

NFP executive leadership program

THE WORKBOOK



INSTITUTE OF
COMMUNITY DIRECTORS
AUSTRALIA
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Introduction

This workbook is designed to capture your reflections as you progress through the NFP executive leadership program. Throughout the workbook, you'll find prompts that encourage you to reflect on what you've learned and apply it to your own leadership.

01	Advocacy	4
	Self-reflection	4
	Organisational reflection	5
	Models of advocacy	6
	Quiet advocacy	6
	Public advocacy	6
	Quiet vs public tension activity	6
	Issues based advocacy	6
	Systemic advocacy	6
	Coalition advocacy	7
	Case study: Riverside Youth Network	7
	Advocacy working template	8
	Advocacy plan template	9
	Comparative risk scan	11
	AI and advocacy	13

02	Crisis management	14
	Self-reflection	14
	Organisational reflection	15
	Three realms model of crisis management	16
	Crisis Team Positions - template	17
	Crisis team positions: quick checklist	18
	Delegations adjustment: worksheet	19

Communications plan	19
Crisis Management Decision Filter	20
Reporting to the board during a crisis	21
Activity: Running a crisis meeting	23
Crisis scenarios	25
Post-crisis staff check-in guide	26
Governance questions to ask after a crisis	27

03 **Funder engagement** **29**

Self-reflection	29
Organisational reflection	30
Practical funder engagement tips	33
Case study 1: Yarra Reach Community Services	34
Mapping common failure modes	36
Six common imbalances	36
Case study 2: Brighter Futures Together	37
Decision filter for funder engagement	38
Using AI in funder engagement	39

04 **Ethics** **40**

Self-reflection	40
Organisational reflection	41
Ethics in leadership requires holding three things at once	41
HEARD model of ethical decision making	42
HEARD worksheet: working through a live decision	43
Ethical dilemmas	44
Ethics and Integrity Tool	50
Key ethical governance responsibilities	51
Ethics and AI	51

01 Advocacy

Self-reflection

Without names or identifying details, one sentence in each of two boxes

A pattern I notice in myself...

A question I want to leave with today...

Where do I sit personally with advocacy?

What's my role in my organisation and what authority and/or influence do I actually hold?

What are my strengths, weaknesses, preferences, and avoidances?

How do my background, risk tolerance, and values shape my stance?

Organisational reflection

What are we advocating for?

How are we advocating?

How are voice, power and dissent expressed in my organisation?

What have we gained, risked or lost in the past?

Models of advocacy

Quiet advocacy

Influence pathway mapping

- Who actually holds influence on the issue?
- Where are decisions really made? This may differ from where they appear to be made.

Stakeholder mapping

1. Who has influence over decision making?
2. Who has been affected by the problem?
3. Who has an interest in the problem?
4. Who should have an interest in the problem?

[Download stakeholder mapping tool](#)

Public advocacy

Public position test

- Are we clear what change we are seeking?
- Are we prepared for opposition or misinterpretation?
- Can we sustain this position beyond the initial statement?
- Does it align with organisational and community values and beliefs?

Quiet vs public tension activity

Where does your organisation actually sit?

In the last 12 months, how has your organisation advocated:

- ☐ Mostly quietly (relationships, briefings, submissions)
- ☐ Mostly publicly (media, campaigns, public statements)
- ☐ A mix, depending on the issue
- ☐ Not really at all

What has that default cost you, or protected you from?

Issues based advocacy

Leaders define:

- The precise issue
- Who is affected and how
- What a successful outcome would actually look like

This prevents diffuse or reactive advocacy.

Systemic advocacy

Leaders identify:

- Where small changes could have disproportionate impact
- Who shapes the rules of the system
- What narratives underpin current decisions

Coalition advocacy

Coalition advocacy is when multiple organisations work together to increase legitimacy, increase pressure and expand reach.

Important to establish:

- Shared purpose versus lowest common denominator agreement
- Decision-making authority within the coalition
- Who speaks, who signs, and who negotiates

Unspoken leadership question: What would cause us to leave this coalition?

If there is no answer, you are not in a coalition, you are in a trap

Case study: Riverside Youth Network

Riverside Youth Network is a an organisation with 22 staff members providing outreach to young people in regional communities. State funding covers 70% of the budget.

The state government is about to introduce a policy change that will tighten eligibility for the outreach program, cutting an estimated 30% of current clients – mostly young people in outer regional areas with the least access to alternative support.

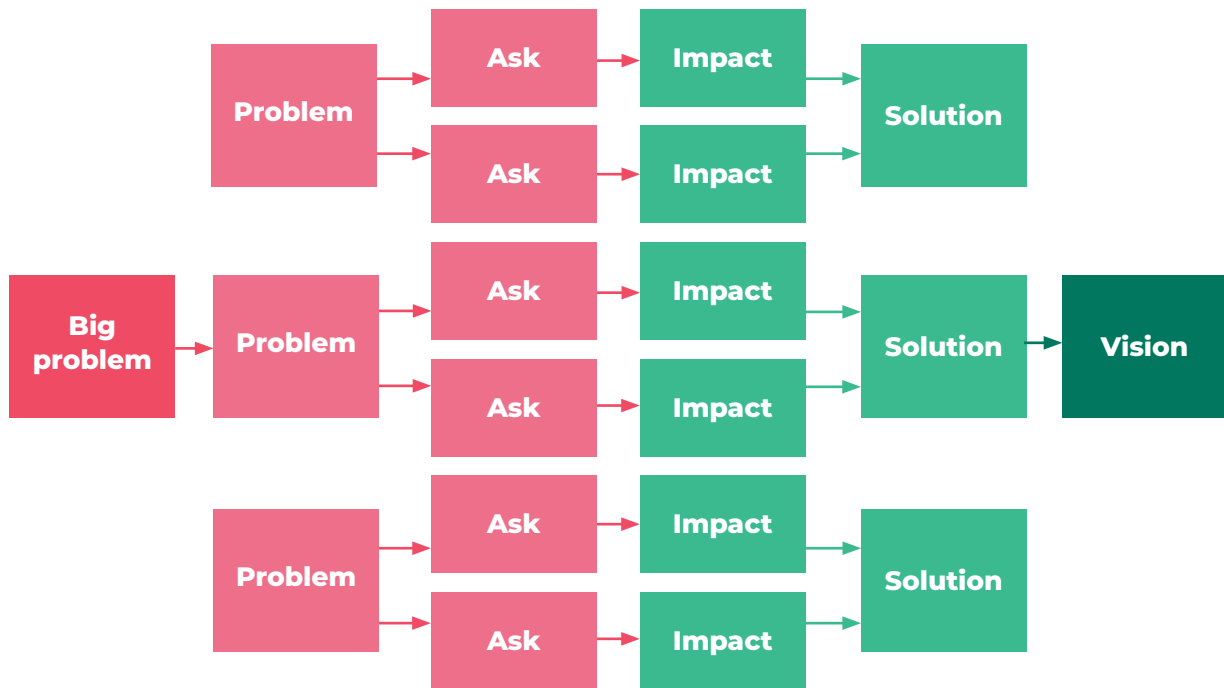
Riverside's next largest funder, which also has a close relationship with the department introducing the policy change, has privately signalled that public criticism of the change "would complicate the relationship going into next year's funding round." Two Riverside board members want to speak out publicly. The CEO is being urged by the funder's program manager to raise concerns "through the right channels" instead.

Riverside staff have already started fielding distressed calls from families who will lose access to the outreach program. A journalist has contacted Riverside asking for comment.

