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# Re-Claiming Authentic Leadership for Nonprofit Sustainability

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# **RE-CLAIMING AUTHENTIC LEADERSHIP**

*FOR NONPROFIT SUSTAINABILITY*

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**I**n these unsettling times, one concern that continues to shape our psyche as Americans and impact our consciousness as a global community is leadership. In the past few years, we have witnessed stunning examples of great - and greatly flawed - leadership that has contributed to a new norm of regulation and accountability, breached stakeholder trust, and dubious public confidence.

Since the early 1990s when Newt Gingrich's campaign for overtaking the House introduced the Contract for America, a stepped-up focus on the "vision thing" and "leadership" entered into our debate over public policy. For all the grand pronouncements, this 'new' concern for leadership was soon followed by an almost daily drone of executive greed, financial impropriety, and unethical or allegedly illegal behavior on the part of our so-called leaders in every facet of society - from the President of the United States and the chief executives of some of the most promising corporations, to the Cardinals of powerful Catholic dioceses and their neighborhood parish priests. These revelations soon brought about a backlash in which America suffered the greatest breach of trust - and confidence - in leadership in a generation.

To this day, some still argue that there are no easy solutions as the malfeasance represented in the Enron, WorldCom, United Nations and Catholic Church scandals, for example, are systemic and therefore complex. Others retort that it comes down to simple choices of personal honesty, integrity, responsibility, and accountability. Underneath it all there remains an unprecedented public and private concern for the state of authentic leadership: what it is, what it is not, and what it now needs to be.

**The onset of cheapened leadership: Only ourselves to blame**

How did authentic leadership become such a commonplace phenomenon that it could be so easily cheapened, arguably permanently altered, by the bad behavior of a select group of well-educated individuals with important job titles? One explanation may be found by looking at how our media-driven culture has effectively branded everything about ourselves, particularly our American values. One may find a vivid example of this spectacle in our business culture, particularly consumer marketing, where there is a penchant for latching on to new theories, concepts and methodologies like bees to a freshly-found comb of honey. "Thought leaders" make a case for its viability, supporting research may follow, a front running organization adopts it as a best practice, measurable success is then achieved, and soon thereafter others evolve its application as an accepted convention.

Many business theories or practices we revere today as standards have taken this path. That's just fine except that unfortunately, in this age of overnight trends and fads, too many once-solid practices are being reinvented to suit short-term interests (translation: short-sighted or self-interested motivations). The result is muted effectiveness, overuse, and in some cases misuse leading to abuse. "Social marketing" and "corporate responsibility" are examples of business conventions that have had their intention - to support brand equity and public identity with credible values-based marketplace behavior - rendered almost cliché at various times in recent history.

History also suggests that such a scenario has been playing out with our notion of leadership. A whole industry of academic theory and best practices has been developed around leadership with more books having been published on its every aspect than just about any other topic. Conferences, seminars, and retreats regularly draw high-powered individuals from all facets of important places to tap the "leader within" or to develop the strategies for leading a life of personal and professional 'greatness'. What has all this introspection and personal power theology produced? While much of the education examining leadership is credible and overdue, it has also produced a fallout: Opportunistic and unsuitable individuals have latched on to leadership like a drive-in religion. They have taken the easy road to becoming a self-proclaimed leader by merely holding a job or fancy title, as if the entree to true leadership begins and ends by acquiring - and holding on to - a position itself. Order up a healthy dose of your own personally branded leadership without having to leave the car!

Once established and entrenched, some of these leaders become susceptible to the now all-too-familiar fate that Robert Heller first identified in his book, The Leadership Imperative.<sup>1</sup> Termed "CEO Disease", it is the "Achilles heel" of corrupt - or at best compromised - leadership to which many become afflicted. While Heller notes that it need not necessarily be fatal, numerous victims have been stricken with it in their prime.

CEO Disease usually manifests when leaders have become too confident and comfortable for their own good, and the good of those they have been entrusted to lead. The vision has been adopted, initiatives are rolling along, and danger emerges from the overplaying of one's hand with an assumption that the rules no longer apply to them.

