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Challenges in Contemporary Governance

Looking through a shared lens

Reflections: Themes and rare insights

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Centre for Charity Effectiveness

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Inspiring transformation within the nonprofit sector.

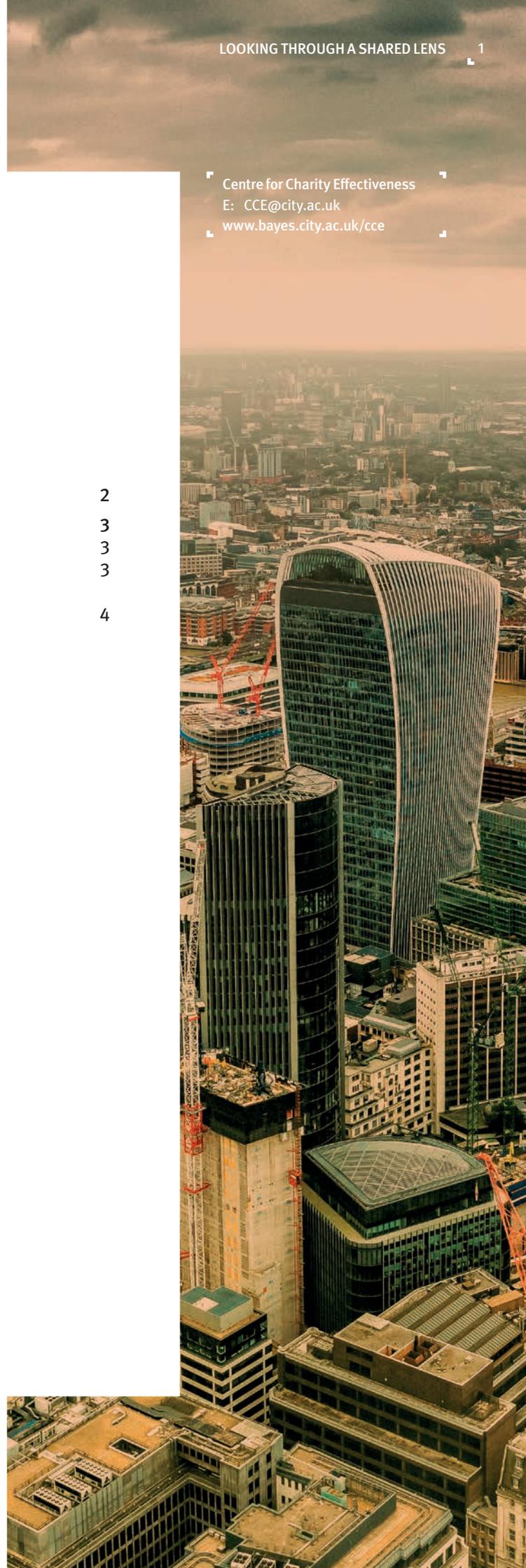
The vision of the Centre for Charity Effectiveness (CCE) is that of a nonprofit sector leading positive social change. We support the sector to achieve this through the services that we deliver: education, knowledge sharing, research and independent consultancy advice. As one of Bayes Business School's centres of excellence, impactful knowledge exchange has been at the heart of what we do since our inception over 20 years ago.

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Introduction

Why did the Centre for Charity Effectiveness (CCE) decide to launch the *Challenges in Contemporary Governance* pilot series? Based on our wide experience of working with charity and nonprofit boards, we believed that creating a space for Chairs and Chief Executives to work together and with other pairs, in a safe, creative and discrete environment, could be invaluable in terms of creating knowledge; and this has certainly proved to be the case. We aimed to stimulate explorations of how Boards are addressing and responding to challenges in contemporary governance, with a particular focus on the big questions where challenge or wise counsel from experienced leaders would stimulate fresh or clearer thinking. What distinguished these explorations from other discussions about governance is that they were aimed specifically at the Chair/CE as a pair.

The following is a summary of our reflections on the five explorations that made up the *Challenges in Contemporary Governance* series. CCE is publishing summaries of each of these explorations as standalone short reports, together with this sixth report detailing further themes and insights gathered from the series as whole. All of these will be made available on the Centre for Charity Effectiveness website from November 2020, culminating in the publication of CCE's

full report on the series as a whole in early December 2020.

The full '*Looking through a lens*' report includes all six summaries together with an introduction by the series hosts, Professor Lynne Berry CBE and Alex Skales, Director of the Centre for Charity Effectiveness, and more information about additional related resources on the themes discussed.

STRUCTURE

Throughout the discussion series, topics were set either by the Chair of the series, Professor Lynne Berry CBE, or by Chair/CE members. Participants were provided with an advance outline of the topic as context for discussion, though discussions themselves tended often to range in directions that most interested participants on the day. Inevitably the discussions at each session often raised more questions than they answered, but this in itself is stimulating and thought provoking, and will lead to more opportunities for learning. The Chatham House rule¹ applied during all the discussions; the explorations have been written up so as to preserve anonymity whilst still sharing the insights from these sector thought leaders.

