

BOLD NEW WORLD

THE NEW PHILANTHROPY AND ITS IMPERATIVES

Part 3: The Future Leadership and the Future of the Social Sector

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CONTENTS

PART 3: THE FUTURE LEADERSHIP AND THE FUTURE OF THE SOCIAL SECTOR.....	4
LEADERSHIP.....	4
BOLD NEW WORLD: CAN THE NEW PHILANTHROPY MAKE CAPITALISM MORE INCLUSIVE?.....	6
A REMARKABLE ANTIDOTE.....	8

LEADERSHIP

Probably everyone viewing this piece has read one or many more books on leadership, and most have been leaders themselves. It seems almost superfluous to add to the immense volume of quality work already completed.

But the exception may be that there has not been a book written yet about leadership, as far as I can find, specifically on the social sector. A question arises, then. **Are there distinct differences between private and social sector leadership?**

Aside from the assumption that great leaders perform well nearly all of the time, in nearly any circumstances, *what about good or average leaders who want to improve in a social sector framework? And in fact, is the first premise necessarily true?* Can even great leaders be counted upon to transition smoothly? My belief is that they can and do, but the question is still valid. It invites thought.

Such a question forces our attention on the challenges that an accomplished private sector leader might meet upon entrance to the social sector.

This initial list is but a probe into some likely areas that may demand newfound leadership skills. Above all it is an invitation for readers to comment. *More than in any other area of this piece*, we are hopeful to elicit response—positive, negative, or debatable, but informative and stimulating to all—at insights@waldronhr.com.

1. The first step of course is *choice of philanthropy* in which to be involved. It stands to reason that an area that has a higher appeal, or of which the candidate has previous knowledge and passion, will permit him or her to function better as a leader. If it is entirely new, but nonetheless exciting, self-education with vigor seems to be the only solution. Not only in books, but the overall environment, the people, the issues, the networks. Nothing beats familiarity. As Hemingway said, “Write what you know about.”
2. *Passion and deep personal belief* are frequently associated with leaders who motivate all around them almost automatically, by their very presence. Sometimes this is called charisma. But belief is more profound than charisma. Charisma is but the flock of pretty birds perched on the jutting mountain of belief. Belief may arise from long acquaintance, or it can be created through self-education coupled with desire. But it must be present.
3. *Dealing with scarcity* confronts many in the social sector, and for some new entrants it may be a grinding challenge. There is no pat answer, but lateral thinking and innovation are surely tools to employ. As Mr. Rothschild demonstrates earlier in this essay, there are solutions, and they may be embedded in your core mission and spun out as separate money earners.
4. *Leveraging different advantages*. If there is one built-in benefit to leading an underfunded nonprofit, it is that many human beings have a deep desire to perform good work, tasks beyond those which benefit only themselves. But the presence of this longing in people alone does not guarantee success. Working with a *different reward system* than the private sector offers no doubt requires reflection, thinking, study, and a modified understanding of and approach to people.

5. ***Dealing with less concentrated power.*** This is Prof. Jim Collins' useful dichotomy of concentrated vs. diffuse power structures in the social and private sectors, respectively. Though it does not apply in all cases, it opens the question as to the many variations of "power delivery," thus appropriate management styles, which exist across the total work-mission-goals vista of the social sector. Each candidate and every recruiter needs to assess this factor. This is another reason that the varied "cross-sectoral" background appears so naturally well attuned, therefore efficient, in a social sector context.

6. ***Different focus and balances.*** As so often, Peter Drucker describes management more wisely and simply than anyone else. Better to listen to him than me, from his nonprofit book mentioned previously:

"...there are always balancing problems in managing nonprofits...the balance between concentrating resources on one goal and enough diversification. If you concentrate, you will get maximum results. But it's also very risky. Not only may you have chosen the wrong concentration, but—in military terms—you leave your flanks totally uncovered. And there's not enough playfulness; it doesn't stir the imagination. You need that, so there will be diversity, especially as any single task eventually becomes obsolete. But diversity can easily degenerate into splintering."

Everyone in business knows Peter Drucker, who passed away a few years ago. Shortly before his death I had the privilege of publishing a lengthy interview with him. At age 93 he was as sharp and colorful as always. He made the delightful comment "I am being revisited by clients I haven't seen in twenty years!"

Most have read his books on management. But his immense erudition also produced a number of scholarly volumes on the wider issues of society, government, indeed, on the future of mankind, with alluring titles such as The End of Economic Man: The Origins of Totalitarianism. And Mr. Drucker also wrote two works of fiction, one titled The Last of All Possible Worlds. This great thinker, leader, and builder continues on leadership balance in the nonprofit sector:

"In the nonprofit institution you constantly must gauge whether the financial dimension of a risk is too great...One looks at the decision: Is it reversible? And what kind of risk is it? Then one asks: Is it a risk we can afford? Or the trickiest of them all, the risk we can't afford not to take...I sit on a museum board—and a big collection was offered to us, way beyond our means. I said, 'Damn the torpedoes, let's buy it. It's the last chance we have. It'll make us a world-class museum. We'll get the money somehow.' The balance decisions are what we need nonprofit leaders for, whether they are paid or volunteer."

