

CAPABILITIES FOR TRANSFORMATION

Honing Directors' Skills for
Generative Governance

John Dalla Costa | Founding
Director Centre for Ethical
Orientation

Webinar | May 19th, 2017



PREMISE

Society needs what sports does at its best:

- Globally & in Canada;
- From the “podium” to the “playground”
- Institutionally & Individually

Benefits

- Reaching for excellence
- Respect for rules
- Respect for others
- Fair, honest, inclusive
- Fun for self/Fun together
- Healthy person/Health community

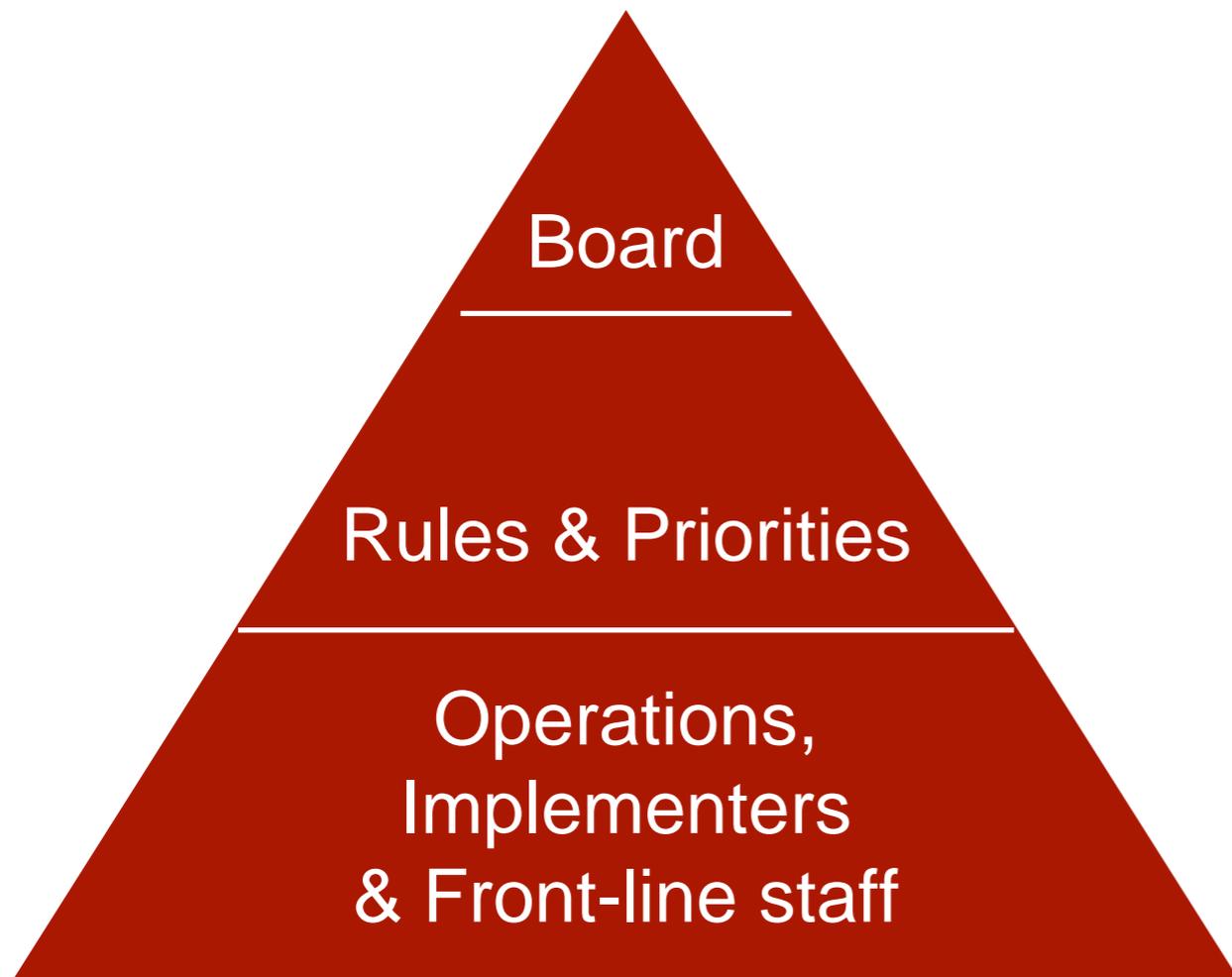
WHAT WE'VE COVERED SO FAR

1. A global “trust-implosion” is affecting private, public and non-profit institutions, and it is affecting Canada as well.

