

Leadership in volatile times

By Shamal Dass

The astute amongst you, and those of a particular 'vintage', will recognise the words in the title from the 1967 hit, *Reflections* by Diana Ross and the Supremes. This short paper is indeed about the necessary and crucial step of reflection. It is a step that is often missed by leaders as we seek to pivot as quickly, simply and painlessly as possible from crisis to recovery. But, now more than ever, we exist in a complex, emergent environment – one that presents multiple challenges and opportunities. Those leaders who take time to pause and reflect will be better equipped to guide the evolution of their organisations.

Much has been written about leading through crises since the pandemic took hold in early March (including my article [Heads Down, Eyes Up. Leadership in Volatile Times](#)). Most offer valuable insight, but often frame the transition from crisis to recovery as a linear and discrete process. This raises two concerns.

Firstly, this linear approach raises the issue of timing. To paraphrase my colleague Professor Kristy Muir, CEO of Centre for Social Impact, 'there is danger in both staying in crisis mode too long AND pivoting too quickly from crisis to recovery'. Either approach leaves our organisations vulnerable to poor decision making with long lasting repercussions.

Secondly, it assumes recovery is the end goal. It implies (as Diana Ross opines) a yearning to go back to 'the way life used to be'. It implies that what existed before was normal, healthy and acceptable. Numerous reams of data and analysis tell us that all was not well pre Covid-19. I would contend that 'recovery' is a dangerous objective - our focus should instead be on 'reimagining' a better future for those we serve and our society as a whole. And, in doing so, reimagine the role our organisations, and we as leaders, will play in shaping and securing that future.

This paper will reflect on how what we have observed over the last three months; what we must learn from these observations; and what we must consider as we reimagine the future of our organisations (and our role as leaders). These insights are partially informed by roundtable discussions held in April 2020 and attended by more than 60 board and executive leaders from across the sector (alumni of the JBWere NAB Governance for Social Impact course).

“ Recovery is a dangerous objective
- our focus should instead be on re-imagining
a better future for those we serve
and our societies as a whole. ”

Reflections...of the last 2 months.

During these sessions, our alumni made some interesting observations:

- Under the pressure of crisis, most organisations are more nimble and agile than assumed – with clear, concise communication, and distinct delegation of duties being (as expected) core indicators of good governance and execution;
- Board Directors were impressed with the crisis response capabilities of the executive, however, some noted concerns that many decisions seemed tactical and perhaps not sufficiently strategic;
- Most executives were happy with the way their Board 'leaned in', but shared stories from other colleagues where Boards were perhaps 'taking over' or 'too aloof';
- Boards were concerned about the toll this period has taken, and will continue to take, on the employees and volunteers over the medium term, especially the management team.

In addition to sharing observations, we turned our minds utilising some of the frameworks from the Governance for Social Impact course to explore how directors have addressed some of the challenges, and the types of actions they may take to help the organisation adapt and evolve in the months ahead. What follows are some ideas that may assist you in your role as a for-purpose board director or executive in the weeks ahead.

Reflections...of what we have we learned.

One board director made the incisive observation that the crisis had amplified their organisational strengths and weaknesses. This is a gift for us board directors, if we take the opportunity to reflect and critically analyse how our organisations, our management, and we as a Board, have performed. Great governance creates processes to capture the learnings, so you gather valuable insights by asking questions such as:

- ***How well have we performed through the crisis? Against what measures? Have beneficiary outcomes been compromised?***

As important as the cash flow statement, P&L statement, and balance sheet are, the quality of your performance will be reflected in how well you have served your beneficiaries through this period. How has your mission performance fared through this period?

- ***How does our performance in the last 3 months compare to what we state as our organisational strengths and weaknesses in our strategic plan? Have we acted in line with our stated values and behaviours during this period?***

This period presents an excellent opportunity to remove the rose-coloured glasses we often wear when viewing the organisations we are so passionate about, and see the truth that is only truly revealed under pressure. An important element is whether the Board has performed its role as a collective, as well as each Director individually, in the lead up to and during this period.