Here are the intertwined qualities of a superior leader of a nonprofit, so succinctly expressed—this combination of judgment, analysis, priorities, appreciation of both risk and people, and finally, guts.

On talent selection, he says in the same book:

"...don't pick your successor alone. We tend to pick people who remind us of ourselves when we were twenty years younger. First, this is pure delusion. Second, you end up with carbon copies, and carbon copies are weak."

This takes us back to the Waldron-Evans survey for at least one reason: recruiters may assist us in overcoming our delusions and avoiding carbon copies. At this juncture, succession threatens to become a raging issue across the sector, owing simply to age of respondents. Not all of us realistically

can expect the “tenure” of Mr. Drucker. In any case even he would say, I believe, it would be foolish to assume so. I offer some summary thoughts on the survey which follow, as a lead-in to an interview with Tom Waldron. What follows immediately though is a broad reach into the future, a speculation, as to where the New Philanthropy may take us and the world over coming decades.

BOLD NEW WORLD: CAN THE NEW PHILANTHROPY MAKE CAPITALISM MORE INCLUSIVE?

For those who engage in what has come to be known as “futurism” and are also attuned to the value of history and the influence of literature, the Bernholz-Reich model continues to stimulate: “Not Invented Yet.”

Peter Drucker, with his usual prescience, wrote rather breezily in 1990 “...when governments re-trench.” He was contemplating then that it was virtually certain some or many troubled sectors of our society would slip away from government’s ability to renew or deal with them at all. (Not “if” but “when,” he wrote.)

He also examined the self-designation of charities, as then called, in 1950. They saw themselves as peripheral agencies, helpful of course, but small, even marginal, as compared to governments in tackling the big problems.

In the 1950s President Eisenhower sent military troops to Arkansas to enforce school desegregation, a social action by government on a scale almost unimaginable today.

A decade on, LBJ’s War on Poverty was soon to produce significant results in poverty decline at least statistically: some sectors (by age and location) saw poverty reduction by half to nearly two thirds. Overall poverty dropped between 30-50% depending on measurement criteria.

More recently, we all had to taste President George W. Bush’s Dubious performance even if we didn’t swallow it. It lowered confidence in *and expectations of* government. And in spite of President Obama’s genuine empathy, government supremacy in addressing fundamental problems is no longer regarded as absolute or even feasible in some cases. Times have changed. The huge budget deficit will not decline quickly; it casts a long shadow over new programs.

In the past twenty years the political scene has been arguably more fractious than at any time since the American Civil War. Opposition to social reform, particularly in the health care sector, is but one example. Blocked legislation has become a norm; constant infighting in both houses reduces capacity to act. Polarization grows: the Tea Party movement’s pervasive influence does not bode well for social programs.

Author Ayn Rand would receive no mention here if her books and ideas were not in **major resurgence**, and particularly if right wing politicians such as Paul Ryan and previous Federal Reserve Chairman, Alan Greenspan, had not revealed their admiration for and motivation by her extreme laissez-faire theories. (Ryan’s inevitable retractions were clumsy, Greenspan’s more thoughtful.)

She repeatedly described anyone in need as a “parasite.” **Ms. Rand was in no way an economist, though she endeavored to sound like one.** She wrote one very stimulating (especially to adolescents; I was one) novel about individualism and creative freedom: The Fountainhead. Even

though the characters resemble machines. Her self-appointed “best work,” Atlas Shrugged is a bloated comic book, endlessly tautological.

An oddity: that a work of fiction can become the cornerstone of a social and quasi-political movement. I can only think of one other such case, Uncle Tom’s Cabin. Though Ms. Rand also produced several works of philosophical non-fiction, one of which was co-edited by.....Mr. Greenspan: Capitalism: The Unknown Ideal.

That splendid conservative newspaper **The Economist** described her as a very strange person who had a penchant for wearing a large brooch in the form of a dollar sign. Her main problem was her extreme idealism, which she thought virtuous, proclaiming it widely. While based on some good ideas, derived in part from Aristotle, an idealism of this height or depth bears no relation to a workable reality. It’s wonderful if one individual fights her/his way out of the slums. Not all can be expected to do so. Not all can do this without help. Fact.

I point simply to counter-trends here, at odds with the New Philanthropy, as two salient examples among many of a far right escalation in thought and action; nothing new, but it is growing and it won’t go away. These trends underpin the flow of my argument. Which is: for economic, social, cultural, and political reasons it will be increasingly difficult for federal government to perform in some or many areas of social service.

The era of munificent dreams led by JFK has passed. The crushing GFC is being significantly blamed on Mr. Greenspan and loose credit policies, stemming from an overall belief in lower regulation, which failed miserably. Its damage, especially in some European countries, will last for a generation.

Paradoxically, capitalism has proven over two or more centuries to be the most adaptable and best system invented yet, in spite of its numerous flaws and excesses. The 20th century was, more than any other, an intense proving ground for political-economic systems amidst unparalleled carnage. Political-economic experiments at the furthest reaches of both the right and the left became horrendous disasters in practice, if attractive “on paper,” or in their very first stages of development. Or until the word got out.

