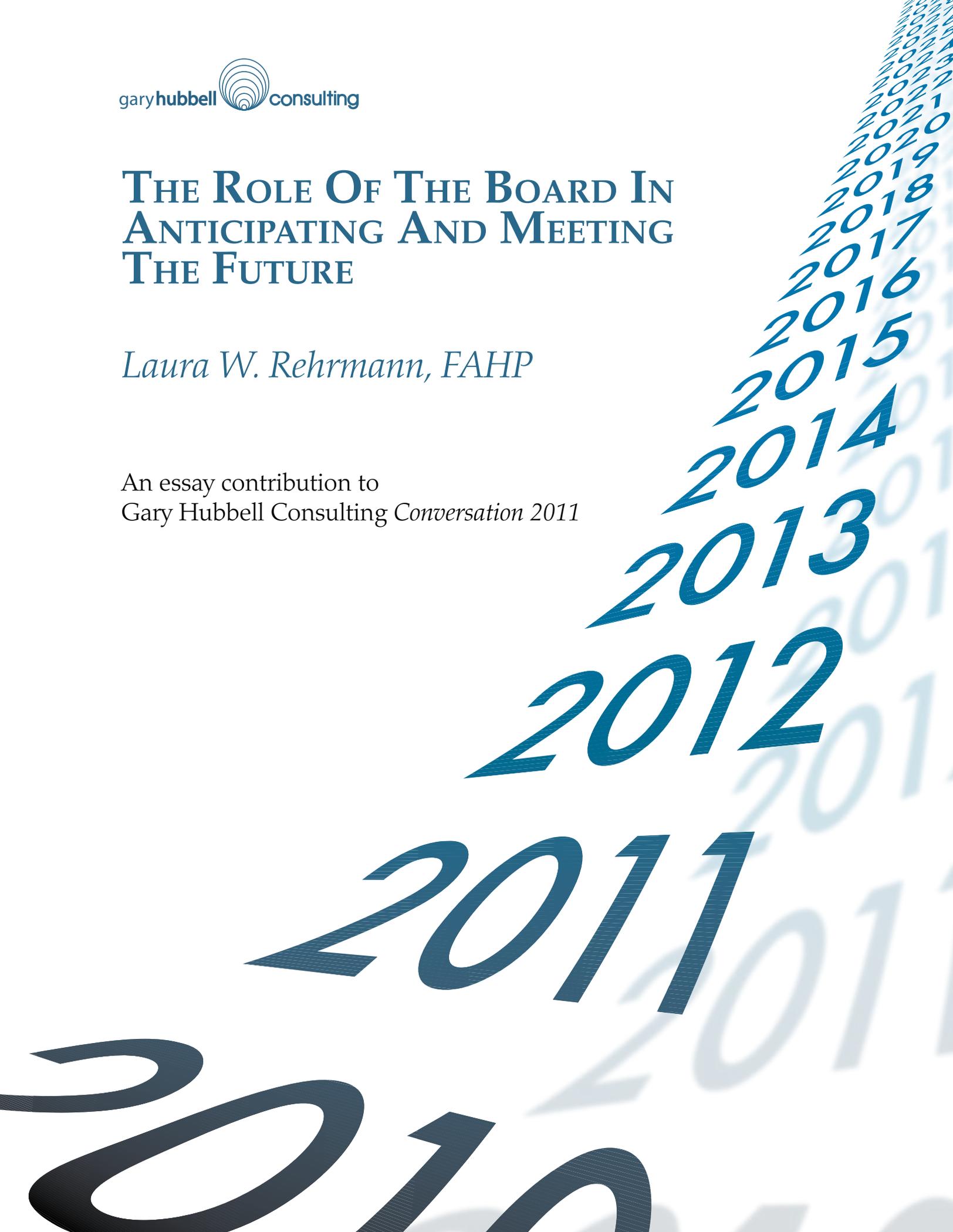


THE ROLE OF THE BOARD IN ANTICIPATING AND MEETING THE FUTURE

Laura W. Rehrmann, FAHP

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ABOUT GARY HUBBELL CONSULTING CONVERSATION

Annually, Gary Hubbell Consulting convenes and hosts a small hand-picked group of social sector professionals from throughout North America for three days of intense dialogue and critical thinking. We strive to create a thought-provoking, mind-opening, and stimulating conversation about philanthropy, organizational leadership, and social sector change. This deep exploration of the nature and challenges of the philanthropic environment is intended to engage, inform, and inspire senior leaders to be catalysts for change in their own organizations and communities of influence. With each *GHC Conversation*, we seek to establish the seeds of a continuing and enriching network that nourishes us as individuals and helps each of us change how we converse, inspire, and seek new dimensions of philanthropy.

