



The Roles of Partnership and Bridging Leadership in Building Stronger Communities

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Introduction

We live in a world in which we have the technology and the knowledge with which to provide everyone with all their basic needs within a safe and secure environment. Yet as we all know, and I will not repeat the sobering statistics, little if any progress has been made in reducing inequality in the world and improving the lifetime prospects for the two billion people who are struggling to survive on an average of \$1 a day. We see a world threatened by increasing ethnic and religious tension and heightened insecurity in many communities. These tensions are fueled by a sense of desperation and hopelessness particularly amongst young people and intense competition over diminishing natural resources. These problems of poverty and alienation affect our own communities in addition to those in developing countries.

This world I have just described of growing inequity and entrenched and humiliating poverty is at the same time a world of increasing opportunity for wealth creation. Corporations in many countries are seizing this opportunity as they take advantage of underutilized labor markets beyond their borders. Global manufacturing supply chains have grown dramatically in recent years with hundreds of millions of people engaged directly or indirectly in the production for goods and services for global companies. Economic globalization has the potential, if supported by strong codes of conduct, to eliminate poverty. It appears now as though everyone – IMF, World Bank, G7, business sector and even the protesters – is united, at least in words, to making globalization work for rich and poor.

With corporations under increasing pressure to demonstrate their willingness to play an active role in tackling community problems in partnership with other stakeholders, this conference comes at an opportune time. I thank the Kenan Institute for inviting me to share my views on strategies for enhancing the role corporate leaders can play in addressing the increasingly complex challenges facing our societies.

I want to start by briefly reviewing some of the major landmarks and trends in corporate social responsibility, drawing on both the experiences of multinational corporations and local corporations internationally. I will then share with you a methodology for leadership development, the bridging leadership approach, that we are developing at my organization, The Synergos Institute as I think it relates closely to the concept of connective leadership structures being developed at the Kenan Institute.

I want to frame my remarks in response to two questions:

- 1) How are corporations responding to the challenge of operating in an increasingly complex world in which stronger demands are being put upon them to go beyond their historical role of making profit, paying taxes, employing people and obeying all laws to one of contributing to broader societal goals? For this discussion I am proposing the following definition of corporate social responsibility: “Open and transparent business practices that are based on ethical values and respect for

employees, communities and the environment. It is designed to deliver sustainable value to society at large, as well as to shareholders.”¹

- 2) What information and knowledge systems and leadership training exists to give the business leaders of today and tomorrow the skills they need to balance the social, economic and environmental components of their corporations?

How Are Corporations Exercising Their Social Responsibility?

The field of responsible business practice is one of the most dynamic and challenging subjects corporate leaders face today. Fortunately it is now attracting some of the best business minds. This was not always the case. Until the past decade it tended to be given too little importance by the people at the top. It was seen as charitable activity or activity linked to the marketing strategy.

Responsibility is exercised in the workplace, the community and beyond the community, at the national and global level.

Responsibility in the Workplace

Let us start with the workplace. It is here that corporate responsibility starts. I want to take the example of the Global Alliance for Workers and Communities (GA) as an example of how to address this challenge in the global marketplace. GA is a partnership of private, public and non-governmental organizations established in 1999 to improve the workplace experience and life opportunities in global production and service companies. The founding partners were two global companies, Nike and Gap and the International Youth Foundation. To quote from Rick Little and Kevin Quigley of the GA, the goal of the effort is “to intervene at a critical point where the issues of human rights, code compliance and worker development intersect ... to bring these three interconnected pieces together in a new kind of partnership that benefits workers, factories and companies and strengthens the civil society sector.”²

By the time the partnership was created the corporations had already been under pressure from consumers to set standards for the treatment of workers and environmental standards for all their supply chain. This had resulted in the creation of an array of codes. Gap for example had established a definition of ethical sourcing and a code of vendor conduct that focuses on compliance with local laws, working conditions and the environment. It also addressed the issue of wages and working hours, child labor and safety issue and the rights of workers to organize. To put these principles into practice the company then put in place a comprehensive international factory-monitoring program with vendor compliance officers based in twenty-five countries.

Gap and Nike entered the partnership to develop worker benefit programs in their supplier plants that went beyond code compliance. Though not without its challenges to date, the partnership appears to have drawn on the skills and support of local universities and NGOs in Indonesia, Thailand and Vietnam to produce measurable

¹ International Business Leaders Forum CSR website www.iblff.org.