This is why there was considerable leniency, even rapt enthusiasm, for Soviet Communism by many Western intellectuals and others in the 1920s and 30s. And why over-toleration of Hitler occurred, by nearly all leaders except for the most successful of the 20th century, Winston Churchill. He was initially scorned for his early opposition to the Nazi government.

The past 20 years in China is the ultimate example of capitalism’s malleability and power to produce results. It was allowed to take root in very thin soil by the clever visionary Deng Xiaoping. The mess he inherited from Mao was unspeakable. The Cultural Revolution upended, gouged, and denigrated the entire culture and society of the world’s second most populous nation. A distinguished culture of over 4,000 years.

A plausible theory by some historians suggests Mao Zedong was unhinged from syphilis, which he had contracted at least 30 years prior. If not caused by venereal disease, he was then power-drunk to the extent of announcing to the Western press that it would take one thousand years to truly change human beings, ostensibly into a “true” communist mentality—really a sort of serfdom. He may have thought he would live that long. Vast numbers of educated citizens, including doctors and physicists, not to mention the mostly despised art community, were then in effectively forced labor in rural outposts. The euphemism was “re-education.” That was the truth of “let a thousand flowers bloom.”

A REMARKABLE ANTIDOTE

Free enterprise has been a **remarkable antidote in China**, significantly undoing, at least on an economic front, well over 30 years of regressive policy within 20 years, beyond any expectations, even within the larger framework of a totalitarian regime.

India's plodding deregulation has also led to much better economic results and a growing number of world-class achievements. The middle class properly defined as over 30,000 US dollar equivalent annual household income is now larger than the entire population of the U.S. The talent pool is immense and the desire to work, contrary to certain fictions active in the West, is very high.

In a much softer left wing frame, and with complete freedom, the democratic socialist Nordic countries have fared very well, though their smaller populations, wealth, and innate sense of community allow for acceptance of higher taxes, which would be untenable in most nations. In spite of what can only be called a success on virtually all fronts including humanism, environmental consciousness, competitive innovation, and education, there are a few downsides. Sweden for many years posted a very high (19%) "absenteeism" from work, mainly attributed to social programs which reduce personal incentive.

In any case their systems are capitalistic at heart, with a more inclusive national attitude about social programs; at least until the money runs out. Australia lies somewhere between the U.S. and the Nordic countries by these criteria, enjoying similar conditions of high prosperity and low population, and more inclusive social services than in the U.S., with slightly higher taxes. All the OECD countries (and many more) have active evolving organizations in the New Philanthropy mode. And virtually all face increasing government limitations in delivering social services, combined with a higher demand for a wider variety of socially beneficial organizations and services.

The appetite for new social sector offerings climbs naturally and creatively. If hunger and medical needs are satisfied, core education is sought, followed by more advanced training in art or computers. All nonprofit missions eventually become obsolete, to be replaced by others. **Obsolescence in the social sector means total success. Next mission?**

My future view is that with an ever more refined or varied capitalism, it is entirely possible that much more of what has previously been seen as government work may be absorbed into the social sector. The evolution of organizations could over the next 50 or 100 years create **entirely new forms of philanthropic enterprises**. For example, for-profit companies designed solely or in large part to perform social sector tasks. Or separate divisions of nonprofits that sell intellectual property and services for the betterment of the core mission. Some of this has already begun, and the future holds great promise.

I don't think people really want or don't want a big government; they want efficiency combined with reasonable taxation. Government size is an abstraction, unknowable, intangible for nearly anyone not directly involved. How good, if over time taxes were reduced and better social services rendered by NGOs. In all but a few areas—defense, space research, science funding, foreign affairs, energy, major health and other critical policy areas—government is not necessarily the best achiever, manager, or innovator. One potential solution calls for tax deductions for contributions to the social sector, which could permit a decentralization—a shift of responsibilities from the federal government to state or local communities.

In this context one retains a certain attraction to some specific Republican party values. If only the

GOP could rediscover both moderation and modernity, as Arnold Schwarzenegger seemed to have aspired! The War on Poverty had many well-informed critics who suggested, based on hard data, that given the money, other methods would have worked much better. Methods infused with private sector skills and disciplines.

This is the thrill of The New Philanthropy today, the sheer potential one can realistically imagine. We are fortunate to live in a time of flourishing change and new possibilities, which may result in a re-tooling of capitalism and new methods for an improved society. And though I here speak of the United States, these are global potentialities. Consider the backwards look to 1950, and look ahead another 63 years or so, from today. **The New Philanthropy! Social Business! Not Invented Yet! Bold New World!**

*Thanks for reading through the full essay, **BOLD NEW WORLD: The New Philanthropy and its Imperatives**. We value your comments at insights@waldron.com. What awaits are Parts 4 and 5—We take a summary look at the important Waldron-Evans School of Public Affairs study on CEOs within the social sector, and run a lengthy interview with Tom Waldron, CEO and Founder of Waldron, a national recruitment and consulting firm wholly devoted to the sector. Tom has a lot to say from his nearly 40 years in the business! The Annotated Bibliography is meant for pleasurable reading and covers a range of ideas and thinkers from Warren Buffett, to the Nobel Prizes, the MacArthur Foundation and their genius grants, Frank Zappa, and others.*

ANNOTATED BIBLIOGRAPHY

The following is meant to highlight and expand on some individuals and occurrences noted, not in specific relation to, or delineation of, a single point made within the essay. It is meant as a reading and comment list for further thought. It is my hope that readers will send their own reading contributions and recommendations, and indeed their responses to ideas within the piece; or their own freewheeling riffs on any subject of relevance. Certainly I have engaged in a few riffs here, but that's just an assumption that the readers are innately curious, and do not mind a bit of related, if extra-curricular, fact and opinion.