This malady may display any number of symptoms, including: A belief that they can do no wrong; a refusal to concede any mistake; spending excessive time away from the office; surrounding themselves with “yes” deputies; making every decision, often in ignorance; fussing about incomes, comforts and perks; seeking personal publicity; and hoarding power to the point of undermining potential successors.

Frances Hesselbein, former CEO of the Girl Scouts and Chairman of the Peter F. Drucker Foundation, observes “a leader defines leadership in his or her own terms. In the end, it’s the quality and character of the leader that determines an organization’s performance and results.”<sup>2</sup>

Taking Hesselbein’s thinking a step further, the quality and character of a leader permeates the subconscious of individuals within the organization, establishing the (often unarticulated) acceptable norms of collective behavior. In this sort of psychology of mimicked behavior, followers will often knowingly or unknowingly imitate the conduct of a leader. For example, when President Clinton repeatedly denied his infidelity with Monica Lewinsky and then confessed to it under the guise that it was a private matter between him and his family, several other incidents were subsequently revealed with similar excuses used for cover (i.e., the two former Speakers of the House, Newt Gingrich and Robert Livingston). A more common instance in the workplace might involve a tendency to berate aides when things go wrong. Subordinates will often emulate that same style when dealing with those reporting to them. Thus a leader, at any level, must be aware that his or her actions can often trickle down as mimicked behavior throughout the organization.

History is abundant with stories of leaders who had to learn to control their own passions before they could hope to command the passions of others. Best selling author and mensch Rabbi Harold Kushner argues in [Living a Life That Matters](#), that the elements of selfishness and aggression that are in most people - and the struggle to overcome them - are exactly what makes for better leadership. Kushner notes that Martin Luther King, Jr., tried to cleanse himself of weakness even as he cleansed the nation’s soul. “Good people do bad things,” Kushner concludes. “If they weren’t mightily tempted by their will to do evil, they might not be capable of the mightily good things they do.”<sup>3</sup>

George Washington apparently struggled to control a fiery temper before he became a role model for the republic. Abraham Lincoln had to overcome deep “melancholia”, what historians assert today was chronic depression, to display the courageous leadership that made him a magnet for the oppressed and disenfranchised. FDR was known to be rather carefree and condescending in his youth until, at age 39, he was stricken with polio. Over the next seven years he transformed himself into a leader of empathy, patience, and keen self-awareness. Richard Nixon, somewhat bitter from consecutive defeats, intentionally retreated from politics in 1962 only to re-emerge victorious and earn two terms as president. His demons soon caught up with him in a devastating scenario of self-destructiveness. John F. Kennedy battled debilitating physical challenges all his life but successfully overcame them to become one of our most vigorous modern leaders. All the while he too wrestled with a powerful private demon - what we now know was his sexual addiction. And Bill Clinton carried us all through his very personal struggle for self-mastery to where he now appears to have achieved some degree of personal contentment.

Applying the lessons of leaders to our time means that the long haul of hard work to achieve sustainable, authentic leadership requires individuals to transcend the temptations of the past that have contributed to a prolonged era of cheapened leadership and lost potential. New leadership standards must be extended to every avenue of our lives - from government and public policy, sports, entertainment and culture to religion, academia and the commercial marketplace.

### **Nonprofit leadership is not exceptional**

No consensus is needed to acknowledge that the nonprofit sector has suffered from a lack of leadership, whether it is social service agencies, advocacy organizations, charities and foundations, philanthropic institutions or associations. Many top executives of nonprofit organizations have displayed consistent shortcomings in vision, courage, responsibility, and commitment. Still too, many others have exercised impressive perseverance in the name of service, education, and social change that contributed to the benchmark successes of the past twenty years.

All leaders are affected by different styles and traits, different strengths and weaknesses but the gap in nonprofit leadership stems mostly from a lack of courageous action - the kind of action needed to advance the interdependence of markets, sectors and perspectives that is critical to seizing the new opportunities of a global economy.

Nonprofits must now embrace a new leadership model that entails having a holistic worldview. This new model must include innovation as the lifeblood to sustainability, intelligent risk taking for ensuring perpetual viability, and learning from others (knowledge transfer) in order to build organization capacity so that long-term competitiveness may be achieved.