² Global Alliance for Workers and Communities *Annual Report 2000-2001*.

results in the delivery of improved health education and safety services. It has also addressed the serious issue of management training on issues of sexual harassment and underpay.

Another excellent example of a connective leadership structure that enables business to learn from business on a broad range of corporate responsibility issues – including responsibility in the work place – is the Ethos Institute in Brazil. This association brings together leaders of over 600 Brazilian businesses, has a website at www.ethos.org.br and promotes sharing of experience and joint activities amongst members.

Responsibility in the Community

It is here at the community level that it is critical for the company to work in partnership with other stakeholders in order to achieve lasting change that addresses the root causes of poverty and alienation.

Here I will draw on experience from the US. For over a decade I had the privilege of working for the Ford Foundation. During the 60s and 70s Ford had invested heavily in community development corporations (CDCs). These CDCs developed comprehensive programs that linked social, economic and physical development. To enhance CDCs' capabilities Ford helped established LISCs (local initiatives support corporations) and the Enterprise Foundation which pool government and private funds for individual CDCs and offer them technical assistance and training.

To build on this momentum and mobilize greater support from local bankers, corporations, foundations and local government for the revitalization of low-income communities, the Foundation developed an initiative called the Community Development Partnership Strategy. With core funding from Ford the initiative produced 17 partnerships in urban and rural communities across the country. Each partnership is composed of local bankers, corporations, foundations and government representatives. They pool their resources and expertise in order to produce lasting change in their communities. Over 13 years from 1986 they leveraged more than \$200 million for community development programs, with an emphasis on housing and employment creation. The corporations involved included BP (the energy company) in Cleveland, Home Depot in Atlanta, Polaroid in Boston, PacifiCorp in Portland, Oregon and Campbell Soup Company in Camden, New Jersey.

Evaluation of these partnerships show that “collaborative ventures usually demand more time and resources than individual efforts; they require cooperation among people in diverse communities who may disagree about the best route to shared goals and aspirations.”³ The partnerships played a vital role in helping disadvantaged communities become economically and socially sound neighborhoods. It was evident from the interviews with a wide range of partners that all had benefited from the partnership.

It is interesting to hear the views of the partners from the different sectors regarding the advantages they considered their organizations had obtained from the partnerships:

³ *Perspectives in Partnerships*, Ford Foundation, 1996.

Financial Institutions

- Provided banks with the knowledge they needed to tap into previously unexplored development opportunities and helped them manage their community development investments more effectively
- Helped the banks stabilize communities, which in turn increased their investment gains as real estate appreciates

Corporations

- Helped create viable neighborhoods that led to viable downtowns which led to better business
- Enabled corporations to support community revitalization efforts without requiring them to become experts in community development.

Community Foundations and Private Foundations

- Provided a vehicle through which foundations could increase their impact on and leverage more support for community development efforts.

Government

- Improved the community's tax base
- Encouraged residents to stay in the community
- Helped government agencies serve their communities more effectively
- Assisted government agencies to leverage their resources.

In summary this experience shows how corporations can join hands with local communities, government, and private and community foundations to have a measurable impact that benefits all stakeholders. It also illustrates the importance of technical assistance. The partners helped to increase the capacity of CDCs in such areas as financial packaging, construction management, organizational assessment and strategic planning. They were also able to create new permanent development banks such as the Shore Bank and Trust Company in Cleveland.

These community development partnerships, and I would add also economic development partnerships, are connective leadership structures that have produced results over time and are still viable mechanisms. They contain many valuable elements that are transferable to other countries. US global corporations can play a role in introducing these partnership concepts.

International Experiences

In Latin America, Southern Africa and Southeast Asia where my organization, The Synergos Institute does most of its work, there are a growing number of examples of companies engaging in creative social responsibility programs that are addressing major social issues in their societies in collaboration with other sectors. These include

examples of connective leadership structures, which could be adaptable to other national settings. The first two operate at the national level, the others at a local level.

