

# The Challenge of Nonprofit Leadership:

## Building a Transformed World

Remarks by William S. White, President



**M**<sup>75<sup>th</sup></sup>  
1926  
2001  
CHARLES STEWART  
MOTT FOUNDATION

November 2001

*This speech by William S. White, president, chairman, and CEO of the Charles Stewart Mott Foundation, was the opening keynote address delivered at Independent Sector's Annual Conference on November 4, 2001, in Atlanta, Georgia. The conference's theme was "Let Every Voice Be Heard: The Responsibility of Leadership."*

*Copies of this reprint can be obtained free of charge by visiting the Mott Foundation's Web site ([www.mott.org](http://www.mott.org)), sending an e-mail to [infocenter@mott.org](mailto:infocenter@mott.org), writing the Foundation or calling its Publication Request Line. This booklet was printed in January 2002.*

# The Challenge of Nonprofit Leadership: Building a Transformed World

About a year ago, when Sara [Meléndez, president and CEO, Independent Sector] asked me to talk here today, neither of us could have imagined how much the contours of our lives would change in a few short hours on a sunny Tuesday morning in September. We could not have envisioned the degree to which our lives, our core values, our faith, our tenacity as individuals and as a nation would be tested.

And our thoughts and prayers go out — and have gone out, and are continuing to go out — to those directly affected by these events, thousands of people who lost friends and loved ones, not only in this country, but throughout the world. And since then, I think we have all been re-examining America's place in the world, and we are learning to cope with an accelerating rate of change and a bewildering sense of uncertainty.

But in the midst of all, there have been many proud moments:

- The outpouring of solidarity and generosity, and the examples of leadership and heroism have been truly remarkable but, as we reflect on these outpourings, to be expected.
- A renewed sense of patriotism.
- Our deepened understanding of who we are as Americans.
- Our heightened appreciation of our neighbors, our communities, and

our values has provided, and continues to provide, comfort and inspiration.

Truly, in the past few weeks we have seen the best of America's voluntary spirit. And, yes, under the President's leadership, we have drawn together as a nation.

Also, I expect during these last few weeks we have all become news junkies. And while I'm on the media, let me praise the Advertising Council and secondarily the Leadership Conference for its public service ad, "I am an American." Those four words, "I am an American," and the people who utter them in the ad, say more about America's diversity, spirit, unity, and freedom than volumes of learned essays.

Indeed, the media have done an excellent job in educating us about the geography, the cultures, the history, the peoples, the religions, the past mistakes of the West, and the issues of the Middle East and Central Asia.

And, yes, we have learned about Afghanistan and its neighbors and all of the accompanying paradoxes.

I also believe that the antidote for evil is  
good, and the way to arrest evil is through  
carefully targeted good works.

I don't know what causes evil. But we have learned that poverty, ethnic tensions, political powerlessness, suppression of human rights and civil liberties, and illiteracy are a good breeding ground for evil and fanaticism.

I do not buy the moral equivalency argument, but I do know that the issues of poverty, racism, illiteracy, and intolerance can be found worldwide, and unfortunately, yes, they can be found in the United States.

I also believe that the antidote for evil is good, and the way to arrest evil is through carefully targeted good works.

Ultimately, September 11th raises issues of fundamental human values, and values are what bring us here today. The theme of the conference, as you all know, is "Let Every Voice Be Heard: The Responsibility of Leadership."

My role today is to challenge your assumptions as leaders of the sector. I will talk about some things that have not changed significantly, some things that have, and the challenges that remain ahead.

But first, I want to return to another century and another era, and talk briefly about C.S. Mott. He was the founder of the Mott Foundation. He was born in 1875 and died in 1973. He was a businessman, an elected public official, and a leader of what today we would call the NGO

sector, the independent sector.

He was also an entrepreneurial leader. I had the privilege of working with him briefly. He once wrote:

"When a man believes nothing else is important, really, except people, how can he implement his belief effectively? It seems to me that every person always is in a kind of informal partnership with his community. His own success is dependent to a large degree on that community, and the community, after all, is the sum total of the individuals who make it up. The institutions of a community, in turn, are the means by which those individuals express their faith, their ideals, and their concern for fellow men. The partnership between a man and his community is often an unconscious relationship. But this fact does not make it any the less real."

I believe that paragraph summarizes our people-based sector.

When talking about leadership, he used words such as vision, courage, ability, hard work, — he used to call it "sweating blood" — ideals, ingenuity, daring, and faith in the boundless accomplishments possible for those who set their hearts and minds to a task.

