

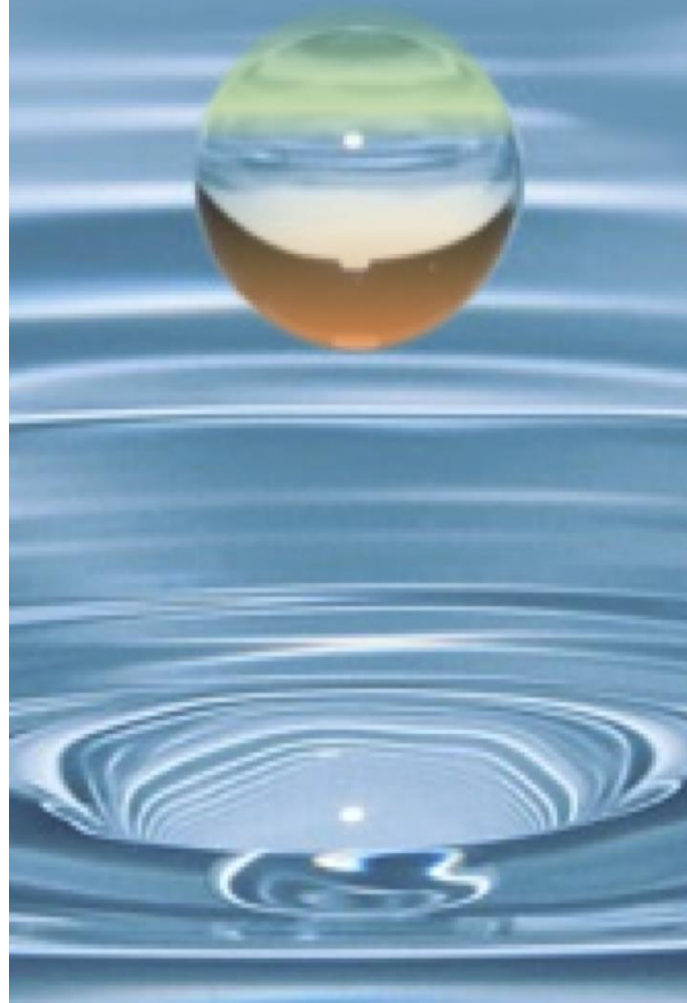


Sustaining Effective Leadership in a Federal Structure

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Sustaining Effective Leadership in a Federal Structure

Introduction

This paper offers ten tips from work on federal structures in international NGOs. They are intended to raise issues and provoke thought rather than giving instant solutions to what are always complex and unique situations. By a “federal structure” I mean an international combination of legally separate organizations which are bound together by formal agreements to pool certain powers and activities. A federal structure is often called a federation but not always, as in the case of Switzerland. The structure includes distinct federal management and governing bodies. For clarity, I shall label these the Federal Secretariat and the Federal Board, though each can be more than one body.

Key principles that underlie a federal structure are described by Charles Handy as follows:¹

- **Subsidiarity**, taking decisions at the lowest possible level, as described in tip 2 below
- **Twin citizenship** so that someone in a federal structure is proud to be both a member of their own organization and part of a federal structure that makes the whole greater than the sum of its parts in matters such as advocacy (for an NGO) or global influence (for a political federation). A Texan is also a citizen of the USA.
- **Interdependence**, “the principle that each part needs the help of the other parts, as well as the centre, in order to survive”²
- **Common law**, a common set of rules and standards that are developed and shared by all parts of a federal structure, narrowly focused on what really matters for the common good without overpowering the diversity and shared learning that are key benefits of a federal structure
- **Separation of powers**, seen at its clearest in the US constitution but needed in all federal structures to share power, for example between Federal Secretariat and Federal Board or in the role of an audit committee in an NGO.