Advocacy working template

	What we know	What we're choosing
The issue		
Model of advocacy (quiet / public / issues-based / systemic)		
Who actually holds influence here		
What we risk by acting, and by not acting		
What "success" looks like		
Who needs to be briefed or consulted before we act		

Advocacy plan template



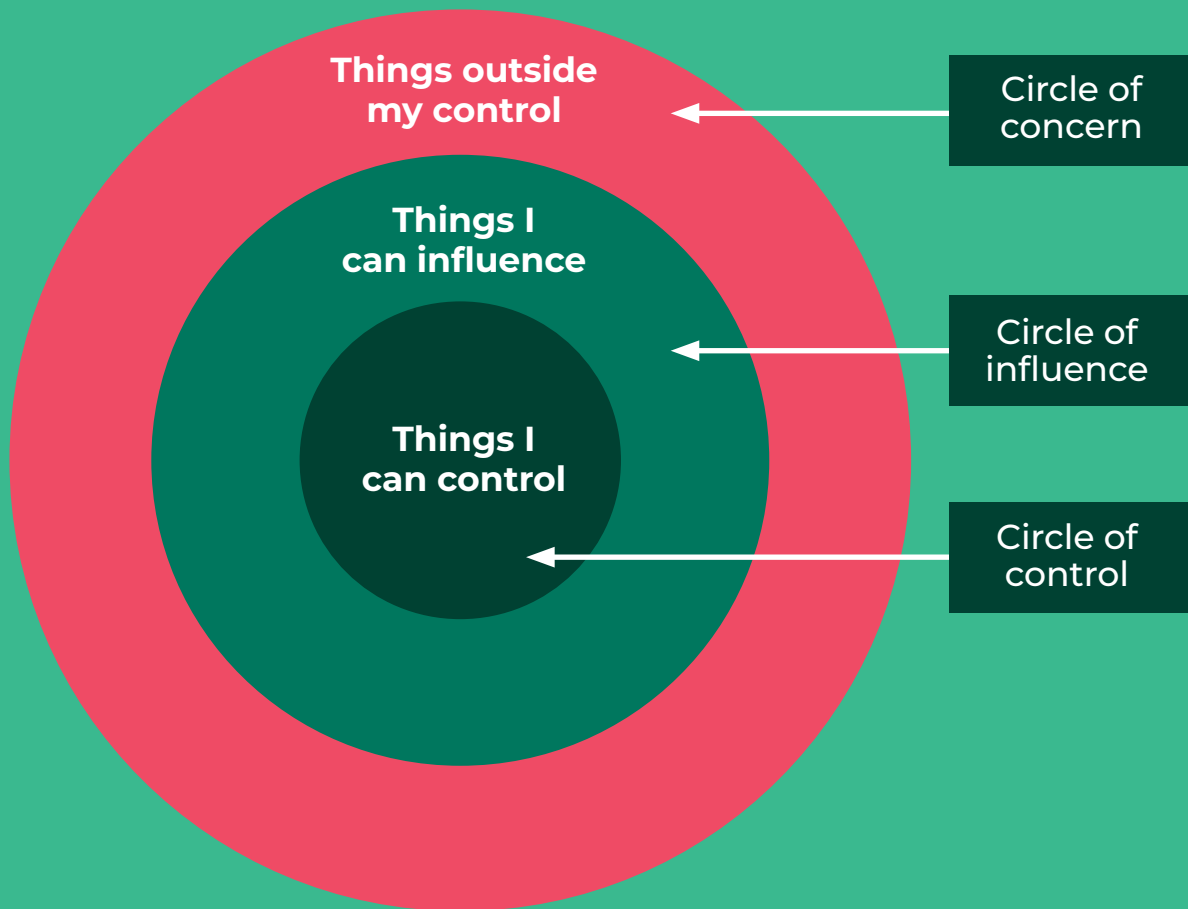
Key messages:

1.

2.

3.

Circles of control, influence and concern



**Pick one issue that has been consuming you.
Where does it actually sit in these three circles?
What would move it inward?**

Comparative risk scan

Worked example using the Riverside case study

	Applied to Riverside
Legitimacy do we have the right to speak this way?	Yes, the policy directly affects our beneficiaries and we hold direct evidence of impact
Authority who has approved this approach?	Not yet, board is split; needs a decision before any public statement
Capability do we have the relationships and skills required?	Partial, strong community relationships, limited media experience
Consequences who bears the consequences if this fails?	Funding relationship for next cycle; also, staff and families if we stay silent

Comparative risk template	
Legitimacy do we have the right to speak this way?	
Authority who has approved this approach?	
Capability do we have the relationships and skills required?	
Consequences who bears the consequences if this fails?	

Simple decision flow chart for advocacy



[Download Advocacy decision filter tool](#)

Stretch reflection:

1. What feels uncomfortable or unresolved for me

2. One advocacy behaviour I need to strengthen or stop

3. Where I may need further discussions with my organisation or peers/critical friends before acting

AI and advocacy

A useful prompt for generative AI:

I am a [role] at a [type of organisation].

We are considering [advocacy action] on [issue].

Our mandate is [X]. Our risks are[Y].

Draft three versions of [item] that differ in [tone/positioning].

For each, name the strongest objection a sceptic would raise.

02 Crisis management

Self-reflection

Crisis: a few words of context. What was the problem?

What was my role? My job title, and what was expected of me?

How did I feel while navigating the crisis? What were the concerns on my mind?

How do I feel now, in retrospect, about my role in the crisis? How do I think the crisis response went?

**My potential strengths in a crisis
(what comes easier?)**

**My potential vulnerabilities in a crisis
(what do I find hard?)**

**My preferences in a crisis
*(prefer to work alone; in a group; have a clear plan; work it out as I go)***

**What might I avoid in a crisis
*(confrontation, disagreement, pausing before deciding, including others)***

Organisational reflection:

My perspective on my organisation(not compared to me):

- What have we weathered and how have we handled it?
- What gaps do we have? (e.g. What if our chair gets really emotionally heightened and we don't have a cool head)

Prompt	Reflection
1. What have we weathered as an organisation?	<i>(e.g. funding cuts, media controversy, internal conflict, sudden leadership change)</i>
2. How did we handle it at the time?	<i>(Consider communication, roles, decision-making, staff impact)</i>
3. What went well in our response?	<i>(What enabled us to act quickly or wisely?)</i>
4. What were the consequences or costs?	<i>(Immediate and long term – internal, reputational, cultural)</i>
5. What gaps or vulnerabilities became visible?	<i>(e.g. unclear roles, reactive leadership, poor communication)</i>
6. What if a key leader becomes emotionally elevated (e.g. Chair, CEO)?	<i>Do we have strategies or counterweights to maintain a clear head?</i>
7. Where else might we lack cool heads, clear authority, or communication clarity under pressure?	
8. What internal tensions or cultural patterns make crises harder for us?	<i>(e.g. avoidance, blame, perfectionism, siloed information)</i>
9. What have we already put in place since then (if anything)?	
10. What practical or cultural changes do we still need to make before the next crisis?	

Three realms model of crisis management

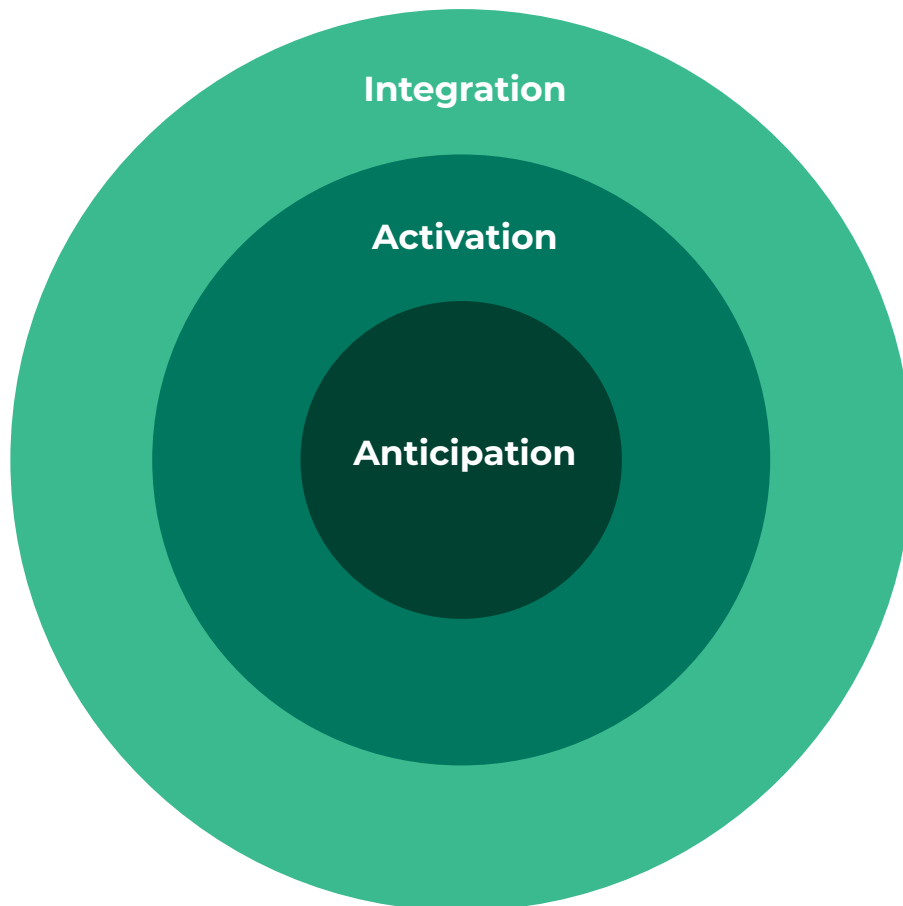
The model covers three stages that are crucial for good crisis management or critical incident management.