1. **ANDY GROVE.** My reference to Mr. Grove pertained to his book Only the Paranoid Survive: How to Exploit the Crisis Points That Challenge Every Company (1996), a lively and pertinent management book. Among his many quotable remarks is: “*Success breeds complacency. Complacency breeds failure. Only the paranoid survive.*” Mr. Grove was a Hungarian refugee arriving in the U.S. at age 20, with a passion for learning. He was Intel’s third employee and rose to be CEO for two decades, responsible for immense growth—stock gains of 2,400%. His 1967 book Physics and Technology of Semiconductor Devices is still used in leading universities. Steve Jobs, along with many of his generation, looked upon him as a hero for his business and technological acumen, and status as a founder of Silicon Valley. He wrote other books of note.
2. **JIM COLLINS.** Jim Collins was a hugely popular professor of business at Stanford before returning to his home state of Colorado to found an institute, and remains very active today on the lecture and advisory circuit. His website offers a number of short, often penetrating, usually amusing (he’s big on body language) video clips on various subjects, including his passionate riff on the value of the paranoid neurotic personality in business. It is unknown but possible that he borrowed Andy Grove’s inspiration. His Good to Great: Why Some Companies Make the Leap...And Others Don’t business book is widely popular today and referenced by many, including Mario Morino.
3. **GARY HAMEL.** Gary Hamel is an American professor of business, located since 1983 at the London Business School. In 2012, he was named by the Wall Street Journal the “World’s most influential business thinker”. He has consulted with numerous Fortune 100 companies and written a number of books. He is also the highest reprinted Harvard Business Review author, due to articles such as “**Waking up IBM.**” Innovation has been one of the cornerstones of his work. I attended a full day seminar which he led, based on his then current book The Future of Management (2007) which dealt extensively with innovative business structures, and found him a quietly dynamic presenter of considerable depth. The chapter devoted to the W.L. Gore Company, which invented Gore-tex amongst many other items and patents, is particularly fascinating. The company can allow and afford—or in their rarefied creative atmosphere, not afford NOT—to encourage talented employees to work with absolute freedom on anything they choose, in many cases. This is very similar to the program of the Santa Fe Institute, which harbors Nobel Laureates only, permitting them to work on anything they want, often outside their field (e.g. a biochemist studying the origins of human language). Dr. Hamel, as indicated in the essay, is essential reading for those wishing to delve into innovation within management.
4. **LUCY BERNHOLZ.** Lucy Bernholz is among the most prominent voices in the New Philanthropy. She describes herself as a “philanthropy wonk,” and is the writer/owner of Philanthropy 2173 (a regular free e-blog), an author, consultant, and visiting scholar at the Stanford University Center on Philanthropy and Civil Society, and a Fellow of the Hybrid Reality Institute. She is a board

member on several national and international philanthropic organizations. Clearly she is a futurist, judging from the title of her book Creating Philanthropic Capital Markets: The Deliberate Evolution which I look forward to reading and commenting upon at another time. Her blog is a rapid-fire commentary on a wide variety of interrelated subjects surrounding philanthropy. It is unique in its content and perspective primarily for its sheer variety and pep! I thank her for providing the “Not Invented Yet” category, which played an obvious inspirational role in this essay.

5. **MUHAMMED YUNUS.** Muhammed Yunus was born in then East Pakistan, now Bangladesh, and studied economics, ultimately earning a Ph.D. at Vanderbilt University. After teaching economics and building a successful packaging business, displaying hands-on commercial acumen, he founded Grameen Bank and developed the concept of microfinance, which has largely proven to be an outstanding success. Given that this model was based on making loans to the very poor, he struggled initially for several years to convince established banks to cooperate, finally breaking through and proving that the poor were very reliable in their repayments. Grameen has spread its own operations and influenced many other similar programs around the world. In 2006 Yunus was awarded the Nobel Peace Prize. In addition to Banker to the Poor: Micro-Lending and the Battle Against World Poverty mentioned in the essay, his two subsequent books exhibit both his own and the social sector’s evolution. These are Creating a World Without Poverty: Social Business and the Future of Capitalism and Building Social Business: The New Kind of Capitalism that Serves Humanity’s Most Pressing Needs. He stands unquestionably among the greatest and most innovative drivers of practical philanthropy in the 20th and early 21st centuries. Due to overtly political motives (he once considered creating a political party and naturally had enemies) he was progressively driven out of Grameen and displayed only gracious concern for the bank’s welfare during his dénouement. He remains active as a writer and in other capacities.
6. **STANFORD SOCIAL INNOVATION REVIEW (SSIR).** As a professional editor and founder of numerous print and other media outlets, a magazine junkie of the first water, I cannot praise SSIR more highly. Among many other things, it proves that it is still possible to produce and apparently sell successfully very high quality commentary in our refashioned (distorted, if enhanced and enlarged) web world.

