Community sector CEO's

Session 2: Leading people, culture and ethical performance

A three-session program designed to help chief executive officers (and other comparable job titles) understand their role and responsibilities.



Course outline

Session one:
Strategy and governance

Session two:
People & performance

Session three:
Innovation and sustainability

Reflection on practice



- Your name, role and organisation
- Did last week’s workshop prompt new practice, thinking or ideas?

Community Sector CEOs

Learning outcomes for this workshop

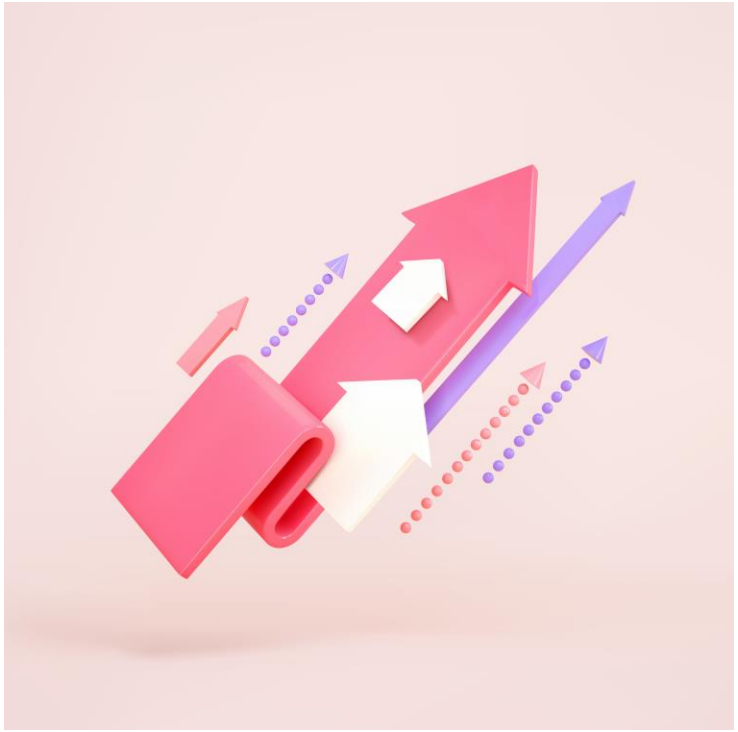
- Navigate performance management while protecting culture and trust
- Build leadership capacity through effective delegation and succession planning
- Understand how culture and strategy reinforce or undermine each other
- Apply ethical decision-making frameworks to messy, real-world dilemmas

People leadership is core CEO work

- Culture and performance are inseparable
- CEOs shape culture whether intentionally or not
- The ripple effect of CEO behaviour