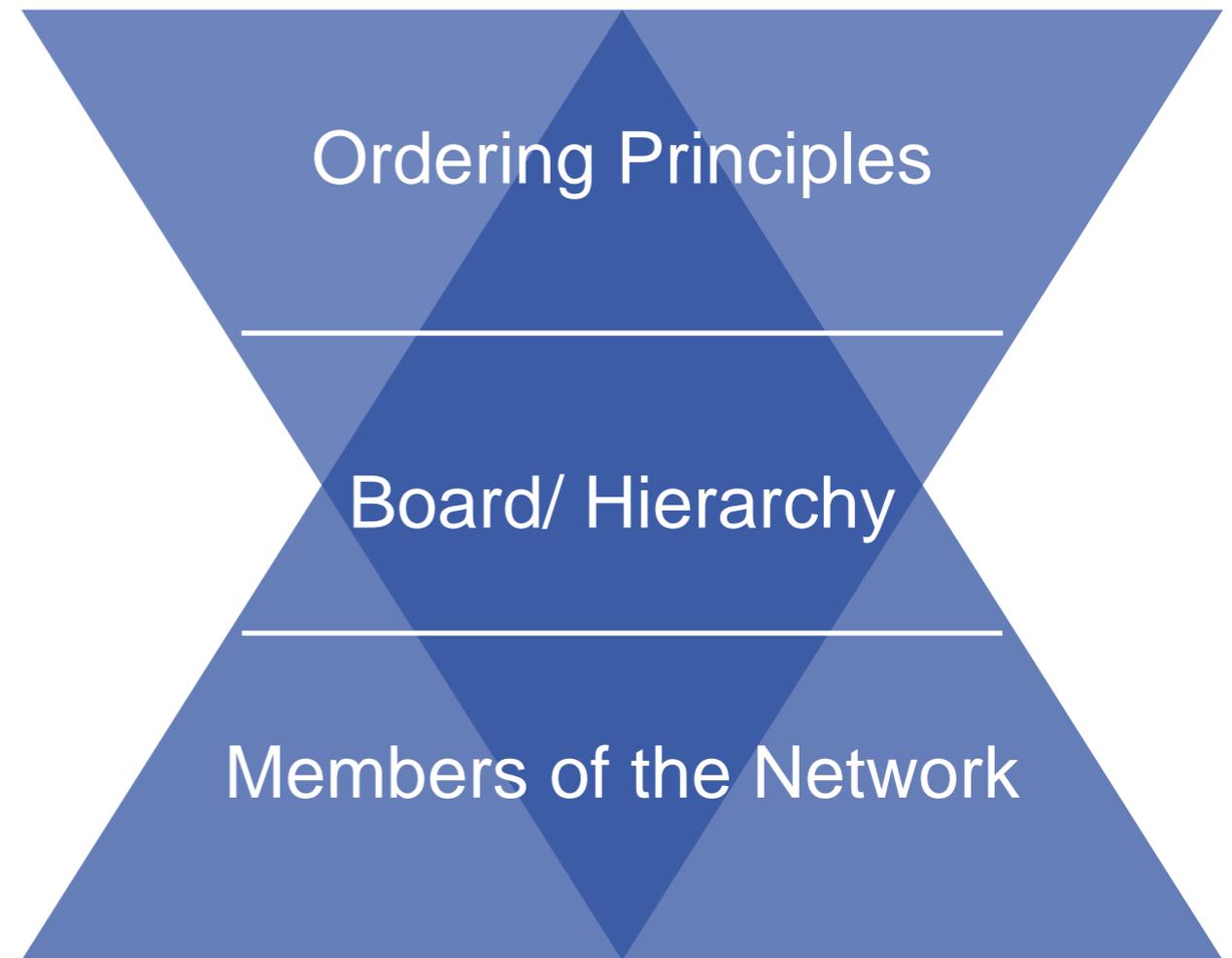
2. The VUCA volatility, uncertainty, complexity and ambiguity that define these times has already sparked governance renewal - in norms and practices.

3. Retrieving the wider concept of “fiduciary duty” means going beyond oversight-as-control to include more forward-looking “foresight” and trust-making “insight.”

COMMAND & CONTROL



CONSCIENTIOUS & CONSCIENCE



TO DO



FORESIGHT

- “Impossible Dream” exercise bottom-up with the most vulnerable;
- “Generative Sensing” to frame and reframe best & worse case scenarios;
- Retrieve and relaunch the founding moral inspiration of as today’s social mission;
- Co-identify the governance Principles for creatively engaging VUCA.

INSIGHT

- Get comfortable with the uncomfortable by asking moral questions of the facts, and of every decision;
- Use wisdom-thinking as a diversity factor to spark audacity from responsibility;
- Write & review yearly the board’s Ethics Charter to be compelling in VUCA;
- Co-define the common or shared public good to be advanced.

OVERSIGHT

- Audit the qualities of trust (such as active-listening, respect, inclusiveness, openness to good news and bad, staying true to principles, adapting with integrity, etc.) as positive & negative feedback loops;
- Audit performance in all relationships from the perspective of the persons involved;
- Co-create across sport an urgent appreciation for apply sports’ principles.

