

**Changing Frames:  
Leadership and  
Governance  
in the Information Age**

*Report of the Roundtable on Renewing Governance*

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## Summary

The ability of a society or an organization to prosper in this world of rapid change will depend on developing forms of leadership and governance that can operate effectively across the shifting boundaries of the information society and new economy. As members of the Roundtable on Renewing Governance, senior executives from Canada's federal and provincial governments, private sector, organized labour, and voluntary sector worked together for almost two years to discover forms of leadership appropriate to these new economic, social and political realities.

The roundtable met with leading authorities on leadership and governance and examined case studies undertaken by the members in their own organizations. (The roundtable members and the experts they consulted are listed in Annex 1.) The key findings:

- Effective leadership and governance in the information age depend first on creating shared meanings and frameworks.
- As change rather than stability becomes primary, people can no longer assume that they have a sufficiently shared set of assumptions, perceptions, meanings and beliefs. It is on such shared frameworks that legitimate and effective leadership and governance depend.
- More fundamentally, change can no longer be seen as the transition between stable states. As change accelerates, stable states (including established institutions, structures and roles) are revealed as temporary crystallizations of continuing processes of change.
- The solution to a particular issue or problem is temporary. What is most important is the continuing process of dialogue by which a wide range of people construct shared mental maps within which they can devise innovative solutions to particular problems.
- The starting point for building more effective approaches to leadership and governance in the information age is to recognize that governance needs to be built more around people than institutions. Institutions, structures and roles need to be shaped and reshaped as a result of a continuous process of dialogue and learning.
- Once this reality is recognized, the next steps are to:
  - understand the nature of dialogue and of learning based on dialogue;
  - develop capacities and systems to support ongoing processes of dialogue and learning, and the construction of shared frameworks; and
  - establish some basic principles (or protocols) to guide and focus that dialogue process and its continuing evolution.

Each of these steps is elaborated in this report.

- It is important not to confuse dialogue with decision-making. Dialogue precedes decision-making, but the shared frameworks, language and expectations that result can make subsequent negotiation and decision-making both more coherent and productive. We need to make room for real dialogue at the front end of many of our most important decision-making processes, and to do so in a more explicit and systematic way.
- In an increasingly knowledge-based and global economy, the ability to develop shared

frameworks, and to work and learn together quickly across boundaries, is a significant competitive advantage. This is especially true, for example, when companies are dealing with a major reorganization or change in strategic direction, or with a merger, acquisition or important new partnership.

- Canada needs to develop a more inclusive and vibrant national dialogue, which will strengthen this country as a distinctive community of values and build a greater sense of belonging and shared enterprise. Without that, and in the face of globalization and continental economic integration, we wonder how long Canada will continue to exist in fact (even if it continues to exist in law for much longer).

One striking conclusion we reached, both from our case studies and from our sessions with outside experts, is the extent to which efforts are already under way in different sectors to develop learning-based approaches to leadership and governance. Change already is under way, but often we do not see it because it is not what we are looking for. So our challenge is more to recognize, facilitate and contribute to a transition that already is under way.

We identified a number of practical steps that we, as roundtable members, can take in our own organizations and sectors to create new frameworks for leadership and governance. (These steps are listed in Annex 2.) They illustrate that we need to start the process of building new frames from where we are, and that we can make a contribution from any starting point. We invite you to consider what you can do, starting from where you are.

*Steven A. Rosell\**  
*October 2000*

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\* While I organized the roundtable and coordinated its work, this is very much a collaborative enterprise. All members of the roundtable are co-authors of this effort; final responsibility for the text, however, in particular for any errors or omissions, rests with me.

We are in the midst of a fundamental transformation in how we lead and govern our organizations and societies. Signs of that transformation include the radical restructuring of corporate and public bureaucracies, shifting boundaries between different sectors of society and levels of government, a demand from more stakeholders to directly participate in decision-making, and challenges to the legitimacy of many traditional institutions.

The emergence of a global information society is accelerating the pace of change and overwhelming methods of leadership and governance designed for a world of slower change, more limited information flow and clearer boundaries. This means, for example, that changes in practices of leadership and governance are lagging behind the:

- accelerating pace of technological change, including the growing influence of the Internet and the cascading revolutions in the biological sciences;
- expanding globalization of economic and other activities;
- escalating expectations of people to have a voice in decisions that affect them; and
- rapidly increasing diversity of societies, as both the strength and variety of cultures and subcultures grow.

To succeed in this more complex, interconnected and rapidly changing world, people in all sectors (public, private and voluntary) are recognizing the urgent need to develop approaches to leadership and governance that are more distributed (in which many more people can participate) and more learning-based. These are approaches that can adapt more quickly and operate more effectively across the shifting boundaries that separate organizations, industries, disciplines, sectors and political jurisdictions. The ability of a society, or of an organization, to prosper in this world of rapid change will depend, in no small measure, on its ability to develop these new leadership and governance capacities.

Canada finds itself at the forefront of this effort. Whether and how an open, technologically advanced, culturally diverse state can survive and thrive in a global information society is being tested here. Canada always has been an act of collective and political will — the will to maintain a distinctive society north of the 49th parallel. To do this Canadians have created a particular social contract — a range of institutions and practices designed to resist the forces of economic gravity, which flow north and south on this continent.

In the emerging global information society, these arrangements are beginning to break down. As continental economic integration grows, Canada's ability to sustain a distinctive community will depend on its success in sustaining values that span the rifts in society and nurture a sense of belonging and shared enterprise. Questions of governance and leadership will be central to that success.

Organizations, too, are faced with the realities of rapid change, and are developing more distributed and learning-based forms of leadership and governance to address them.

They also have found that this requires a greater capacity to construct and sustain a shared vision and set of beliefs within which subsequent decisions can be made more quickly and implemented more effectively. The growing attention in recent years to corporate culture, organizational ethics and values, corporate governance, vision, leadership, and organizational learning reflects attempts to deal with these challenges within individual organizations and companies. There, no less than at the level of societies, success and even survival depends more and more on the development of approaches to leadership and governance better suited to the realities of the information age.

Today, the very magnitude of change is calling into question many of the mental maps and models we use to make sense of the world. These shared mental maps enable us to communicate and work together, and to organize and govern ourselves. Those maps no longer correspond well to the world of our experience, and so practitioners in many fields have begun a search for new maps, and for more effective ways of leading and governing in this new context.

In this search, too often leaders in all sectors do not have the opportunity to learn from the experience of others, or even to reflect on their own innovations. In too many cases the wheel is reinvented (or worse, time and effort is wasted reinventing the square wheel). The Renewing Governance Roundtable<sup>1</sup> brought together practitioners from Canada's federal government, provincial governments, private sector, organized labour and voluntary sector to combine and intensify our search for more effective approaches to leadership and governance in the information age.

As described in Annex 1, the roundtable pursued its work through a combination of meetings with leading authorities on leadership and governance, and case studies undertaken by the members.

The roundtable gave us an opportunity to learn from each other and from leading researchers and experts. This is the report of what we found. It represents one more step in the vital search for more effective approaches to leadership and governance, a search in which many are engaged, and in which we hope many more will join.

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<sup>1</sup> Additional details on the membership and activities of the roundtable, on the outside experts with whom we met and the case studies we undertook are attached to this report as Annex 1.

