RISING TO THE CHALLENGE:

New Leadership for New Times

WHY NEW LEADERSHIP?

Over the past several years, the external landscape has undergone significant adjustments and shifts. A nudge here, a giant leap there—rarely with any warning or sign of caution. In fact, each time leaders felt confident they were heading in one direction, a new stimulus forced them into a seemingly opposite one. And through it all, international non-governmental organizations (INGOs) have faced both challenges and opportunities. They continue to adapt their role in locally-led development and rethink their organizations to be more fit for purpose and even more relevant, trusted, and able to deliver sustainable impact. These times are undoubtedly difficult and continue to constantly evolve. However, they also present an exciting opportunity for leaders to create something extraordinary.

For organizations to thrive in a constantly changing environment, they must cultivate overall resiliency, continuous learning, and ever-evolving adaptation. This can, in part, be achieved by intentionally investing in, and strengthening, leadership capabilities. At its foundation, it's about fostering a culture where leadership at all levels is prepared and clear about the organization's values and expectations for leadership behavior and attitudes, and where individuals hold themselves and others accountable. With this kind of leadership ecosystem in place, organizations can become productive and innovative, capable of weathering any challenge or change with a combination of energy and humility, ultimately achieving their mission or purpose.

Where are we coming from? After thousands of hours with hundreds of executives in conversations, interviews, advisory sessions, roundtable and forum dialogues, and through our podcast, we have grasped a sound understanding of these matters. We are witnessing the transformation right before our eyes in real time. And through it all, we remain hopeful for the future because the INGO sector has shown again and again that "we can do hard things" - to quote a recent podcast guest. We are also urgent in our advice on how to become successful. We have seen firsthand that the sector can achieve monumental success when it focuses on a few key areas that tend to get sidetracked with a "when we have time" mindset.

Change Is Always Difficult

We understand that change can be incredibly difficult. As human beings, we are naturally resistant to it. Our brains are wired to predict and maintain the status quo, rendering uncertainty as an overwhelming threat in most cases. Even those of us who claim to love change often struggle with the areas that do not transition smoothly to new and expected circumstances. In fact, the mere prospect of being open to change can create resistance in our brains to preserving what needs to remain constant. Leaders, in particular, may find this difficult, often becoming overly stifled by the prospect of change.

In contrast to this initial reaction to transformation, we have also proven that we can overcome challenges (often brought about by change) when necessary. During the first year of the pandemic, leaders made transformative decisions at lightning speed without complete information, adapted to new circumstances, and continued to move forward persistently with their work. And so, the paradox remains—as much as they may instinctively want to resist change, they can also find a compelling need to overcome it and succeed.

THIS TIME IS DIFFERENT

There is perhaps no more opportune time to better understand these dynamics than right now. Leaders today must recognize that they are facing a once-in-a-generation era of change. Instead of resisting it, they must get comfortable with being uncomfortable and find the best ways to lead their organizations through it. By acknowledging the challenges they've already overcome and those that remain ahead, and their natural resistance to change, they can navigate this period of transition with greater clarity, intention, and success.

In our *Call To Action: 2023 Predictions for the Development Sector*, we highlighted that leaders are adapting to the rapidly changing environment by embracing a grounded sense of optimism and recommitting to their essential missions. They are fundamentally reinventing themselves to stay aligned with the sector's rapid evolution.

To do so effectively, we observed that the leaders who practice self-awareness and self-management and find opportunities in all circumstances are more effective and less exhausted than those who do not. Additionally, although few CEOs explicitly mentioned taking care of their staff, the implication was abundantly evident some were thinking beyond the traditional notions, solutions, and slogans of self-care and staff well-being. Instead, the focus was on long-term, sustainable approaches that prioritize ongoing review, assessment, and investment in the full potential of leaders and their teams. It became clear that in 2023, organizations that prioritize their own and their staff's well-being and foster strong teams, excellent managers, and engaged boards through a robust organizational culture will be the ones to succeed. However, questions remained regarding an organization's readiness to do so.