First, the Abrinq Foundation for the Rights of Children (www.fundabrinq.org.br) was created by a group of Brazilian toy manufacturers to promote the defense of the rights and the exercise of citizenship of children and adolescents. For more than a decade it has worked in partnership with community volunteers, nonprofit organizations, corporate leaders and local authorities to implement a range of innovative programs that directly impact on the lives of children and adolescents. It is an excellent example of corporate leadership in addressing human rights in a highly professional way.

Second, the Philippine Business for Social Progress (PBSP – www.pbbsp.org.ph), one of the earliest examples of corporate social responsibility has much to teach us. Created over 30 years ago, this foundation assists over 150 local and multinational corporations to develop strong and effective community development programs. These programs, implemented both by the foundation and separately by each company with the advice of the foundation, cover such areas as credit and technical assistance to small producers and support for economic revitalization programs in regions of high conflict. Recently, for example, the foundation launched a program in Mindanao to bring the Muslim and Christian communities together in peace-building activities. This latter endeavor is a good example of how business leaders can play an important role in bridging religious divides between two religious communities by partnering with foundations, NGOs and philanthropic institutions in both communities. In summary, PBSP is an excellent example of a connective leadership structure:

- It brings together CEOs of companies with a commitment to pooling the resources; and
- It has built up a highly professional staff capable of advising the member companies on how to achieve the highest impact with their community social investments.

Third, in neighboring Mexico, we have the example of the Fundación Comunitaria del Bajío (Bajío Community Foundation – www.fcb.org.mx) in Irapuato, Guanajuato. This three-year-old foundation has in its short existence succeeded in bringing together the human and financial resources of the corporate sector, municipal and state government, over a hundred nonprofit organizations and universities to tackle some of the major social and environmental problems facing the community. With the leadership coming primarily from the local business community the foundation has already had measurable impact in the areas of drug prevention, child nutrition, environmental sanitation and the support of families of migrants to the US.

This foundation also provides us with a good example of cross-border cooperation having established a partnership with the Center for International Understanding at the University of North Carolina. Under this collaboration, policy leaders from North Carolina and other parts of the US visit Guanajuato to gain a greater understanding of the factors that are fueling immigration to the US and an appreciation of the conditions of the sending communities. The visitors have expressed admiration for the strong self-help spirit in the communities and the appropriate nature of the support being provided by the foundation.

The partnership has also supported the travel of Mexican leaders to North Carolina to look at examples of public private partnerships for economic development. These exchanges have produced valuable two-way learning and are planned to continue. In addition the partnership plans to work with the civil society organizations serving Mexican immigrants in North Carolina to explore ways in which the immigrants can support community development programs in their communities of origin. I am pleased to see Millie Ravenel of the Latino Initiative for Foundation and Corporate Leaders here in the room, so you can ask her more about the binational partnerships.

This experience in Mexico, and there are now over 20 Community Foundations in Mexico, shows how this type of connective leadership structure which originated in the US is adaptable to different countries. WINGS (Worldwide Initiative for Grantmaker Support – www.wingsweb.org) is doing excellent work to share information and learning on what is the fastest growing type of philanthropic institution worldwide.

Before I leave the topic of community foundations, I want to mention another example of business leaders reaching across the Mexico-US border. This is the experience of Lucy Killea who is with us at this conference. Lucy played a key role in creating the International Community Foundation in San Diego and a sister foundation FINCOMUN (Fundación Internacional de la Comunidad), in Tijuana, Mexico. These two foundations with interlocking boards provide an institutional space for cross-border collaboration to support community development efforts in low-income communities.

Under a new US-Mexico Border Philanthropy Partnership, Synergos is working with a collaborative of eight major US and Mexican foundations and 20 community foundations to increase the involvement of all stakeholders in cross-border community development initiatives.⁴

My impression is that the community foundation in the border region and elsewhere is a connective leadership structure that has been underutilized by the business sector. We need to explore why that is the case and how it can be changed.

Responsibility at the Global Level

Corporations can exercise their social responsibility at the global level by developing partnerships with UN Agencies, other multilateral organizations and international foundations to design and implement new strategies for overcoming poverty. Examples are the public private partnerships presented at the World Summit on Sustainable Development (WSSD) in Johannesburg in September of this year.

As Jane Nelson, Director of Business Strategies at the International Business Leaders Forum (IBLF) points out, the WSSD put the subject of business and poverty – both its positive and negative linkages – firmly on the agenda of international policy-making.⁵ At the same time it served as a “market place for hundreds of new public-

⁴ For more information visit www.synergos.org.