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## The Need for New Frameworks for Leadership and Governance

### ERODING ASSUMPTIONS

All sectors — public, private and voluntary — are seeing the erosion of many basic assumptions (or frameworks<sup>2</sup>) on which more traditional forms of leadership and governance depend. For example:

- We can no longer assume that people share sufficiently similar language and frameworks so that they can work and learn together. Instead, these need to be continually constructed.
- We can no longer assume that clear boundaries exist between groups, organizations and sectors. Instead, these are being redefined depending on circumstances and purposes.
- We can no longer assume that political geography corresponds to economic geography. The economy is both globalizing and localizing, but political geography remains focused at the level of the nation-state.<sup>3</sup> Rebalancing these will involve a continual process of learning and adjustment.
- We can no longer assume that hierarchical organization, for all its faults, is the most efficient way for large groups of people to achieve common goals. Instead, as information and communications technologies lower transaction costs, more flexible market- and network-type structures have become the more efficient means for undertaking many more activities.
- We can no longer assume that people will trust and defer to established authority. A growing mistrust of authority makes the building of social capital<sup>4</sup> (trust) a major challenge.

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<sup>2</sup> In this report we use the terms “framework,” “frame” and “mental map” interchangeably to refer to underlying structures of values, belief, perception and appreciation. This definition is developed and elaborated in Donald A. Schön and Martin Rein, *Frame Reflection* (New York: Basic Books, 1994). For a similar use of these terms in relation to issues of leadership and governance, see Steven A. Rosell, *Renewing Governance* (Toronto: Oxford University Press, 1999).

<sup>3</sup> Canada, for example, has a series of regional economies — virtually all of which span the U.S. border. Canada’s economic regions are increasingly more integrated with the corresponding regions of the United States than they are with the rest of Canada. In the economy, globalization breeds the creation of local clusters of globally competitive firms in particular industries. These points are elaborated, for example, in Thomas Courchene, “Celebrating Flexibility” (C.D. Howe Institute, 1995); and Michael E. Porter and C. Roland Christensen, “The microeconomic foundations of economic development,” *Global Competitiveness Report* (Geneva: World Economic Forum, 1998).

<sup>4</sup> Social capital has been defined in the following way: “Like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence.... For example, a

- We can no longer assume that secrecy is possible and secret knowledge is a source of power. In the information age, secrecy is both less feasible and self-defeating: the ability to persuade others to share your knowledge and interpretations (your mental map) is the key to influence and power.
- We can no longer assume that there are a limited number of stakeholders with a manageable range of interests. The number and diversity of stakeholders demanding a voice is multiplying, so that a key governance challenge in all sectors is how to steer effectively when so many hands (with so many different agendas) are on the wheel.

As these older frameworks erode, more traditional forms of governance and leadership — including those that rely heavily on command and control, established authority structures, clear boundaries, hierarchical institutions, secrecy and elite accommodation — become less effective.

## A NEW KIND OF LEADERSHIP

In the information age, leadership is as important as ever, perhaps even more so. However, to be effective leadership needs to change both quantitatively and qualitatively.

Quantitatively, more people with leadership skills are needed at all levels of organizations and society. Qualitatively, in addition to more traditional decision-making and management skills, leaders need to be skilled in the continual construction of shared language, meanings, interpretations, viewpoints and values. These shared mental maps provide the necessary framework for more effective decision-making and legitimate governance.

Here are just a few illustrations of why this is the case:

- The growing importance of partnerships and networks requires the development of shared goals and interpretations as a basis for action. You cannot command a network or partnership.
- Accelerating change allows less time for passing orders and reports up and down a hierarchy. People on the front line need to be able to respond without delay within an agreed framework of goals, vision and values.
- People are demanding more of a voice in decisions that affect them, and are less deferential to traditional authority. The Internet is reinforcing this change by providing a new range of information and tools that enable people to organize and to amplify their voices. In the economy, knowledge workers play a central role and require more of a say in their work, and maximum opportunity to innovate and learn within an agreed framework.

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group whose members manifest trustworthiness and place extensive trust in one another will be able to accomplish much more than a comparable group lacking that trustworthiness and trust.... In a farming community...where one farmer got his hay baled by another and where farm tools are extensively borrowed and lent, the social capital allows each farmer to get his work done with less physical capital in the form of tools and equipment.” J. S. Coleman, *Foundations of Social Theory* (Cambridge: Harvard University Press, 1990), 302, 304, 307.



- The increasing diversity of the workforce and of other stakeholders, and the growing need to work with people who come from different organizational, functional and national cultures means that shared values, language, viewpoint and meanings can't be taken for granted. These shared mental maps must be continually constructed.

Effective governance and leadership in the information age is built less on established institutions, structures and roles, and more on creating shared meanings, values, viewpoints and frameworks. Constructing those shared meanings and viewpoints requires processes of dialogue and learning in which many can participate. And it is through these processes, in turn, that institutions, structures and roles can be defined and redefined. These dialogue processes precede decision-making, and create the necessary shared frameworks within which subsequent decision-making can be more legitimate and effective.

## **CHANGING PERSPECTIVE**

More fundamentally, in a world of rapidly increasing change and interconnection, we can no longer think of change as a transition between two stable states. Today we need to reverse that perspective, and to see stable states (including established institutions, structures and roles) as temporary crystallizations of continuing processes of change. In many respects this has always been the case, and what is involved is less a shift in fact than it is a shift in perspective. (For example, think of the ways in which common law has evolved and been reinterpreted to fit changing circumstances.) In the past, the relative slowness of change allowed us to maintain the illusion of permanence and stability. As change accelerates, however, we can no longer ignore the degree to which frameworks, roles and institutions are temporary constructions. The continuing process of constructing these frameworks, roles and institutions comes into focus as a key foundation for both leadership and governance.

Seeing change, rather than stability, as the fundamental foundation for leadership and governance involves a dramatic shift in perspective, what psychologists refer to as a “figure-ground” shift. It is a bit like the change that occurred in geology with the introduction of plate tectonics — the realization that the apparently solid and enduring geology of the earth consists of thin plates floating on stormy molten seas. This new perspective on leadership and governance has implications that are both practical and profound.

The starting point for building more effective approaches to leadership and governance in the information age is to recognize that leadership and governance need to be built more around people. They need to be built more around developing people's capacity for learning and dialogue, developing shared language, frameworks, visions and understanding; and less around institutions, structures and roles. These remain important, but can no longer be taken as given. Instead, in both organizations and societies, people must be able to participate more actively in their construction and reconstruction. Institutions, structures and roles need to be shaped and reshaped as a result of an ongoing process of dialogue and learning, an ongoing process of creating shared frameworks.

Once that recognition is achieved, the next steps are to:

- Understand the nature of dialogue and of learning based on dialogue;
- Develop capacities and systems to support an ongoing process of dialogue and learning, and the development of new frameworks; and
- Establish some basic principles or protocols to guide and focus that process and its continuing evolution. In some ways this can be compared to the development of "open source" software (e.g., the Linux operating system). In the open source approach, basic protocols and codes are defined and made public, and people are then encouraged to develop better approaches within those parameters. It is an approach that creates, in effect, a distributed learning system.

Each of these steps is elaborated in this chapter.