These stages are:

1. preparing for crisis in general – not knowing what could hit us, but considering what kinds of themes might apply to us (from a catalogue of documented risks)
2. responding in real immediate time to the crisis.
3. integrating learnings and changes to prevent a crisis next time or to respond to a similar crisis in a better way

In this model, each of the following categories of concern must be dealt with in each circle of the model.

- **People** – who's involved/impacted and how do we communicate with them?
- **Options** and consequences for each group
- **Timeline:** current – medium – long term
- What will **change** and what will we change?
- **Governance** and accountability oversight



Crisis team positions - template

Controller	Primary – name of role	Secondary – name of role
Take control of the overall incident	Arrange for regular briefings	
Ensure all other roles are filled	Make final decisions/put decision to the team	
Assistant Controller	Primary – name of role	Secondary – name of role
	Offer assistance to other roles	
Identify wider / long term implications	Identify agencies that should be notified	
Executive Officer	Primary – name of role	Secondary – name of role
Assist the Controller as requested	Check all positions are being covered	
Keep an overall log of the incident	Act as secretariat for Controller	
Information/scene control	Primary – name of role	Secondary – name of role
Gather information about the incident	Attend the scene of the incident and take control	
Pass all gathered information to Controller	Report back to the controller re: scene status	
Facilities, security and finance	Primary – name of role	Secondary – name of role
Consider what facilities may be required	Consider the role of security	
Are these facilities ready for operational use	Assess financial implications	
Communications	Primary – name of role	Secondary – name of role
Prepare/distribute organisation-wide SMS	Work closely with Controller & Media Spokesperson	
Prepare initial comms to effected parties	Prepare comms to org community	
Prepare comms to all different stakeholders	Distribute other comms as directed by Controller	
Media Spokesperson	Primary – name of role	Secondary – name of role
Speak on behalf of org to the media	Answer and respond to media enquiries	
Identify need for professional guidance		
Logistics support	Primary – name of role	Secondary – name of role
Consider what support may be required	Consider what other resources may be required	
Consider if any transport is required	Prepare for needs of crisis team	
Legal and risk	Primary – name of role	Secondary – name of role
Consider legal implications of the incident	Report to controller on areas of concern	
Consider all on going risk consequences		
Staffing and HR	Primary – name of role	Secondary – name of role
Consider impact on staff & wellbeing	Make changes to staff as may be required	
Provision of guidance / guidelines for staff	Notify staff of incident details	
Beneficiary wellbeing	Primary – name of role	Secondary – name of role
Consider beneficiaries who may be affected	Arrange for appropriate assistance as required	
Arrange for counselling in case needed	Schedule welfare calls to impacted beneficiaries	
Business/Service continuity	Primary – name of role	Secondary – name of role
Monitor any impact on activity	Make recommendations about changes to delivery	

*Using this document:

- Only the primary role attends crisis meetings. The secondary only covers in the event that the Primary is unavailable or incapacitated.
- Some roles might be filled by the same named person

Crisis team positions: quick checklist

CONTROLLER (Crisis Lead) ☐ State you are the Crisis Controller for this incident ☐ Confirm activated roles and decision authority ☐ Assign a named owner and deadline for every action	ASSISTANT CONTROLLER ☐ Confirm scope of support role with Controller ☐ Track wider and longer-term implications ☐ Be ready to assume the Controller role if required
EXECUTIVE OFFICER (Secretariat) ☐ Create an incident log with date and time stamps ☐ Record decisions, actions, owners and deadlines ☐ Maintain a single source of truth for decisions	INFORMATION / SCENE CONTROL ☐ Establish yourself as the point of information control ☐ Collect verified facts and report changes immediately ☐ Confirm when the scene is stable or escalating
FACILITIES, SECURITY & FINANCE ☐ Confirm site safety and access status ☐ Track crisis-related expenditure and flag overspend ☐ Report financial exposure to the Controller	COMMUNICATIONS ☐ Confirm you are authorised to draft communications ☐ Prepare a holding statement and internal staff update ☐ Keep a log of what was sent, when and to whom
MEDIA SPOKESPERSON ☐ Confirm sole spokesperson status ☐ Stick to approved facts and language ☐ Advise the Controller if media pressure escalates	LOGISTICS SUPPORT ☐ Arrange meeting space and ensure the team has phones and access ☐ Ensure food, rest and basic needs are met ☐ Remove logistical barriers to decision-making
LEGAL AND RISK ☐ Identify immediate legal exposure and reporting obligations ☐ Review decisions and communications for legal risk ☐ Ensure evidence and records are preserved	STAFFING AND HR ☐ Identify affected staff and activate wellbeing or EAP support ☐ Adjust rosters, duties and workloads as needed ☐ Monitor distress, fatigue and conflict
BENEFICIARY WELLBEING ☐ Identify impacted beneficiaries and assess safety needs ☐ Arrange practical or clinical support and welfare checks ☐ Feed issues into service continuity planning	BUSINESS / SERVICE CONTINUITY ☐ Identify critical services and confirm which continue or pause ☐ Monitor service impact daily ☐ Prepare a recovery plan

[Download the full checklist](#)

Delegations adjustment: worksheet

Use this worksheet to capture your thinking during the session. The full Delegation Adjustments Form, for use during an actual crisis, is available via the link in your workbook resources. [Download the full Delegation Adjustments Form.](#)

Key question:

What are the key delegations that will need adjustment?

Role	Key delegation to adjust	Notes / conditions
CEO		
Controller		
Communications Lead		
Legal / Risk		
HR / Staffing		
Chair		
Other		

What limits should still apply even with these adjustments in place (financial thresholds, board awareness, reporting frequency), and when will each adjustment expire or be reviewed?

Communications plan

- ☒ Stick to known facts.
- ☒ Silence is a form of communication. If the organisation remains silent, rumours and assumptions will do the talking
- ☒ Use calm, clear, non-speculative language. Reassure without over promising.
- ☒ Be transparent about what is being done and what remains uncertain.
- ☒ Align internal and external messages to avoid confusion.
- ☒ Avoid blame. Focus on responsibility and action.

[Download the Crisis communication plan template](#)

Crisis Management Decision Filter

The Controller should apply the following five-question filter whenever a significant decision is proposed. The questions help determine whether the proposed course of action is appropriate.

1. **Legitimacy:** Is this aligned with purpose and obligations?
2. **Authority:** Who is authorised to decide?
3. **Capability:** Can we deliver this under current constraints?
4. **Effects:** What harm are we accepting, and for whom?
- +
5. **Time:** What must happen now, what can wait, and what triggers review?

In shorthand, this decision filter is called **LACE + TIME**.

L - Legitimacy

Do we have the right to act or decide here, given our organisational purpose and obligations?

- Is this decision aligned with our mission and values, even under pressure?
- Are we responding to real harm, or responding to anxiety?
- Is this a crisis-level decision, or an operational issue that feels urgent?

A - Authority

Who is authorised to decide this, right now, under crisis conditions?

- Is this within CEO delegated authority, or does it require board oversight or approval?
- Have we temporarily shifted authority, and is that shift documented?
- Do we need clarity on who speaks externally, and who briefs internally?

C - Capability

Do we have the capacity, information, and operational ability to deliver what we choose?

- Are we resourced to execute this option, and sustain it beyond the first decision?
- Do we have enough verified facts to act, or are we guessing?
- Will this choice create second-order harms because we cannot follow through?