Gary Hubbell Consulting *Conversation 2011*



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Laura Rehrmann is president of the Group Health Foundation and vice president for Community Responsibility for Group Health Cooperative, one of the nation's largest consumer-governed health care systems. Rehrmann oversees the Foundation's work in fundraising and program development to support Group Health patient care and community health programs.

Rehrmann has been with Group Health since 1997, when she joined as vice president of Development of the Foundation, Group Health's philanthropic arm. She was named president and CEO of the Foundation in 2000. She earned her Master in Not-for-Profit Executive Leadership from Seattle University, is a fellow of the Association for Healthcare Philanthropy, and is a Certified Fund Raising Executive. She is a past Chair of AHP and serves on the AHP Madison Institute faculty.

Rehrmann began her career in public relations focused on healthcare. She went on to found a specialty newspaper eventually selling the business. She entered the development field in 1988 and has worked for Meany Hall for the Performing Arts at the University of Washington; Catholic Community Services of King County, and was Executive Director of the Seattle Central Community College Foundation. She serves on the boards of Nature Bridge, Leadership Tomorrow, Independent Colleges of Washington, American Red Cross of King and Kitsap Counties.

This is Laura's first *GHC Conversation*.

THE ROLE OF THE BOARD IN ANTICIPATING, MEETING AND SHAPING THE FUTURE

By **Laura W. Rehrmann, FAHP**

Aside from the compelling missions of nonprofit organizations, the complexity of philanthropic systems and the unique role of the board is what brought me into fund development. As a board member of several organizations, I had experienced board dynamics, the commitment of board members to serve a greater good, and the unique role that a volunteer board plays in achieving organization mission. I found compelling and distinctive the board members' commitment, camaraderie and service to something much larger than an individual interest.

Why do people join boards of non profits? There are many reasons, prestige or they were asked by someone they admire, however at the heart of their willingness to volunteer their time and give their money is I believe an aspiration to be of service, to be a servant leader. This aspiration may not be well defined or understood by the board member, nor the staff member. However I believe that the more service and servant leadership is understood and internalized, the better governance practices will be, and ultimately the board's role as stewards of the mission and community will be more effectively realized. Both board and staff will have more fun and bring more energy to the board room too.

I am using two reference points to better understand how to look around the corner to a future two decades away. One is the work of Robert K Greenleaf, and the other is

“Governance as Leadership.”⁸⁵ I believe that Greenleaf’s work sets the philosophical underpinnings for the notion of “generative governance and thinking.”

The questions I am exploring are how do I teach and mentor, lead and collaborate with individual board members, staff members, and the board as a whole to develop servant leaders? How do I become a better servant leader myself to serve the stakeholders today, and as importantly, prepare the way to serve the board and institutional needs in 2030? What are the change indicators we need to recognize today that energize our boards, staffs and selves so that we build the flexibility and muscle memory to incorporate change and new ways of being up to 2030 and beyond?

The beginning point for me is the work of Robert Greenleaf. The phrase “Servant Leadership” was coined by Robert K. Greenleaf in *The Servant as Leader*, an essay that he first published in 1970. In that essay, he said:

"The servant-leader *is* servant first... It begins with the natural feeling that one wants to serve, to serve *first*. Then conscious choice brings one to aspire to lead. That person is sharply different from one who is *leader* first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions...The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature."

"The difference manifests itself in the care taken by the servant-first to make sure that other people’s highest priority needs are being served. The best test, and difficult to administer, is: Do those served grow as persons? Do they, *while being served*, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? *And*, what is the effect on the least privileged in society? Will they benefit or at least not be further deprived?"⁸⁶

In his second major essay, *The Institution as Servant*, Robert K. Greenleaf articulated what is often called the "credo." He said:

⁸⁵ Richard P. Chait, William P. Ryan, Barbara E. Taylor, *Governance as Leadership: Reframing the Work of Nonprofit Boards*, 2005, John Wiley & Sons: Hoboken, NJ

⁸⁶ *Greenleaf Center for Servant Leadership*, retrieved January 3, 2011, from: <http://www.greenleaf.org/whatissl>

"This is my thesis: caring for persons, the more able and the less able serving each other, is the rock upon which a good society is built. Whereas, until recently, caring was largely person to person, now most of it is mediated through institutions - often large, complex, powerful, impersonal; not always competent; sometimes corrupt. If a better society is to be built, one that is more just and more loving, one that provides greater creative opportunity for its people, then the most open course is to raise both the capacity to serve and the very performance as servant of existing major institutions by new regenerative forces operating within them."⁸⁷

Whether board members or staff, we are a mix of "leader first" and "serve first" individuals with, as Greenleaf says, a continuum between the two that incorporates human diversity.