## **THE NATURE OF DIALOGUE**

### **What is Dialogue?**

Dialogue, as Daniel Yankelovich presented the concept to us, is any serious form of discourse that achieves both the *cognitive* result of greater mutual understanding, and the affective or *emotional* result of greater mutual respect and trust.<sup>5</sup> Learning based on dialogue ("dialogic or viewpoint-learning") enables people to appreciate the viewpoint, frameworks, values and perspective of others, to see where they are coming from, to "walk in their shoes."

An important and distinctive element in dialogue is the inclusion of the emotional or affective dimension. Our predominant model of knowledge and discourse, based on the perspective of the scientist or the expert, focuses on cognitive deliberation and tries to

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<sup>5</sup> This section draws heavily on the presentation made to the roundtable by Daniel Yankelovich. Additional details on the practice of dialogue, along with numerous examples, can be found in his book *The Magic of Dialogue* (New York: Simon & Schuster, 1999). Also valuable are William Isaacs, *Dialogue and the Art of Thinking Together* (New York: Doubleday Currency, 1999); and Edgar H. Schein, "Dialogue and Culture," *Organizational Dynamics*, Autumn, 1993.

exclude the emotional dimension. The dialogue model, however, recognizes and accepts that when fundamental questions of values, world view and identity are at issue, strong feelings are bound to arise. The mixing of facts and values that is characteristic of dialogue is how we reach some of our most important judgments. It is this process that we can see at work in well-functioning boards of directors, cabinets, work groups and citizen groups in their best moments.

In dialogue the wisdom of a group, organization or society emerges. In dialogue questions are framed or re-framed, joint inquiry is undertaken, and shared agendas, stories, language and meaning are created. In dialogue we interrelate our separate frameworks of interpretation (our tacit knowledge) to produce a shared frame that is more than the sum of its parts. In dialogue we connect immediate questions to a broader context, to longer-term issues and sustainability, to personal experience and to deeper values in order to produce wiser judgments. As the environment becomes more turbulent, and as change accelerates and information overload grows, we need to be able to tap that wisdom more reliably and continually.

One good way to understand the nature of dialogue is to contrast it with debate,<sup>6</sup> which is the predominant mode of discourse in organizations and society today:

<b>Debate</b>	<b>Dialogue</b>
Assuming that there is a right answer (and that you have it)	Assuming that others have pieces of the answer and that together you can craft a solution
Combative: attempting to prove the other side wrong	Collaborative: attempting to find common understanding
About winning	About exploring common ground
Listening to find flaws and make counter-arguments	Listening to understand and find a basis for agreement
Defending assumptions as valid	Presenting assumptions for re-evaluation
Critiquing the other side's position	Re-examining all positions
Defending one's own views against those of others	Admitting that others' thinking can improve one's own
Searching for weaknesses and flaws in the other position	Searching for strengths and value in the other position
Seeking a conclusion or vote that ratifies your position	Discovering new options, not seeking closure

Three distinctive features separate dialogue from simple discussion and most other forms of talk. For true dialogue to take place, it is essential that the participants:

- suspend status differences and treat one another as peers;

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<sup>6</sup> This chart is designed to emphasize the differences between debate and dialogue, not to elaborate the many positive aspects of debate.

- listen to one another with empathy; and
- bring assumptions to the surface in a non-judgmental way.

Doing this can be very hard work, and requires the development of new skills and capacities.

### **When Is Dialogue Needed?**

Dialogue should not be used when simpler forms of communication will suffice. Dialogue is needed, in particular, when people with different viewpoints, beliefs, problem-definitions, backgrounds, professions, interests, values or traditions must find common ground, must build a shared framework within which they can work together. These circumstances are becoming more common in the face of globalization and the growing diversity of organizations, societies and cultures.

Dialogue does not replace debate, negotiation or decision-making. It precedes them and creates the shared framework, language and set of expectations within which they are more likely to lead to a productive outcome.

### **Dialogue vs. Decision-making**

Mixing or confusing dialogue and decision-making is likely to produce both bad dialogue and worse decision-making. This is because of one fundamental difference between the two forms of communication: in dialogue all participants need to act as peers, but in decision-making those with responsibility and accountability must take action.

If decision-making is introduced into a dialogue, the result is often short-circuited or even manipulated dialogue. For example, decision-makers may use what purports to be an open dialogue to gain support for decisions they have already made.<sup>7</sup>

On the other hand, if dialogue is introduced into decision-making, the participants often talk an issue to death but don't take any action. This has happened, for example, in many misguided efforts at participatory decision-making. It is essential to be clear whether a particular conversation is to be a dialogue or a decision-making process, and to be explicit when the dialogue is concluded and it is time to switch to decision-making.

Infrastructures and capacities for debate, negotiation and decision-making are already well established, but adequate support systems and capacities for dialogue remain to be built.

## **DEVELOPING THE CAPACITIES AND SUPPORT SYSTEMS FOR DIALOGUE**

### **Why Invest in Dialogue?**

To build adequate support systems and capacities for dialogue, organizations and governments need to invest both time and money. But these initial costs need to be weighed against both the expected benefits and the costs of not acting.

The benefits include the development of capacities to construct and renew shared frameworks of belief, values and interpretation that provide the foundation for more effective

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<sup>7</sup> In his session with the roundtable, Gilles Paquet in particular emphasized the dangers of dialogue being manipulated in this way.

and legitimate leadership and governance. In the context of those shared frameworks it becomes possible, for example, for people to respond more quickly and flexibly to changing circumstances, to get the benefit of multiple perspectives, and to address more effectively the growing range of issues that cut across organizational and jurisdictional boundaries. More fundamentally, this process provides the basis for sustaining and renewing the community of values on which the future of Canada (and other states) depends in an increasingly continental and global economy.<sup>8</sup>

The costs of not acting include:

- continuing social fragmentation;
- a declining ability to meet the growing need to work together across jurisdictions, communities, sectors of society, industries, organizations and even the different units within organizations (each with their own frameworks);
- diminishing faith and participation in governance;
- a growing inability to attract and get the best from knowledge workers; and
- growing lags between the rapidity of change and our ability to respond.

In many areas these costs are already being felt.

### **Education**

Perhaps the single most important investment needed for dialogue is educational. People of all ages and levels in all sectors need opportunities to learn the art and skills of dialogue. This can be done, for example, through schools, civic organizations, government and corporate staff development programs, the media, and on-line learning programs.

### **New Forums**

There is also a need to experiment with different forums for dialogue. These forums need to be neutral (sometimes provided by third parties) and separate from forums for debate, negotiation or decision-making. Such experiments are already under way in all sectors. The results of those experiments need to be collected and used to guide further experimentation and learning.

One especially promising idea is the establishment of what would amount to a public utility for dialogue.<sup>9</sup> This would be a support system and resource network for dialogue, learning and engagement that could be tapped by all sectors — public, private and voluntary. It would eliminate the current need to go back to square one at the start of every dialogue or engagement program (as well as the associated start-up time and costs). And it would provide a focal point for strengthening capacities for dialogue and improving the state of the art.

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<sup>8</sup> Most of the resource persons with whom we met, and perhaps most eloquently Michael Adams, David Cameron and Francisco Sagasti, emphasized the importance of developing and sustaining such a community of values.

<sup>9</sup> This idea was presented to us by Judith Maxwell and is currently being assessed and elaborated further by Canadian Policy Research Networks (CPRN). The new Centre for Dialogue (just opened at Simon Fraser University in Vancouver) also has the potential to provide such a focal point.