E - Effects (Consequences)

What harm are we accepting, and who bears it?

- What is the best-worst option, not the ideal one?
- Who is most impacted: staff, beneficiaries, funders, partners, community, board, reputation?
- What risks are we consciously accepting, and which are unacceptable?

Time discipline (the crisis amplifier)

Decisions made in a crisis are rarely final. They are often time-bound and provisional, and they should be revisited regularly as more information comes to light.

Choosing not to decide is still a decision. If you defer a decision, be explicit about what is being deferred, why, and when it will be reconsidered.

Time check questions

- **Now:** What cannot wait 24 hours?
 - **Soon:** What must happen within 72 hours?
 - **Later:** Which decisions are likely to improve if we wait for more information?
 - **Review:** What event, information or deadline will trigger a review of this decision?
-

Crisis and Governance

a. Boards should have a policy that:

- Defines what constitutes a crisis
- Sets out how the organisation will respond and communicate
- Clarifies roles between board, CEO and executives

b. Clarity of authority is a key governance area.

Board delegations should prescribe:

- What decisions the CEO can make independently in a crisis
- Which decisions require board discussion or approval
- Who is authorised to speak publicly

This prevents delays and confusion under pressure.

c. Governance questions to ask before activating a crisis response:

- ☐ Is this a genuine crisis under our definition? (where have we defined it?)
- ☐ What authority shifts temporarily in this context?
- ☐ Are roles and accountabilities documented and clear?
- ☐ Have communication responsibilities been assigned?
- ☐ How will the organisation oversee the CEO's crisis decisions?

The last question is critical because for those of you here who are board members, remember: you are not running the show!

[Download the Crisis and governance help sheet pack](#)

Reporting to the board during a crisis

This template is designed to help ensure governance oversight, documentation integrity, and accountability following a crisis.

It creates a consistent, structured way for executive leaders to brief the board and capture what has been learnt.

[Download the Board crisis reporting template](#)

Executive summary:

A brief narrative of the event: what happened, when, and how it triggered your crisis response. Focus on clarity over emotion and share what met the threshold that activated your plan?

Governance Overview:

This section reinforces board accountability and governance discipline:

Crisis Threshold:

Clearly state what criteria were met (e.g. reputational risk, threat to life, legal exposure).

Temporary Authority Shifts:

If decision-making power changed (e.g. board powers delegated to CEO), this needs to be captured here.

Board Involvement:

What was the board's role during the crisis? Note decisions, meetings, or critical input.

Legal/Ethical Considerations:

Were any sensitive dilemmas surfaced?

Documentation Assurance:

Confirm if real-time records were kept. This is key to post-crisis review and defensibility.

Key Decisions & Rationale:

List any major decisions made by the CEO, Crisis Controller, or Board during the incident

Impact summary:

This should be structured by area.

People: How were staff and beneficiaries affected?

Services: Disruption and resumption of service delivery.

Financial: Preliminary costs or exposures.

Stakeholders: Any fallout with funders, partners, or others.

Media/Public Perception: Note any significant reputational issues.

Lessons and Gaps Identified:

This turns the crisis into a leadership learning moment:

Recommendations for Board Action:

Include clear recommendations for board action. This supports the board in fulfilling its governance role during a crisis. Recommendations may include approving policy changes, participating in simulations or training, or endorsing communications with stakeholders.

Next steps and monitoring:

- What is still unresolved?
- What is being tracked?
- What is the timeline for recovery and a full review?

Activity: Running a crisis meeting

As you participate in this activity, draw on your experience in your own organisation.

[Download the crisis meeting help sheet](#)

Your task

Timing (30 minutes)

Time	What happens
5 min	Allocate roles within your group
10 min	Run the first crisis committee meeting
5 min	Run the second meeting, at the end of the first day
10 min	Write dot points of comms to internal and external stakeholders

Step 1: Allocate roles

☐ Chair	☐ CEO
☐ Senior manager, client services	☐ Treasurer
☐ Senior manager	☐ Communications lead
☐ HR	☐ Other (write in)

Step 2: Your scenario

Note the key facts of your scenario below, filling in any gaps with details from your own organisation.

Step 3: Run the meetings (use the agenda below for both meetings)

What has changed?

Focus on new facts, not speculation. Avoid circular updates.

What decisions must be made now?

Make a list. Sort by urgency and delegation. Who decides? What information is needed to decide?

Who needs to know what, and when?

Staff, board, funders, regulators, media. Assign names to comms actions.

Quick round

One sentence each: final thoughts, red flags, or practical blockers.

Step 4: Communications dot points

Internal (staff, board):

External (funders, regulators, media, community):

Crisis scenarios

Scenario 1:

You are a sporting NFP delivering afterschool and school holidays sport programs to children. At 5.30am, a fire tears through your primary service site. Thankfully, no one was injured, but the building is structurally unsound and all operations have ceased. There are no office or sporting facilities available. Emergency services have left the site. Customers and staff are contacting you directly, media are asking for comment, and partner organisations are offering help. The CEO is travelling and unreachable for another hour. Core systems are inaccessible. You have no confirmed communication plan in place. Decisions are needed now about who speaks for the organisation, what to say, and what services, if any, can continue today.

Roles:

- Chair
 - CEO
 - Senior manager of client services
 - Treasurer
 - Senior manager
 - Comms lead
 - HR
-

Scenario 2:

You are a medium sized family violence arts organisation. You are notified by your IT contractor that a ransomware attack has locked your systems and accessed sensitive client data, including addresses, case files, and payment details. You do not yet know how long the breach went undetected. The Board is calling an emergency meeting. Your clients include vulnerable and high-risk individuals. Some are in hiding from violent situations. You must decide how to manage communication to clients, staff, funders, and the public while understanding your legal obligations. No one has declared this a crisis yet, but the CEO believes it meets the threshold.

Roles:

- Chair
 - CEO
 - Senior manager of client services
 - Treasurer
 - Senior manager
 - Comms lead
 - HR
-

Scenario 3:

You are a climate focused social enterprise. A keynote speaker you booked for your flagship public event is revealed to have published inflammatory opinions unrelated to your cause. Activists are now calling for boycotts, donors are questioning their support, and your organisation's name is on the front page of several national media outlets. The Board is split, with some calling for a public apology and others insisting on defending the organisation's decision.

Staff morale is shaken, and the CEO is avoiding public comment. You must determine what the organisation stands for in this moment, who speaks for it, and whether to change course.

Roles:

- Chair
 - CEO
 - Senior manager of client services
 - Treasurer
 - Senior manager
 - Comms lead
 - HR
-

Post-crisis staff check-in guide

Purpose

To ensure staff are supported, informed, and reconnected with the organisation after a crisis, and to translate organisational learning into recovery, trust-building, and workplace stability.

Guiding principles

- **Respect:** Protect confidentiality; participation is encouraged but not compulsory.
- **Boundaries:** You are not there to fix everything, but to listen, record, and respond appropriately. Offer support rather than therapy.
- **Leadership accountability:** Avoid framing impacts as individual failings: name systemic gaps, governance issues, and communication flaws where applicable.

Step 1: Prepare an agenda for the check-In

- Confirm authority:** Ensure the check-in process is led or endorsed by someone with clear delegated authority. This may be the Staffing & HR lead, CEO or chair, depending on the organisation's size and structure.
- Gather key information:**
 - Summary of what occurred during the crisis
 - Known impact on staff roles, workloads, rosters, and wellbeing
 - Any decisions still pending that may affect staff
- Document objectives:**
 - Rebuild trust?
 - Clarify expectations?
 - Identify fatigue, distress, or ongoing concerns?
- Communicate known next steps**

Step 2: Conduct the check-In conversations

Tone and framing are important, particularly after an emotional and distressing experience.

- Begin with: "This is a check-in, not a performance review or debrief. The purpose is to understand how the crisis affected you, what you need now, and how we can improve our support and communication."
- Acknowledge that the situation may still feel unresolved.

Suggested questions

- What has the last week(s) been like for you?
- What were the hardest moments to navigate?
- Was anything unclear, or surprising?
- Did you feel supported in your role?
- What helped you stay grounded or confident?
- What communication worked, and what did not?
- How are you feeling now?
- Have you had a chance to rest or decompress?
- Do you need any adjustments to duties, rosters, or expectations?
- What would help you feel more supported moving forward?
- Are there things we should do differently next time?