A quarterly magazine accompanied by a website, online newsletter, blogs, and other features, it was founded in 2003 by a division of the Stanford Business School (SBS). Its concerns range widely, but in proportion, across the social sector, and it is not in any sense a “business” magazine, in spite of its origins. Apart from its rigor when business analysis is brought to a subject. Articles appear each quarter on topics such as foreign aid, developments within environmental legislation, human rights, measurement in the sector, role of government, and importantly, new trends, developments, and styles of operation. In this latter category, its connection with the SBS is no doubt helpful. SSIR has won many awards. When compared against most of the offerings on the social sector, online or off, it is clear that a commitment to quality expression, good editing, choice of pertinent ideas, accent on innovation, choice of informed writers and above all, a reliably high respect for facts and the ordered argument, set it atop the Mount Olympus of social sector writing today. It is inconceivable that anyone seriously engaged in the sector not be a regular reader. A guess only, but those unable to pay might receive some support from this committed organization. Clearly there is commitment at work here.

7. **MARIO MORINO.** Mario Morino spent many years in the software business with some specialization in measurement a facet of the man which is translated into his book Leap of

Reason: Managing to Outcomes In an Era of Scarcity, discussed extensively in the essay. Formerly working in Washington, D.C., he has now returned to Cleveland where he works full time in philanthropy, in part as co-founder of VPP (Venture Philanthropy Partners) which focuses on youth education and assists in funding start up philanthropy ventures. His book has received wide attention within philanthropic circles throughout the U.S. and Europe. Since selling his company, he has distributed \$40 million to charities, which no doubt has been managed with precision. Newspaper coverage, including a recent mention in *The Economist*, indicates that the uptake of his ideas are both surging in the social sector community and successful, and according to various units of press coverage, ecstatically received. Of course, not all reviewers or sector leaders agree with him.

8. **The MacARTHUR FOUNDATION.** In years of publishing on foundations, The MacArthur Foundation struck me as especially innovative, imaginative in comparison to many, and importantly, a source of knowledge and inspiration for other institutes and foundations, for which it runs an Advisory Service. Appropriate, given their long tenure and variety of programs. Created in 1978, it has consistently grown and evolved. It is perhaps best known for its so-called “genius grants” but in fact embraces a wide number of causes, including justice, medical, and sustainability issues worldwide. Its endowment is \$5.7 billion. As an example of innovation, their relatively recent Badge awards, aimed at youth for the achievement of skills relevant to their lives and a better society, is notable. There are presently over 370 videos available online which present a superabundance of activities by TMF and the appearance of quality management throughout.

My initial exposure and enquiry into TMF resulted from my two book publications on the Nobel Prizes; I came to view TMF as a uniquely American and 20th century counterpart to the Nobel tradition. Clearly TMF devotes time to making awards beyond its “genius grants,” most of which are of a more traditional bent, such as the “Award for Creative and Effective Institutions.” These are directed worldwide and address health, environment, education, and other areas.

The “genius grants” are perhaps their best-known awards. And a fascinating cultural counterpoint to the Nobel Prize, which I hold in the highest esteem: its status as the world’s most recognized award is fully deserved, and its contribution to the promulgation of science indisputable, a vital necessity. TMF awards a higher sum in its grants than the Nobel Prize, and for a different purpose. The Nobel Committee honors past and groundbreaking advances. Their later-instituted Economics and Peace Prizes operate similarly.

TMF’s genius grants do not seek to award past performance, but rather originality, potential, and imagination. Though it must be noted that certain recipients, such as author Cormac McCarthy—an outstanding choice in my opinion, who coincidentally is the only non-Nobel Laureate allowed regular access to the Santa Fe Institute, mentioned previously in the Annotated Bibliography—had established an original literary style over at least six books prior to his award. His grant allowed him to complete what some (myself included) consider his finest work, Blood Meridian: Or the Evening Redness in the West. But now we are on literary ground, and...

Alfred Nobel, a stern engineer and businessman, was not as the record shows particularly interested in or knowledgeable about literature, and an approximate recount of his edict on author selection was “no books of a negative tone.” A loose and subjective opinion and mandate, to be sure. A literary Nobel award debate, however gripping, is uncalled for here, except to note in fairness that one doesn’t read many bad books on the Nobel list. Equally, if literary style were

a criterion, Nabokov would have won, not Solzhenitsyn. The serious Norwegians, bless them, seek social purpose, or their version of it, as literature. It is useful for society though, to have another Institute with a different ethos. And a more adventurous search for quality. TMF is surely not known for choosing “negative” writers, but the contrast in perception of grant placement remains fascinating. TMF has sought out generally little known (including McCarthy at the time) but gifted artists of various sorts. The obscure composer/musician, Conlon Nancarrow, a 40 year American expatriate (for political reasons) in Mexico, at age of about 80 became a grantee: he subsequently created several notable works. Some commentators have criticized TMF for a minority of their genius awards, so be it. My interest is in the contrast of styles, nationally and era wise, and the “personality” of various institutes.