### **Adapting Existing Forums: Legislative Bodies and the Courts**

While new forums for dialogue are needed, existing forums can also be adapted for this purpose. In legislative bodies and in the courts in particular, where debate is by far the predominant mode of discourse, a space needs to be opened for dialogue. It is becoming commonplace to talk of the costs of excessive partisanship and of excessive litigation. To counteract this, efforts are under way in both the political and legal systems to introduce some degree of dialogue before debate begins. The effect is to build a shared language and framework within which debate then can proceed more productively.

In politics, elected members and others are seeking ways to introduce dialogue before debate begins. They are doing this by developing forums for nonpartisan dialogue, engaging constituents in dialogue around emerging issues, and making greater and more constructive use of legislative committees (for example, referring bills or policy papers to committees for hearings at an earlier stage, before partisan positions are firmly established).

The legal system is experimenting more with alternative dispute resolution (ADR). This involves dialogue among the parties, and sometimes within communities, prior to litigation and often in place of litigation. ADR and related experiments need to be encouraged and expanded.

### **Larger-Scale Dialogue: The Media and Information Technologies**

In addition to forums for face-to-face dialogue, there is a need for forums for dialogue on a much larger scale. This is where the media and new information technologies can play a key role. However, the first step is to reclaim a public space for dialogue in the media.<sup>10</sup> Currently, a combination of commercial pressures and the fragmentation of both the broadcast spectrum (1000 channels) and publications into smaller and smaller niches have eroded that space.

As that space is reclaimed, it can be used, for example, for dramatic presentations that enable us to better understand where others in our society are coming from. The story-telling power of the media can be used to help remedy the current situation in which, in Mark Starowicz's words, "we do not populate each other's fiction, our teenagers don't see each other." This public space also could be used for what Daniel Yankelovich described as "proxy dialogue"<sup>11</sup>: a broadcast dialogue between representatives of different perspectives designed to enable viewers to participate, at least vicariously, in the learning process of those with whom they identify.

A public space for dialogue within the media is a public good and will require additional public investment to be built. How such an investment can be made most effectively needs to be determined.

The Internet and new interactive technologies offer a tremendous potential for providing a larger public space for dialogue. At present, however, the Internet also displays the growing fragmentation and commercialization of other media. Too often, this is further complicated by the rapid spread of rumour, innuendo, misinformation and even disinformation masquerading as news. Finding the best ways to use new technologies to

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<sup>10</sup> This section relies heavily on the roundtable's session with Jay Rosen and Mark Starowicz.

<sup>11</sup> See also Yankelovich, *op. cit.*, chapter 10.

provide an effective public space for dialogue will require much experimentation. Several such experiments were included in the case studies prepared for this project.<sup>12</sup> While we face a huge learning curve to find the best uses of the Internet, one strong conclusion we reached is the need to develop and strengthen policies that will provide all citizens with access to these new technologies, with a “right to connect” to this larger infrastructure for dialogue.

As these support systems and capacities grow, we also need to develop some basic principles or protocols that can guide the evolution of the process of building new frameworks for leadership and governance.

## **PRINCIPLES AND PROTOCOLS FOR CREATING NEW FRAMEWORKS**

Protocols can be thought of as original statements of basic principles. How these principles are understood and implemented will change over time as lessons are learned and these new frameworks are built. In effect, one outcome of the dialogue process is to learn better ways to understand and implement these protocols.

The protocols outlined below all have one other thing in common: they are all designed to build trust and social capital in organizations and society. A recurring theme in our work has been that building trust and trust-based relationships has become the key to effective, sustainable leadership and governance. Intangible elements such as trust and informal relationships once were taken for granted as “soft” or peripheral factors. As social fragmentation and mistrust grow, however, these soft factors are emerging as fundamental. Moreover, in a rapidly changing, knowledge-based society, the capacity to innovate and learn together is perhaps the only sustainable competitive advantage. So, in both organizations and societies, the development of trust-based relationships becomes the foundation not only for effective governance but also for economic success.

In a rapidly changing world, building trust and social capital requires a continuing process of dialogue aimed at creating and re-creating a common language and a community of values. It involves moving from transactions to relationships, building mutual respect and understanding, and enabling participants to feel that they are engaged in a common enterprise. In this sense, the process of constructing new frameworks for leadership and governance is also a process of constructing trust and social capital, both within organizations and across society.

The following is a minimum set of protocols, identified through the work of the roundtable, that we recommend to guide the process of building new frameworks for leadership and governance. This is a process of dialogue and learning, not decision-making, but the shared frameworks, language, viewpoints and expectations that result can make subsequent negotiation and decision-making both more coherent and more productive.

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<sup>12</sup> These included, for example, case studies on:

- Industry Canada’s Voluntary Sector Network Support Program (VolNet), which helps voluntary sector organizations to access and use the Internet;
- the Government of New Brunswick’s effort to use information technology to facilitate public engagement in local governance decisions; and
- how a variety of voluntary groups around the world had used the Internet to organize effective and ultimately successful opposition to the Multilateral Agreement on Investment (MAI).

## Valuing Diversity and Inclusion

The growing diversity of society and organizations means that we need to make greater efforts to include those with different backgrounds, interests and perspectives in the processes of leadership and governance, if we want those processes to be legitimate and effective. The growth of a knowledge-based economy also increases the value of diversity, since diversity means that we can draw on different viewpoints and sources of knowledge. Greater inclusion of diverse people and perspectives is most likely to occur when the value of that inclusion can be connected to the achievement of broader organizational and societal goals. An understanding of that connection is far more likely to motivate sustainable positive action and real results than are externally imposed standards and accountability measures.

The process of building new frameworks for leadership and governance, therefore, needs to be guided by the principle that the widest possible range of viewpoints and interests should be included. Several of the case studies undertaken for the roundtable underlined that achieving more effective and sustainable dialogue requires the inclusion of all relevant perspectives at the table.<sup>13</sup> In a dialogue, it is a mistake to try to engage different groups and interests separately. The purpose is not to find or negotiate the lowest common denominator consensus, but to put real issues and differences on the table, to learn from different points of view, and to seek the best ideas.

In this process it is important to establish clear expectations at the outset, to be honest about what is and is not on the table and how the results will be used, and to emphasize that dialogue precedes and creates a foundation for decision-making, but is not decision-making. Such dialogue is often most productive when it is focused on concrete, values-based choices (choices that combine facts and values). This has proven to be the most effective way to enable a diverse, non-expert group to come together to work through complex issues.<sup>14</sup>

## Creating Open Networks and Temporary Partnerships

As the limitations of traditional hierarchical organizations and compartmentalized jurisdictions become clearer in a world of rapid change, there is a growing emphasis on developing informal relationships, open networks and temporary partnerships. Increasingly, effectiveness depends on the development of networks that span jurisdictional and organizational boundaries (“silos”). Through these temporary networks and partnerships, people can bring together the resources needed to deal with a particular issue without going through the time and expense of formally altering jurisdictions or responsibilities.

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<sup>13</sup> The value of inclusion and the best ways to achieve it were central to a number of case studies including those on:

- the Government of Canada’s Task Force on an Inclusive Public Service;
- efforts to use community dialogue and alternative dispute resolution to develop a more culturally appropriate and healing way to settle claims resulting from the mistreatment of Aboriginal children in residential schools; and
- developing self-reliance and good governance in Métis settlements in Alberta.