In our present state of affairs, some obligation rests with educational institutions in failing to adequately impart the criticality of leadership, however far greater responsibility lies with corporate, religious, and government entities for the lasting effect of scandalous behavior. The recent crisis in leadership, coupled with the escalating imperatives of a global free market system, has contributed to a new social, political, and economic environment that threatens the capacity of nonprofits to be courageous and confidently visionary.

To some extent, who can blame them? The new concern over personal and collective security from the threat of increased global terrorism pervades our society and culture. A reactionary mentality has taken over our government, bringing about new laws and regulations that arguably exceed the boundaries of civil liberties. The Bush Administration promotes an “ownership economy” advocating for the freedoms of individualism and personal choice while at the same time it crawls deeper into the pockets of large corporations and continues to resist strengthening programs that encourage entrepreneurship and small business. Meanwhile, the global free trade movement, thrust forward during the Clinton years, has a residual impact that includes tilting power and consolidation of resources in the direction of multi-national conglomerates. A dangerously disproportionate amount of leverage is now exercised by too few interconnected entities with exclusive interests. Our economic system is losing too much of a core characteristic critical to the free movement of nonprofits and social change agents: a wealth base that is broadly distributed and more accessible.

### **Confronting the changed landscape of nonprofit leadership**

No doubt leaders navigating a course for their nonprofits' future have a lot to grapple with. We now live with perpetual speed and uncertainty, a changing American demographic that is shifting the talent supply chain, increased mobility and boundless choices that are eroding loyalty across constituencies, and declining confidence in our ability to affect real transformation.

Nonprofit leaders must manage a plethora of strategic and tactical concerns in order to maintain organization viability and mission relevancy amidst perpetually changing economic conditions. With effective economic decision-making ever more critical to nonprofit success, applying the rigors of analytical thinking - grounded in the experience of best practices - can better optimize opportunity and resources.

For example, implementing a diversification strategy, proportionate to the scale and economies of the organization, may more successfully minimize costs while strengthening the mission's impact. However, as with any diversification strategy, leaders must maintain a clear focus on the organization's core competencies as mission-related defects are often difficult to measure and tensions naturally arise from the pull in different directions by multiple, divergent constituencies.

Nonprofit leadership teams need to also be more attentive to the new tensions between operational imperatives and (often) uncontrollable market forces. These forces must be continuously assessed and understood so that they may be properly responded to. For example: Pricing structures must be balanced with the need to maximize net revenue while not jeopardizing full access to programs and services. Compensation packages must respond to changing market demand through competitively evolving wages and non-monetary benefits, while the organization optimizes the right mix of paid and volunteer staff that strengthens, not weakens, overall capacity. Alliances from intelligent outsourcing must build in greater investments of scale while delivering components of needed expertise that are otherwise unattainable from legacy resources. New synergistic ventures must be developed with openness to profit-based or commercial approaches in order to meet new criteria for competitive advantage. Fundraising requirements must weight the need for immediate financial returns against any longer term reputation-related losses amidst heightened public scrutiny and shifting loyalty. Investment strategies must consider the financial benefits of various holdings in relation to their (perceived) tangible or intangible social returns. Collaborations require consideration of depth vs. breadth of relationships, and whether short-term financial gain outweighs any long-term harm to the mission. And fully embracing the technology age necessitates determining the most fruitful combination of on-line and conventional modes with sensitivity for making nonprofits competitors of each other or trusted intermediaries.



Most nonprofit organizations, large and small, are over managed and under led. They fail to engage more fully in what the school of human relations management terms “real work”. Real work focuses on the social aspects of organizations; the thinking about, and acting on, the ideas that relate to products, markets, and customers. Instead of real work being the everyday priority of the nonprofit leader, it is often subordinate to “psychopolitics” - the exercise of process and procedures. The primary factor that has contributed to this phenomenon is the evolution of large, complex organizations. And unfortunately, the practice of emulating and modeling the few large and successful sector leaders is all too common among the majority small and medium-sized nonprofits.

As a result, there is a new definition of nonprofit managerial work that is premised on developing and maintaining a system of cooperation. Preoccupation with process and procedures comes at the expense of productivity - the real work (hard decisions) of the enterprise: increasing investments of scale, improving results, innovating breakthrough products and services, fulfilling constituent needs, and developing new opportunities for bringing about social change.