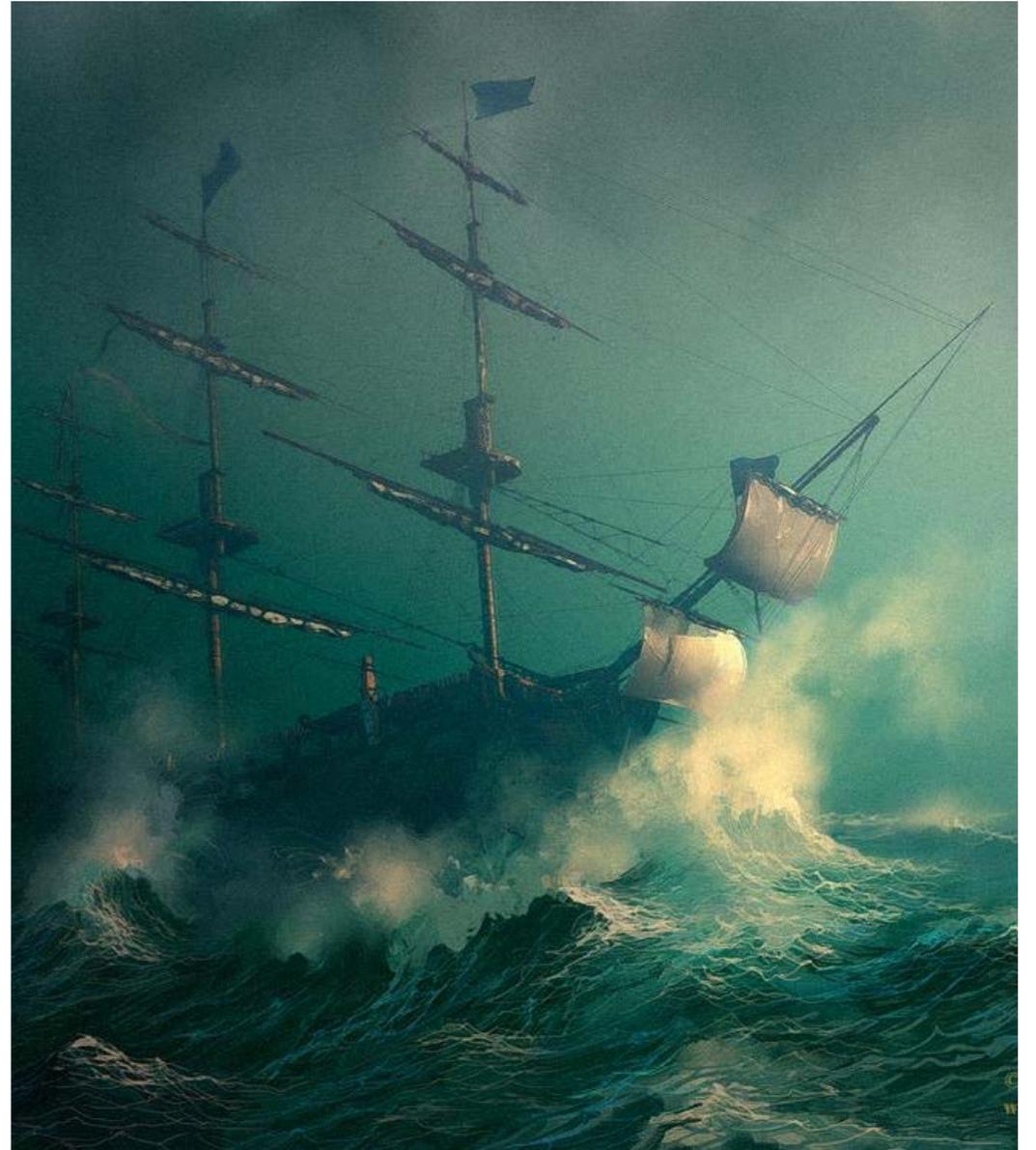
OBJECTIVES FOR TODAY

- Get into the details for growing the specific **skills** related to transformative governance;
- Identify the habits or obstacles to “**unlearn**” so as to create the conditions for board cultures to adapt, innovate, and thrive;
- Introduce tools for fulfilling responsibilities of **Foresight/Insight/Oversight.**