For example, one Chair, with military experience, implemented a new communication protocol where all board requests filtered through the Chair to the CEO, and adopted a more regular meeting cadence ('battle' rhythm). The Chair must consider how effective these changes have been and what is needed in this reflection phase.

- ***What are the potential intended and unintended consequences of the choices we have made in the last 3 months?***

Many tactical decisions have been made over the last few months to ensure organisational survival e.g. staff retention, program maintenance, planned investment etc. Some of these short term decisions have the potential to cut-off long term strategic options. The Board must understand the medium and long-term repercussions of these decisions lest they achieve a Pyrrhic victory where the organisation 'survives' from a financial standpoint but is weakened to a point that it is no longer able to achieve its mission.

- ***What have we learnt about our organisational Theory of Change (TOC)? Which assumptions have been shown to be weak or incorrect? Have there been changes in the beneficiary ecosystem (e.g. are there different barriers, additional levers, or new agents)? And if so, how must our TOC adapt to deliver outcomes?***

We should all have an organisational TOC that articulates the fundamental pieces of the puzzle that will enable us to deliver outcomes for beneficiaries. An important part of a good TOC are the assumptions we are relying on to create impact - e.g. you have access to your volunteers; the economy is on a stable, healthy state; our front-line staff can travel to remote locations or overseas where your beneficiaries reside. If these assumptions no longer hold, then how does this affect your ability to serve the beneficiary?

The outcomes that the beneficiary desires will likely not have changed. Thus, the challenge is not to simply manage the crisis effectively and move quickly into recovery; but rather to take time to learn and reflect, so that you are able to pick the most effective pathway, maybe even a new pathway, to mission fulfilment. A review, rethink and refresh of your strategy is perhaps more important now than ever before.

Reflections...on the race we are in.

Crisis management is a sprint. Many of the social problems we seek to solve are marathons. Sprinters do not win marathons. Being exceptional at crisis management might mean your organisation could survive and even prosper...but to what end if you haven't served your beneficiaries? Some of the questions that effective Boards are considering in this reflection zone include:

- ***Are we going too fast? Are there programs being developed and delivered without due consideration of our mission to meet funder (Government) aspirations? If we get swept along and commit, will we end up with an unsustainable model or program? Are we focussed on the endgame?***

Many of our alumni are dealing with entrenched issues such as poverty and homelessness. Governments see the tsunami coming and are deploying significant funds quickly. But regardless of funding timetables, some of these programs need to be rolled out cautiously, in a certain manner and for an extended period. Money alone cannot generally solve systemic issues; for example, simply delivering more short-term programs will not solve homelessness – board directors need to ensure their gaze is fixed on their mission, not their organisations finances.

- ***How are our people – management, service delivery, volunteers? Are they coping well? What are the levels of anxiety, if any? Are the management team fatigued? What should the Board be doing to assist them in this emergent space?***

A marathon is 42.195km. In crisis, your management team has been running 100m sprints, and has become very good at them. The Board must continue to bring a longer-term mindset to organisational direction and must ensure that the organisation is fit to run a marathon – pacing the change is critical. As such, it is incumbent on the Board to consider what needs doing; what fuel your team needs now and in the future, and how it will be acquired.

Some of our alumni are working to ensure everyone within the organisation understands why they are here – making sure that there is hope about how the organisation will prosper beyond the crisis. This hope is often the fuel needed in the darkest moments. One Board has partnered each board director to an executive team member for technical guidance and mentoring. One Chair has implemented split teams to create the space for thinking: Team A deals with the current crisis and Team B is the ‘plan ahead’ team ([see article by McKinsey](#)). We endorse this approach noting the Board needs to ensure the right people are in each team and that they operate together – because each decision made during the crisis will affect the available options in the future.

“ Crisis management is a sprint.
Many of the social problems we seek
to solve are marathons. Sprinters
do not win marathons. ”

Final Reflections

The last few months have presented a uniquely challenging and volatile environment for all of us, the organisations we lead, and the beneficiaries we serve. Things have moved hard and fast, but we are still only at quarter-time in the contest. The Board must now do what all great coaches do at quarter time - reflect. Reflect on how well the team has played; what has changed in the environment; what parts of their strategy still make sense; what they can control; and what options they still have available.