C.S. Mott also had this advice for us as leaders:

"For each of us there comes a time for taking stock, for comparing our intentions with our accomplishments.

Even if a man” — and let me digress; if he were here today, he’d say woman. “Even if a man feels no necessity to justify his life to others, there is no escaping the necessity to justify it to himself. Each man’s life has its own private record of success and failure and his responsibilities to himself, his family, his associates, his community, and his God. It is not always easy to set forth an honest balance sheet when human and abstract values are involved, but one can try.”

One final word from C.S. Mott, which in the wake of September 11th still has meaning:

“Every man is in partnership with the rest of the human race and the eternal conquest which we call civilization.”

It seems to me when we think about letting every voice be heard, at times it is important to sit down, take stock privately with ourselves, and let us hear our own voices and our own hearts.

In these quotes I think you catch a glimpse of a man who was shaped by values and driven by hard work, who had a deep faith in people, and who realized that all of us are linked together in the pursuit of a civilized world.

Since this is the Mott Foundation’s 75th anniversary, I have given thought to, and we’ve talked about and we’ve written on, the subject of embracing change while remaining true to core values. Indeed, the major challenges of September 11th are to rediscover core values or first principles, and learn how to embrace or handle or confront change and uncertainty.

Indeed, if we are going to be talking about leadership, the consideration of fundamental human values has to be number one on our agendas.

As I said earlier, what have not changed are the ideals of our nation’s founders and the values and ethics on which those ideals were based; namely, a society that respects the dignity and integrity of each member; a society that values truth, justice, honesty, tolerance, and education; and a society that has constitutionalized the freedoms of speech, press, assembly, and religion.

These values are paramount. These values are the internal strengths of the society that we in this room and many more millions around the world work hard to protect where they do exist, and fight to put in place where they do not. It is now imperative that we intensify our efforts to join together and make the world a better place, a sustainable place.

In his book, *Which World: Scenarios for the 21st Century*, Allan Hammond of the World Resources Institute describes three scenarios that we can select for our future: the Market World, the Fortress World, and the Transformed World.

- The Market World reflects a society with increased private enterprise and expanded global markets. This scenario sees prosperity, technology, and economic progress. In other words, economic globalization as a way to improve the human condition.

- The Fortress World highlights the growing gap between rich and poor, creating a society that pits people against each other. This scenario could occur if economic globalization, i.e., the Market World, fails. This scenario could lead to widespread violence and chaos, resulting in people holing up. For some, this could be a response to the attacks on America.

- The Transformed World envisions a future in which social, political, and economic reform create a better life,

not just a more prosperous one. It focuses on human creativity and compassion as keys to providing opportunity for all. In the Transformed World, more people participate in decisions that directly affect their daily lives. They feel a sense of ownership for the environment and their government. Nations become less insular and more responsive to their global neighbors' concerns. Leaders look beyond the immediate horizon to recognize the impact of their decisions. This form of globalization endeavors to empower all in a sustainable way.

In past years, I spent time constructing scenarios and then observing results. Usually they do not turn out in the way one anticipates. But as Hammond writes, scenarios serve as stimulants for our imaginations.

He also says, "I believe that if we are to shape desirable futures for our children and grandchildren, we must know more about where the world appears to be headed and what choices we need to make collectively and individually."

I talked with Hammond, and he believes we can choose our destiny. He says we are at the point that scenario painters — I'll use the word "painters" — call a branch point. A time when we really can choose the future. He argues for a more inclusive, sustainable approach to global development.

The Transformed World scenario is based on the fundamental values that we have been talking about, and is, I believe, the one we should pursue. To do this, we must work with those who think differently than we do, but who share a common desire for a better world. Our leadership will have to be creative and compassionate if we are to move forward.

Now let me read what Nelson Mandela had to say about transformation in the last chapter of his autobiography, *Long Walk to Freedom*:

"I have never lost that hope that this great transformation would occur, not only because of the great heroes, but because of the ordinary men and women of my country. I always knew that deep down in every human heart there is mercy and generosity. No one is born hating another person because of the color of his skin or his background or his religion. People must learn to hate, and if they can learn to hate, they can be taught to love. For love comes more naturally to the human than its opposite. Man's goodness is a flame that can be hidden, but never extinguished."

Mandela, the man, epitomizes great leadership. So what do we mean, really mean, when we say leadership?

When I think of the qualities of leadership, I think of seven fundamental needs.

One, the need for a clear, well-articulated, ethical vision that is founded upon the values we hold dear.