Greenleaf's writing and thinking is widely admired in the business literature including authors such as Peter Senge, Peter Drucker, Stephen Covey and Margaret Wheatley.

Stephen Covey, in his foreword to *Insights on Leadership*, emphasized the competitive importance of servant leadership as it relates to the empowerment of employees. He said:

"The deepest part of human nature is that which urges people—each one of us—to rise above our present circumstances and to transcend our nature. If you can appeal to it, you tap into a whole new source of human motivation. Perhaps that is why I have found Robert Greenleaf's teaching on Servant Leadership to be so enormously inspiring, so uplifting, so ennobling."

"A great movement is taking place throughout the world today. Its roots, I believe, are to be found in two powerful forces. One is the dramatic globalization of markets and technology. And in a very pragmatic way, this tidal wave of change is fueling the impact of the second force: timeless, universal principles that have governed, and always will govern, all enduring success, especially those principles that give 'air' and 'life' and creative power to the human spirit that *produces* value in markets, organizations, families, and, most significantly, individual's lives."

"One of these fundamental, timeless principles is the idea of Servant Leadership, and I am convinced that it will continue to dramatically increase in its relevance....You've got to produce more for less, and with greater speed than you've ever done before. The only way you can do that in a sustained way is through the

⁸⁷ Ibid

empowerment of people. And the only way you get empowerment is through high-trust cultures and through the empowerment philosophy that turns bosses into servants and coaches..." (I suggest you can substitute "boards" for "bosses.")

"Leaders are learning that this kind of empowerment, which is what Servant Leadership represents, is one of *the* key principles that, based on practice, not talk, will be the deciding point between an organization's enduring success or its eventual extinction."⁸⁸

Margaret Wheatley gave a talk on "The Work of the Servant Leader" at the 1999 conference. In her talk, which was published in *Focus on Leadership*, she said:

"There are many patterns, many beliefs, out there about leadership, about people, about motivation, about human development. The essential truth I'm discovering right now is that when we are together, more becomes possible. When we are together, joy is available. In the midst of a world that is insane, that will continue to surprise us with new outrages...in the midst of that future, the gift is each other. We have lived with a belief system that has not told us that. We have lived with a belief that has said, 'We're in it for ourselves. It's a dog-eat-dog world out there. Only the strong survive and you can't trust anybody.' That's the belief that's operating in most organizations if you scratch the surface. The belief that called you to be a servant-leader, I believe, is the belief of who we are as a species. We have need for each other. We have a desire for each other, and, more and more, I believe that if *the real work is to stay together*, then we are not only the best resource to move into this future—we are the *only* resource....We need to learn how to be together: that is the essential work of the servant-leader."⁸⁹

For-profit organizations, government and nonprofit institutions make up the fabric of our society. While each often operates in its own silo, and when one sector takes more from another there is competition at the boundaries of each, our civil society is dependent on each performing its specific task well as well as intersecting tightly when necessary because it is in the best interests of all to have an educated population, a healthy community, and opportunities for the pursuit of happiness, however that is defined. On nonprofit volunteer boards, all three sectors are often represented and in the board room, through focus on stewardship of the mission and service, we have the opportunity to deeply engage.

⁸⁸ Ibid, <http://www.greenleaf.org/whatissl/StephenCovey.html>

⁸⁹ Ibid, </MargaretWheatley.html>

Ann McGee-Cooper and Duane Trammell, in *Focus on Leadership*, defined Servant Leadership this way:

"Servant Leadership is not about a personal quest for power, prestige, or material rewards. Instead, from this perspective, leadership begins with a true motivation to serve others. Rather than controlling or wielding power, the servant-leader works to build a solid foundation or shared goals by (1) listening deeply to understand the needs and concerns of others; (2) working thoughtfully to help build a creative consensus; and (3) honoring the paradox of polarized parties and working to create 'third right answers' that rise above the compromise of 'we/they' negotiations. The focus of Servant Leadership is on sharing information, building a common vision, self-management, high levels of interdependence, learning from mistakes, encouraging creative input from every team member, and questioning present assumptions and mental models."⁹⁰

The more I read and thought about servant leadership, the more I saw it as closely related to the work of Chait, Ryan and Taylor and their work, "Governance as Leadership." They describe three types of board work: fiduciary, strategic and generative. The generative work of the board asks the same questions that servant leadership practice asks. It helps us frame issues and identify the most effective way to recognize and understand the signs of the future as they emerge, it asks us how to bring that future into action and does it through a network of connections many of which our boards bring to us, or certainly enhance.