A PREPAREDNESS PLAYBOOK

After conducting third party interviews with leaders for our Predictions paper, engaging in workshops and CEO conferences, and delivering presentations on leadership success, we gathered valuable insights that led to the creation of a new Leadership 3.0 Playbook. In compiling this data, we learned that unfortunately, many organizations jump into transformations without assessing their readiness, resulting in a waste of resources and time. They sideline this ever-important assessment because it is one of the hardest things for leaders to do.

The Playbook is specifically designed to address the challenges of 2023, focusing on how to lead effectively in times of volatility and increasing pressure, with specific assessment tools to help determine an organization's readiness. These are dynamic areas with their own inherent frustrations based on recollections of initiatives tried and abandoned. The Playbook emphasizes that dealing with these challenges can be exciting if leaders are adequately prepared.

Learning to lead through times of volatility to ensure the organization is ready for whatever comes its way is not a one-time task but rather, an ongoing process. In the following analysis, we will explore the topic of preparedness through four key areas: CEOs, Boards, Executive Teams, and organizational Culture. While each is independently important for some level of improvement, the ultimate readiness (and success) of the organization requires each of these facets to be aligned.

MEETING THIS MOMENT: LEADERSHIP 3.0 PLAYBOOK

CEO Taking Care

- Self compassion
- Persistent self knowledge and development
- Clarity on personal values, vision and purpose for self
- Wide-eyed assessment of impact versus intent

BOARD Steering Ahead

- Consistent and persistent curating of engaged board: relevant issues, right representation, deep trust, and learning culture

EXECUTIVE TEAM First Team

- Intentional team composition and development
- Consistent and persistent adherence to "first team" behaviors, principles and actions

CULTURE Clarity & Accountability

- Ongoing and tenacious striving for healthy culture
- Holding others and self accountable to those behaviors and actions

CEOs - Taking Care

The Importance of Taking Care

A fairly new CEO was about to walk away from the organization, describing it as if he was on life support. He was frustrated with his board, inherited leadership, and an outdated governance system in what became a volatile, unstable situation.

While many of us have inherited the mantras of putting our noses to the grindstone, pulling ourselves up by our bootstraps, and asking for help only when absolutely necessary, this is no way to run an organization. Unfortunately, we have seen far too many CEOs in this situation—burnt out and either getting fired or simply walking away defeated.

Giving a CEO the time to reflect, process, prioritize, and reconnect with their own values gives them new life. Our CEO assessment for readiness includes many self-care aspects that are crucial to success in this role, including self-compassion, self-awareness, self-knowledge, clarity on their personal values, vision, and purpose, and a wide-eyed valuation of the impact their actions have compared to what was intended.

The CEO plays the key role in balancing the tensions created by stabilizing the current business model while simultaneously inventing its future. Navigating these and other tensions requires leaders who are self-aware, reflective, and willing to listen to divergent voices. Successful CEOs role model ongoing personal learning and development both for their executive teams and their organizations. They utilize mentors, coaches, and their peers to grow in their roles and as safe spaces to share concerns and vulnerabilities, and brainstorm ideas upon which to improve. They challenge themselves, their boards, their executive teams, and their organizations to embrace the uncertainty, take actions in areas they control, and be willing to listen diligently to learn and adapt.

The question many CEOs ask themselves is — Do the changes my team and I make help strengthen and expand our relevance, trust, and impact in meeting our mission and reaching our vision?

CEOs also have important stewardship responsibilities. One leader we have worked with put it this way, "Our organization is moving to version 2.0, and I need to grow to be the CEO 2.0 for us to be successful." Another leader noted, "I need to be trusting and trustworthy in my leadership and enable others to do the same."