On matters as to how the arts community ought be awarded, at least in polite company, I am not the best person to ask, as I also regard Frank Zappa as a unbridled and raucous American genius; this a stance which requires careful review of his over 75 recordings, his evolution, his various quotes and comments on music, and a study of music and its 20th century history, to fully comprehend. Apart from his immense cache of compositions still unperformed, his orchestral recordings, (esp. Yellow Shark) and endless synclavier, digital and music editing innovations, (listen to Civilization Phaze 3) his contribution to all-American satire and social criticism, and late in a foreshortened life (53, prostate cancer, not drugs—he took none), an effective dabble in politics, and appearance before a Senate Special Enquiry. (**Listen to Zappa’s “Mothers of Prevention” album featuring among others, Al Gore.**)

Such an exciting music history adventure is enhanced mightily by **only one of his many biographies**, “**The Negative Dialectics of Poodle Play**” by Englishman, Ben Watson. Others range from the moderately boring but factual, as in Zappa’s autobiography, to the cheerleader vapidness of others. “**Poodle Play**” is the finest (only?) intellectual rock biography of all time. And vastly more: a history of ideas, musical and otherwise. Mr. Watson is of the caliber of a future TMF genius award himself, in my opinion. And it is this sort of extraordinarily “different” kind of candidate, which makes The MacArthur awards so compelling. Long live the great Nobel Prizes! Long live The MacArthur Foundation and American imagination and its search for talent!

9. **GLOBAL FUNDRAISING.** Editors Penelope Cagney and Bernard Ross have provided what is at present, the most expansive “bible” of activity in the world of international fundraising, and it deserves more exposition than space allowed in the initial draft of this essay. Of its numerous exceptional aspects are its case studies that present individuals and their undertakings in depth. Its depth of detail and scope are impressive. They provide information such as the fact that there are approximately 114,000 volunteer organizations in Russia, of which 1,665 are listed as charities; that the heir to Dubai’s world’s largest Toyota Dealership has embarked with \$75 million on an enlightened philanthropic pathway; the largely obscure but remarkable stories of burgeoning philanthropies in Asia, which in today’s press have received virtually no mention against vast amounts concerning economic growth generally; a wide survey of activity in India, which includes religious and cultural attitudes as well as significant data. In all, a very ambitious and successful effort which as a wellspring of ideas and inspiration is indispensable. Published by AFP (afpnet.org), this book is apparently one of a series, which warrants further investigation. No other international volume I have reviewed is as comprehensive or culturally attuned. The choice of authors for each section is exemplary and the volume’s organization, with introductions, case studies, data charts, and summaries, is superior. Highly recommended.
10. **WARREN BUFFETT.** Iconoclastic? Complex? Certainly. His interest here in our context is how

another form of philanthropic urge can take form and the differences of style that make him stand out. His large non-egotistical donation to the Gates Foundation is the supreme example. I write this in mind of some individuals I have met who mistakenly lump him together with “rabid capitalists.” Their ignorance shows. Apart from his adherence to a comparatively ascetic lifestyle, living in the same unspectacular home for decades, insistence upon a continued base in Omaha, and the rest, he has used his immense credibility to exert some influence on political thinking. If only through short meetings, letters, and his precious quips. But perhaps more profoundly, he is not the sort to boast.

As a midwesterner with a gift for poetic plain speak, he falls in a line of men of letters which would include Mark Twain and Will Rogers; his output may be smaller but impact equal or greater. (There were presumably women of letters of this ilk too; I considered Harriett Beecher Stowe, but determined she was cut from different, if equally good, cloth. Any suggestions? The winner will receive a photo of me burning, in a public place, 10 copies of Atlas Shrugged, which I will purchase, unless her Institute is giving them away free.)

I am touched by his meeting with then Senator Obama, whom he had invited to his office which one reporter described as resembling a used tire store, or similar. Anyway, he pointed out a recent arithmetical realization: my secretary, he said, seems to be paying proportionately more tax than I am. How can a country progress like this? (My approximation, but accurate). Obama obviously agreed in some fashion.

Mr. Buffett nearly always sees the ultimate big picture, surely in business but in life as well. And it is invaluable to have a very wealthy money/business genius speak up for the populace on an occasional basis. This is part of his iconoclasm, and fully believable, now that he has put his money where his mouth is, via the Gates Foundation donation.

Indirectly, and sometimes pointedly, Mr. Buffett has addressed the central issue: no society can prosper without a strong middle class, which includes a lower middle class, and indeed a working class, and their ability to move ahead. Why then is this vital fact seemingly ignored by a significant proportion of the very well off? At least for the sake of their grandchildren?

Two things make any country great, a fact which the United States (and Australia, both successful countries composed largely of immigrants it should be noted) have proven across two centuries: the ability to make money, indeed its enjoyment, and thus create a buoyant middle class; and the ability and willingness to distribute money, or make it justly accessible to the wider whole. The two are inextricably tied. Though a decline in either, thus both, occurs and can be measured over decades not years. Perhaps those still unseeing are looking only at the ocean and not the many drops that make it up. Two of Mr. Buffett’s axioms sum up his non-contradictory position, and define for our terms the heart of the issue—that of a healthy society:

The rich are always going to say that, you know, just give us more money and we’ll go out and spend more and then it will all trickle down to the rest of you. But that has not worked the last 10 years, and I hope the American public is catching on.

