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1706 Dave's boardroom etiquette

January 22, 2023

Principled Governance: When Everything Matters

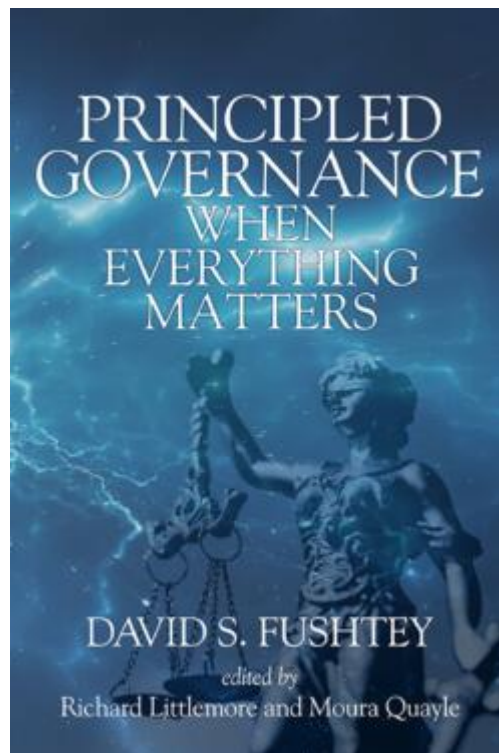
by David S. Fushtey, edited by Richard Littlemore and Moura Quayle, foreword by Moura Quayle

Charlotte, North Carolina: [Information Age Publishing](#), 2021

\$45.04 (US) / 9781648026546

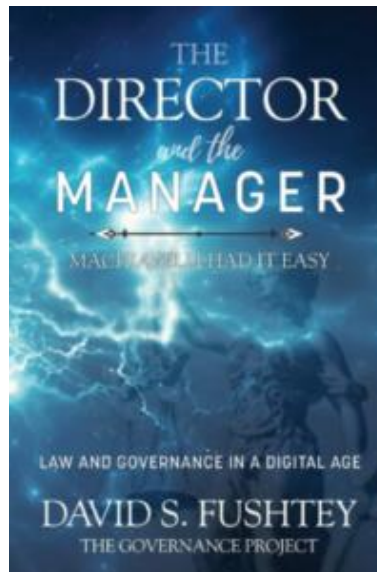
Reviewed by Theo Dombrowski

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“It’s like the setup for a bad joke: an economist, an MBA, a lawyer, a bureaucrat, an activist, a venture capitalist, and an engineer all walk into a room. But our experts aren’t here for a punchline; they have come for a board meeting, and they could be forgiven for looking lost.” Thus opens a chapter in a recent book by David Fushtey called *Principled*

Governance: When Everything Matters. These words are a key to appreciating this powerful little book — for this is a book that tackles, with the finesse evident here, the complex and perplexing world of board meetings. And, more to the point, it directs sharp intelligence, wide experience, and real depth of *purpose* to ensuring that no one, on any board, on any level, ever need feel “lost.”



Fushtey, [*The Director and the Manager*](#) (2019)

In fact, this current version is not the original book by Fushtey, the prominent Vancouver governance lawyer and member of many boards. That, published in 2019, at more than 1,000 pages, was called *The Director and the Manager: Law and Governance in a Digital Era: Machiavelli Had It Easy*. This new book, its Foreword emphasizes, is a “distillation.” And why the need for such an abbreviated form (beyond the obvious comparative marketability)? The answer to that question reveals a lot about the genesis of the book in the first place, and, even more, about the impact this version is likely to have on its readers.

In the Foreword, [Moura Quayle](#), experienced academic, administrator, and author of a somewhat related book, *Designed Leadership* (2017), makes a moving revelation about her promise to her recently deceased husband, David Fushtey: “...in his final days, I promised Dave that I would do my best to get his important messages out to the world, in a form that would be immediately useful to all managers and directors, new and old...” The emphasis here on immediacy and usefulness accounts for only part of the flavour of the book, however. The fact that, as Quayle says about her husband, he felt “profound moral outrage” at what he witnessed in the boardroom underlies the tautness, substance, urgency — yet elegance — of the finished form.



Vancouver lawyer and writer David Fushtey (1955–2019)

For the book to reach its final form, Quayle worked with [Richard Littlemore](#), “friend and trusted editor” (and perhaps best known for co-authoring [Climate Coverup: The Crusade to Deny Global Warming](#), Greystone 2009). As a team, they have produced a punchy and profound little book crafted towards radically casting light on and altering the current culture of any boardroom, from the most local strata council to the most consequential international board. In their determination to make the work “accessible — in a highly readable form,” the authors have hit upon several key strategies.