Here are the ten tips for sustaining effective leadership in such a federal structure:

1. Recognise the dispersed nature of leadership
2. Sustain subsidiarity
3. Do not assume that federal work has to be done by federal bodies
4. Seek clear accountability to sustain effective leadership
5. Choose with care who chooses the leaders
6. Create long term development paths to governance leadership positions
7. Create long term development paths to management leadership positions
8. Ensure that all leaders face regular checks and challenges
9. Remember that boards need reviews too
10. N'oubliez pas la langue

¹ Charles Handy, *The Independent*, 6 February 1992: reproduced in www.federalunion.org.uk/charles-handy-on-federalism/

² Charles Handy, *The Age of Unreason*, Arrow, 2002: page 99

These tips focus on policies, structures and processes but they are followed by a more personal question for leaders: What does it feel like? In a successful federation, the sense of a family working together towards a shared mission overwhelms the downside of the deliberate complexity of a federal structure.

Here are the tips in more detail:

1. Recognise the dispersed nature of leadership

“Leadership” means different things to different people. Without attempting a definition, I mean a combination of roles in an organization including:

- Inspiring people with a vision or mission, a sense of overall direction
- Creating and sustaining an effective culture, structure and set of processes
- Ensuring members of the organization are clear about what they have to do

This combination is closely related to Sue Stockdale’s description of leadership:³

- Vision – What’s possible?
- Passion – What energizes you?
- Action – When can you start?

Leadership is deliberately dispersed in a federal structure. Each member organization has its own leaders and there are the leaders of the Federal Secretariat and the Federal Board. Leadership roles are shared depending on the issue in question, partly to reflect the key federal principle of subsidiarity.

2. Sustain subsidiarity

As Charles Handy says, subsidiarity is an ugly word to describe an essential principle of a federal structure.⁴ Decisions are taken at the lowest possible level. Leadership of an NGO in a federal structure working with a community in Uganda lies with the local NGO manager; leadership of an NGO if it raises funds in Europe to respond to conflict in Afghanistan is likely to be at national level; leadership of international advocacy on climate change is likely to lie with the Federal Secretariat.

Subsidiarity and the dispersed leadership that it involves can only work if roles are clearly defined and there is sustained effort to test and update shared understanding about the borders between roles. The federal structure needs to agree a statement of who does what based on its own principles, including that of subsidiarity.

3. Do not assume that federal work has to be done by federal bodies

Reflecting interdependence and the importance of subsidiarity, the effectiveness and credibility of an international NGO at the global level often depends partly on what it achieves at a local level. For example, a campaign on climate change carries greater weight if voiced through people affected by floods in

³ Sue Stockdale: www.suestockdale.com/the-story-so-far/

⁴ Charles Handy, *The Empty Raincoat*, Hutchinson, 1994: chapter 7

Bangladesh. Federal advocacy does not need to be confined to the Federal Secretariat – and the Federal Secretariat does not have to grow big enough to lead on all federal issues itself.

Alternatives to leadership by federal bodies include:

- Agreeing that one member organization, or maybe two or three, will take the lead on a particular issue. This may need formal agreements within the federal structure to ensure boundaries are clear and costs are shared fairly.
- Hosting a technical expert on an issue within one member organization so that they are accessible by other member organizations and can speak for the whole structure in public. This is likely to involve explicit sharing of their time and possibly their costs.
- Setting up federal taskforces to work on specific issues on behalf of all member organizations.

4. Seek clear accountability to sustain effective leadership

As well as clarity on who does what, a federal structure requires clarity on who is accountable to whom. Each member organization will have its own governance structure in which, for example, a chief executive may be accountable to a board which is in turn accountable to its members, the public or an overall governing body. In the same way, the Federal Secretariat is accountable to the Federal Board. To whom is the Federal Board accountable? This is likely to be to the member organizations of the federal structure, either directly or through some member-controlled governing body such as a federal council or an audit committee. To whom is the chair of the Federal Board accountable? To colleagues on the Board or to the member organizations? This all needs to be expressed in the “common law”, the shared rules and standards of the federal structure.