Nonprofit leaders can be tempted to focus too much on the psychopolitical rituals of their organizations, mediating conflicts and smoothing out the dynamics of human interaction. Perhaps this plays to the traditional view that the business of mission advocacy must be touchy-feely and that employing contemporary business best practices will somehow disengage the ‘faithful’ from the true calling. However, psychopolitics can drive out the real work of the calling, leaving less intellectual and emotional energy for the leader to act strategically and therefore actually lead the organization toward social change. Real work creates resistance in many nonprofit leaders because it demands content (substance) and direction, it confronts ambiguity and stimulates controversy.

By engendering an organization culture that values and prioritizes real work, the leader induces confidence and optimism in others, building cohesion and morale from the bottom up because the vision articulated and lived out by the authentic leader has had the opportunity to be nurtured and clearly manifested.

Another aspect to navigating the new nonprofit landscape is the necessity for learning to exercise adaptive leadership. Ronald Heifetz, co-founder of the Center for Public Leadership at Harvard's Kennedy School of Government, defines adaptive leadership as leading "the sort of change that occurs when people and organizations are forced to adjust to a radically altered environment"... which then "challenges the traditional understanding of the leader-follower relationship."<sup>4</sup>

Heifetz denounces the traditional view that in such a situation leaders should continue to be shepherds, protecting their flock from harsh surroundings. "Leaders who truly care for their followers expose them to the painful reality of their condition and demand that they fashion a response. Instead of giving people false assurance that their best is good enough, leaders insist that people surpass themselves. And rather than smoothing over conflicts, leaders force disputes to the surface." Such an approach parallels some of the thinking behind the school of real work. "Get on the balcony, identify the adaptive challenge, regulate distress, maintain disciplined attention, give the work back to people, and protect the voices of leadership from below," he adds.

In living out the principles of adaptive leadership, nonprofit executive teams and their boards must craft a decisive policy that encourages employees to develop expertise and vision outside their immediate domain of responsibility and business unit, function, and region. At the same time, management must be willing to recognize their in-house talent as the frontline resource pool to future growth, and seek to fill vacancies from across divisions of the organization.

Successful adaptive leadership encourages intelligence sharing and knowledge management across the enterprise. It requires senior executives to be accountable for their own actions with checks and balances that can easily be applied to subordinates. Such a system must provide tangible incentives for the safe expression of honest assessment based on personal experience. By creating formal mechanisms (such as brainstorming clusters or task forces) that bring together high achieving performers - the organization's self-selected succession candidates - the natural tensions and inherent conflicts of leadership administration may be addressed and ameliorated.

Those in the line of leadership succession must be encouraged to express their contributions beyond the drivers (promotion, compensation, authority, autonomy) of personal reward and become vigilant about continuously connecting them to the broader priorities of the enterprise at large. Adaptive leadership will only work when individuals are forced to abandon their comfort zones and are challenged to become more interdependent of each other.

### **Transferring the knowledge of pioneers to gain valuable insights**

The pathway to perpetual viability and competitive sustainability requires nonprofits to commitment to the transfer (and adaptation) of knowledge and best practices that other sectors have to offer. Now more than ever nonprofit leaders must learn to benefit from multiple perspectives inside and outside the organization by acquiring state of the art theory, research, and experience.

Over the past thirty years, pioneers in Silicon Valley and along Boston's Route 128 corridor have brought about a technology revolution that also imparted some inventive models and important lessons in adapting leadership to the age in which it is called. Their success was premised, in part, upon creating new ways of leading and managing. The rest of us have learned the hard way.

They have taught us by example that top-down autocrats can be dangerous but bottom-up teams and transparent processes promote accountability. Traditional turf wars among senior managers can foster neglect of the crucial issues that can only be resolved by barrier free collaboration. Everyone bears collective responsibility for the whole organization and must work the vision beyond individual functional or divisional responsibilities. Innovation thrives from aligning process improvements and change with the organization's overall strategy. The best environment for achieving mission breakthroughs is one where leaders openly acknowledge political conflicts and lead the organization to challenge and broaden its collective consciousness.