Two, the need to listen and give voice to those who are oppressed, marginalized, and socially excluded so they can be empowered to direct their own lives.

Three, the need to creatively and practically deliver the ideals we espouse in an ever-changing world. In essence, we must be able to translate ideals into reality.

Four, the need to courageously say, "I do not know," yet be willing to lead in such a way that our uncertainty reflects a mind that is open to learn and grow and change.

Five, the need to value partnership while recognizing and accepting differences, tensions, and conflicts so we can formulate a common, sustainable approach.

Six, the need to provide space for dialogue and time for reflection.

Seven, and finally, the need to provide inspiration that will give confidence and courage to others and enable us to jointly move forward.

Our goal of creating an inclusive society based on the respect, dignity, and integrity of each individual demands that we in the broadly defined nonprofit sector provide this type of leadership.

To ensure that every voice is heard is our major challenge.

Now I'd like to ask: How well are we doing? There are seven challenges I would like to talk about.

One, we in the nonprofit sector have portrayed ourselves as the champions of the poor, the disenfranchised, and the oppressed. We have claimed our position as defenders of their rights, as advocates for enabling and supporting policies in the fields of welfare reform, education, and health. However, have we delivered on our promises? More importantly, have we listened to the people? Have we facilitated their involvement as partners in helping solve the problems they face?

Two, there is now an even greater need for us to address issues of diversity and to work together for tolerance and

understanding. Do we devote sufficient resources in the form of time, energy, and money to promoting understanding? Are we too quick to judge people's customs, habits, and cultural norms when they are different from our own? More importantly, are we prepared to support and defend diversity and to work to eradicate racism, as we advocate for every voice to be heard?

Three, earlier I referred to the notion of partnership. The independent sector, broadly defined, cannot do everything on its own. Well, neither can government and the corporate sector. And we also need to include the media. To move forward, all facets of society need to work together. So how do we maximize our combined resources? Do we seek opportunities to work together? Do we seek to understand how each other works?

Four, there are not enough foundations, nonprofit organizations, educational institutions, and other organizations, again in the broadly defined third sector, with a global perspective. Transformational leadership requires informed debate and dialogue on foreign policy issues and understanding of strategic global concerns. And we can do this without

Our goal of creating an inclusive society based on the respect, dignity, and integrity of each individual demands that we in the broadly defined nonprofit sector provide this type of leadership.

While we are in an economic recession, there should never be a recession of the human spirit.

We have conquered uncertainty and fear before, and we can do it now.

turning our backs on our traditional priorities.

For example, we need to bring a global awareness to our local cultural institutes and our local educational systems. Rushworth Kidder, president and founder of the Institute of Global Ethics, and also a Mott Foundation trustee, had this to say:

“The moral imperative at this juncture is for a wholesale revolution in how we teach the next generation. World history, geography, foreign affairs, comparative religion, global ethics — these are not just luxuries, they are central to our future.”

Question: If we were to follow Dr. Kidder’s advice, would the media increase its coverage of international news? And ultimately would we see an increase in the amount of foreign aid our government gives?

Five — now we’re getting down to the basics — “stick to your knitting.” It is a phrase used by Tom Peters and his colleagues as a successful management strategy. It applies to our sector now. We need to ask: Are our management structures appropriate for today and tomorrow’s needs? Do we have strong, engaged boards and competent, committed, and compassionate staff?

Are we running cost-efficient operations? Are we transparent and accountable? Are we sufficiently aware of our constituents and their needs? Are those the needs we respond to? Do we need to have an honest conversation about the dimensions of the sector and the role it plays in our nation’s life?

Six, are we all aware we face economic challenges? Many foundations, nonprofit organizations, and other sector institutions have experienced reductions in their revenues and assets. At the same time, this is a very wealthy country, both in terms of the voluntary spirit and also money. I believe one’s charitable impulse has to hit the pavement on Main Street because that is where people’s lives are played out. That is where problems occur. And that is where neighbors have to help neighbors. As September 11th demonstrated, when people see a need, they will help, comfort, and give.

While we are in an economic recession, there should never be a recession of the human spirit.

We have conquered uncertainty and fear before, and we can do it now.

An interesting question is: Can we sustain the recent outpouring of generosity and volunteering? Can this outpouring lead us to a Transformed World?



For those of us in the foundation world, we need to honor our commitments. We need to tighten our own belts and we need to be more targeted on the critical issues of the day, particularly poverty, racism, and illiteracy.

We also need to take a long view, perhaps a rolling average approach, to our spending policies. Perhaps during this period we should, when appropriate, favor general purposes grants as opposed to more directed philanthropy. That provides a little more flexibility.