Some readers will find most striking what the book doesn’t do: remarkably and refreshingly, it sails breezily past the irritating mire of boardroom jargon. In these pages there is not a single use of “going forward,” “blue sky thinking,” “deliverables,” “bandwidth,” “upskill,” “paradigm shift,” “robust,” “learnings” or, or, or. Remarkable. Equally, the book, unlike many in similar fields, doesn’t stagger under the weight of multiple citations, references, and notes: the few that appear are pertinent and deftly managed.



Fushtey's wife Moura Quayle co-edited the book and provided the foreword. UBC photo

What readers will find, instead, is clarity — and the strategies to create that clarity have an impact. Some of these are external and structural. The book is divided into short, numbered subsections, often accompanied by bullet points (and, as a bonus, stylish little illustrations by Quayle herself.) Parallel to this strategy, and related to it, is the shaping of each major idea to the point that it has a kind of skeletal sparseness. Even more tellingly, each major point is repeated and reframed.

As if to emphasize, though, that these skeletal ideas are interconnected with enormous complexities, the authors employ a huge number of lists. Some of these may be largely conceptual, like “experiences, perspectives, concerns, priorities, and interests.” Some may remind readers of complex issues, like “shareholder values, social licenses, stakeholder interests, corporate purposes, marketing visions, and agreement objects.” Yet others refer to extensive numbers of existing bodies, like, for example, the “host of courts or tribunals” dealing with, variously, “corporate tax, trade, strata or local community, immigration, or intellectual property.” By thus pointing to the world beyond the boardroom, the authors ensure that readers will fully appreciate the weight and substance of boardroom responsibilities.

The most distinctive technique, though, links to a key method of Fushtey's original book — namely to illuminate current social conditions by comparing them to the claims of much-maligned sixteenth-century political writer, Niccolò Machiavelli. The subtitle of the full book wryly makes the essential point: “Machiavelli Had It Easy.” Why did

Machiavelli have it easy? He had it easy in large part because he didn't have to worry his sixteenth century head about any of the vast whorl of realities touched on in the lists that pepper this book. For the purposes of this shortened version of *Principled Governance*, Machiavelli serves largely to colour and enliven the text. First being sure to correct popular misunderstandings of the clever political tactician, the authors go on to use him as a kind of touchstone, a ready point of reference serving to illuminate an idea by comparison or, more often, contrast.



Machiavelli, *The Prince* (*De Principatibus / Il Principe*) (1532), (2019 edition)

While the authors thus have Machiavelli do a tour of duty to sharpen the argument, they pull a few other historically charged facts out of their sleeves to make their points stick. It is difficult not to read a list where names are named without sharing the authors' revulsion towards particularly egregious "governance failures." Heading the list with the seventeenth century economic calamity wrought by the Dutch East India Company, the authors go on to shine the cold light of history on more recent disasters: "Friedrich Krupp AG, Enron, Siemens, Bear Stearns, China Medical Technologies and Volkswagen." At another point, evoking the even more tragic case of Union Carbide and the 1984 chemical spill in Bhopal, India, they let facts speak all too clearly for themselves.

The fact that such a list is further charged — implicitly — with a sense of quiet outrage points to what is probably an even more seminal quality of the writing here: the tone. Almost as affecting as the strategies for propelling the ideas of the book is the tone with

which the writing is infused. Quietly purposeful phrases like “it is necessary,” “it is surely appropriate” rise in pitch to “it’s vital,” and, at points, to imperatives: “Beware the temptation,” assert the authors, “to place efficiency in the short term in priority to effectiveness over time.” Rarely, but effectively, the tone of the writing pulls not a trace of a punch: “At the board level, some directors ... blame stupidly by ignoring available information.” For many readers this kind of writing is likely to remind them of the appalling kind of board behaviour currently most powerfully present in popular consciousness through dramatizations like *Succession!* At its most purely enjoyable, the writing is colourfully crafted: “The swords and shields of our adversarial process were born in the time of Machiavelli, yet they survive with the advanced techniques of shotgun blame and in-house litigation squads.” *Touché*, bad directors!



Co-editor Richard Littlemore, Vancouver writer and journalist. Photo by Michael Ruffolo via *National Observer*

Such phrasing is comparatively rare, however, and always used judiciously. For the most part, readers will be primarily aware of an almost restrained dignity of expression given depth by a clear sense of authoritative knowledge arising from (exasperated?) *experience*. “Due diligence,” we read, “remains an expression often used and rarely defined.” When the authors write something like, “...nothing seems to trigger instinctive self-preservation in governance quite like a perception of impending loss of control,” they coolly eviscerate those who cling to power at any cost.