Step 3: Tailored support and follow-up

Organisations vary in the support they can provide to staff; some of these supports are free or low cost. They may include:

- Temporary adjustments to responsibilities or hours
- Access to wellbeing or EAP services
- Rostered time off, recovery time, or reflective leave

Step 4: Documentation and integration

Documentation is crucial in ensuring that learnings are integrated to prepare the organisation and build resilience for future critical incidents. This can include:

- Staff check-ins completed (names and dates)
- Key themes or concerns raised (without attribution); these may need to be escalated (e.g. burnout, role confusion, lasting distress)
- Support actions initiated
- Report to the Crisis Committee or Controller

Governance questions to ask after a crisis:

- Was role clarity maintained or eroded under pressure?
- Were there governance practices that blurred lines or caused confusion (boards drifting into operations, Chairs assuming executive functions)?
- What was decided, who made the decision, under what authority?
- What risks were acknowledged?
- What was communicated and to whom?
- Revisit the crisis policy and delegations: any updated thresholds or procedures required?
- Were any board training or development needs revealed?
- Does the organisation need to rebuild trust and role clarity between the board and the executive?
- Does the organisation need to communicate to stakeholders that a post-crisis governance review was conducted?

Key governance responsibilities:

1. Conduct a post-crisis governance review to evaluate how well the board's oversight function was upheld during the crisis and assess whether the temporary authority shifts worked as intended;
2. Review documentation and accountability (confirm that all critical decisions were documented in real time, not written in hindsight).
3. Clarify lessons and embed into governance frameworks; update board policies and crisis protocols to reflect learnings; adjust delegations if current ones proved unclear or unfit under pressure.
4. Plan governance strengthening activities.

Stretch reflection:

What is one strength I bring to crisis leadership that I want to be more intentional about using?

How can I build that into our organisation's preparedness for crisis?

03 Funder engagement

Self-reflection

My role: how do I think funders regard me as a leader?

Looking ahead: in one sentence, what would I like to shift or practice differently in my funder engagement after today?

How do I approach funders as a leader? What assumptions do I hold about funders and power?

Strengths: when it comes to funding, how do I add value as a leader?

Discomforts: what part of funder engagement do I avoid or delay and what is this behaviour protecting me from?

Breakout questions:

Describe one funder interaction that felt uncomfortable or unclear. What led to that?

What is one assumption you hold about funders that you have never tested?

Organisational reflection

This exercise explores how your organisation's culture shapes funder engagement in everyday practice. Culture shows up in attitudes, language, behaviours and unspoken rules.

Please select all that apply:

1. How funders are viewed in the organisation

- ☐ Funders are seen as partners in achieving impact
- ☐ Funders are seen as necessary but frustrating
- ☐ Funders are approached cautiously
- ☐ Some types of funders are welcomed more than others
- ☐ Corporate or large funders are quietly resented
- ☐ Funders are spoken about differently in private than in public
- ☐ Funders are mostly discussed in transactional terms

2. Comfort with power and money

- ☐ Power imbalances with funders are openly acknowledged
- ☐ There is discomfort talking about money and influence
- ☐ Leaders are expected to absorb power dynamics on behalf of staff
- ☐ Staff feel funders hold too much control
- ☐ Pushing back on funder expectations is accepted
- ☐ Saying no to funding feels risky or discouraged
- ☐ Funding conversations are shaped by fear of loss

3. Expectations for funder engagement

- ☐ Roles and responsibilities for funder engagement are clear
- ☐ Expectations vary depending on the funder
- ☐ Engagement is mostly reactive to funding opportunities
- ☐ Relationship building beyond transactions is valued
- ☐ Funder engagement is concentrated in a few individuals
- ☐ Staff are unsure who leads which funder conversations
- ☐ Success is measured mainly by funds secured

4. Alignment between values and funding practice

- ☐ The organisation actively seeks values-aligned funders
- ☐ Values and funding trade-offs are openly discussed
- ☐ Values guide decisions when pressure is high
- ☐ Values are referenced but often overridden
- ☐ Funding decisions are made under time or financial pressure
- ☐ Leaders have compromised values to secure funding
- ☐ The organisation has declined or exited misaligned funding

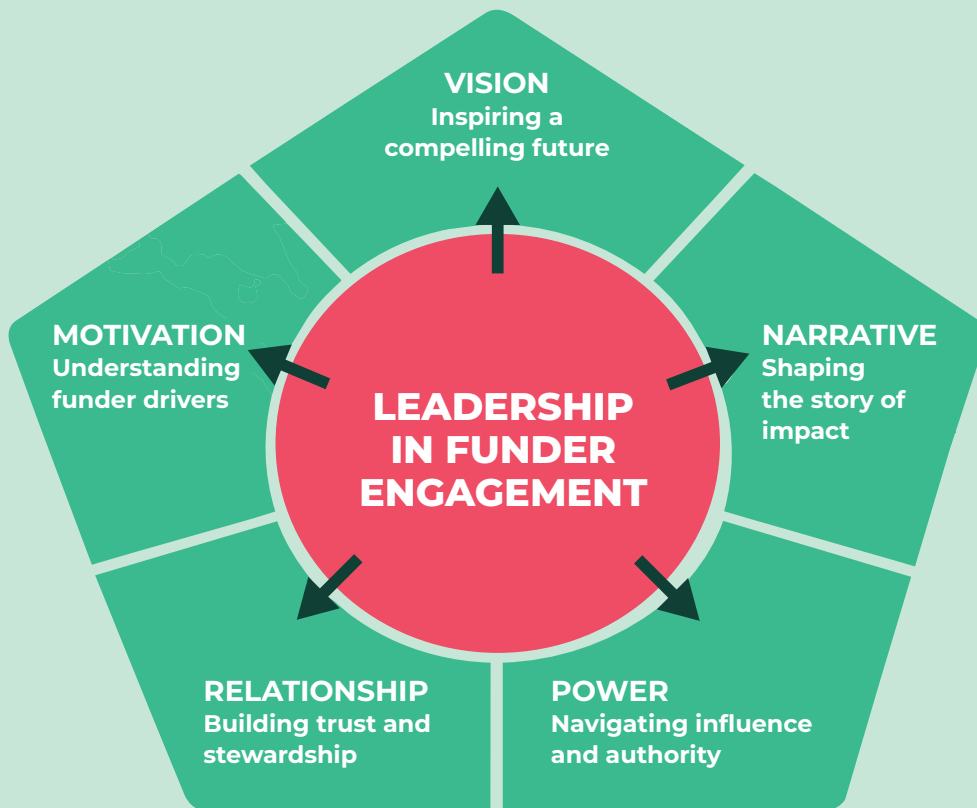
5. Leadership signals about funder engagement

- ☐ Leaders are expected to be visible to funders
- ☐ Leaders are expected to protect staff from funder pressure
- ☐ Leaders are expected to prioritise funding security
- ☐ Leaders are expected to hold boundaries and say no
- ☐ Leaders are expected to smooth tension and maintain goodwill
- ☐ Leadership expectations are unclear or inconsistent

Breakout questions:

- What does your organisation do with staff feedback about difficult funder dynamics?
- Whose voice is missing when funder decisions get made in your organisation?
- If your organisation suddenly had no funders, would your vision still be clear?

Leadership in funder engagement model



This model describes what leadership looks like in funder engagement, beyond fundraising technique or grant compliance.

At the centre is **leadership in funder engagement**. This represents the leader's role in being clear about purpose, judgement and responsibility when engaging with funders. Leadership here is not about doing everything personally, but about shaping the organisation's approach to funding relationships.

Surrounding this are five interconnected leadership domains. Together, they describe the core ways leaders influence funder engagement.

The arrows between the centre and each domain emphasise that leadership is active. Leaders must consciously hold and work within each domain. Over-emphasis on one area, or neglect of another, weakens funder engagement overall.

Vision sits at the top. Leaders are responsible for articulating a compelling vision of the future that funders are invited to help create. Without vision, funder engagement becomes reactive and transactional.

Motivation recognises that funders are driven by different purposes, pressures and incentives. Leadership involves understanding these motivations without being governed by them, and making deliberate choices about alignment.