This importance of this moment cannot be overstated. In teaching the Governance for Social Impact course, we observe often that amongst Board Directors there is an odd cognitive dissonance:

- A bias to action and making decisions; and
- A minimal or zero appetite for making the ‘wrong’ decision.

I would assert that now is time to pause and reflect, and make a commitment to take bold action, if that is what is needed, to deliver on your mission. Great governance is rarely about having the right answers - rather it is about asking the right questions. Your frame of mind in this emergent environment is critical - to quote hedge fund pioneer and philanthropist Ray Dalio:

“ Sincerely believe that you might
not know the best possible path and recognise
that our ability to deal well with “not knowing”
is more important than whatever
it is you do know. ”

Along with our bias to action, as leaders, we often seek certainty...for ourselves, and for those around us. In this rapidly evolving and uncertain environment, those that choose to sit in the space of reflection (and the accompanying discomfort) will provide their organisations with the guidance needed to locate the best possible path.

I hope this paper has provided some pragmatic insight as you prepare for your next board meeting or strategy session. It is in these moments that leadership truly matters – it is a time for wisdom, humility and courage. As a community, every step we take in the right direction brings us that little bit closer to the finish line.

About the Author



Shamal Dass – Head of Philanthropic Services

Shamal joined the Philanthropic Services team in November 2012 and has led the team since November 2014. In addition to leading the team, his responsibilities include the provision of specialist strategic advice to both for-purpose organisations and private clients in areas ranging from the structuring, governance, capacity building, sustainability and organisational strategy.

Prior to joining JBWere, Shamal worked within the financial services and trustee industries gaining significant experience in advising high net worth individuals on their philanthropic structures, managing trusts and foundations (including PAFs), and constructing charitable foundation investment portfolios.

Shamal is an Adjunct Associate Professor at the Centre for Social Impact, University of NSW Business School. He co-created and co-teaches the Governance for Social Impact course at the Australian Graduate School of Management (AGSM).

Shamal's research, writing and teaching is focussed on the development on frameworks that enable all participants in the social impact ecosystem (for-purpose organisations, philanthropists and corporates) to deliver better outcomes for beneficiaries.

Shamal serves on a volunteer basis as;

- a Non-Executive Director on the Board of Earthwatch Australia and Two Good Foundation;
- Chair of the Governance Group of The Constellation Project (a cross-sector collaboration focussed on eradicating homelessness in a generation);
- A member of many committees including the Advisory Committee of the Centre for Social Impact and Investment Committee of the JBWere Charitable Endowment Fund.

About JBWere Philanthropic Services

The mission of the JBWere Philanthropic Services team is 'to inspire, educate and support of clients in delivering sustainable impact'. We are the leading provider of services in Australia and New Zealand and serve a broad range of purpose-driven organisations, institutions, corporations, families and individuals (currently entrusted with more than \$8bn across Australia and New Zealand).

We partner with our clients to support them in delivering on their mission, and fulfil our own, through:

- Best Practice Governance;
- Research, Education and Insight; and
- Tailored Strategic Advice.

To discuss how we might be able to work with you, please contact John Morrow, Head of Philanthropy for JBWere New Zealand, on 09 365 0825 or email him at John.Morrow@jbwere.co.nz.

Important notice

This document has been prepared by JBWere Limited (JBWere). The information within this document is indicative and prepared for information purposes only and does not purport to contain all matters relevant to any particular investment or financial instrument. JBWere does not hold itself out as providing professional taxation advice. Any tax information provided in this document is based on our understanding of taxation and other laws. You should consult with your professional taxation adviser before acting on the information or data contained in this document.

So far as laws and regulatory requirements permit, JBWere, its related companies, associated entities and any officer, employee, agent, adviser or contractor thereof (JBWere Group) does not warrant or represent that the information or conclusions contained in this report (Information) is accurate, reliable, complete or current and it should not be relied on as such. Subject to any terms implied by law and which cannot be excluded, the JBWere Group shall not be liable for any errors, omissions, defects or misrepresentations in this report (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the Information. If any law prohibits the exclusion of such liability, the JBWere Group limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable.

If you have any questions, please contact your JBWere adviser.