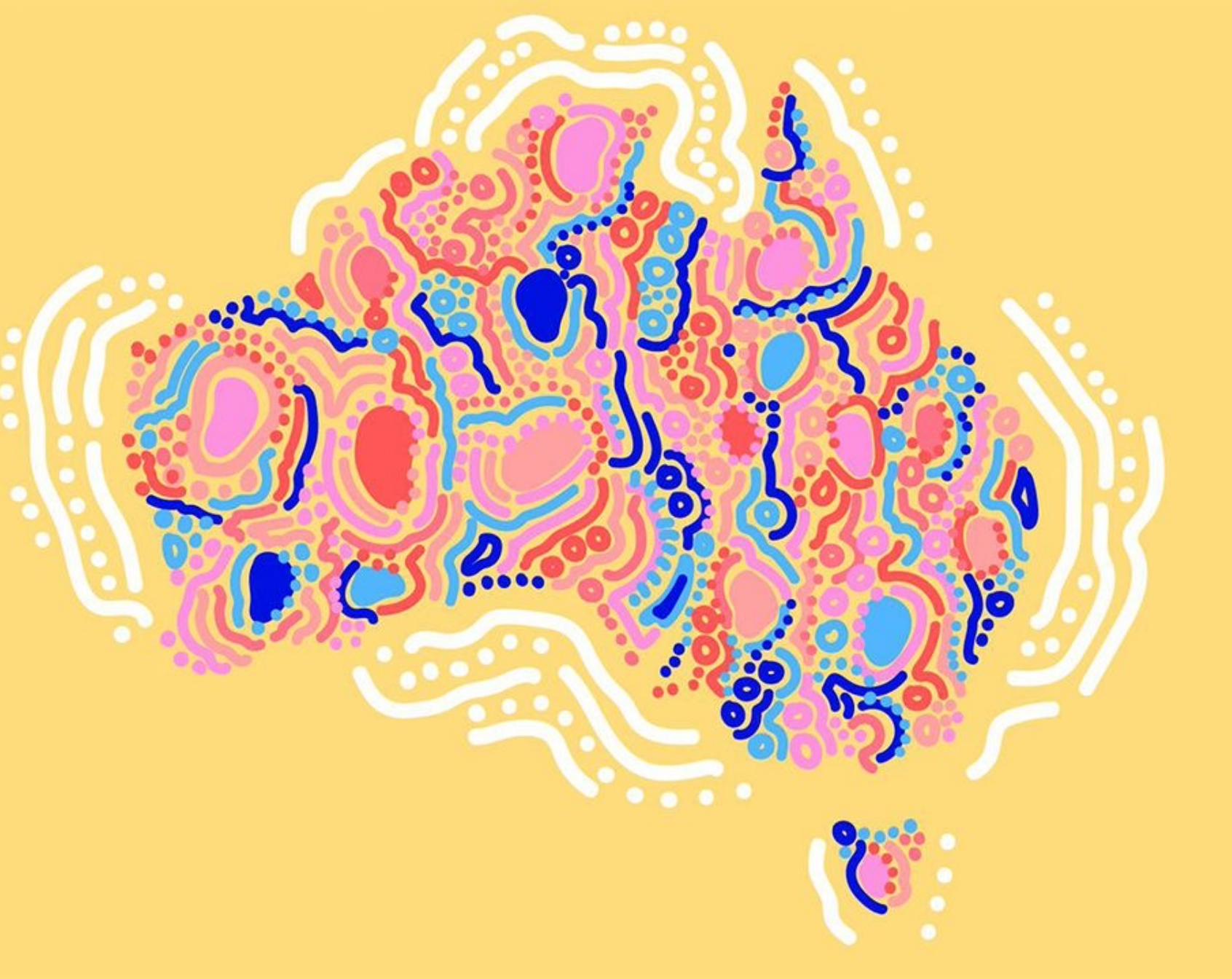# ADVANCED LEADERSHIP FOR CHAIRS

Institute of Community Directors Australia

Acknowledgement of Country

- Image from ABC iview

- Artworks by Arkie Barton

Program overview

- **Strategic foresight for chairs: building for a future that's increasingly uncertain**
  - Dr Dalia Ben-Galim, policy and strategy consultant (Wed. 30th April)

- **Backstage and front of house: using both to make good decisions**
  - Jeremy Stowe-Lindner, educator and school principal (Wed. 7th May)

- **The Chairs relationship with the CEO**
  - Sheena Boughen OAM, chair of the Australian String Quartet (Wed. 14th May)

- **Ethical board leadership workshop**
  - Jon Staley, ICDA Trainer (Wed. 21st May)

- **Strategic funding: developing your case for support**
  - Catherine Brooks, lawyer with expertise in strategic fundraising (Wed. 28th May)

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Board/organisational culture and ethics

Think about examples or times when you have seen or been part of what you would describe as a healthy or good culture (board, organisational or team) or conversely times you have seen or been part of an unhealthy or poor culture?

What were/are some of the distinguishing features of that culture?

What is the chairs role in cultivating the board culture?

How is board culture related to ethics?

What is ethical leadership?

What words would you use to describe the **presence** of ethical leadership?

What words would you use to describe the **absence** of ethical leadership?

Ethics

noun

eth·ics 'e-thiks

a: a set of moral principles **:** a theory or system of moral values

b: the principles of conduct governing an individual or a group

c: a consciousness of moral importance

d: a guiding philosophy

Merriam-Webster Dictionary

"Ethics is knowing the difference between what you have a right to do and what is right to do."