Narrative reflects the leader's role in shaping meaning. Leaders help funders understand the problem being addressed, the progress being made, and the significance of the work, not just the outputs.

Relationship and Power sit together at the base.

Relationship focuses on trust and stewardship over time. Leaders set the tone for how funders are treated, how visible leadership is, and whether relationships extend beyond funding cycles.

Power acknowledges that funder relationships are rarely equal. Leadership requires navigating power and influence with integrity, including setting boundaries, naming trade-offs and, at times, saying no.

Practical funder engagement tips

The following practical tips support leaders to consider each component of the model when planning their approach to funder engagement.



Vision

- Ask yourself: Could I describe our intended future in two sentences without mentioning funding?
- When considering new funding, explicitly ask what part of the vision this advances and what it distracts from.
- Frame conversations around the change you are trying to create before discussing how funding might support it.

Motivation

- Before any significant engagement, ask yourself: *What problem does this funder believe they are helping to solve, and what do they gain by being involved?*
- Listen out for what funders emphasise repeatedly.
- Name alignment gently but explicitly in conversations. Say what fits, what partially fits, and what does not, rather than letting assumptions fill the gap.

Relationship

- Identify which funders require consistent senior leadership presence and schedule this deliberately.
- Maintain contact during quiet periods with learning updates rather than funding requests.
- Make sure at least two people hold knowledge of each key funder relationship.

Power

- Prepare boundary statements in advance so you are not deciding under pressure.
- Frame pushback around impact and consequences rather than preference. Explain what a request would mean in practice.
- Translate funder expectations internally with clarity and context, not urgency or fear.

Narrative

- Listen for how funders describe the problem in their own words. If it differs from your framing, address the gap early.
- Include one small example of adaptation or learning in major funder updates, not only successes.
- Ask funders how they describe your work to others and listen carefully to what they emphasise or omit.

Case study 1: Yarra Reach Community Services

Yarra Reach is a 35-staff Victorian organisation supporting young people aged 12-24 experiencing housing instability. Founded in 2008, it has grown steadily through state government funding (60%), philanthropic grants (25%) and community fundraising (15%).

A large national philanthropic foundation has approached the CEO directly. They want to fund a new “youth entrepreneurship” stream - an area Yarra Reach has not worked in before. \$1.2 million over three years, which would expand the organisation’s annual budget by nearly a third. The Foundation Director: *“We see Yarra Reach as a long-term partner. This could be the first of many initiatives together.”*

The CEO is excited. Two board members are enthusiastic. The Head of Programs has concerns - entrepreneurship sits awkwardly with their trauma-informed model - but feels she cannot push too hard given the dollar value. Staff have not yet been informed.

The funder has asked for a decision within four weeks.

Your task: Produce a one-page leadership brief including

- The recommendation
- The 2-3 domains where leadership attention most needs to focus
- What the steps are in the next seven days.

Apply the model

Diagnostic What does the situation reveal?	Design What does leadership need to do now?
Vision	
Motivation	
Power	
Relationship	
Narrative	

Mapping common failure modes

Most problems in funder engagement are not capability gaps, but imbalances.

You might be very strong in something or put all your interest or enjoyment or resources in one, at the cost of another.

These patterns are not failures. They are signals.

Effective leadership in funder engagement means holding multiple domains at once and noticing when strength in one area is compensating for weakness in another. The task is not to be perfect in every domain, but to recognise imbalance early and respond deliberately.

Dominant strength	Weak element	Resulting risk or pattern
Strong relationship	Weak vision	Mission drift
Strong motivation awareness	Weak power handling	Quiet resentment
Strong narrative	Weak substance	Credibility risk
Strong power stance	Weak relationship	Short-term wins, long-term loss
Strong relationship	Weak power stance	Short-term wins, long-term loss
Strong vision	Weak motivation insight	Misaligned funders

Six common imbalances

Strong relationship, weak vision → mission drift

When leaders prioritise relationships without anchoring them in a clear vision, decisions can slowly shift to suit funder preferences. Over time, the organisation drifts from its original purpose, not through one large compromise, but through many small ones made in the name of maintaining goodwill.

Strong motivation awareness, weak power handling → quiet resentment

Understanding why funders engage is valuable. However, when leaders lack confidence or skill in handling power, this awareness can turn into over-accommodation. Staff and leaders may comply outwardly while privately resenting funder influence, which erodes trust and morale over time, amongst the frontline staff delivering on the funder obligations.

Strong narrative, weak substance → credibility risk

Compelling stories and polished narratives are important, but without strong substance behind them, credibility is at risk. Funders may initially engage, but confidence weakens when outcomes, delivery or learning do not match the story being told.

Strong power stance, weak relationship → short-term wins, long-term loss

Leaders who are confident asserting boundaries and negotiating power can achieve quick results. However, without investment in relationship, these wins are often short-lived. Funders may disengage once the immediate transaction is complete, because they are dissatisfied or because they found a newer, better relationship elsewhere, limiting long-term partnership.

Strong relationship, weak power stance → short-term wins, long-term loss

The opposite imbalance can produce the same outcome. Leaders who prioritise harmony and goodwill but avoid power dynamics may secure funding in the short term, yet over time lose influence, autonomy or sustainability. Relationships remain pleasant, but leadership authority erodes. The organisation will be receiving funding that at best they don't want and at worst derails and distracts them from their vision and what they should be doing.

Strong vision, weak motivation insight → misaligned funders

A clear and compelling vision is essential. Without insight into funder motivations, however, leaders may attract funders who admire the vision but are not genuinely aligned with how change will be achieved. This often leads to tension, unmet expectations and eventual disengagement.

Case study 2: Brighter Futures Together

Brighter Futures Together is a 12-staff for-purpose organisation working in early childhood literacy. Its largest funder, a corporate foundation, has provided 40% of its funding for the past five years.

Last week, the funder's new Head of Community Investment requested a meeting. In it, she signalled that the foundation was "evolving its impact framework" and wants Brighter Futures Together to:

- shift reporting to a new outcomes framework that doesn't quite match its methodology
- participate in a foundation-led "collective impact" initiative with two unknown organisations
- feature the funder more prominently in public communications
- bring forward the next funding application by six months "to align with our new cycle".

The CEO left the meeting feeling uneasy but cannot quite name why. The funder was warm, used the language of partnership, and emphasised continued commitment. Nothing specific was wrong. But everything had shifted.

The next funding decision is due in six weeks.

Decision filter for funder engagement

To be used when a funding decision feels uncomfortable, pressured or unclear.

Vision

- Does this funding clearly advance the future we are committed to creating?
- If we accept this funding, what would we need to stop, shift or deprioritise?
- Would our vision still be clear if this funder withdrew tomorrow?

Red flag: We are saying yes because we need the money, not because it serves the vision.

Motivation

- Why does this funder want to be involved, really?
- Where is there genuine alignment, and where are we translating or stretching?
- Whose motivation is driving this decision, and at what cost?

Red flag: We are reshaping the work to fit the funder rather than testing alignment.

Power

- What power does the funder hold in this relationship, formally or informally?
- What expectations are we agreeing to, explicitly or implicitly?
- What would we need to push back on or say no to for this to be sustainable?

Red flag: We feel unable to negotiate, question or walk away.

Relationship

- Does this decision strengthen trust over time, or just secure short-term funding?
- Would this relationship survive a funding pause or renegotiation?
- Is the relationship organisational, or overly dependent on one person?

Red flag: We are not protecting the relationship enough.

Narrative

- Can we honestly explain this funding decision to staff, community and other funders?
- Does our public narrative match what we are actually delivering?
- What story will this funder tell about us when we are not in the room?

Red flag: We are relying on narrative to cover substance.

Apply the decision filter to case study 2.

- Are there any red flags?
- Decide what to do? Accept as offered, accept with conditions, or decline?

Using AI in funder engagement

AI can help leaders to prepare, analyse information and draft material, but it can't form and maintain relationships.

Leaders can use AI to:

- analyse and summarise large amounts of information about funders (public priorities, the way they describe their aims and interests)
- draft and refine written material (first drafts of reports, proposals, updates, briefing notes)
- adapt complex information for different audiences
- help teams to clarify their thinking and develop a shared understanding of assumptions, risks and trade-offs

Leadership question: What thinking could AI support before I walk into the room?