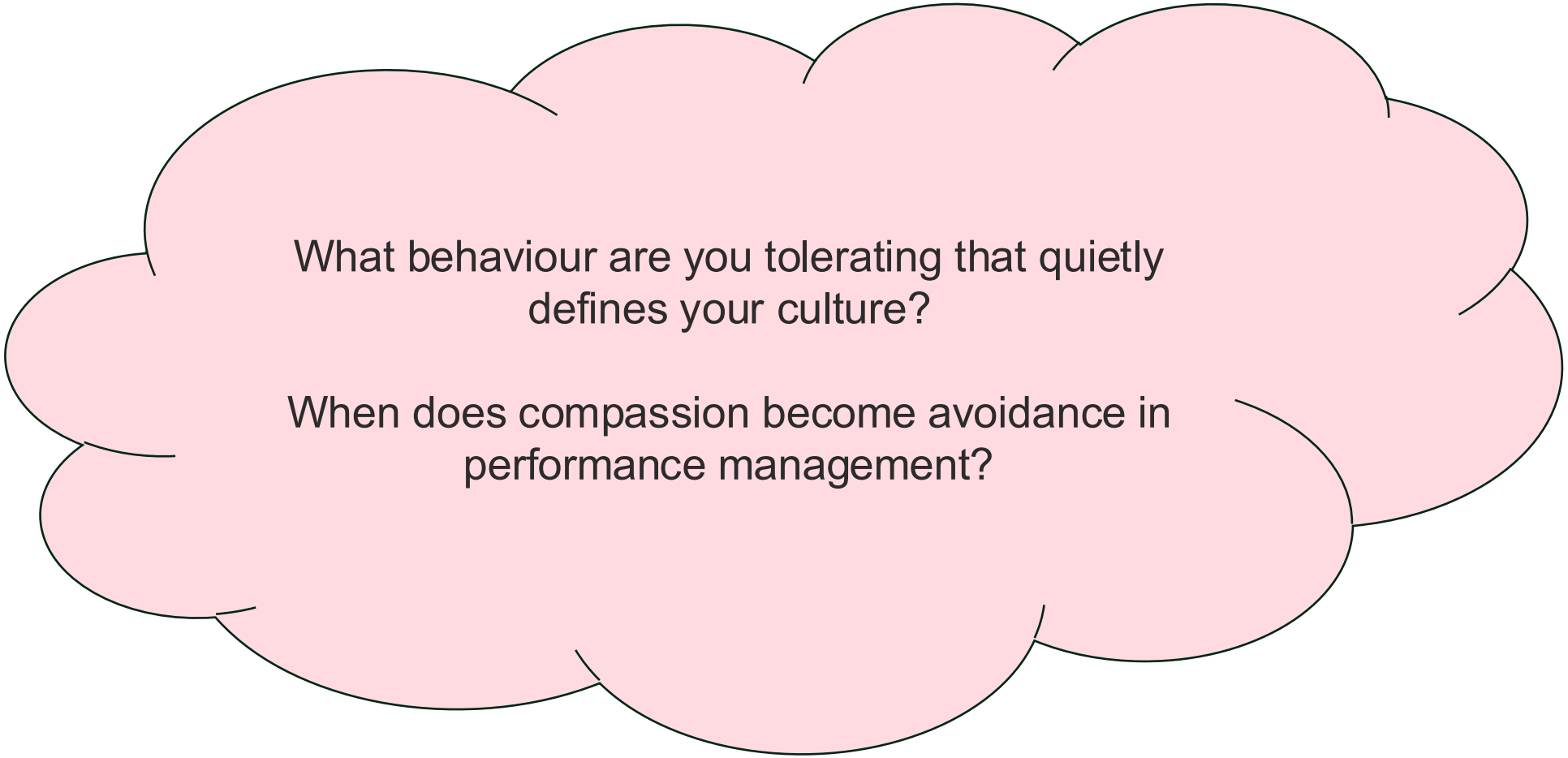
Performance management beyond compliance

- Performance management as clarity, not punishment
- Consistency as a cultural signal
- Avoiding the trap of “exception management”



https://www.fairwork.gov.au/employment-conditions/performance-in-the-workplace

Group discussion



Case study: Confidentiality and trust

Alex is the CEO of a community services organisation.
A manager raises concerns about the conduct of a senior staff member. The issue is sensitive and may lead to a formal HR process. Alex informs the board chair confidentially and begins managing the situation through appropriate procedures.

At the next board meeting, a board member asks whether there are any staffing issues the board should know about. Alex responds that an internal matter is being handled and will be reported if it becomes a governance issue.
After the meeting, the board member informally asks a staff member if something is happening in the leadership team. Within days, rumours begin circulating among staff.

The board member later tells Alex they asked questions because they felt the board was not being told enough.



Maintaining confidentiality and trust

- Confidentiality protects individuals and fair processes, especially in sensitive HR matters.
- Boards need assurance, not personal details, that issues are being managed appropriately.
- Information gaps create rumours, particularly when stakeholders feel uncertain.
- Clear boundaries and communication help maintain trust between leadership, boards and staff.



Delegation as a strategic tool

How do you feel about delegation?



- Effective delegation builds capacity and confidence
- Consider yourself a coach rather than a manager
- Succession planning is strategic continuity
- Set your people up for success

Performance, support and legal obligations

Breakout discussion

An employee has passed probation but is now struggling to meet expectations in their position description. They are frequently distracted by new tasks and do not complete agreed priorities, despite feedback.