Potter Stewart
US Supreme Court Judge

What is an ethical organisations?

An ethical approach to not-for-profit governance should:

1. set out the fundamental principles that should guide the actions of not-for-profit organisations, and the boards and committees that govern them, and the employees and volunteers who work for them.

2. set out the standards that those who deal with these organisations can expect of them, and their employees and volunteers.

3. require these organisations to build these aspirations into their day-to-day operations, including monitoring and reporting standards, recognition and rewards for compliance, and penalties and sanctions for breaches.

How can the board ensure that these values or ethics if you like are being realised in practice across the organisation?

What is the connection between legal duties & ethics?

Is there ever a time when your board may choose not do something because of ethical grounds even though it is legal?

What about doing something illegal on ethical grounds?

Legal duties (of individual board members)

- Duty to act *bona fide in the best interests of the company

- Duty to exercise powers for proper purposes

- Duty to retain discretion

- Duty to avoid conflict of interest

- Duty to not improperly use your position in the company

- Duty to treat confidential information properly

- Duty to treat related-party transactions properly

- Duty to treat payments to directors in the proper fashion

- Duty of care, skill and diligence
- Duty to prevent insolvent trading

Bona fide – genuinely, without intention to deceive

Case Study: The Hawthorn Affair

On the 19th August 2022, the North Melbourne Football Club announced that Alastair Clarkson would be its new senior coach, commencing November 1.

On the 21st September, the ABC published a sensational and highly disturbing secret report from the Hawthorn Football Club with significant allegations of racism, naming (among others) Clarkson and Brisbane coach Chris Fagan.

The story was enormous and quickly dominated every news channel. By the end of the day, Clarkson and Fagan had both stood down, pending an AFL investigation.

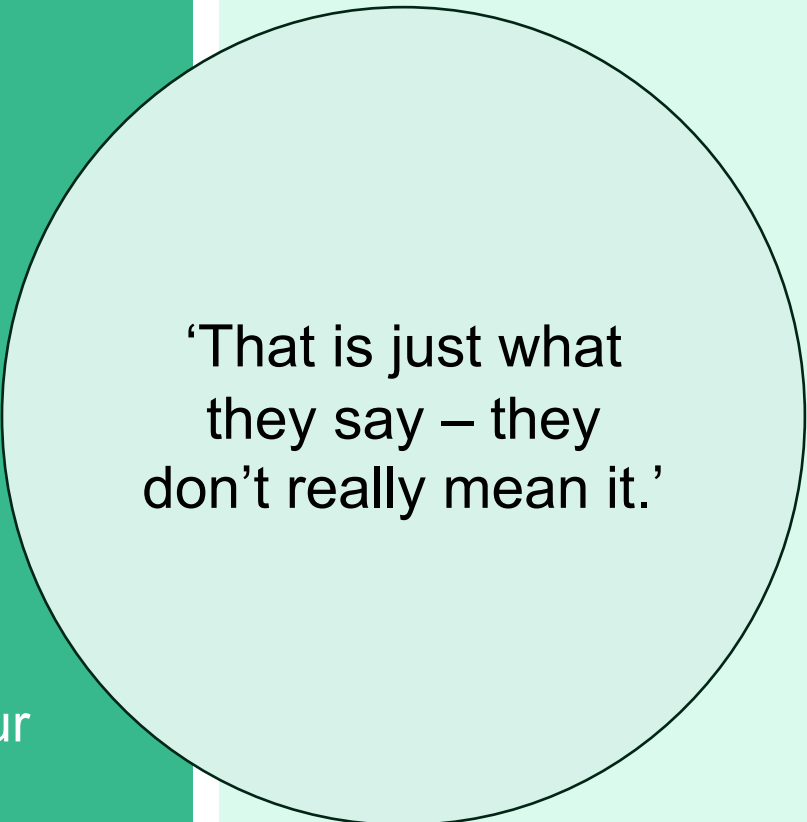If you are the chair of this board – what would you do?

What are the board's legal obligations? What about ethical obligations? Are they the same?

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What is ethical leadership?

Leadership

"The fish always rots from the head down."

- Board and senior management need to own both the problem AND the solution

- Leadership needs to embody the organisation's values

- The end does not always justify the means

- Be real about the expertise in the room – understand where your knowledge begins and ends

'That is just what they say – they don't really mean it.'

What is ethical leadership?

Communication

"Good communication is the bridge between confusion and clarity."
Nat Turner

- Stakeholders have a right to know the good, the bad, and the ugly?
- Internal and external communications are equally important but not often the same
- Welcome constructive feedback, including criticism
- Be clear, use plain language, and make it accessible

Case study 2: Take the money?

The board of a family violence support service is approached by one of Australia's largest online betting agencies with an offer to sponsor its programs. The sponsorship includes a significant financial contribution, which could help the organisation expand its crisis support services and community education programs. The betting agency also proposes a joint awareness campaign to highlight family violence issues.

However, the partnership raises concerns among board members and staff. Some argue that the funds could make a substantial difference in helping vulnerable families. Others worry that partnering with a betting agency may undermine the organisation's credibility, as gambling can contribute to financial stress, relationship breakdowns, and domestic violence—issues the service seeks to address. The decision has sparked debate over the balance between financial need and ethical integrity.

- What factors should the board prioritise when deciding whether to accept this partnership?

- How might the partnership impact the organisation's reputation and relationships with stakeholders?

- Should the organisation develop a formal policy on ethical partnerships? If so, what should it include?

- How can the board ensure transparency and community input in making this decision?

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