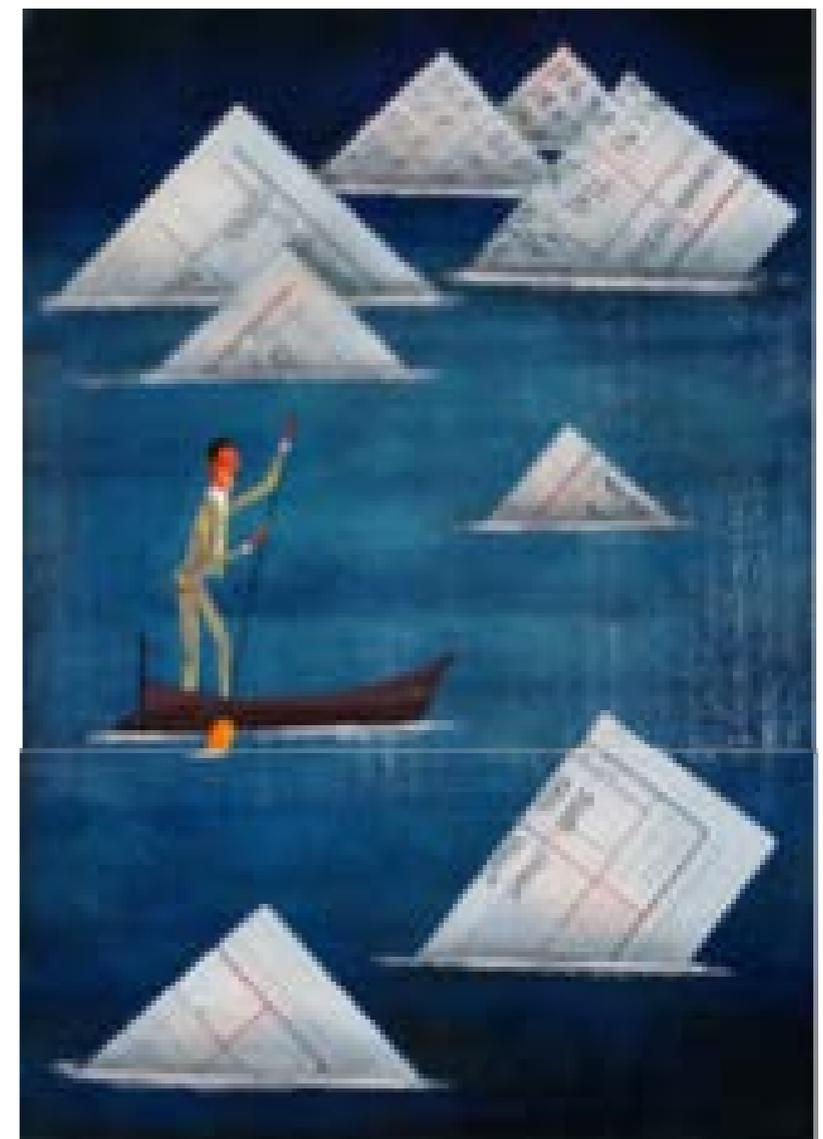
ETYMOLOGY AS THE METAPHOR

- Governance is derived from the ancient Greek term, *kubernan* - which means “**to steer;**”
- Responsibility to arrive at “**destination,**” requiring everyday hands on the rudder;
- The **ability** to read signs, chart course, interpret feedback, and adjust to conditions;
- Along for the journey, involved rather than controlling from a distance.



“DIRECT” VS. “STEER”

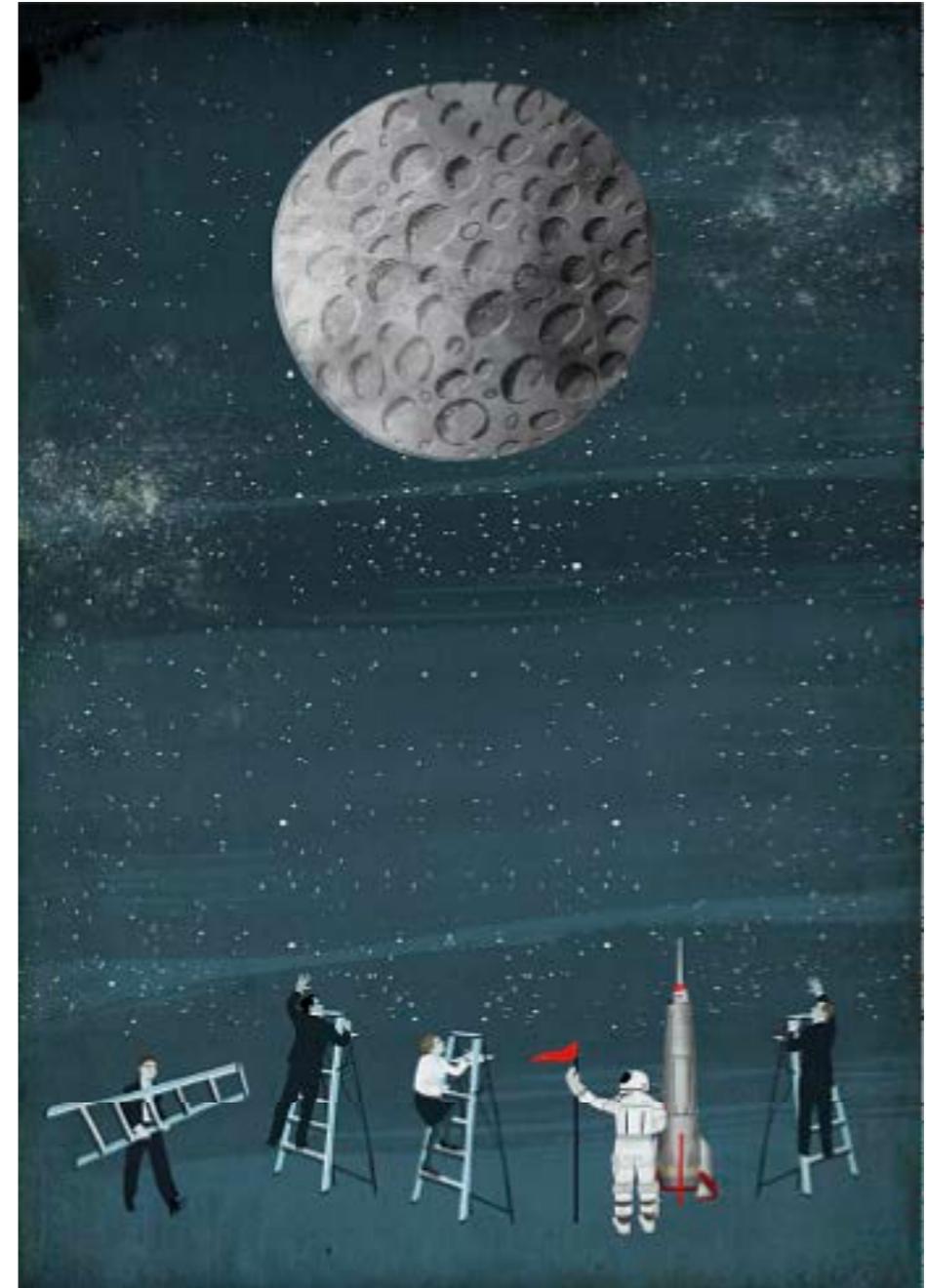
DIRECT	STEER
Decide	Interpret
Linear	Complex
Top-Down	From-Behind
Analytical	Palpable
Goals	Potential
Command & Control	Response/Able