<sup>14</sup> Daniel Yankelovich described to us how such “choice work” has been used successfully by the Public Agenda Foundation and other organizations. Our own work and experience confirmed the value of this approach.



Several case studies undertaken for the project focused on experiences in developing temporary partnerships, especially between different sectors.<sup>15</sup> These studies emphasized the importance of developing, at the outset of any partnership, a common language, shared objectives, a clear understanding of who has decision rights and a process to resolve disputes. Given that different partners often begin with different frameworks of interpretation, and make different tacit assumptions, this process is usually more difficult than it appears and requires intensive dialogue and listening. These arrangements also need to be revisited and updated as lessons are learned over the lifetime of the partnership.

In addition, it is important to clearly set out the limits of any partnership and to keep in mind that partnerships are not mergers and that the partners need to retain their separate identities. The case studies also noted that a partnership could be a value in itself, because it fosters dialogue and the building of social capital.

Today's increased reliance on partnerships is part of a broader transformation. The information revolution tends to flatten hierarchies, and to favour the development of more open network structures of which temporary partnerships are but one example.<sup>16</sup>

The process of building new frameworks for leadership and governance, therefore, needs to be guided by the principle of fostering informal relationships, open networks and temporary partnerships through which dialogue can grow. One important way of facilitating this is to foster the mobility of individuals across different organizations and networks. Today, young people are more likely to be comfortable operating in this way, so in developing these capacities it may be helpful to reverse the usual practice and provide opportunities for young people to mentor their elders (as is sometimes done already in fields such as information technology).

### **Fostering Forms of Accountability and Transparency that Promote Learning**

As stakeholders become more numerous and diverse, and as public expectations about the performance of all sectors grow, accountability becomes both more complex and more public. Too often this produces accountability arrangements that foster blaming instead of learning, which leads in turn to defensiveness, risk aversion and denial — the opposites of what is required to succeed in a world of rapid change.<sup>17</sup>

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<sup>15</sup> These included case studies on:

- Canada Lands Company's efforts to develop effective partnerships and to balance economic and social objectives in the communities in which it works;
- the partnership between CECI and CIDA (both roundtable members) to undertake a program in Guatemala to foster democracy, human rights and sustainable development, and the partnership between CECI and local Guatemalan organizations in carrying out projects under that program;
- the development of the Fonds de solidarité, a major investment fund whose success has been built on partnerships between organized labour, the government of Quebec and the private sector;
- building new partnership arrangements between the federal government and the voluntary sector; and
- the use of partnerships to develop Saskatchewan's Health Information Network (SHIN).

<sup>16</sup> See, for example, Manuel Castells, *The Rise of the Network Society* (Oxford: Blackwell, 1996).

<sup>17</sup> Russell Ackoff suggested to us that too many accountability systems today tend to focus on punishing errors of commission and to ignore errors of omission. The result is that there is a strong incentive to do nothing new or different. But in a world of rapid change it is the errors of omission, the failures to act and to innovate, that are likely to be the most damaging.

Today, more than ever, accountability arrangements need to foster innovation and learning, not penalize them. For example, accountability arrangements should tolerate failure when it results from efforts to innovate that are undertaken for good reasons and from which valuable learning can result. Such mistakes or failures need to be treated differently from ones that are the result of bad faith, mismanagement or incompetence. There is also a need for accountability systems that do not require innovative approaches to meet a higher standard of performance than existing approaches, and that create an environment in which people can change their minds as they learn without that being seen as a weakness.<sup>18</sup>

Our ability to develop such accountability arrangements is linked to trust and social capital. As trust and social capital increase, accountability systems that foster innovation and learning become more sustainable. Building that trust, in turn, requires greater transparency about activities, objectives and results.

For example, if a CEO is very transparent with his or her board about what is being done and why, that board is more likely to be tolerant of subsequent failures than if the CEO had acted in a less open way. Even after the fact — for example, when a crisis occurs — the best course is usually to get out as much information as quickly as possible and to be transparent about what has happened and what you are doing about it. The handling of the Tylenol poisoning case several years ago is a good example of this approach, which is now standard practice in effective crisis management.

In addition, if the desired outcomes are clear and there are transparent measures of results, accountability can focus more on results and less on controlling the means by which they are achieved. This kind of accountability provides more scope for people to innovate and learn the best ways to achieve those results.<sup>19</sup>

The process of building new frameworks for leadership and governance, therefore, needs to be guided by the principle of fostering transparency, feedback and forms of accountability that promote learning. In our case studies,<sup>20</sup> for example, we found that in many organizations the definition of individual roles, responsibilities and accountabilities can no longer be imposed top-down without creating significant unanticipated consequences.

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<sup>18</sup> An interesting innovation in this regard, practised at the YMCA, is that of the “transitional choice.” This means that any choice or decision is understood to be transitional and subject to change as we learn.

<sup>19</sup> This tends to be more difficult in the public sector, where there are usually multiple objectives and no single clear measure of results that is comparable, for example, to shareholder value in the private sector. There also is a different attitude toward risk in the public sector, which was encapsulated in one exchange between the CEO of a technology company and a federal deputy minister. The deputy minister had said that if 10% of his decisions did not work out, his career would be over. The CEO replied that if 90% of his decisions were successful, he would be a hero to his board and in the business community.

<sup>20</sup> These included case studies on:

- the evolution and strategic governance processes of Bombardier Inc., a diversified industrial group active in aerospace, transportation, recreational products and capital services;
- the development and testing of a new strategic management process at the Canadian Imperial Bank of Commerce;
- changes in the ways in which the Government of Ontario delivers public services, and their implications for accountability and governance structures; and
- the Public Service Commission’s work in creating a new, learning-based accountability model for the staffing system of the federal public service.

Instead, there is a growing practice of defining roles, responsibilities and accountabilities, along with transparent performance measures, through a prior process of dialogue between individuals and their supervisors.

At the organizational level, experiments are under way with systems of accountability based on values rather than on detailed controls. Under a values-based approach, results are monitored and evaluated after the fact in the context of an agreed framework of values and objectives. Individuals are given considerable scope to experiment and learn within that context, and then are evaluated and held to account on the basis of how effectively they pursued the agreed objectives, and whether they did so in a manner consistent with the framework of values. Similar experiments are being tried in developing regulatory systems that focus on principles and results rather than on detailed controls.

In all cases a key element is transparency about activities and results, with that information being made widely available to all stakeholders. Such transparency and clear feedback is essential for dialogue, for an effective learning process, and for building trust and new frameworks.

### **Investing Time**

Processes of dialogue, learning and engagement take time. There is a tension between the time needed for those processes and the light-speed of change characteristic of the information age. How can anyone take the time needed for dialogue when the world is changing so rapidly?

One answer may be the suggestion to establish a public utility for dialogue that could be tapped by all sectors. This would considerably reduce the start-up time and costs of each new dialogue or public engagement program.

It is also important to remember that dialogue precedes decision-making and is intended to create a shared framework within which subsequent decision-making can be more productive, effective and efficient. In this sense, the time required for dialogue, learning and engagement should be seen as an investment that can save considerably in time and difficulties over the longer run. This is analogous to preventive approaches in areas such as health, which can be expensive up-front but save considerably in the longer term.

How much time and resources have been wasted by decisions made too hastily and without adequate understanding and support? We can think of many examples in all sectors.