5. Choose with care who chooses the leaders

Accountability is closely connected to the question of who chooses leaders. The head of the Federal Secretariat is likely to be chosen by the Federal Board. But who chooses the chair of the Federal Board? If they are seen as primarily accountable to their colleagues on the Board, as credible and effective leaders of Board processes, then the Board should elect them. If they are seen as having, first and foremost, an external role representing the federal structure, with prime accountability to member organizations, then the member organizations should elect them. This can be either directly or through a second governance tier such as a federal council on which member organizations are represented.

6. Create long term development paths to governance leadership positions

It is not enough to have good processes for choosing leaders. Even more important are the processes that ensure that there is a choice between several high-quality leaders. In the case of governance positions such as the chair of the Federal Board that means succession planning over a timescale of years. This does not mean choosing the chair five years ahead but it does mean developing a small pool of potential chairs through measures such as some or all of the following:

- Electing onto the Board people who might have the time and qualities needed by a chair in a few years – with the topic raised explicitly during the election/selection process. Gender and other dimensions of diversity such as nationality need careful balancing.

- Ensuring Board members rotate roles, for example taking turns to be a member of an audit or other committee that focuses on finance.
- Encouraging all Board members from time to time to take on external representational roles that echo the chair's external role.
- Giving potential chairs the role of vice chair while making it clear that this does not mean they will later automatically be chair. This problem can be avoided by having two vice chairs.
- Designing board and chair term limits so that experienced board members are not ruled out from being the chair. For example, it can be specified that the chair's term limit overrides and is not affected by the individual's term limit as a board member.
- Entrusting the role of succession planning to a board committee such as a governance committee as an explicit part of their remit.

All this has to be done in a way that sets the right expectations: in the end the organization may wish to have an open and public process which results in a chair coming in from outside the organization entirely.

7. Create long term development paths to management leadership positions

Succession planning for management leadership positions is complicated in a federal structure because the member organizations, rather than the Federal Secretariat, are the main source of potential candidates. This is partly because there are likely to be relatively few positions within the Federal Secretariat and partly because it is often desirable for many of the senior posts within the Federal Secretariat to be held by people with the credibility, contacts and networks that come from working in one or more of the member organizations. In large private and public sector organisations, this kind of issue can be addressed through formal high potential schemes, but the element of elitism that these tend to involve are often unattractive in an NGO context. The alternative is therefore wider application of mechanisms for the development of staff such as the following:

- Secondments to the Federal Secretariat or member organizations for specific projects
- Work exchanges
- Mentoring across the federal structure, for example of someone in a member organization by someone in the Federal Secretariat – or vice versa
- Federal or regional conferences and workshops on specific issues
- Federal training programmes
- Attendance in external training, whether at a reduced rate in institutions such as business schools or through low cost internet courses
- Encouragement to networking through technical websites and social media

Such mechanisms support the development of future leaders among staff but are also good in themselves, bringing benefits such as:

- Wider networks across the federal structure
- Member organizations sharing good ideas and practices with each other
- Helping to hold the federal structure together
- Motivation of staff

- Retention of staff who may otherwise feel careers are limited by the opportunities in their own organization, which may be small or feel too nationally oriented

These mechanisms for development do however cost time and money. They may need to be supported by a federal committee and guidelines for development led by member organizations. Particular care is needed to ensure both women and men have full access to opportunities.

8. Ensure that all leaders face regular checks and challenges

Clear accountability for leaders and open processes of selection should support regular checks and challenges as part of the separation of powers in a federal structure. These include:

- Term limits with processes for limited renewal or re-election for members of the Federal Board and other boards and for leaders such as chairs and treasurers.
- Though difficult to arrange in practice, it is very helpful if each board member has at least an annual discussion, usually informal, with the chair to discuss their performance and their wishes for their board role in the future.
- Regular processes of performance appraisal, formally at least once a year, for senior staff. Managing the appraisal of a chief executive reporting to a board is a key role for the board, especially the chair. Data on performance need to be gathered from board members and others in a way that is fair and invites wide perspectives without being onerous. The main value is likely to come from the discussions of the results rather than the data themselves – with an emphasis on support for further development and improvement rather than criticism.
- In some organizations, senior staff have fixed term contracts that have no guarantee of renewal. The advantages of regular open choice and more frequent fresh perspectives have to be weighed against the value of continuity and experience and costs in terms of disruption and motivation.