1. FORESIGHT: LEARNING TO “DREAM”

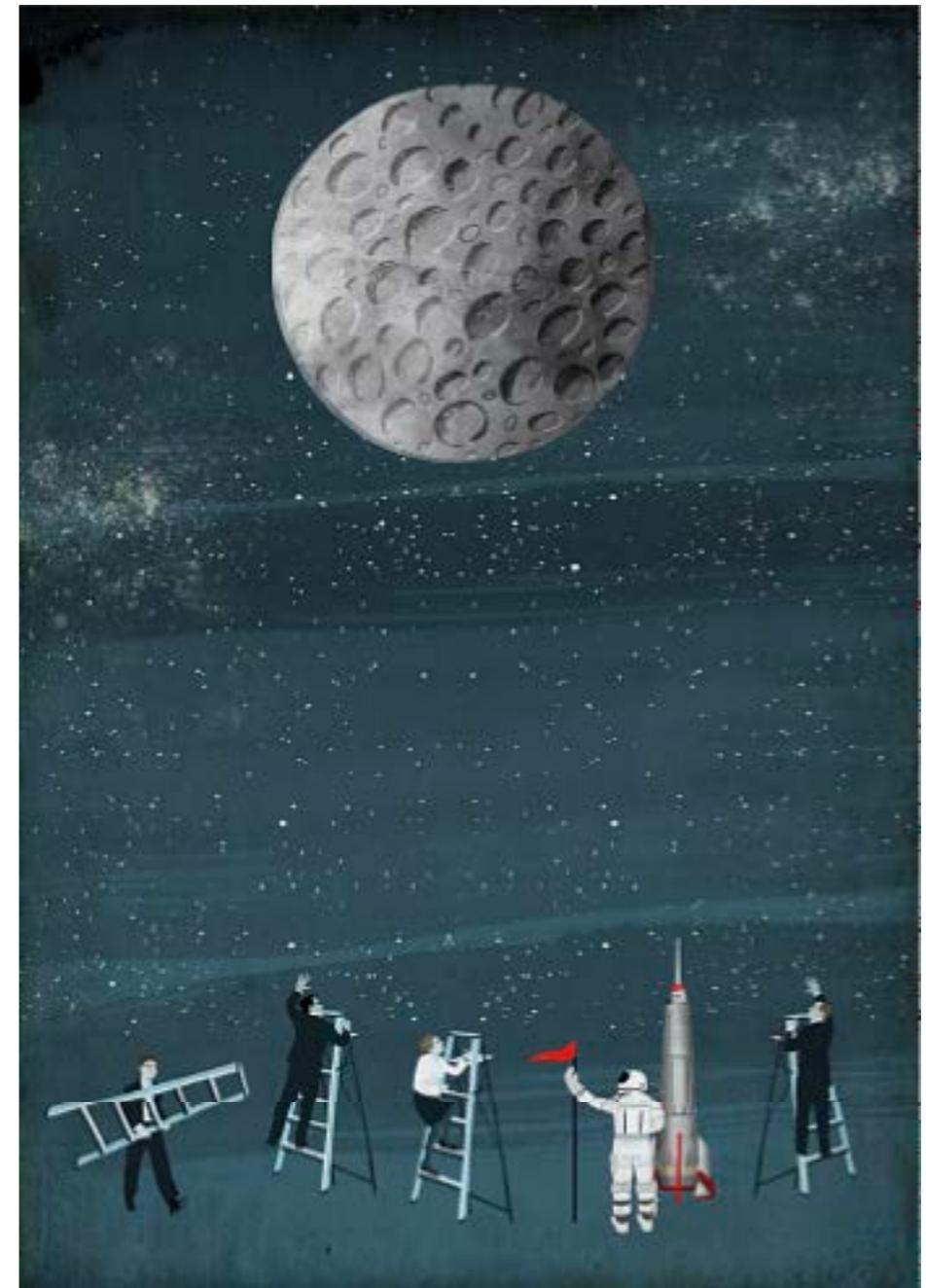
“Our need for narrative coherence is hardwired. Narrative coherence helps us to navigate the world ... It tells us where to place our trust and why. It enables us to find our bearings in possible future realities.”