The process of building new frameworks for leadership and governance, therefore, should be guided by the principle that it is important to invest the time and resources needed for the development of a shared framework, mutual trust and mutual understanding. In the long run, that investment can pay for itself many times over. By investing time now, we provide the framework within which a wide range of players in an organization or society later will be able to adapt more quickly, flexibly and coherently to rapidly changing circumstances. In the context of a shared framework, people can improvise responses to changing circumstances more quickly and coherently and without having to await instructions. By going slow now, we can go faster later. Conversely, the costs of not making that investment in building new frameworks include endless rounds of misunderstanding and endless returns to square one.



One striking conclusion we reached, both from our case studies and from our sessions with outside experts, was the extent to which efforts are already under way in different sectors to develop and renew shared frameworks for leadership and governance.

Change already is under way, but often we do not see it because it is not what we are looking for. It is not captured within our existing mental maps; it is hidden in the background. Once we change our perspective and start to look for them, however, these efforts to build shared frameworks come into the foreground, into focus. And they are all around us.

They can be seen, for example, in:

- increasing use of executive and staff “retreats” within organizations in all sectors (from the level of boards and cabinets to that of individual work groups);
- proliferating conferences and other forums designed to foster dialogue and networking across organizational and other boundaries;
- increasing emphasis on team building;
- programs to foster diversity and inclusion;
- the use of the Internet as a medium for networking, learning and sharing knowledge around the world;
- growing reliance on alternative dispute resolution;
- attention being paid to issues of values; and
- increasing efforts in all sectors to engage stakeholders in dialogue.

We also saw many examples in our own case studies and in our roundtable sessions. As our work proceeded, a recurring insight was the extent to which members of the roundtable are facing comparable challenges and are trying to make similar changes in our quite different organizations and sectors. However, the distinctive languages that we used to describe them — languages specific to our organization or sector — often obscured those similarities. As we began to understand each other’s languages, we found much we could learn from each other, and the quality of our dialogue intensified. This ability to translate across sectors, across different languages and viewpoints, turned out to be one of the important benefits of our work. In this way the roundtable itself was an example, in microcosm, of the process of constructing shared frameworks at work.

We concluded that the challenge is not so much to initiate the building of new frameworks for leadership and governance, as it is to recognize, facilitate and contribute to a transition that already is under way.

The starting point for each person is to make that shift in viewpoint, as we did in the course of our work together in the roundtable. We need to develop a perspective that sees change rather than stability as primary, and also sees people and the ways they construct

shared meanings and frameworks (and then define and redefine institutions, structures and roles) as primary.

In this perspective, leadership and governance are first about making meaning.<sup>21</sup> A leader is someone, at any level, who enables people to make sense of what they are doing together. Creating that shared meaning, that shared framework, precedes all else. A manager takes people to where he or she wants to go, but a leader takes people to where they want to go.<sup>22</sup> The process of making meaning, the process of dialogue and creating shared frameworks, is the process of defining that destination.

Once a person has made this shift in viewpoint and can perceive the various initiatives under way to build and re-build these frameworks, the next step is to try to engage in dialogue those who are taking these initiatives. As we found in the roundtable, this involves trying to understand each other's languages in order to compare experiences and learn from each other.

Comparing experiences in creating new frames, building the necessary capacities and support systems, and applying the various principles or protocols can advance the state of the art of creating new frameworks for leadership and governance. It is this process, this dialogue, that is key.

In a world of rapid change, what is most important is not finding the solution to a particular issue or problem. The lifetime of those solutions, and even of those issues, is likely to be short. What is most important is the continuing learning process, the continuing process of dialogue by which we construct shared mental maps, and so provide the framework within which a wide range of players can innovate a succession of initiatives to deal with rapidly changing issues. This is a process of dialogue and learning, not decision-making, but the shared frameworks, language and expectations that result can make subsequent negotiation and decision-making both more coherent and more productive.

Dialogue is needed, in particular, when people with different viewpoints, beliefs, problem-definitions, backgrounds, professions, interests, values or traditions must find common ground, must build a shared framework within which they can work together. These circumstances are becoming more common in the information age, in the face of globalization and the growing diversity of organizations, societies and cultures.

The process of dialogue is not new. It is at work, for example, in boards of directors, cabinets, work groups and citizen groups in their best moments, as they prepare to make important decisions. In this process, these groups test different perspectives; share stories, assumptions and meanings; and connect facts and values to create the basis for wiser judgment.

What is new in a world of rapid change, with its shifting boundaries, multiplying participants and increasing diversity, is how frequent and how widespread this process of dialogue needs to become. As change rather than stability becomes primary, people can no longer take for granted that they have a sufficiently shared set of assumptions, perceptions,

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<sup>21</sup> An insightful elaboration of this point can be found in Wilfred H. Drath and Charles J. Palus, "Making Common Sense: Leadership as Meaning-making in a Community of Practice" (Greensboro: Center for Creative Leadership, 1994).

<sup>22</sup> Russell Ackoff made this distinction between managers and leaders in his meeting with the roundtable.

meanings and beliefs. It is on such shared frameworks that legitimate and effective decision-making, leadership and governance depend. As change accelerates, these shared frames need to be created and re-created. To do this requires that we make more room for real dialogue at the front end of many of our most important decision-making processes, and do so in a more explicit and systematic way.

For example, a process of dialogue among a diverse range of stakeholders could be used to prepare the ground for later negotiation and decisions on the best ways to strengthen the governance of major metropolitan centres, whose role is becoming more central in the information economy. Similarly, such a process of dialogue could help to prepare the ground for future negotiations and decision-making on the best ways to evolve institutions and practices to govern the global marketplace.

In the private sector, major mergers and acquisitions are often undertaken without enough thought being given to underlying issues of corporate culture. Too many mergers come undone or do not realize their potential as a result. A process of dialogue can be used to create a shared framework, vision and language across the merged organizations, within which they can begin to work and make decisions together more effectively. Similarly, when an individual company or organization faces a major reorganization or change in strategic direction (for example, to move effectively into e-commerce), a process of dialogue can be used to create the framework for more rapid subsequent decision-making and smoother implementation. In an increasingly knowledge-based and global economy, this ability to develop shared frameworks, and to work and learn together quickly across boundaries, is a significant competitive advantage.

More broadly, in Canada we need to develop a more inclusive and vibrant national dialogue that will strengthen our country as a distinctive community of values, and build a greater sense of belonging and shared enterprise.<sup>23</sup> Without this, and in the face of globalization and continental economic integration, we wonder how long Canada will continue to exist in fact (even if it continues to exist in law for much longer).

We identified a number of practical steps that we, as roundtable members, can each take in our own organizations and sectors to create new frameworks for leadership and governance. These steps are listed in Annex 2. They illustrate the fact that we need to start the process of building new frames from where we are, and that we can make a contribution from any starting point. We have also undertaken to try to expand the dialogue, begun in the roundtable, into our own organizations and networks. We invite you to consider what you can do, starting from where you are.

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<sup>23</sup> Some roundtable members suggested that one way to encourage this would be to build on the creative use that Canada has made of royal commissions throughout its history, and to develop a new form of public inquiry. This inquiry would take up where *The Royal Commission on the Economic Union and Development Prospects for Canada* (the Macdonald Commission) left off almost a generation ago. It would inquire into the social and economic prospects for Canada in a global information age, and in the aftermath of continental free trade. But it would do so in a manner designed to produce a far greater engagement of Canadians in the process. It would rely more on a format of dialogue and less on the traditional format of hearings and debate. In its efforts to create shared frameworks for understanding Canada's challenges and opportunities, such an inquiry also would provide a valuable way to further develop and test the infrastructure and principles for dialogue outlined above.

