Leaders Must Listen to Solve Big Problems, Author Says

By Alex Daniels

Corporate leaders often ascend in their careers by developing a command-and-control style of leadership with a laser focus on clear, specific goals. That approach may spell trouble for society, says the author of a new book on philanthropic leadership, as more donors, foundations, and charities adopt a business mind-set that is ill-suited to solving messy social problems.

Gayle Peterson posits that solving what she calls "wicked" problems — seemingly intractable quandaries like intergenerational poverty and hunger — requires leaders willing to own up to mistakes and seek advice from others. Rather than a top-down approach, she calls for a new style of manager: the deliberate leader.

"These are strong leaders with strong opinions, but they have a deep commitment to building a solution together with a team," says Ms. Peterson, a management consultant and co-founder of the nonprofit PFC Social Impact Advisors. "They recognize that challenges and failure are inevitable when you're dealing with the world's most complex issues."

Ms. Peterson says she interviewed more than 1,000 "social investors," including foundation leaders, public-sector managers, and business executives from around the world, for her book Good, Evil, Wicked: The Art, Science and Business of Giving. It will be published later this year.

Monique Villa, chief executive of the Thomson Reuters Foundation, practices the kind of deliberate leadership the author recommends.

In 2008, Ms. Villa took over the foundation after a journalism career that spanned several decades. One of her first ideas was to create TrustLaw, a project that connected top-tier law firms to overseas nonprofits looking for pro bono legal advice.

TrustLaw has 2,900 members and operates in 175 countries through its website. Lawyers have donated $85 million worth of free legal assistance using the service, Ms. Villa says.

Slow Progress

After a lackluster start, Ms. Villa ditched some of her initial assumptions, including the notion that TrustLaw would be little more than a website to connect lawyers and clients. Over the next few years, she hired staff lawyers to augment the site and make sure nonprofits were steered to law firms that could provide the best advice. She opened up offices internationally to be closer to clients, and she encouraged the firms in the network to undertake a series of legal studies on the provision of microcredit in Europe, prosecution of human trafficking and prostitution in the Middle East, and the prevalence of rape in Haiti after the 2010 earthquake.

Each of Ms. Villa’s decisions benefited from a deliberative approach, according to Ms. Peterson. The foundation chief was not beholden to her original plan to simply set up a website. In changing course she took risks and admitted failures, something leaders must be able to do when trying to address complicated problems. And each of the
OPEN-MINDED APPROACH: Monique Villa was willing to admit failures and rewrite her original plans for TrustLaw, a legal-assistance nonprofit she formed as head of the Thomson Reuters Foundation.

There’s no reason to remain devoted to a plan if it isn’t working, Ms. Villa said in an interview.

"I listen to what I hear, and I adapt," she says. "If a very good idea comes across my desk, we will adopt it immediately. There is only one word, and that is impact."

Second Thoughts

Emmett Carson, president of the Silicon Valley Community Foundation, is another example cited in the book. Without a doubt, some of his decisions have had command-and-control characteristics. Indeed, Mr. Carson acknowledges that one of his first moves as head of the organization — cutting staff by 15 percent after a merger with another foundation — was the result of an old-school, top-down process.

Other decisions, such as pulling the foundation out of an annual Silicon Valley giving day, came after lots of consultation. It wasn’t an easy call: The staff had spent a significant amount of time on the project, which raised about $7 million in each of the several years the foundation participated.

"This was an entire organization, hands-on effort, involving virtually every department," Mr. Carson says. "There was a lot of energy and personal pride in this."

The problem was that the giving day wasn’t generating any growth. Many nonprofits that participated told the foundation it required a lot of extra work, but they weren’t gaining new donors. Some said it impinged on other fundraising efforts.

The merits of having an all-out community giving effort on a specific day can be debated, but the hallmark of Mr. Carson’s decision was that it was made after hearing from his own staff and volunteers as well as fundraisers and executives at local nonprofits. And it was made despite the fact that the foundation had put a lot of time and work into it.

In canceling the event, Mr. Carson wasn’t afraid to admit that a key effort at the foundation was unpopular in the community it serves.

"We said, ‘We hear you, and we’re going to take a pause,’ " he says. "This was a listening moment."

Strategic Philanthropy

Ms. Peterson also looked at the ClimateWorks Foundation. Created in 2008, largely with support from the Hewlett and Packard foundations, ClimateWorks recalibrated its approach within four years after "things went south," Ms. Peterson says.

The problem, she argues, was that ClimateWorks leaned on a solution to climate change that was heavily engineered from a central office. The leaders of the foundation had a difficult time keeping up with an increasingly vast and complex network of climate nonprofits and donors. Goals that it had set were not met, and failures were not adequately communicated throughout the organization and to its partners.

Hal Harvey, the founder of ClimateWorks, has offered regrets for pushing "strategic philanthropy." Using such an approach, foundation leaders investigate how to measure success in their field and devise clear and specific ways to achieve those goals.

Putting a premium on strategy, Mr. Harvey wrote last year in an opinion column for The Chronicle, helped accentuate the imbalance between institutional donors and the nonprofits they support. Instead, he wrote, foundations need "to act as a humble synthesizer rather than an omniscient leader."

In 2012, Charlotte Pera took over at ClimateWorks. She’s placed an emphasis on "real-time learning" by having foundation staff and consultants pose hypotheses on how different variables might change the outcome of a program.

Ms. Peterson said she saw signs of improved leadership at ClimateWorks but added that she had not thoroughly reviewed progress being made under Ms. Pera.

Certainly, there are situations that call for a leader to take charge. During a natural disaster or a financial crisis, there may not be time for the deliberative approach.

For long-term, entrenched challenges, however, Ms. Peterson says it’s best for leaders to readily admit failure and be willing to listen to the "curmudgeons" who disagree.

Simply issuing orders and waiting for results won’t work, she says, citing Bill Gates and Pierre Omidyar as examples of businessmen who entered philanthropy determined to make an immediate impact. Instead, she says, those two leaders found their technical, top-down solutions fell flat and they had to adjust.
“That’s not what wicked problems need,” she says. “Wicked problems need the collective knowledge and wisdom to develop effective strategies.”

*Correction: A previous version of this article had incorrect numbers on Trustlaw’s membership, the number of countries its members represent, and the value of the free legal service that lawyers have donated.*

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