~ Michael Gazzaniga (neuroscientist)



“WHY” DREAM?

- Demonstrate “character in response to challenge.”
- Three parts:
 - Reveal the potential of the “Who;”
 - Provide the inspiring “Why;”
 - Test and deliver the trustworthy “How.”



DESTINATION & DESTINY



September 12, 1962

“We set sail on this new sea because there is new knowledge to be gained, and new rights to be won, and they must be won and used for the progress of all people. For space science, like nuclear science and all technology, has no conscience of its own...

We choose to go to the moon. We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win, and the others, too.”



August 28, 1963

“We have also come to this hallowed spot to remind America of the fierce urgency of Now. This is no time to engage in the luxury of cooling off or to take the tranquilizing drug of gradualism. Now is the time to make real the promises of democracy. Now is the time to rise from the dark and desolate valley of segregation to the sunlit path of racial justice. Now is the time to lift our nation from the quicksands of racial injustice to the solid rock of brotherhood. Now is the time to make justice a reality for all of God's children.”



October 9, 1963

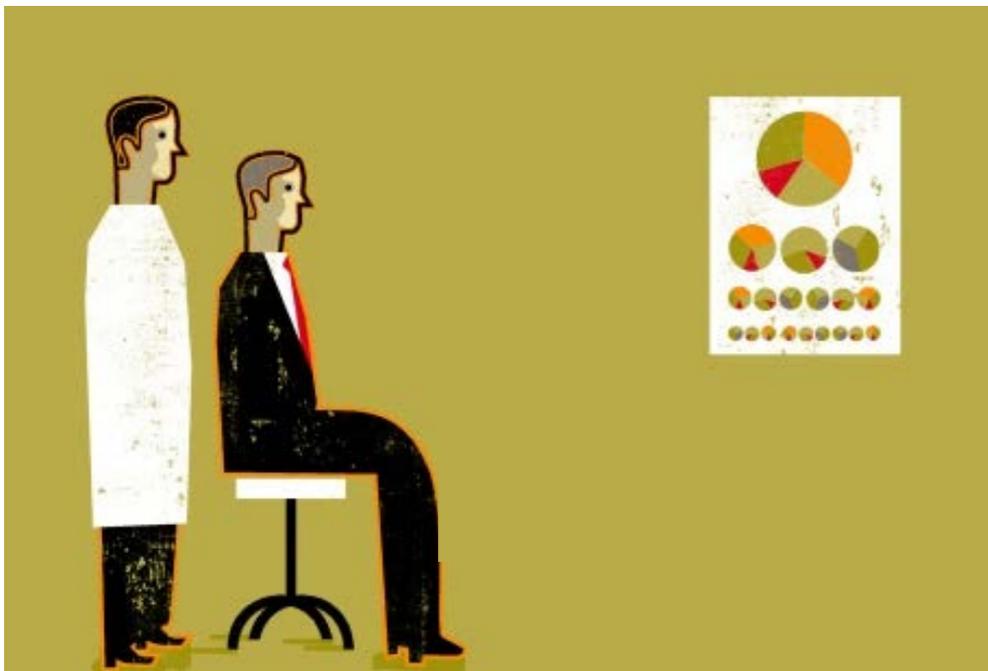
“I have fought against white domination, and I have fought against black domination. I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if needs be, it is an ideal for which I am prepared to die.”

QUALITIES OF DREAM



- A **necessary-audacity**;
- **Shared ambition** which reveals the best of us;
- An act of **bold hopefulness** based on **moral memory**;
- Not an objective but an “**integrity- stretch**” that tests character;
- Guiding principles for weathering storms on the way to the destination.