1. When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

Reflections: Themes and rare insights

It is almost inevitable that an organisation like the Centre for Charity Effectiveness, with a passion for knowledge exchange and developing good practice in governance, strategy and leadership, would draw out these significant themes:

- The need to redefine governance in response to reflections on governance through turmoil: What is governance for? How can we adapt our understanding and the governance model to reflect our learning?
- Is the formulation of Julia Unwin's 'Five Ss' (Strategy, Support, Scrutiny, Stretch and Stewardship) still a useful formulation – is a focus on assurance and shared leadership more useful – especially in those charities that have 'professional' CEOs? Where does public accountability come in?
- How can Boards take advantage of and nurture new (agile) governance practices emerging during lockdown that have encouraged trustees to be more forward looking, dynamic and streamlined in their practice and behaviours?
- The need to have more conversations about third sector leadership, to express and value our sector's leadership model in our own terms, and for individual organisations to define their approach to leadership in a way that reinforces their Values
- The need to create spaces where people with different perspectives can work together to tackle shared challenges; the urgent need to bring in the voices and experiences that we are not hearing

We had expectations about the kinds of contemporary governance challenges we would explore together; all these themes were in virtually every conversation, and were reinforced by the experiences of shared leadership through the Covid-19 turmoil:

- **Trust as the bedrock of governance;** it is the bedrock of all relationships but the challenge of 'walking the tightrope' of the boundary between a board and staff presents a challenge which will never go away and must be constantly revisited as the external context changes and as internal players come and go
- **Collaboration as a way of life** both internally, and more broadly externally, in ecosystems and across communities; there was clear acknowledgement of the importance of an ecosystem response to the major challenges we face: we cannot resolve these on our own, and the most effective response will be one shared across organisations and communities
- **Ecosystem leadership** requires a different approach, and it may be that our sector is more likely to hold the traits and portray the behaviours fundamental to success
- The importance of **agreed frameworks for assurance;** the need for these to evolve and adapt to changing circumstances; agility and assurance have never been easy bedfellows and this underlines the fundamental requirement to have Boards and senior leadership teams that are diverse, bring

different experiences and perspectives, with a spectrum of different appetites for risk

- An unwavering need to ensure **clarity of organisation purpose** at all times, and of **keeping the beneficiary front of mind** in all deliberations: this comes with a sense that the Chair and the Chief Executive must first get this clarity and focus, and then - together – continually and with determination, reinforce the focus

The five explorations in our Challenges in Contemporary Governance series leave us with numerous questions which add to those highlighted in this closing reflection. They do say that great leadership leads to better questions: we don't have to have all the answers, just create a climate in which people will surge to find answers!²:

QUESTIONS ON WORKING IN AN ECOSYSTEM

- How do we ensure cohesion between our organisation's strategy and that of a partnership?
- How can a group of very different organisations 'subvert' their own strategic objectives for the greater good?
- How does governance need to change in this new world of partnership and collaboration?
- How is governance handled in the new macro partnership 'organisation'?

² Adapted from Bloch and Whately (2003) Complete Leadership. Pearson.

QUESTIONS ABOUT THE NATURE OF NONPROFIT LEADERSHIP (INCLUDING GOVERNANCE AS LEADERSHIP³) – AND SETTING OUT OUR OWN STALL:

- What kind of leadership behaviours both provide a guiding framework for change and encourage people to be free and adapt within that framework?
- What can trustees do to create a climate of trust across the organisation?
- How can the Board communicate directly with the workforce during change without undermining management?
- How can we gauge when we have got the critical mass of the workforce with us on the change journey? What ‘soft’ (and not so soft) indicators can we use to determine that we are having the desired impact from culture change?
- How can we design a leadership model that is in tune with our Values? What sorts of behaviours must we adopt/recruit/develop?
- How do we adjust our strategy language to be in line with our Values and ambitions for impact?
- How can we use our learning to recast what leadership is about?
- How can we normalise/codify how we manage uncertainty?

QUESTIONS TO STIMULATE NEW AGILE GOVERNANCE WHERE DIFFERENT PERSPECTIVES FLOURISH

- How can we use our learning to redefine what governance is for?
- How can we have stimulating and idea-building conversations with those who

aren’t like us, and with whom we may vehemently disagree?

- How can a group of mainly white, well-educated members of an elite, committed to learning and change, legitimately explore matters of race, diversity, inclusion and exclusion? (And if we don’t find a way, how can the power shift as fast and effectively as we want it to?)

It’s really clear that the shared lens of Chair and CE (two overlapping circles) brings a unique perspective, and that in their diversity (though acknowledged as capable of being infinitely more diverse) they are able to blend and build on each other’s thinking and provoke new ideas out of the conversation. And how much more insightful and impactful it would be with a greater range of voices. Our participants approached this first series of challenges with sensitivity, transparency, warmth and generosity – a real-time display of some of the best leadership qualities that pervade our sector.

Participants alerted themselves to some of the greater challenges that we all face: Black Lives Matter, inequality and exclusion, lack of social mobility, climate change and the biodiversity crisis are those front of mind. They make a powerful call to take bias (conscious and unconscious) out of governance, and include a greater range of voices in our future deliberations.

³ See Chait, Ryan, Taylor (2005) *Governance as Leadership: Reframing the Work of Nonprofit Boards*. Wiley and Trower (2013) *A Practitioner’s Guide to Governance as Leadership*. Jossey-Bass

DISCLAIMER

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