Boards of Directors - Steering Ahead

While each organization is unique in its focus, capabilities, and future potential, leaders are generally in agreement on ensuring their boards are best equipped to govern and guide in these changing times. We all know that engaging and aligning the board is essential for long-term success. However, some organizations are going above and beyond in the following ways:

◆ Being intentional around board composition and creating a board culture of inclusion, learning, and performance in service of the mission.

◆ Investing in board time that extends beyond standard board business to have meaningful discussions on how the organization strategically continues to evolve to meet the moment.

◆ Leveraging unique board expertise to understand the trends and issues shaping the future environment more deeply.

◆ Ensuring that board mechanisms (from task forces to committees to meetings) are better aligned to address the issues that emerge, as well as new policies and resulting decisions.

> *Investing in Geting it Right*
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> *One of our favorite examples of getting it right is with an organization that was expanding and re-defining its traditional business model for greater impact. To be successful, the CEO and the Board Chair agreed that they needed time and resources to bring the entire board into the new vision.*
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> *It was that investment in the board's time that resulted in big payoffs. The reflection, dialogue, and self-examination moved the board from barely engaged to highly engaged in varying degrees. Discussions afterwards were on point and led to the right decisions being made to benefit the organization.*

◆ Strengthening the partnership between the board and executive leadership to allow for more authentic conversations that are often required along this journey.

◆ Revisiting the overall organizational purpose and identity and understanding how it may need to change, as well as who may be comfortable with it—and who may not.

Underlying all these actions is the recognition that boards are often an underused asset and that gaining a better "return on talent and time" can have profound benefits for the organization. Board success is reliant, in part, on this ability to consistently and persistently curate an engaged group that focuses on relevant issues, has the right representation, fosters deep trust, and cultivates a learning culture.

EXECUTIVE TEAMS - THE FIRST TEAM

The term "first team" is often used to refer to an executive team or leadership team within an organization. It typically implies that this group of individuals is the most important and influential team within the organization, and they are responsible for

making critical decisions, while setting the strategic direction of the company. Simply, this is the primary team of executives who are responsible for leading and guiding the organization.

Successful leaders view their executive teams across multiple lenses, considering the following questions:

◆ Do we have the right mix of talent and representation on the executive team?

◆ How can we clarify and hold ourselves accountable for our role, our priorities, and behaviors as the first team?

◆ How do we better understand the unique strengths each team member brings and how to collaborate around those strengths?

◆ How do the day-to-day structures and mechanics of information flows, meetings, and interactions support higher degrees of team engagement, creativity, and excellence?

CEOs who invest in addressing these questions with their executive teams – and taking action – not only shape an effective first team for the organization, they also set the standard for team effectiveness across their organization.

Working Together as a First Team

A CEO once told us that she had a very strong group of executives on her executive team, but she struggled to get them to work as the first team. They wore their various departmental hats defensively and had an overall lack of comfort in entering constructive conflict—a key component to making smart decisions in these tumultuous times.

Through the executive team assessment, we discussed their individual work styles and work preferences and created a new executive team charter to clarify and guide effective collaboration. With one breakthrough moment—when one of her executive team members pointed out that she was feeling uncomfortable, and the other team member took responsibility and apologized—the new executive team culture began to emerge.

This is a prime example of how executive teams must intentionally focus on team composition, development, and collaboration. In doing so, they also must consistently adhere to "first team" behaviors, principles, and actions— leading together, rather than individually competing.

CULTURE - CLARITY AND ACCOUNTABILITY

Culture is everything. On point is the famous Peter Drucker saying—culture eats strategy for breakfast. And closely linked to an organization's culture is its overall identity—what makes it unique— its purpose, role, brand, and the emotional connection between work and values. Navigating change successfully is inextricably tied to a beneficial organizational culture.