What AI cannot do?

AI cannot hold the leadership domains we have talked about today. Unlike a human, it cannot:

- Hold vision under pressure
- Read power dynamics in real time
- Build trust or credibility
- Judge when to push back or walk away

Leadership question: What leadership responsibility would be dangerous to delegate to AI?

Stretch reflection:

What is one thing I will do differently when engaging with funders over the next 30 days based on what surfaced today?

04 Ethics

Self-reflection

Briefly describe a recent situation where something felt ethically uncomfortable or unresolved for you. (Can be a small thing, doesn't need to be dramatic)

What made it uncomfortable?

What options felt closed off or risky?

Who would bear the cost of each available option?

My default response:

When decisions get hard, I tend to...

(delay, rationalise, defer upward, protect relationships, push through, avoid naming harm, confront power, slow things down, speed things up, dissent, revisit a past decision.)

My strength in times of difficulty or dilemma is usually...

(delay, rationalise, defer upward, protect relationships, push through, avoid naming harm, confront power, slow things down, speed things up, dissent, revisit a past decision.)

My vulnerability as a leader is often...

(conflict avoidance, over-responsibility, moral fatigue, fear of backlash.)

Organisational reflection

How do you know what your organisation's values are? Often they are on your website, maybe on your walls, often in your communications or staff training. They are usually clear and explicit but sometimes they are implicit or suggested.

Sometimes we intend to behave in one way as an organisation, but when we aren't thinking about our values, and when we are under pressure, the reality may look different.

Organisational value	How that translates into practice or intended practice
e.g. "Client-centred"	<i>e.g. Do we actually ask clients before changing a service, or just tell them afterward?</i>
e.g. "Transparent"	<i>e.g. Do board papers get summarised for staff, or does information stop at governance level?</i>

Ethics in leadership requires holding three things at once

Ethical leadership is not just about values or just risk or just good intentions.

It requires organisational leaders to hold, balance and consider all three:

Values: What we stand for and why these matters

Risk: Who is exposed to harm, loss or unintended consequence

Decision: Choosing a path and standing by it when no option is clean.

This is a central part of leadership accountability: making a decision when there is no obvious right course of action, and taking responsibility for it. It is much easier to criticise from the sidelines when you don't carry responsibility for the decision yourself.

Breakout discussion:

1. What does this value often mean in our sector?
2. How could this same value be interpreted in a different, but still reasonable, way?
3. What kinds of decisions might look ethical under one interpretation, but unethical under the other?

HEARD model of ethical decision making

If that discussion felt difficult to hold, that's because we've been operating without a shared structure. HEARD is designed for exactly these moments. It covers values, risk and decisions.

The HEARD model of ethical decision making is not a checklist to prove you are ethical and it is not a way to avoid disagreement. It will not give you the "right" answer.

The benefit of the HEARD model is that it slows decision-making down at the point where ethical pressure is highest. It is represented in a wheel or cycle, where you can start and cut in at any point, and each question feeds into the next question, repeating as required.

How you could use it:

- When something feels ethically uncomfortable but you can't quite name why, HEARD gives you a way to pause without stalling.
- Instead of arguing positions as a group, you can use the model to clarify what is being talked about.
- Ethical decisions sometimes go wrong because trade-offs are hidden; HEARD forces trade-offs into the open.
- As a protection against moral drift – if you notice that the same HEARD letter is left off very often or minimised, this might be a mirror to your team or organisational culture that is worth addressing.

HEARD An ethical decision model for community directors



HEARD worksheet: working through a live decision

Pick a real, current tension in your organisation and work through each letter below. You can start anywhere and cycle back.

Letter	Guiding question	Your notes
H - Harm	What's the risk of harm, and to whom?	
E - Expectations & values	Does this decision reflect who we say we are?	
A - Accountability	Who owns this decision, and who will be answerable for it?	
R - Representation	Whose voice is missing, who deserves a say but doesn't have one?	
D - Dignity & respect	Are the people affected being treated fairly, whatever we decide?	

Notice which letter was hardest to answer, or which one you wanted to skip. That is often the most useful signal in the room.

Ethical dilemmas

1. Open / shut them?

Your organisation runs a highly valued service for a vulnerable group.

Demand is growing, but funding has not kept pace.

You know that:

- Continuing the service as it currently operates means staff are stretched beyond what is safe or sustainable
- Closing or pausing the service will leave people with no immediate alternative support
- Funders expect the service to continue and have built it into their own planning

The board is deeply concerned about reputational risk either way.

Option A: keep the service open as is

Harm caused:

- Staff burnout, moral injury, and turnover
- Gradual erosion of service quality
- Normalising unsafe workloads

Option B: reduce access or narrow eligibility

Harm caused:

- People who need the service most are turned away
- Perceived unfairness or gatekeeping
- Damage to trust with the community

Option C: pause or close the service temporarily

Harm caused:

- Immediate loss of support for vulnerable people
- Public backlash and reputational damage
- Loss of confidence from funders and partners

Option D: stretch funding beyond what is approved

Harm caused:

- Breach of funder trust or agreements
- Financial and governance risk
- Ethical drift becoming normalised

2. Equality or equity?

Your organisation delivers a community program that supports school students experiencing educational disadvantage. Demand for the program has increased sharply due to cost-of-living pressures.

You have a fixed budget for the next 12 months. There is no realistic prospect of additional funding in that period.

Historically, the program has operated on an equal-access basis: clear eligibility criteria; first-come, first-served; and standardised service offer.

Recently, staff and community advocates have raised concerns that this approach advantages people who are more confident navigating systems, more available during business hours, and less complex in their needs.

They argue that the organisation's stated commitment to fairness and inclusion requires a shift to a more equity-based approach, prioritising those with the highest needs first and providing them more support, even if that means fewer people are served overall.

The board is divided. Some members are concerned about:

- perceived unfairness
- complaints from those who miss out
- reputational risk if the organisation is seen to be "picking winners"
- accusations of bias or inconsistency.

You know that:

Continuing with equal access means more people receive some support, but those with the most complex needs often receive too little, too late.

Moving to an equity-based model means fewer people receive support, but those most at risk receive deeper and more appropriate assistance.

Funders have not specified which approach they prefer but expect outcomes to be defensible and consistent with stated values.

Community expectations are mixed and vocal.

There is no policy that provides a clear resolution.

Option A: Maintain equality of access

Keep the current first-come, first-served model.

Harm caused

- People with the greatest needs continue to miss out or receive inadequate support
- Existing inequities are reinforced
- Staff experience moral distress from providing services they know are insufficient

Benefits

- Clear, simple, and defensible process
- Lower administrative burden
- Fewer complaints about unfair treatment

Option B: Shift to an equity-based prioritisation model

Redesign the program to prioritise those with the highest needs.

Harm caused

- Fewer people overall receive support
- Some community members feel excluded or unfairly treated
- Staff workload and emotional burden increases
- Decisions about "who qualifies" become contested and visible

Benefits

- Services better align with purpose and justice
- Greater impact for those most at risk
- Strong alignment with values of inclusion and dignity

Option C: Create a hybrid approach

Retain a base level of equal access while reserving a portion of resources for high-need cases.

Harm caused

- Complexity and ambiguity in decision-making
- Confusion among staff and community
- Risk of inconsistency or perceived favouritism

Benefits

- Balances reach and depth
- Signals commitment to both fairness and equity
- Reduces extremes of harm

Option D: Delay the decision and continue current practice while consulting further

Maintain the status quo while undertaking further consultation and review.

Harm caused

- Harm to high-need individuals continues
- Ethical discomfort is deferred rather than resolved
- Moral drift becomes normalised

Benefits

- Reduces immediate conflict
- Allows time for broader input
- Protects leaders from immediate accountability

3. Outliers or average?

A community services organisation operates seven days a week. Continuity is critical.

Two organisational commitments govern the workforce:

1. Being family friendly
2. Reliable, consistent service delivery

Policy requires all frontline staff to work at least one weekend or public holiday shift per month. Exemptions are rare and tightly controlled.

Over time, managers have quietly accommodated a small number of staff with genuine caring, family or health needs. The unintended result is that the same staff now carry most weekend and public holiday shifts. Resentment, sick leave and turnover are rising among those covering gaps, and staff are raising concerns about fairness.