In the process of building new frameworks there will be many barriers to overcome. These include the extent to which people, especially traditional leaders,<sup>24</sup> have invested in and gain their identity from traditional approaches. Other barriers include the limited skills and competence that exist for engaging in real dialogue and in building new frameworks, and the lack of widespread understanding of the value to be gained from investing in this process and (especially) the costs of not doing so. But perhaps the most important barriers are cynicism, hopelessness and a poverty of imagination.<sup>25</sup>

Renewing governance involves feeding that imagination in a hopeful, forward-looking way. It involves continuous dialogue and searching, constructing shared meanings and mental maps, and creating and re-creating the shared frameworks on which effective leadership and governance depend.

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<sup>24</sup> Or what one group of roundtable members dubbed “carnivore leaders.” Such leaders, if they do not reject the process of dialogue outright, sometimes try to manipulate it to their own ends. For example, they may try to use what purports to be an open process of dialogue as a means to gain support for decisions already made but not announced. But, in the information age, people are more likely to see through this tactic causing it to backfire. The result is even greater cynicism, and reduced legitimacy for those decisions.

<sup>25</sup> This point was made to us especially eloquently by Jay Rosen and by Benjamin Barber.



## Annex 1

### **The Renewing Governance Roundtable: A Support System for Dialogue and Learning**

The members of the Renewing Governance Roundtable were drawn from the federal and provincial governments, private sector, organized labour, and voluntary sector. Each organization<sup>26</sup> was invited to send two participants: a current leader of the organization and a younger individual drawn from the next generation of leadership. In a time of fundamental transition, the differences in the perspectives of those different generations of leadership can be the source of much insight and learning. This element of the design of the project also underlined the reality that developing more distributed, learning-based approaches to leadership and governance is a longer-term undertaking, in which not only current leaders, but also the next generation of leadership, will need to play a central role.

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<sup>26</sup> The participating organizations were:

- Bombardier Inc.
- Canada Lands Company Limited
- Canadian Broadcasting Corporation (CBC)
- Canadian Council for International Cooperation
- Canadian Imperial Bank of Commerce
- Canadian International Development Agency (CIDA)
- Centre canadien d'études et de co-opération internationale (CECI)
- Communications, Energy and Paper Workers Union of Canada (CEP)
- Community Foundations of Canada
- Department of Justice Canada
- Fonds de solidarité des travailleurs du Québec (FTQ)
- Government of Alberta
- Government of New Brunswick
- Government of Ontario
- Government of Saskatchewan
- Health Canada
- Human Resources Development Canada
- International Development Research Centre (IDRC)
- Industry Canada
- International Institute for Sustainable Development
- National Association of Friendship Centres
- Parliamentary Centre
- Public Service Commission of Canada
- Shaw Communications Inc.
- Treasury Board Secretariat of Canada
- YMCA Canada

In addition, a small number of individual leaders from the different sectors also served as members of the roundtable.

Roundtable meetings were limited to the members (no substitutes) and any invited guests or resource persons. Members of the roundtable participated in their own right and not as representatives. The roundtable met quarterly over a two-year period.

The work of the roundtable proceeded on two tracks:

- The first track involved meetings with leading authorities from Canada and abroad on topics defined by the roundtable. Over the course of the project, the roundtable met with 13 experts<sup>27</sup> on leadership and governance.

The subjects included:

- globalization and localization;
  - values-based governance and the role of dialogue;
  - the changing roles of the media; and
  - learning-based approaches to leadership and governance.
- The second track focused on 24 case studies undertaken by roundtable members in their own areas of responsibility. Those efforts, in turn, were organized into six groups of case studies exploring comparable questions. The subjects of the case study groups were:
    - partnerships;
    - fostering diversity and inclusion;
    - governance and accountability structures;
    - engaging citizens and stakeholders;
    - people, institutions and processes; and
    - the Internet and governance.

The case study groups provided periodic updates to the roundtable on the themes and questions they were pursuing and each group submitted a detailed report to the roundtable on the findings and the lessons learned from their case studies.

Toward the end of the project, both of these tracks were brought together in a two-and-a-half-day “search conference.” The search conference was designed to enable the

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<sup>27</sup> Those experts were:

**Michael Adams**, President, Environics Research Group Limited.

**Russell Ackoff**, Chairman of INTERACT, The Institute for Interactive Management, and Anheuser-Busch; Professor Emeritus at the Wharton School, University of Pennsylvania.

**Benjamin R. Barber**, Walt Whitman Professor of Political Science and Director of the Walt Whitman Center for the Culture and Politics of Democracy, Rutgers University.

**David Cameron**, Professor of Political Science, University of Toronto.

**Thomas J. Courchene**, Jarislowsky-Deutsch Professor of Economic and Financial Policy and Director of the John Deutsch Institute for the Study of Economic Policy, Queens University.

**Roger L. Martin**, Dean of the Rotman School of Management, University of Toronto.

**Judith Maxwell**, President, Canadian Policy Research Networks (CPRN).

**Gilles Paquet**, Professor in the Faculty of Administration and Director of the Centre for Studies on Governance, University of Ottawa.

**Jay Rosen**, Associate Professor of Journalism, New York University.

**James Rosenau**, University Professor of International Affairs, George Washington University.

**Francisco R. Sagasti**, President of FORO Nacional/ Internacional and Director of AGENDA: Peru.

**Mark Starowicz**, Head of CBC Television’s Documentary Programming.

**Daniel Yankelovich**, Chairman of DYG, Inc., Viewpoint Learning, Inc., and Public Agenda.

roundtable members to integrate what they had learned into a vision and action plans to develop and operate more distributed, learning-based approaches to leadership and governance in Canada. The rest of the project focused on further developing the vision and action plans, beginning the process of implementation, engaging others outside the roundtable, and producing this report for wider dissemination.<sup>28</sup>

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<sup>28</sup> In undertaking this work the roundtable was supported by a secretariat that participated as full members of the roundtable and whose responsibilities included:

- organizing roundtable meetings, and working with invited resource persons to ensure that their presentations are structured in a way that is useful for participants;
- connecting the roundtable with a variety of networks, both public and private, within Canada and abroad; assisting the participants to define the case studies or experiments they undertook in their own areas of responsibility, and to present the results to the roundtable;
- providing relevant documentation and briefing to the participants based on a literature search and ongoing scanning of relevant media and publications;
- preparing detailed summaries of roundtable discussions (without attribution to individuals) — these summaries provided a key element of the collective memory of the project;
- presenting periodic progress reports, summarizing what had been learned in the project thus far, to provide the basis for the roundtable to make mid-course corrections and to define next steps;
- organizing and facilitating the search conference;
- writing up the action plan and the final report for review by the roundtable; and
- assisting roundtable members in their efforts to take the initial steps to implement the action plan.

The members of the secretariat, without whose contributions this project could not have succeeded, were Daniel Coates, Arthur Cordell, Martha Hynna, Leigh McGowan, Pierre Racicot, Suzanne Taschereau and David Zussman. The Parliamentary Centre provided the administrative home for the project, while my colleagues at the Meridian International Institute and at Viewpoint Learning Inc. provided invaluable counsel and support throughout this effort.