“GENERATIVE SENSING”



	BOARD SKILLS	BOARD ETHICS
1. Seeing & Shaping	<ul style="list-style-type: none"> • Scan future-shaping issues • Create best/worst cases • Identify learning gaps 	<ul style="list-style-type: none"> • Awe from ideals & principles • Outrage towards what's unfair, unjust, or damaging to shared values
2. Framing & Reframing	<ul style="list-style-type: none"> • Form hypotheses • Imagine the “dream-scenario” • Expect and simulate crisis • Examine strengths as liabilities for learning 	<ul style="list-style-type: none"> • Necessary commitments for trustworthiness • Forging the values to elevate board and organizational capacities for response/ability.

(Dong, Garbuio, & Lovallo 2016)

IMPLICATIONS FOR SPORT



1. Use “Narrative Enquiry” (Stride et al. 2016) to **hear the stories** that are forming (or deforming) the meaning of sport;
2. Develop and test the expression of the “dream” to find the strongest link between “**inspiration**” and “**transformation;**”
3. Since the risks as well as stakeholders of sports organizations are shared, **co-create** collaborative (linked and mutually reinforcing) stories of possibility.

Q & A ABOUT WHY

WHAT DO YOU:



THINK?
IMAGINE?
RESONATE WITH?
DOUBT?
HOPE FOR?

2. INSIGHT: CREATING “COMMUNITIES OF CONSCIENCE”

1. “**Governance Overload**” is a symptom of suspicion - of boards needing to do more and more to prove their promise;
2. Canadian governance law specifies that “no one set of interests should prevail over another set,” so **legitimacy** depends on inclusiveness;
3. Conscience involves heightened **awareness** of moral implications, combined with **shared values** for demonstrating character. (Goodpaster 2007)



FIDUCIARY DUTY AS “HOW”

Research shows that trust is earned by a combination of “Competence” & “Character:”

Expertise	Reliability	Integrity	Care
<ul style="list-style-type: none">• Knowledge• Technical skills• Problem-solving• Results delivery• Innovation	<ul style="list-style-type: none">• Forecasting• Planning• Implementing• Course-correcting• Systems for monitoring & accountability	<ul style="list-style-type: none">• True to moral core• Principled• Self-aware (and self-critical)• Pay the price to stand on principle	<ul style="list-style-type: none">• Emotional intelligence <i>for</i> others• Empathy in action;• Respectful <i>to</i> enable others• Compassion



THE DREAM INTO BEHAVIOURS



- Listeriosis outbreak in 2008, resulting in 22 deaths;
- Traced to 220 products from Toronto MLF facility;
- Recall & crisis management only the beginning;
- Two-year process of reforming culture & behaviours.

Pre-Crisis Values	Post-Crisis Values
<ul style="list-style-type: none">• Hard driving culture	<ul style="list-style-type: none">• Do what's right - by acting with integrity, behaving responsibly, and treating people with respect
<ul style="list-style-type: none">• Assume individual leadership	<ul style="list-style-type: none">• Have a bias for action - owning personal and collective responsibility without fear of failure
<ul style="list-style-type: none">• Passion for performance	<ul style="list-style-type: none">• Build collaborative teams - attracting the best people, and serving their development
<ul style="list-style-type: none">• Six Sigma	<ul style="list-style-type: none">• Get things done - in a fact-based, discipline way, seizing initiative with urgency and energy
<ul style="list-style-type: none">• Tackle tough issues head-on	<ul style="list-style-type: none">• Learn and grow - inwardly and outwardly - admitting mistakes and deeply connecting with stakeholders
<ul style="list-style-type: none">• Workplace safety	<ul style="list-style-type: none">• Dare to be transparent, passionate, humble - having the confidence and courage to be open and trusting

IMPLICATIONS FOR SPORT



1. Draft an “Ethics Charter” **together** as a board, to set the conscience-criteria for interactions between directors, and for staff presentations to the board;
 1. Define each value with specifics relating to the dream, strategy and culture;
 2. Create a mnemonic device to help activate ethics in each discussion or presentation.
2. Ensure that organizational values are updated, using narratives for behaviour to break through generic formulas and inspire participation;
3. Refresh values - go deeper and reflect maturation - with each strategic plan.