⁵ *Report on the WSSD*, Jane Nelson, International Business Leaders Forum, 2002.

private partnerships and cross sector dialogues all aimed at exploring how business could tackle the challenges of poverty.”⁶

It was significant that there were more CEOs than heads of state and as Jonathan Lash, President of the World Resources Institute pointed out “ I saw more evidence of business groping for ways to support sustainability than lobbying against agreements”⁷

Jane Nelson identified three key themes that emerged at WSSD in terms of the role of business in alleviating poverty:⁸

- 1) *Resource mobilization* – There was endorsement of the role business can play in mobilizing extra financial, technical and managerial resources and competencies, either through direct investment, philanthropic programs or new types of partnership (especially in the water, energy and health sectors)
- 2) *Corporate accountability* – Business Action for Sustainable Development acknowledged that core regulations are crucial but these need to be supplemented by more efficient and creative voluntary mechanisms and in many cases existing regulations and international agreements need to be implemented more effectively by governments at the national level
- 3) *Global frameworks and local action* – There was an emerging consensus that the private sector must play a more progressive and proactive role in the debate on global framework conditions-such as current trade and investment rules, access to markets, agricultural subsidies, in developed markets etc. Business argued that substantial progress had been made by new partnership projects on the ground.

What Information and Knowledge Systems and Leadership Training Exists for Business Leaders in Corporate Social Responsibility?

There are a number of web sites that provide very useful information on good practice in CSR, case studies and training tools. This type of resource can play a vital role given the increasing complexity of the field and the range of skills that need to be developed to respond to specific challenges. One of the most useful is the CSR Web managed by IBLF at www.iblf.org. The site offers corporate leaders with comprehensive tools with which to craft CSR programs under such themes as: Human rights, labor and security, health promotion, education and leadership development and the environment. It is a way business leaders can connect to innovative developments in global giving.

One striking development in recent years has been the increasing importance of human rights on the corporate agenda, partly in response to increasing demands from society and particularly ethical investors for greater accountability and transparency. Given that corporations are increasingly finding that they are operating in areas of civil conflict, IBLF has developed a partnership with International Alert, a UK-based NGO, “to develop a better understanding of the linkages between business and conflict and devise practical strategies which will mitigate the negative impact of the private sector on

⁶ *Ibid.*

⁷ *Ibid.*

⁸ *Ibid.*

conflict or conflict prone regions and enhance its capacity to contribute to peace-building”⁹

IBLF is also building on its experience in over 30 countries to launch a new “Values in Leadership” program. It recognizes the need to integrate social and environmental issues into the boardroom agenda and address the wider stakeholder dimension of corporate governance. More importantly for our discussions, it identifies three priorities in developing tomorrow’s business leaders:

- 1) Identify and share good practice on innovative approaches to executive development aimed at encouraging future business leaders to think more broadly and creatively and to adopt wider societal goals as part of their core business objectives
- 2) Engage with companies, business schools, academics and other learning organizations to promote the integration of corporate social and environmental issues into curriculum development, teaching and research activities
- 3) Establish networks of young managers in key emerging markets from business, government and civil society.

The Challenges of Creating Inter-sectoral Collaboration

I would like to turn now to a discussion of the challenges of inter-sectoral collaboration and the implications of this for leadership training.

Building collaboration between sectors brings particular challenges. One is to overcome mistrust and reconcile conflicting expectations. Each sector – business, civil society and government – “has its own unique organizing culture, professional/technical language, norms and definitions of success. Each sector also has a perception of the other two that is frequently based on negative stereotypes that tend to block mutual understanding and impede collective action.”¹⁰

It follows then that to build such multi-stakeholder partnerships, particularly those that have medium- and long- term objectives, requires special leadership skills. Experience shows that conventional leadership styles that emphasize “command and control” structures and processes are ill-suited to the task of building partnerships and may serve to widen the gap between groups and sectors. At Synergos we have adopted the term “bridging leadership” to describe a new style of leadership needed to bridge the societal divides I mentioned earlier. This draws on the concept of transformational leadership or leadership oriented towards social vision and change.