Safer, more trusting peer relationships lessen the dependency on the chief executive and increase reliance on one another. And operational models that uphold organization-wide dialogue support greater capacity for collaboration and action in ambiguous situations.

During the 80's and 90's tech boom, these pioneers made use of university-based executive programs, funded an array of academic research initiatives, and connected with dozens of brand name consultants in every facet of management and leadership development. Their companies had the latest competencies package, the most up-to-date performance management system, the most sophisticated assessment instruments, and Internet-based tools that inspired greater productivity. What lessons can forward-thinking nonprofits learn from the technology pioneers?

Even with such exceptional investments in organization capacity, without leadership development that produces an equivalent capacity for managing the inherent tensions between organization structures - such as knowledge centers, human capital, and delivery capabilities - attempts at building sustainable leadership will be piecemeal. As Ronald Heifitz observes, "Leadership couples emotional intelligence with the courage to raise the tough questions, challenge people's assumptions about strategy and operations, and risk losing their goodwill. It demands a commitment to serving others; a skill at diagnostic, strategic, and tactical reasoning; the guts to get beneath the surface of tough realities; and the heart to take heat and grief."<sup>5</sup>

Heifitz uses the ironic example of white supremacist David Duke, who successfully convinced Klu Klux Klan members to leave their backyards and gather in hotel conference rooms. Duke used his considerable emotional intelligence, a capacity for empathy, an ability to pluck heartstrings, and a talent in mobilizing for collective action. However, he avoided asking his followers the tough questions: How will creating a societal structure of white supremacy engender the self-esteem they so desperately sought? How will it solve poverty, alcoholism, and family violence that corrode their sense of self-worth?

Many leaders with high emotional intelligence aren't interested in asking the deeper questions. They are in for the power and the glory (or control). Their desire to be needed and feel important renders them vulnerable to grandiosity. It is a primal hunger for authority. However, maintaining one's primacy or position is not in and of itself leadership. Have we not learned enough in the past few years that it is time for individuals who are truly visionary and courageous to apply the intelligence and knowledge of others to craft a new, more sustainable model of nonprofit leadership? Let us get out of the way so that they may stand and deliver!

# # # #

Footnotes:

1. Heller, Robert. The Leadership Imperative, Truman Talley Books, 1995.
2. Hesselbein, Frances. "All in a Day's Work," Harvard Business Review, December 2001.
3. Kushner, Harold. Living a Life That Matters, Knopf Publishing Group, 2001.
4. Heifetz, Ronald; Laurie, Donald. "The Work of Leadership," Harvard Business Review, January 1997.
5. Heifetz, Ronald. "Voices: Inside the Mind of the Leader," Harvard Business Review, January 2004.

## ABOUT THE AUTHOR



**Art Stewart** is a futurist and consulting strategist who focuses on the political, cultural, economic, and sociological dynamics at the convergence of traditional business, new stakeholder empowerment, and public interest values. He has nearly thirty years of experience across the spectrum of his profession, including nineteen years heading his own independent consulting firm based in Boston, Mass.

As an educator, he is presently teaching the undergraduate edition of a curriculum he developed in corporate and social responsibility at [Emerson College](#), and is a Research Fellow at the Bentley University Center for Business Ethics. Art [writes and speaks](#) widely on the ‘New Responsibility Paradigm’, a strategic analytical framework he developed which focuses on the transformation to greater accountability, transparency, authenticity, competency, and leadership integrity across society.

He has helped disruptive innovators successfully execute their go-to-market strategies, guided bricks and mortar corporate organizations in transitioning their business models, assisted non-profit and cause related institutions in modernizing their competitive capabilities, and supported senior executives in building their public leadership platforms to advance their agendas.

Art earned a mid-career Master’s in Policy Management from Georgetown University’s Public Policy Institute as well as a postgraduate certificate in *Senior Executive Leadership*, also from Georgetown. He holds an undergraduate degree in Mass Communications from Emerson College and has completed “Dealing with an Angry Public,” with the MIT-Harvard Law School Public Disputes and Negotiation Program.

His professional achievements have earned Art inclusion in *Who's Who in America*, *Who's Who in Business & Finance*, and *Who's Who in the Media & Communications*.