Rule No.1: Never lose money. Rule No. 2: Never forget rule No. 1.

11. **LANGUAGE ABUSE.** I refer to the overuse, thus denigration of fine words in our beautiful language as mentioned briefly in the essay. Perhaps there is a way for a nonprofit to impact such a social problem as language improvement, and in fact there are literacy programs of various

sorts, though these do not tackle this problem directly. The French government actually attempted to eliminate “Franglais” (intrusion of English words such as “weekend,” “snack,” and “hot dog,” for which there were no equivalent or desirable ones. “Cool” has recently fallen on the list), spending millions of dollars in the 1980s to no effect and becoming something of a laughingstock. However, English, in the United States in particular, is regressing noticeably as exemplified by a singularly strange incident. A Claude Pollie, of Elko, Nevada, known variously as “Doc” and “The Judge” was imprisoned for impersonating both of these professional roles for financial gain, and related offenses. It was revealed in court that he had also sent a submission to The Guinness Book of World Records claiming to have created a sentence using the F word as a personal pronoun, noun, adjective, adverb, verb (both transitive and intransitive, no small feat), conjunction and preposition, in a sentence of 12 words, and claiming a world record. His defense of this disgraceful conduct was that “I was at the time under the influence of Hollywood B-script writers.” The Guinness Corporation was quick to react with its attempt to ban him for life from entering Ireland. “This is an insult to Eire, the land of poets, lovers of language and good humor, but this outrage constitutes neither language nor humor,” a Guinness spokesman stated.

12. **PETER DRUCKER.** Apart from what is said of the great Drucker in the essay, it should also be observed that he had a resounding wit and a way with words. Peter Drucker’s numerous instructive quotes can be found on the web. A few of those I find particularly pertinent to this essay:

“The most important thing in communication is to hear what isn’t being said.”

“If you want something new, you have to stop doing something old.”

“What’s measured improves.”

“This defines entrepreneur and entrepreneurship—the entrepreneur always searches for change, responds to it, and exploits it as an opportunity.”

And this last one which goes to the depths of leadership, I believe:

“Leadership is not magnetic personality that can just as well be a glib tongue. It is not ‘making friends and influencing people,’ that is flattery. Leadership is lifting a person’s vision to higher sights, the raising of a person’s performance to a higher standard, the building of a personality beyond its normal limitations.”

13. **DR. EDWARD de BONO.** Since his first title Lateral Thinking: Creativity Step by Step exploded onto both the personal and corporate booklists in the late 60s this medical doctor has authored well over another 30 books on thinking, creativity, and perception, and consulted with many multinationals. He also created educational programs for school-age children at use in several countries today. While widely popular, his work never falls into the dreaded “self-help” category and much of it remains highly pertinent to business as well as individual endeavor; no one has delved into nor presented the art of thinking as well, nor as simply. I had the pleasure of taking tea with him in Sydney; though he is of Maltese birth, his demeanor is quite English.

During a lively conversation we spoke of many subjects, including Japanese culture and their ability at miniaturization, and how he felt restaurants should be more active in selling books. He always comes up with innovative little ideas with commercial “bounce”. Innovation by combining

things differently. When enlisted by a local government in Australia to assist in a constant problem of overly long parking meter users, in spite of fines, his solution was: “Make it a posted law that all those who park must leave their lights on.”

14. **DR. RICHARD FLORIDA.** Dr. Richard Florida has taught and lectured at numerous universities including George Mason in Washington D.C.. After authoring four or more academic books on his primary field, urban planning, he wrote The Rise of the Creative Class which surprisingly to all, became a best seller, at least within the circles of avid readers and those interested in cities. He is a disciple, as I am, of the great Lewis Mumford (The City in History) and Jane Jacobs, who wrote the then (and still) stunning The Death and Life of Great American Cities, in the 1960s. He studied directly under the latter.

He has, in original fashion, continued their lineage of effective and imaginative thought about urbanism, as expressed in The Rise. In this work and subsequent ones—though The Rise remains his most important in my opinion—he innovated remarkably, viewing cities from a people or talent perspective, this, a major paradigm shift in the field, and in hindsight a very obvious, if completely overlooked one.

Partnering with a statistician, he performed many studies pertaining to types of people and the cities they choose to live in, focusing controversially on, amongst others, the gay and so-called bohemian sectors, and their measurable contributions to a city’s economy, industries, growth, evolution and vitality. The operative word, was and is “chose” or “choose” to live in, as he demonstrated trends which indicated that certain cities attracted people first, not jobs themselves. People would then move to their favoured city and create jobs for themselves. So, what Dr. Florida terms a “virtuous cycle” occurs, people bringing talent, and in turn, attracting more, like-minded or similarly motivated people who bring more talent. Thus creating not only jobs, but whole new industries, and wider socio-political trends.