9. Remember that boards need reviews too

Organisations and governing bodies need regular challenge and review too. The Federal Board and the board of member organizations should have regular governance reviews. Besides the ever-important boundary between board and management, these reviews need to cover how the board works together, whether it spends its time on the right strategic things and whether it has the right practical support from management. Such reviews are normally best facilitated by an external person. A thorough review, typically involving interviews with all board members and then a discussion of the results, may well take several months to complete and cost a lot of time and money. It generally results in quite a long list of planned improvements. It may therefore best to hold a full review every three or so years, with a lighter process focused on a board discussion, perhaps supported by an online survey, in other years.

10. N'oubliez pas la langue

Language is a key factor within the leadership of a federal structure. It has multiple effects:

- A single dominant language makes communication easier across the federal structure.

- However, a single dominant language also reduces the power and influence of those who cannot easily speak or read it.
- Those operating in their mother tongue need to speak slowly, concisely and clearly to help those who are not.
- People tend to group by language whether in coffee breaks at meetings or in collaboration between organizations.
- International events and communication are especially tiring for those not operating in their preferred language.
- Simultaneous translation at meetings and multiple translation of written documents are helpful and symbolically important but cost time and money.
- The use of languages is a key part of the external brand and may affect loyalty and the sense of ownership among staff.

It is very helpful if the leaders of a federal structure between them command and use several languages. Ideally, they should have experienced for themselves the effort required to operate in a foreign language for significant lengths of time.

In conclusion: what does it feel like?

These tips have focused on policies, structures and processes. What matters most for the individual leaders is however something different: what does it feel like? The dispersed nature of leadership, the requirements of subsidiarity, the checks, challenges and reviews and the multiple languages and cultures involved certainly make for complexity. That can at times lead to feelings of frustration: “How on earth can I get this done?” or “Why do I have to talk to so many people first?” or “What can I do when Ahmed and Maria urge me so forcefully in opposite directions?”.

On the positive side a strong federation is imbued by a culture that supports a sense of family: here we all are, very different with varied strengths, but all driven by shared values and working towards a shared goal in a way that acknowledges everyone’s contribution. It is exciting to lead a global effort of this kind, sustained by wonderful ideas that arise from unexpected places. In a successful federal structure the positive overwhelms the negative. The policies, structures and processes reflect and support the vision and passion which result in effective action by all.

Caplor Horizons – Background

Established in 2014, Caplor Horizons is an independent charity. We work with other charities and responsible businesses and now have over 50 Advisors. These are outstanding people that bring specialist knowledge and experience. They contribute their time on a voluntary basis, or at reduced rates, so that Caplor Horizons can provide high quality and distinctive services at an accessible cost.

Working locally, nationally and internationally, we help other organisations think differently about themselves and the new horizons that they face. We support them in strengthening their leadership, renewing their strategy and improving their influence.

We want to encourage and assist a new generation of organisations that are committed to making a positive and lasting impact. We believe that if we are to achieve real, sustainable change, we need to inspire and enable people to learn differently, think differently and act differently.

Our vision is: *A world where leaders deliver a sustainable future for all*

Our purpose is: *To be courageous, compassionate and creative in facilitating transformational change*

Our values are:

- **Courage** – We are courageous change makers committed to challenging assumptions, taking risks and having difficult conversations
- **Compassion** – We are open, understanding and heartfelt, encouraging the nourishment of our whole selves and others
- **Creativity** – We learn, think and act differently, and are innovative and resilient in an ever-changing world

Our beliefs are:

- Through diversity we ignite dynamic innovation
- Collaboration helps achieve greater impact
- Everyone matters
- We are all leaders in our individual and collective ways – we are all change makers!
- Learning is more effective if it is fun, engaging and creative
- Building on people's strengths creates greater resilience

Our strategic goals:

- Goal 1: Transforming Leadership
- Goal 2: Strengthening Resilience
- Goal 3: Increasing Collaboration

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