We are talking about the unifying culture of the organization, the board, and the first team. How to create the organizational culture leaders want – and then how to hang on to it - is one of those very tricky things to figure out. We have had hundreds of conversations

with executives about the mysteries of culture. In our work, we see the results of "culture gone wild" all the time. Some common examples include executive team members talking about others to the CEO but not to each other; managers blaming staff for poor performance; silos between teams or departments; employees fearing retaliation for speaking out; staff feeling invisible; and executive teams being isolated from staff—to name just a few.

Organizational culture needs to rest on clear, well-understood values and more importantly, the day-to-day behaviors that demonstrate those values. Ensuring that management systems (from new employee selection criteria to performance management systems) support and reinforce these behaviors is key.

Culture efforts are never truly complete as dynamic cultures evolve, adapt, and reflect the organization at that point in time. Leaders strengthening their cultures often ask:

◆ How clear and well-understood our cultural values - do they still help us serve our mission?

◆ Where are the gaps between our aspirations for our culture and our reality?

◆ What is our unique identity that drives affiliation, engagement, and a shared sense of purpose?

◆ What are the behaviors we value? How consistent and persistent are they across our organization?

◆ How do we embed our values and behaviors across our supporting management processes and throughout our employee experience?

In our culture assessment, we analyze clarity and accountability in team culture, which requires an ongoing and tenacious effort to maintain this healthy work environment. This includes holding oneself and others accountable for their behaviors and actions. Healthy cultures are like healthy ecosystems: they are not 'extractive' and depleting finite talent and motivation, instead they progress to be not just sustainable, but regenerative to resiliently respond to the needs ahead.

Healthy Cultures Require Inclusion

The impact of inclusion on culture can be revealed in many ways. Recently, an executive sought to enhance the diversity in her team. It included several members who were not from the U.S. and who resided in their countries of birth, mostly in Asia and Africa. The team had been challenged or uncomfortable at times in conversations that promoted the non-U.S. executive team members finding space to share their viewpoints and ideas. This atmosphere had seeped into the organization's culture in negative ways.

Leadership actions, inactions, and attitudes will always impact culture, particularly as it relates to inclusion. However, regardless of the underlying external stimuli, the opportunity to have an inclusive organization means that leaders learn to intentionally hold their fire so that others feel they have the space to thrive. It means allowing for silence. It means not having things go as quickly as one may prefer (often according to their own cultural norms). It means being comfortable with the uncomfortable, especially as it relates to circumstances outside of one's control.

A Call-To-Action

The external landscape will continue to shift, change, and remain uncertain. What is more in the control of leaders, however, is how they can always prepare themselves for the future.

This involves a three-fold approach:

◆ Assess where you have strengths and where you may need to change. Use our assessment tools to get started, share your results, and go deeper.

◆ Invest in taking action to shore up where you are behind.

◆ Align (and re-align) yourself, your executive team, your board, and your organization.

Getting Started

As we press forward, leaders must take a closer look at what they have accomplished thus far, and ask themselves if they are truly achieving the impact they initially set out to make. Are they fully committed to diversity, inclusion, and locally-led development? Are they responding adequately to the many crises and challenges facing the communities they serve—from climate change to economic disparities? By shining a light on the multitude of questions brought about by this unyielding change, they can re-examine their approach and ensure that they are making a meaningful difference in the world.

Let's not forget that this is the time to seize the possibility of change! If they're ready, leaders are well equipped to stabilize the present while creating the future. They are no longer 'simply' building the plane as they fly it. Rather, leaders are building a brand new plane in the front, while managers are continuing to maintain the old one in the back. And switching these roles as needed. And somehow, they are making it work.

Aren't you ready to lead your organization into the future, uncertain though it may be? Aren't you ready to break away from those CEOs, boards, and executive teams that leap into transformations without assessing their own readiness first? If you are, you can set the stage from the start with a detailed analysis to show where you are ready and where you may need to tweak or overhaul. When you focus on what you can control, your chances for success -- regardless of the changes ahead -- will only increase. Reach out to learn more about these assessments and others to help you do exactly that.

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