Recruiting and deeply engaging board members who represent the broadest diversities of our communities will give us a potential source for deeply discussing and listening to each other to find the ways to understand and frame issues. Asking ourselves how does globalization affect us? In services, philanthropy, future connections, board membership? How do current and emerging technologies bring change to our way of doing business, stewardship, building communities, expanding services? How does the speed of communications today affect the way we do things? Do we need opportunities to socialize, work in process together, build creative consensus differently? How do we prompt and encourage energized discussions that find the "third right answer" as Ann McGee-Cooper and Duane Trammell identify? These are the generative issues Chait, et. al. describe as the real work of the board.

⁹⁰ Ibid, /AnneMcGeeCooper-DuaneTrammell.html

Servant leadership puts staff and board at the table together and is a way to address the “problems” of boards. Because boards face a problem of purpose, not of performance.⁹¹ Staff frustration with what is described as board meddling, or micromanagement and often a focus on insufficient board fundraising becomes the catchall criticism of boards by executives because they don’t have a viable alternative vision of how boards can add value to an organization.

Chait, et al., suggests that for most boards generative thinking requires a new type of agenda that features ambiguous or problematic situations rather than reports and routine motions. Instead of winning the board’s confidence by masking all ambiguities, an executive can earn the board’s **trust** by exposing the ambiguities and then grappling together to make sense of the situation.”⁹²

I am hoping for a generative discussion of what works to engage boards at a generative level. To recognize that socialization is important for board members to get to know one another to work effectively, but time is limited, and face time even more so. How do we use technology to build relationships? Who do we need at our board tables to meet the changing needs of our customers and communities? How do we prepare to exercise new skills at the board and staff level to engage in generative thinking when it is called for? The board has an easily understood fiduciary role, a well understood strategic role, however the generative role is newly defined and allows for the most inclusion, deep discussion, and true value of the board to emerge.

With highly skilled staff leadership today, organizations don’t need board members to do staff jobs. However, Board members are essential to rich, energetic discussions when any of the following characteristics of an issue signals that generative governance might be called for:

- *Ambiguity.* There are, or could be, multiple interpretations of what is really going on and what requires attention and resolution.
- *Saliency.* The issue, however defined, means a great deal to a great many, especially influential people or important constituencies.

⁹¹ Richard P. Chait, William P. Ryan, Barbara E. Taylor, *Governance as Leadership: Reframing the Work of Nonprofit Boards*, 2005, John Wiley & Sons: Hoboken, NJ, pp. 15-16.

⁹² Jeanne Bell, Richard Moyers, Timothy Wolfred, *Daring to Lead 2006: a National Study of Nonprofit Executive Leadership*, CompassPoint & Meyer Foundation, p. 11.

- *Stakes*. The stakes are high because the discussion does or could invoke questions of core values and organizational identity.
- *Strife*. The prospects for confusion and conflict and the desire for consensus are high.
- *Irreversibility*. The decision or action cannot be easily revised or reversed, due as much or more to psychological than financial commitments.⁹³

What kind of preparation do we need to do as board and staff to get ready for generative thinking? Much like fire fighters who do not fight fires all the time, what kind of training, tool maintenance and bonding time do we need to be ready to spring into action?

The old paradigm is that a board underperforms, but the new paradigm is that underperformance indicates a problem of purpose.

As McGee-Cooper and Trammell said, “the focus of Servant Leadership is on sharing information, building a common vision, self-management, high levels of interdependence, learning from mistakes, encouraging creative input from every team member, and questioning present assumptions and mental models.”

We need our boards to bring this level of discussion, inquiry and energy to frame issues. By recruiting and training board members from different backgrounds, with different skill sets and experiences we create the diversity we need for deep discussions and new understanding. The future is only understood when board and staff work jointly to frame issues and introduce different perspectives.

I believe that the future of philanthropy is driven by board members who freely and energetically engage in framing the issues and understanding service to others in a new way. Servant Leadership is the philosophy, and generative thinking is the tactic that will allow us to adjust, adapt and thrive in service to our missions.

⁹³ Ibid, Governance as Leadership, p. 97.

Gary Hubbell Consulting works with organizations on the cusp of doing great things – articulating innovative philanthropy models, engaging board members and stakeholders in unprecedented ways, sparking transformational change within organizations and communities. We listen to clients with an ear for key issues and an eye on the horizon. No issue or opportunity appears in isolation. Our deep knowledge and innate ability helps organizations see through an ever more chaotic marketplace with clarity and agility. We bring research and resources to help you view opportunities and challenges in new ways.

Especially during challenging economic times, asking the right questions and accurately assessing environmental factors can mean the difference between success and failure. Sometimes transformational change for your organization may be necessary. Other times, adjusting your perspective and language can mean the difference. One thing doesn't change – your organization's need to live out your mission and achieve your vision.



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