During this period, the employee is diagnosed with a learning disability and requests support. Adjustments are put in place, but performance does not improve. Team impact and workload pressures are increasing, and the CEO is concerned about fairness, legal obligations and organisational standards.

Discussion questions

How should a CEO balance reasonable adjustments and individual needs with performance expectations and team impact?

At what point does continued underperformance become a performance management issue, and what governance or legal risks need to be considered?

Break!



Leadership tensions CEOs must manage

Community CEOs constantly balance tensions such as:

Tension	What it looks like
Mission vs sustainability	Protect purpose while securing income
Governance vs agility	Respect board authority while acting quickly
Inclusion vs efficiency	Hear many voices while still making decisions
Care for staff vs performance	Support wellbeing while maintaining standards
Innovation vs stability	Experiment without destabilising the organisation

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Culture eats strategy… when left unattended



Culture shows up in decisions, not slogans



Misalignment between stated values and daily practice



How pressure reveals true culture

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What’s important to your organisation’s culture?

How is this demonstrated?

Are there any grey areas?

Case example: Policy and cultural signals

An organisation that publicly identifies as an LGBTIQ+ ally has a family friendly policy designed to support staff with caring responsibilities. The policy provides flexible work options and additional leave where staff need to care for immediate family members.

The policy wording reflects common workplace definitions and lists examples such as spouses, partners, children and dependent family members. In most cases the policy works well and staff appreciate the organisation's efforts to support work and life balance.

However, some staff quietly notice that the policy language does not fully reflect the diversity of family structures that exist in the community. For example, it is not always clear how the policy applies to chosen family, shared caregiving arrangements or non-traditional family networks.

The policy is rarely challenged formally, but occasionally staff hesitate before requesting flexibility or leave because they are unsure whether their circumstances would fit within the policy's intent.

Breakout questions

What cultural signals might this policy send, intentionally or unintentionally?

Who should be responsible for identifying and addressing misalignment between policies and stated organisational values, the CEO, the board, or both?

How might policies like this influence trust, retention and psychological safety over time?

Where does conflict show up in your workplace?

How comfortable are you with managing it?



Ethical decision making in the CEO seat

- Ethical risk hides in grey areas
- Competing values, interests and interpretations
- Own the consequences, not just the process

Where are the grey areas in your organisation?



If your values were applied consistently, who would be uncomfortable?

Who pays the price when ethical decisions are delayed or softened?

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Case study: Empowerment or protection

An organisation committed to human rights and empowerment supports people with lived experience to influence public debate. A group of participants wants organisational backing to speak publicly, identifying themselves and criticising powerful institutions. Some staff argue this is core to self determination and voice. Others warn of foreseeable harm, including online abuse, legal exposure and long term impacts the organisation cannot control.

The CEO must decide whether to support public advocacy, knowing it may cause harm the organisation helped amplify, or to limit or redirect advocacy, risking accusations of silencing and paternalism. Either choice carries ethical, legal and reputational consequences, and will set a precedent for how empowerment is defined in practice.

As CEO, how do you decide when supporting autonomy becomes an unacceptable transfer of risk onto people with less power?

What is the CEO's responsibility when empowerment aligns with purpose but creates harm the organisation helped enable?

Ethical principles and legal duties in tension

Ethical principles

Autonomy and self determination
Do no harm
Justice and equity
Dignity and respect
Integrity

Legal and governance duties

Duty of care
Work health and safety
Informed consent
Risk and reputation oversight
Escalation



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A quick test for difficult CEO decisions

When facing a difficult decision, ask:

Mission test
Does this move us closer to our purpose?

Values test
Would we be comfortable explaining this decision publicly?

People test
How will this affect the people we serve and the people who work here?

Sustainability test
Will this strengthen or weaken the organisation long term?



AI and people leadership: proceed with care

- Improving clarity in performance conversations
- Supporting fair and consistent people processes
- Ethical scenario testing
- Reducing administrative load without dehumanising leadership



Reflections from today's workshop

- A key takeaway
- Next session: Innovation and sustainability

What's one small positive change I can take to the way I lead my people?