Clearly, some cities have fared much better than others. On his “creativity index” Seattle and Portland are near the top of the list, actually ahead of San Francisco in recent years. Interestingly, in a correspondence with him, he pointed out to me that were Sydney or Melbourne included in his study, they both would have rated “near the top.” His city rankings embrace all major cities in the U.S. and are deeply instructive, particularly if one uses them as a tool for further thinking and examination. Naturally, not everyone agreed with him.

However, far-sighted local and state leaders have hired him as a consultant to their governments, including then Premier (Governor) John Brumby of Melbourne, Australia who ran an innovative and effective state government for several years, and prompted me to create and publish a volume entitled Melbourne: Global Smart City, based on some of Dr. Florida’s precepts, but also expanding widely into the area of future and long term planning, both those extant, and others which were formulated as a function of the book’s production. This book was and is meant to be the first in a delayed series, and a somewhat new genre within the field.

In a wider sense Dr. Florida’s work is very important—apart from the fact that he has made urban planning an upfront issue again, after years of popular neglect or disinterest—because he expands the field as a whole to its proper place. Urban planning, is NOT any longer simply the province of infrastructure and engineering—IT IS REALLY AND PROPERLY ABOUT THE GROWTH OF CIVILIZATION AS A WHOLE, IN ALL ITS FULLNESS, AND HOW TO IMPROVE AND MAKE IT EVOLVE. The Rise, in which he quotes from a huge array of sources, some literary, and many outside of the field traditionally observed to be mere urban planning is therefore a cornerstone work of

great importance for thinkers in the social sector at large. This because it embraces all human activity from the arts to education, health, and much more—an holistic view based on human talent. It should also be noted that this book, would appear to be a must read for search consultants—and is a delightful and profound read for anyone who cares about people, culture, cities, and human endeavour.

15. **PETER C. BRINCKERHOFF.** This writer was slightly ahead of the curve with his 2000 book Social Entrepreneurship: The Art of Mission-Based Venture Development, at least by title. It is part of the respected John Wiley and Sons publishing group's Nonprofit Series, which comprises a very lengthy list, deserving review particularly by those seeking knowledge of law and taxation and other sub-specialties within philanthropy. The list has a "how-to" feel to it, which may explain some of my reactions to SE: it is an elementary sort of book which has begun to show its age—or maybe it is ideal for a quick read as a checklist exercise by someone inexperienced in business. At the beginning the author throws the word "risk" around like a basketball player on fire, apparently not understanding that venture capitalists and entrepreneurs (good ones anyway) hate risk and work to avoid it, whereas he treats it as both virtuous and something we should get used to. Nonetheless, there is so much by way of simple step-by-step process that would benefit any newcomer to philanthropy or even the practiced hand, that it is difficult to dismiss so abruptly. Or maybe my problem with SE stems from it being, probably deliberately, a textbook with a lot of stern boy scoutish advice and no real-life examples. So, for some people, it may be just the right instruction manual. Or one good read in a longer, varied list. In one important sense, the book demonstrates how rapidly the quality and sophistication of the literature in the social sector has matured, when compared with Morino's Leap of Reason or Rothschild's The Non Nonprofit.
16. **STEVE ROTHSCHILD.** Apart from the numerous innovations cited in his book and his work at Twin Cities RISE!, of particular interest to many social sector activists is his slate of activity in working with local and state government. In discussions with and subsequent proposals made to the State Economist, Mr. Rothschild quite logically explained that success in his nonprofit mission would transform inactive individuals into tax paying citizens, and moreover, remove them as dependents of government subsistence payments. He progressed this idea with others and the result was the passing of a Human Capital Bond in his state, Minnesota. A \$10 million pilot fund has now been passed, and is in early stages of implementation. Mr. Rothschild is especially adept at both working with governments and observing likely trends, which will impact the social sector. It's clear that, as mentioned within the essay, what has increasingly come to be called discretionary spending—a euphemism for "we don't have a lot of money in this government"—will continue to be a problem regardless of improvement within the economy at large. Some problems are simply too large, and governments generally are overburdened. So approaches based on the thinking of Mr. Rothschild, which could be carried out with almost infinite variety, make up a major avenue for growth amongst certain nonprofits. The broad proposition is simple: How can a nonprofit legitimately, and within a results focused manner, form a government alliance for fundraising? The basic criterion must be satisfied however: the raising of a bond or similar instrument which attacks the problem, presumably along with one or more nonprofits working on the SAME or closely related problems, must offer detailed explanations and forecasts, statements of capability. This serves as an example of cross-sectoral solutions and innovative approaches. The given, which Mr. Rothschild clearly believes in, is that governments (as presaged by Mr. Drucker decades ago) will continue to re-trench. Interestingly, and in some part no doubt due to Mr. Rothschild's efforts, the Minnesota unemployment figures as of this writing have returned to pre-recession levels—a hopeful

statistic, but surely no guarantee whatever that government coffers for new programs will at any time achieve their long-ago levels. Nor, with sufficient innovation of the sort practiced at Twin Cities RISE!, should they. The future beckons.

Readers may wish to send valuable reading material suggestions to insights@waldronhr.com.



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