A formal grievance has reached the executive and board.

Withdrawing flexibility risks forcing affected staff to reduce hours or leave, undermining the family-friendly commitment and disproportionately impacting those with the fewest options.

You know that:

- Continuing informal exemptions protects a small number of staff but concentrates harm on others.

- Enforcing the policy evenly will likely push out staff with the most complex personal circumstances.
- Recruiting additional staff to cover these shifts is not financially viable.
- Any decision will be visible, contested, and experienced as personal by staff.
- There is no policy loophole that resolves this cleanly.

Option A: Enforce the policy evenly

Remove most exemptions and require all staff to meet the roster requirements.

Harm caused

- Staff with caring responsibilities face real hardship
- Some staff may exit the workforce
- The organisation's family-friendly commitment is compromised

What this protects

- Perceived fairness and consistency
- Reduced resentment among the majority
- Clear, defensible application of policy

Option B: Formalise exemptions for outliers

Create a formal exemption category for staff with specific circumstances.

Harm caused

- A smaller group continues to absorb disproportionate workload
- Resentment and burnout intensify among those without exemptions
- The organisation normalises unequal burden-sharing

What this protects

- Staff with complex needs
- The organisation's family-friendly identity
- Retention of experienced staff

Option C: Cap exemptions and require trade-offs

Limit the number of exemptions and require exempt staff to compensate in other ways, such as less preferred shifts or reduced flexibility elsewhere.

Harm caused

- No group is fully protected
- Staff experience the decision as transactional rather than caring
- Managers must enforce difficult, visible trade-offs

What this protects

- A sense of shared burden
- Partial alignment with both values
- Organisational sustainability

Option D: Leave it with managers to handle case by case

Avoid a formal decision and allow managers to continue informal arrangements.

Harm caused

- Inconsistency and perceived favouritism
- Ethical load sits with middle managers
- Moral drift becomes embedded and unexamined

What this protects

- Short-term harmony
- Avoidance of visible conflict
- Leadership comfort

4. Today or tomorrow?

Your organisation of 15 staff delivers an essential community service relied on by people experiencing acute hardship.

Due to a combination of increased demand and rising costs, the organisation is operating at a deficit. Financial projections show that without intervention, reserves will be exhausted within 18 months.

At the same time, demand has never been higher. Waiting lists are long, and turning people away has immediate, visible consequences.

The organisation holds a reserve fund of \$500,000 that was deliberately built over many years. Its stated purpose is to:

- ensure organisational sustainability
- provide stability during uncertainty
- protect services in the long term.

There is no external requirement governing how or when the reserve must be used.

Staff are aware of the reserves and are increasingly distressed about turning people away while funds sit untouched.

The board is split. Some members argue that the reserve exists for exactly this moment. Others argue that using it now will only delay an inevitable reckoning and leave the organisation exposed in the future.

You know that:

- Using the reserves will allow services to continue at current levels for the next 12–18 months.
- Doing so without structural change will leave the organisation financially vulnerable later.
- Cutting services now will reduce harm in the future, but cause immediate and visible suffering.
- Funders have not indicated they will increase support.
- Public expectations are that the organisation will respond to current need.
- Any decision will be scrutinised by staff, service users, and the community.

Option A: Spend the reserves to meet current demand

Maintain service levels and meet as much need as possible now.

Harm caused

- Reduced capacity to respond to future shocks

- Risk of abrupt service collapse in 18 months
- Ethical distress if future harm is seen as avoidable

What this protects

- Immediate relief for people in crisis
- Staff morale and alignment with purpose
- Public trust in the organisation's responsiveness

Option B: Protect the reserves and reduce services now

Scale back services to stabilise finances and protect the future. This requires saving costs by reducing staff head count.

Harm caused

- People in immediate need are turned away
- Staff experience moral injury
- Public backlash and reputational damage

What this protects

- Organisational survival
- Long-term service continuity
- Responsible stewardship of resources

Option C: Use reserves conditionally while restructuring

Draw down reserves temporarily while implementing structural changes to reduce costs or redesign services. Reducing costs means reducing staff head count.

Harm caused

- Short-term instability and increased workload
- Risk that changes do not succeed
- Harm is delayed rather than avoided

What this protects

- A balance between immediate need and future viability
- A sense of shared sacrifice
- Leadership credibility through visible action

Option D: Delay and seek additional funding or partnerships

Maintain current services while pursuing new funding or collaborations.

Harm caused

- High risk of inaction
- Reserves continue to erode indirectly
- Harm accumulates quietly

What this protects

- Avoidance of immediate hard decisions
- Hope of external rescue

Ethics and Integrity Tool

Use this tool to clarify what kind of question you are dealing with: ethics or integrity

Step 1: Identify the nature of the tension

Is there a genuine conflict between values, where every option causes some harm?

☐ Yes → go to *Ethical question*

☐ No → go to the next question

Do we already know our values, standards, or rules, but are struggling to act on them?

☐ Yes → go to *Integrity question*

☐ No → this may be operational, strategic, or interpersonal rather than ethical

Step 2: If it is an ethical question

An ethical question exists when:

- values are in tension
- harm is unavoidable
- no option fully aligns with purpose and principles
- reasonable people could disagree in good faith

Typical signs:

- “Whichever way we go, something important is compromised”
- “There is no policy that resolves this cleanly”
- “We are choosing who bears the cost”

Step 2: If it is an integrity question

An integrity question exists when:

- the right course of action is already clear
- values or standards are not in conflict
- the discomfort lies in acting **consistently or following through**

Typical signs:

- “We know what we should do, but it will be uncomfortable”
- “We are tempted to make an exception”
- “This isn’t about judgement, it’s about resolve”

Quick sense check:

- “*What is the least harmful option?*” → ethical question
- “*Why aren’t we doing what we already say we stand for?*” → integrity question

Step 3: Leadership behaviours required if it is an ethical question

Ethical questions require **judgement**. Leadership is required to:

- slow the decision down rather than rush to certainty
- make trade-offs explicit rather than implied
- decide where harm will land, knowing it cannot be avoided
- ensure the decision aligns with purpose and public legitimacy
- stand by the decision, even when it is contested

Step 3: Leadership behaviours required if it is an *integrity* question

Integrity questions require **resolve**. Leadership is required to:

- act consistently with stated values, standards/policies or commitments
 - resist pressure to make exceptions that erode trust
 - follow through when action is costly or unpopular
 - address avoidance, fear or rationalisation directly
 - restore alignment between what is said and what is done
-

Key ethical governance responsibilities

After the decision is made:

- Was this decision documented, and by whom?
 - Who was consulted, and who wasn't — and why?
 - Would we make the same call again in six months, with more information?
 - If this decision became public tomorrow, could we defend it in our own words?
-

Ethics and AI

While AI systems offer enormous efficiency and effectiveness and they also accelerate decisions, obscure accountability, and can magnify consequences. This means ethical risk increases.

Why AI creates ethical pressure in governance

AI can:

- automate decisions that affect people's access, eligibility or opportunity
- embed past bias while appearing neutral or objective
- distance leaders from the human impact of decisions
- make harm harder to see and easier to deny

Common traps for organisations that use AI

- Treating AI outputs as objective truth rather than judgement inputs
- Using AI to avoid difficult human decisions
- Hiding ethical trade-offs behind technical language
- Assuming compliance equals legitimacy
- Allowing speed to replace deliberation

Ethical leadership questions boards and leaders should ask

- What decisions are being influenced or made by AI?
- Who is accountable for outcomes, not just implementation?
- What harm could be magnified or normalised?
- Would we be comfortable explaining this use of AI publicly?

Stretch reflection:

Which HEARD letter does your organisation routinely minimise, and what pattern does that create over time?

If you had to publicly defend your last difficult decision to a sceptical stakeholder group, what part would be hardest to explain and why?

When you say “fair”, “safe”, or “inclusive” in your organisation, what do you actually mean, and who would disagree with your definition?

Notes

Notes

Notes



Institute of Community Directors Australia

The Institute of Community Directors Australia is the best-practice governance network for the members of Australian not-for-profit and government boards and committees, and the senior staff who work alongside them – providing ideas and advice for community leaders.

<https://communitydirectors.com.au>