Q & A ABOUT HOW WHAT DO YOU:



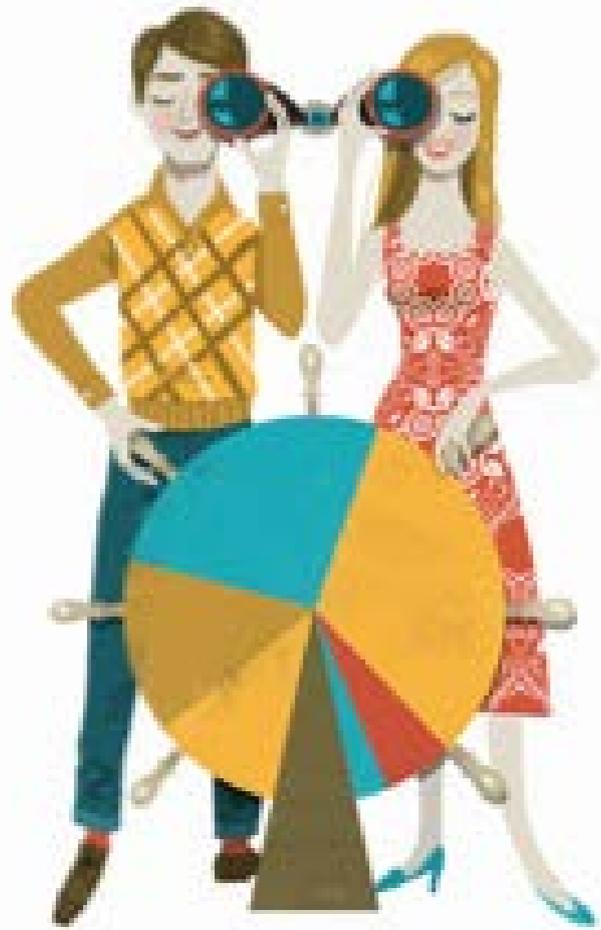
THINK?
QUESTION?
RECOGNIZE?
LEARN?
TEACH?

3. OVERSIGHT: PROVING THE METTLE OF “WHO”



- Multi-dimensional performance to excel at (and balance):
 - Trusted relationships
 - Trusted decisions
 - Trusted risks
 - Trusted results
 - Trusted accounting

BEYOND WHAT TO WHO



Policy-Driven	Generative
<ul style="list-style-type: none"> • Setting/Enforcing Vision 	<ul style="list-style-type: none"> • Remembering/Renewing Founding Mission
<ul style="list-style-type: none"> • Compliance focus for audit & ethics 	<ul style="list-style-type: none"> • Sense making: turning data into understanding
<ul style="list-style-type: none"> • problem-solving (reacting to issues, “firefighting”) 	<ul style="list-style-type: none"> • Possibility-Enabling (capacities to improvise)
<ul style="list-style-type: none"> • Strategic planning (targets & SWOT) 	<ul style="list-style-type: none"> • Emergent strategy (Guided by principles)
<ul style="list-style-type: none"> • Data-driven (Metrics for performance) 	<ul style="list-style-type: none"> • Frame-driven (Social, historical forces)
<ul style="list-style-type: none"> • Agenda of Successive issues 	<ul style="list-style-type: none"> • “Reflective engagement of the integral” (Integrity)

CHARACTER IN COLLABORATION

1. Amazing aim;
2. Exceptional expertise;
3. Detailed plan;
4. Flawless improvisation;
5. Calm communication;
6. Tenacity solving problems;
7. Inter-reliance;
8. Pride of participation;
9. Unflappable confidence;
10. Personal accountability for shared goal.



“WHO TOGETHER?” AUDIT

Tool for tracking Board priorities.
 “Where do we spend our time?”

PRIORITY	80/20	60/40	50/50	40/60	20/80	PRIORITY
• Performance						• Purpose
• CEO Oversight						• CEO Integrity
• Financial Audit						• Trust Audit
• Short-term Results						• Long-term Justice
• Creating Value						• Generating Values
• Facts/Evidence						• Questions/Insights
• Policies						• Stories
• Monitoring						• Modeling
• Firefighting						• Imagining



(Images: Luciano Lozano)

Q & A

WHAT DO YOU
THINK?



THANK YOU

John Dalla Costa Webinar Series

(hosted by Canadian Paralympic Committee)

**Directors' Dilemmas: The Challenges To Trust
Re-Shaping Governance**

- [Recorded Version](#)
- [Handout](#)
- [Power Point Slides](#)

RESOURCES

- . More details in the leave-behind;
- . Half-day/Full-day Board Workshops on “Generative Governance;”
- . Customized Board Presentations & Exercises to develop the Dream; renew Values and Ethics; re-scope Fiduciary Duty;
- . *Governance in Transition* Manual & Workbook (Sept. 2017).

jdallacosta@ceo-ethics.com

- [SIRC](#) - Sport Governance, Leadership & Policy
- [SIRCUit](#) – Leadership Articles
- [CCES](#) – Governance & Risk
- [Centre for Ethical Orientation](#) – John Dalla Costa’s Blog
- [Volunteer Canada](#) – Board Resources
- [Chartered Professional Accountant Canada](#) - Not-for-profit governance



GETTING IN TOUCH

John Dalla Costa

Centre for Ethical Orientation

jdallacosta@ceo-ethics.com

Paul Melia

Canadian Centre for Ethics in Sport

pmelia@cces.ca

Karen O'Neill

Canadian Paralympic Committee

koneill@paralympic.ca

Debra Gassewitz

SIRC

debrag@sirc.ca



THANK YOU