But most important, both donors and donees need to build real partnerships based on listening and trust.

Seven, this is a different type of challenge, but one I strongly believe in, and I could give another speech on it. Perhaps the greatest scourge of all is that of illiteracy and the lack of educational opportunity and, yes, access. We know with absolute certainty that those who do not have a solid education have little chance of success in our world, regardless of location. In much of the world, the illiteracy rate for women is unacceptably high.

Further, we all know that the results of poor academic achievement and illiteracy for many mean unrealized potential and a downward spiral of crime, drug addiction, poverty, homelessness, extreme marginalization, and in many cases, intolerance. Recent studies show that in the United States, 14 percent of children leave school each year before the minimum school leaving age. Specifically, between 350,000 and 550,000 tenth- to twelfth-grade students drop out of school each year. It's unacceptable.

And I have also just described a good breeding ground for hatred and fanaticism. Our challenge is to address not only the external threats to America, but also the internal threats.

I had the privilege to monitor the first elections of the Palestinian Authority. ... I was assigned to the Gaza Strip, and while in that region I became aware of the many problems that the people in that region face. I met with Palestinians and I met with Israelis and learned a lot.

But the most vivid memory of all was on election day. [There were] thousands upon thousands of people eagerly wanting to vote. And late in the night, ... we were watching the vote being counted, and someone from another polling station came in and said he had no observer [but] would like someone from America to be there. And I was chosen.

Now, I didn't speak Arabic. He and his colleagues didn't speak English. But we managed to talk and communicate. And I felt very privileged to be there at that historic time for those people, and [to witness] a historic milestone on the road toward democracy.

My only real regret was that more Americans — and I later modified that to say all Americans — couldn't be present to see the vote being counted.

And out of that — I'm going to be controversial here — I will say that while the impossible odds are stacked against them, there is no more important world priority than for the people of Israel and Palestine to peacefully settle their differences.

Now, I'd like to close by recognizing the tremendous leadership and inspiration the people of Atlanta have given to the world. I was going to offer only two names, but I do know

that a previous board member of Independent Sector, Boisfeuillet Jones, passed on earlier this year. He was a great, great, great man. Many of you knew him. While I hadn't seen him in several years, I missed my annual meetings with him.

The names I'm going to mention are, one, the late Lon Crim, who was the first African-American superintendent of the Atlanta Public Schools. Lon was also a trustee of the Mott Foundation. Lon and his late wife, Gwen, had a vision that every child could learn and succeed. Not only did he have a vision, but he also walked the walk by always mentoring several youngsters. He also walked with Martin Luther King. I don't know if Dr. King knew he was there, but he walked with him.

Incidentally, participating in the celebration of Dr. Crim's life, which was held at the Ebenezer Baptist Church, were Mayor Campbell, Maynard Jackson, Johnnetta Cole, and Andrew Young. I don't know if any of them are here today.

So while we are in Atlanta, let me close with some combined thoughts from Martin Luther King Jr., who was a great champion of unheard voices: <sup>1</sup>

“Sooner or later all the peoples of the world, without regard to the political systems under which they live, will have to discover a way to live together in peace. ... Granted that the easy-going optimism of yesterday is impossible. Granted that we face a world crisis which leaves us standing so often amid the surging murmur of life's restless sea. But every crisis has both its dangers and its opportunities. It can spell either salvation or doom.”

“If you lose hope, somehow you lose the vitality that keeps life moving. You lose that courage to be, that quality that helps you to go on in spite of all. And, so, today I still have a dream.”

And if Dr. King were here today, I believe he would say, “Let every voice be heard.”

Thank you.

<sup>1</sup> The first paragraph of quotations is from Dr. Martin Luther King Jr.'s, acceptance speech for the Nobel Peace Prize on Dec. 10, 1964, in Oslo, Norway. The second paragraph is taken from Dr. King's 1998 book, *The Trumpet of Conscience*.

Design by **olmsted**associates, Flint, Michigan  
Printed by McKay Press, Midland, Michigan



Contains 10% post-consumer recycled fiber. This report is printed with non-petroleum based ink, and it is fully recyclable.



CHARLES STEWART  
MOTT FOUNDATION

Mott Foundation Building  
503 S. Saginaw St., Suite 1200  
Flint, MI 48502-1851

Phone: 810.238.5651  
Fax: 810.766.1753

Publication Request Line:  
800.645.1766 U.S., Canada  
414.273.9643 Elsewhere

[www.mott.org](http://www.mott.org)