We have been working for over fifteen years in Latin America and Southern Africa and more recently in Southeast Asia to support the building of partnerships to reduce poverty and inequity. These partnerships involve corporations, civil society and government. We focused our efforts on supporting local foundations, (corporate, private and community) that are playing bridging roles. They are well placed to act as

⁹ www.iblf.org.

¹⁰ *Bridging Differences and Building Collaboration: The Critical Role of Leadership. A Concept Paper*. Steven Pierce, The Synergos Institute, 2002.

interlocutors between sectors and to play a convening role. We see particular value in community foundations that build on local assets and are well positioned to develop an action agenda for the community.

However we have realized in the past few years that the presence of skilled bridging leaders drawn from the corporate, nonprofit or government sector is a critical factor in ensuring the development of partnerships that produce outcomes that have a measurable impact on poverty and inequality. Under the leadership of my Synergos colleague Steven Pierce, we have been working for the past two years in partnership with universities (particularly business schools) and nonprofit organizations in the Philippines, Southern Africa and Latin America to develop curriculum and case studies for bridging leadership development. We have put together a Global Task Force that is guiding the various elements of the program including applied research and dissemination and curriculum and training. Working with this task force we will also support cross-sectoral multi-stakeholder dialogues in selected countries. This is still a work in progress but I want to share with you our experience to date.

The Bridging Leadership Program

A month ago the first Bridging Leadership course was held at the Asian Institute of Management (AIM) in the Philippines. The AIM team headed by Professors Ernesto Garilao and Jacinto Gavino designed and ran the three- day course that was offered to leaders from the business, government and NGO sectors. The flyer for the course stated that “ Given globalization and the dynamic interaction of the state, civil society and the market, it is increasingly necessary to bring diverse groups together to address complex problems using a new approach called “bridging leadership.” Bridging leadership is defined by Steve Pierce as “an approach to leadership characterized by the capacity to initiate and sustain a collaborative process designed to achieve meaningful social change through the collective action of multiple and diverse stakeholders.”¹¹ Put another way, bridging leaders need to be capable of putting together partnerships that develop creative and innovative solutions to the divisive issues facing our societies. They foster change by promoting understanding, trust and collective action.

Using the case method the course explored the knowledge and skills required by bridging leaders and the strategies most likely to result in successful inter-sectoral collaboration between business, civil society and government. The course started by examining the role of the bridging leader as analyst, inspirer and convener. This emphasized the critical role the leader plays in getting the relevant stakeholders to recognize, own and want to do something about the social divide.

The second day of the course focused on strategies to be used to bridge societal divides and explored factors that promote or impede bridging. The final day focused on the role of the bridging leader as a networker and institution builder. This taught a set of skills required to ensure the creation of long-term, mutually beneficial partnerships that guarantee sustainable improvements in the community.

This pilot course is currently being evaluated and will be further tested in Southern Africa, Brazil and Mexico. Thirty case studies of bridging leaders and situations where

¹¹ *Ibid.*

successful divides have been bridged are still being analyzed. They document bridging actions between the government, business and civil society at both the local and national levels. However the findings to date point to the critical importance of the bridging leader being able to identify and articulate common needs and goals, build trust among stakeholders, manage and prevent conflict and develop strategic action plans with clearly agreed outcome, roles and benchmarks for success.

What we are learning from the research to date is that it is people, not organizations and sectors that create and sustain partnerships. The better prepared these individuals are, the more successful the collective actions are likely to be.

Our initial analysis suggests that bridging leaders, be they from the corporate, government or civil society sectors, share a number of characteristics. They have:

- Low ego needs, meaning they are willing to share credit
- The ability to listen and to empathize with diverse perspectives
- High credibility within their own sector
- Well-developed networks comprising valuable relationship capital. This is used to create “chains of trust” throughout the community.¹²

However, what we are also finding is that bridging leaders operate within bridging spaces or bridging institutions, or what we are calling here “connective leadership structures.”

I hope I have been able to demonstrate that we have a range of these structures or institutions on which to draw, both in the US and internationally. New ones are constantly evolving, as are opportunities for sharing experience globally. In my view, they are powerful mechanisms for enabling business leaders to play an increased role in tackling the root causes of poverty and inequity in communities around the world.

¹² *Ibid.* and *Bridge Leadership Framework*, a draft paper prepared by the Asian Institute of Management, Center for Development Management and CO-Multiversity, 2001.