our technologically networked society, concentrated leadership is being rapidly replaced by a broader process of democratisation and a broader embrace by the population of a sentiment akin to the Chinese proverb,

“Tell me and I'll forget; show me and I may remember; involve me and I'll understand.”

To some extent, nonprofits have led the way in practising this form of ‘citizen-centric’ leadership by virtue of the trust we have needed to build up to work at a very local, personal level. However, the impetus for more collaborative governance and policy-making models within the public sector has been around for a long time, embedded in the vision of **Nugget Coombs’ Royal Commission** in 1974, which anticipated a more ‘porous’, collaborative bureaucracy that:

“...is not an island unto itself, but a living part of Australian society, reflecting the strengths and weaknesses of the society”.

The publication of three particular books in 2001 further progressed the importance of this goal, beginning with ***The Enabling State***, edited by Professor Peter Botsman and Mark Latham, which concluded that government should be repositioned as a junior partner to communities and a stronger civil society:

“This is the most challenging concept for governments to come to terms with. Often officials simply will not trust communities, nor will politicians risk investing in initiatives that are outside their direct influence. This is not just about the participation of communities, it is about transferring the power, capacity and resources to make decisions about funding and services directly to community stakeholders. In the social investments of the future, local community stakeholders will be the ones who invite the participation of government officials and experts in making their decisions, not the other way around.” (p7)

This was supported by the second of the three books, **Mark Considine’s ‘Enterprising States’**, which put forward a model of ‘**network governance**’ to make this happen with the following characteristics:

Source of rationality	=	relationships
Form of control	=	co-production
Primary virtue	=	flexibility
Service delivery focus	=	brokerage

Considine's paradigm was then confirmed by **Don Edgar** in his book *Patchwork Nation: Rethinking Government; Rebuilding Community*, which concluded that:

“Government has to become governance – increasingly, self-governance – because the days of top down, one-size-fits-all solutions are gone.... intelligent government will become polycentric, adept at resourcing networks.”

These ideas were put forward almost a decade ago, so what progress have we made in the interim in adopting these ideas?

Let me use the example of The Smith Family to illustrate some of the progress that has been made within the nonprofit sector, or within our organisation at least.

This is the integrated framework that reflects how The Smith Family works today – we liken it to a book, and some staff refer to it as ‘The Smith Family Album’. It represents the culmination of a lot of hard work to streamline, simplify and clarify how different elements of the organisation fit together and contribute effectively to our broader societal change agenda.

Our journey as an organisation over the last decade illustrates many of the actions that have contributed to reaching this point, beginning with the act of defining our *Guiding Principles* in 1999, which included ‘Working with and through others’.

This was important because our primary goal was to enact social change not by seeking to define and control that change themselves, but rather by **recruiting / mobilising a critical mass of change makers from across sectors and within community**, and strategically leverage their strengths and ideas to inspire that change from the ground up.

Over the years, The Smith Family has sought to mobilize this critical mass of change makers in a number of ways. In 2002, we were a founding member of **Social Ventures Australia**, connecting social entrepreneurs with venture capitalists to provide new sources of investment for social inclusion initiatives. In the same year we became early participants in the **Australian Alliance for Children and Youth (ARACY)**, connecting researchers, policy makers and practitioners to support the quicker and more efficient translation of research into socially inclusive practice. In 2004, The Smith Family became one of the founding members of **Non-profit Australia**, with a mission to improve the viability of non-profit organisations.

Through the Australian Government's 'Stronger Families and Communities Strategy' (I was Chair of the Partnership), we also introduced the *Communities for Children* initiative. This model has been groundbreaking for a number of reasons:

- First, it is **place-based** in the sense of working to enhance support for children and their families within particular disadvantaged communities around Australia, and building on the strengths and assets already present in the community, including local businesses;
- Second, it is **outcomes-focused**, working towards universal goals and based around a *systems-wide* approach that merges educational, developmental and health-related service provision.
- Third, it is an **empowerment** model in that the whole community works together to first prioritise the issues and then select from the range of evidence-based interventions suited to their particular context;

- And fourth, it encourages **culture-change** within the government, corporate, non-profit and academic sectors by connecting the strengths and capabilities of a variety of organisations, institutions and individuals.

At its heart, *Communities for Children* perfectly illustrates the benefits of government passing the reins for driving community development to citizens themselves in a collaborative, cross-sectoral approach facilitated by a lead community organisation, of which The Smith Family is one. It is worth noting that **Communities for Children** has not only produced remarkable outcomes for disadvantaged children and their families in the six years since it began operating, but it is also one of the rare examples of initiatives that have continued to receive funding across successive governments.

Finally, we were quick to see the value of **leveraging intermediary organisations and individuals**, who could work across and between different elements of our organisation to progress the streamlining, simplifying and clarifying of our work, while at the same time connecting them to other organisations in the wider environment who could provide their time and talent to assist us.

I was delighted to see this month that this model has now been more widely adopted following the **Workforce Participation pilot** of which we are a part, along with the Australian Social Innovation Exchange (ASIX) and IXC.

One of the real values of the intermediaries has been to help us understand our challenges in all their forms and manifestations, something that we are often too busy to really stop and take the time to do ourselves. As Einstein put it,

“If I only have one hour to save the world I would spend fifty-five minutes defining the problem and only five minutes finding the solution.”

In summary, I believe the challenge for the public sector is in knowing how to engage citizens in defining the issue, creating solutions and then championing change in their own sector or community,

in turn recruiting other changemakers to become social entrepreneurs in their own right. This disrupts the social structure that has dominated for millennia where a few people managed the many, and moves towards organising both institutions and societies into **'flexible teams of teams that come together around whatever change opportunities exist and then reform around the next'**.

In this context, leadership becomes less about unifying staff around a particular strategy and more about supporting those around you to **develop the skills they need to be active contributors to change** – skills such as empathy, teamwork, creativity and inquiry to discern the value of horizontal connectivity rather than vertical compliance. This kind of leadership, which recalls Collins' **legislative** leadership, is important, because if we were to rely on the simple exercise of positional power alone, we may find ourselves struggling with staff who **understand** the need for change, but are neither **motivated** nor **skilled** to contribute to it. Equally, there is still a role for executive leadership, because if your people are ready and willing to step up to the plate but there are systems or processes holding them back, you are the one with the power to change them.

I would like to leave you today energised and motivated to play your part in leading new models for creating change in our society, because I believe there has never been a more appropriate and fertile environment for this kind of innovation to occur. As Paul Light observed in the **Stanford Social Innovation Review** late last year:

....there is good evidence that socially entrepreneurial opportunities arise during specific punctuations or focused periods in history. During these periods, the prevailing wisdom weakens, revealing the failure of the status quo to solve problems such as inequality. Having tried for a half century to improve the public schools with little sustainable success, for example, we acquire an appetite for new ideas. These punctuations in history fuel the hope for widespread change and the experimentation that drives it. Today, the world appears to be experiencing a punctuation of opportunities.....”

Let's not waste them.

Thank you.