## Annex 2

### Some Steps We Can Take to Create New Frames for Leadership and Governance

The following are the steps that roundtable members proposed to take in their own organizations and sectors to create new frameworks for leadership and governance.

#### FEDERAL GOVERNMENT

The members of the roundtable from the federal government defined the following steps:

1. Within each of our organizations, build the capacity to listen, grow consensus, encourage dialogue and define common meaning.
  - Develop questions and self-assessment mechanisms people can use to gauge their skills, understanding and perspective in these areas, and to guide recruitment and staff development and training. People make the difference.
  - Make time for dialogue.
  - Develop the incentive, reward and accountability systems needed to encourage these changes.
  - Foster learning-based forms of leadership and the development of new leadership skills. Recognize the essential role of leaders (both political and public service) in setting the tone and providing the environment and support needed for continuing processes of dialogue and learning, and for innovation, risk-taking and creativity.
2. Increase mobility (within the public service and between the public service and other sectors).
  - Increase recruitment of younger people and develop and apply the concept of youth mentors.
3. Enable and support an ongoing conversation about values within the public service and with citizens.
  - Within the public service, engage staff in dialogue around broader questions raised, for example, by the *Tait Report on Public Service Values* and the results of the *Public Service Employee Survey*.
4. Explore the development of policy approaches that are based on the principle of subsidiarity.
5. Encourage the use of matrix organizations in which teams come together and regroup based on needs. These teams would include networks of internal and external stakeholders, and leadership would shift depending on the task. This is a work environment where young people especially might thrive. Advantages are that it produces maximum flexibility, facilitates dialogue and breaks down silos.

- Research public service organizations that have used a matrix model.
6. Grow a support network across the government that connects people who are making these changes.

## PROVINCIAL GOVERNMENTS

The members of the roundtable from provincial governments defined the following steps:

1. Initiatives should focus on people, process and capacity.
2. With respect to *people*, find ways to:
  - build core competencies;
  - develop networks;
  - engage ongoing conversations; and
  - bring in young people.
3. With respect to *process*, develop ongoing forums for dialogue in a way that:
  - recognizes time limitations;
  - understands that a dialogue forum is not intended to develop or sell the next strategy;
  - is clear about how the dialogue feeds into the process (in other words, create clear expectations);
  - recognizes that effective policy must draw on a broader range of perspectives (need to develop a checklist for inclusiveness); and
  - experiments with different spaces for dialogue.
4. With respect to *capacity*:
  - develop technology networks to support dialogue.
5. In implementing initiatives in these areas:
  - develop a network and dialogue space to share learning among the four provinces that are members of the roundtable;
  - focus especially on pilot projects — specific issues that, by their nature, challenge traditional approaches and can be used to demonstrate alternative approaches to policy development; and
  - build support for these new approaches by demonstrating their practical effectiveness.

## PRIVATE SECTOR

The members of the roundtable from the private sector defined the following steps:

1. The business community should invest in a wider dialogue with citizens and among sectors.
  - We need to recognize the increasing impact of citizens on the business environment (for example, citizen opposition — and perhaps misunderstanding — was a key factor in blocking the proposed bank mergers). Citizens also are employees, customers, partners and suppliers. Business, as well as government, needs the support and understanding of citizens. Dialogue between business and citizens needs to be ongoing, not limited to times of crisis.
  - The relative lack of dialogue between different sectors in Canada is an impediment not only to effective governance, but also to economic success. We need to develop multipartite, neutral forums for dialogue (government, business, labour, voluntary sector) to create shared language and understanding with respect to important policy questions. This might be similar to the role once played by the Economic Council of Canada.
2. Assign resources to develop new approaches to leadership and governance (and to increase both comprehension and capacity).
  - There is a need to recognize the cost of *not* acting, the cost of the failure to adapt and develop new forms of leadership and governance. CEO support is crucial: lip service leads to failure. The companies that are the most competitive are the ones that really engage people's hearts and minds. Successfully adopting new approaches to leadership and governance is a significant competitive advantage.
3. Develop the capacity to change from “command and control” leadership to a more distributed, learning-based approach, including incentive systems, evaluation processes and mechanisms for continuous learning.
  - How to move from “carnivore” leaders to dialogue leaders? How to recognize that in the information age you gain power by giving up power, not by exercising it in the traditional way? We need to develop a new understanding and new skills of leadership.
  - Explore better ways to balance the accountability of leaders to shareholders, the public, colleagues and other stakeholders.
  - Recognize that there is much room for improvement in the governance structures of business. At the same time, business governance structures generally are smaller and more manageable than those of government, and so offer the potential to experiment with new approaches. We also should identify where such experiments already have been undertaken and assess their results and implications.
  - Start-up companies are a more promising area for the development of new approaches to leadership and governance. Many established companies will not be able to adapt and will disappear or be absorbed.
  - Recognize that the time frame for adaptation varies by the kind of business.

4. Elaborate a new social contract with employees, one that no longer is premised on lifetime employment with one company, but rather on the assumption that an employee will have several employers (and possibly several careers) in a lifetime.
  - That contract should include the understanding that what people want and gain from work is not only an income, but also an opportunity to develop and use skills, and to feel a sense of belonging, accomplishment and partnership in a meaningful enterprise.
  - Prepare people for the likelihood of frequent corporate organizational change.

## **VOLUNTARY SECTOR**

The members of the roundtable from the voluntary sector defined the following steps:

1. Recognize that the voluntary sector has a primary role in promoting and facilitating a new dialogue around governance, in developing the necessary infrastructure and capacities, and in building civil society. The voluntary sector is the first place where most young people try out democratic dialogue and the responsibilities of citizenship.
  - Voluntary organizations, with their cross-sector boards, provide especially effective mechanisms for horizontal dialogue across sectors.
  - The sector's goal should be to strengthen the capacity for civic organizations to exist and to foster dialogue at the local, national and international level.
2. Create more neutral space(s) for dialogue.
  - Recognize that the role of civic organizations is not to speak for people but rather to provide the opportunities for people to speak for themselves.
3. Provide more basic training in the areas of dialogue, negotiation, mediation and communications.
4. Enhance the policy capacity of the voluntary sector.
  - Build research and dialogue on policy matters within our organizations, drawing on our experiences and experiments.
  - Create networks among voluntary sector organizations (perhaps building on the voluntary sector roundtable) and with other sectors to share experiences on policy-relevant questions and learn from each other.
  - Establish better linkages with universities and the policy research community.
5. Increase the visibility, transparency and accountability of the voluntary sector.
  - Explore more effective governance mechanisms, building on the work of the Broadbent Panel.
  - Focus more on processes, outcomes, values and networks than on structures.
6. Experiment with and pilot-test new funding and administrative arrangements with government (perhaps as part of the Government of Canada–Voluntary Sector Initiative).



- For example, establish a line of credit that volunteers can apply to their specific priorities.
7. Initiate dialogues and action plans to foster inclusion, including:
    - building understanding of the value added by being inclusive;
    - determining the best indicators;
    - providing research and support; and
    - disseminating information, case studies and best practices.
  8. Grow from coalitions to open networks by:
    - facilitating linkages;
    - attracting a wider range of citizens and interests;
    - engaging Parliamentarians; and
    - determining who is being excluded, why and how to include them.