Surprising to many readers, no doubt, will be those inflections in the writing that make the point – repeatedly — that the act of governance is fraught with peril. While never... quite...saying “the buck stops here,” they make sure that a would-be or current director or manager needs to be aware of “risk” — on almost every quarter. Cautionary statements at some points such as “sloppy practice can exact real costs in any organization,” are echoed at other points by more threatening ones: “Increasingly, the

only way to survive is to understand the complexity, and get out in front to avoid or mitigate surprises.” The sinister weight of the word “surprises” is underlaid by the earlier use of the word “survive.” The picture is not pretty.

Elsewhere, though, the authors understand — and make sure — that a little (wry) humour can go a long way in driving a point home: “Even today, if any of us need reminding that humans are, well, human, we have a choice of 24-hour news channels to reinforce our understanding...” Though dismal, the truth comes with a smile.

By this point, it should be obvious that being a director or manager (the distinction is frequently clarified in the book) is not to be taken lightly. And this is where the book’s title needs to be invoked to act as a focus of some of its key ideas. The way in which the book is about *Principled Governance When Everything Matters* only really comes clear as it unfolds. Fundamental is the key word “when.” The book is, at its core, about a particular “when” — not “then” (remember Machiavelli?) but, alarmingly, now.



A vintage Pet Rock (1975) in its original box-nest with instructions for use and training. Courtesy eBay

“Then,” or, at least the culture it spawned until recently, was, in some ways, almost laughable, it seems. In the recent past, “directors were perceived as and relegated to being passive figureheads as ‘ornaments on the company Christmas tree,’ or in the U.S. vernacular of the 1980s, ‘pet rocks.’ Board directors for much of the past hundred years were expected ... to be pleasant if incompetent amateurs....”

And this points, trenchantly, to the next words: “Everything Matters.” What exactly constitutes “everything” and in what way it “matters,” the authors make unblinkingly clear — and repeat their point, and repeat it further. Barely a page goes by without the term “digital age” appearing. Understand the implications of the term “digital age” and you begin to understand the nature of “everything.” Vast webs of information and the lightning speed with which that information spreads means that a director who is a “pet rock” is doomed ... to sink. And how it “matters” is probably by now obvious: everything and anything can be so interwoven into the function of any board (remember the lists?) that nothing can be ignored. Everything matters.

Understanding this concept leads, in turn, to the first word of the title, “Principled.” Most readers may assume that the word is best understood as the opposite of “unprincipled” — that is unscrupulous, without scruples, or *moral* principles. In one way, those implications are entirely appropriate. The book does, indeed, have a strong “moral” thrust. However, as it develops, it becomes clear that the primary meaning of the word relates to fundamental “principles” — that is driving purposes, ideas, and values. In these terms, then, it is the chief argument of the book that all governance should be, must be, underlaid by consciously embraced, complexly understood, “principles.” It is not enough to be an “ornament on the company Christmas tree.”

In sum, then, a long-winded and laboured version of the title might be something like, “Governance on any level must be guided by principles and ideals, especially during our current period when a vast complexity of intersecting issues and knowledge claims has huge ramifications.”

Some might wonder why such an assertion need be made to any board worth its salt. Indeed, as the book demarcates twelve key “principles,” some readers might initially find that the principles are so solid that they shouldn’t need stating. Surely, such readers might feel, any decent board need not be reminded of the principles of integrity, accountability, rule of law, understanding roles, acting civilly, exercising due care and due diligence, and so on.



Courtesy ptbocanada.com

Part of the (unsettling) response, apparently, is the fact that many boards simply have not understood or fully embraced such hallmark principles. More to the point, though, many important driving principles are *not* recognized. In fact, the authors insist, understanding key principles cannot be left to “osmosis.” It has to be taught. Indeed, after raising eyebrows and considering for a minute, readers who have experienced boards in full flight may well, as they go through the book, want to whip out a highlighter and mutter, “Hallelujah!”

One of these, “Choose authority over power,” seems particularly potent when the authors explain the way in which true authority accrues — and, implicitly, muscled power is abused. Even more refreshing, though, for anyone who has had to put up with a culture where what some call “strong, decisive leadership” is seen as admirable and, in contrast, nuanced, supple, or flexible judgement is seen as weakness, will be the authors’ declaration: “Respect complexity; embrace ambiguity.” The way the authors clarify this principle and the way they demonstrate the wisdom that underlies it will, for many, occasion another Hallelujah moment.

More initially puzzling, though, for those who value straightforwardness and friendly relations, is the principle “Beware Trust, Common Sense, and Loyalty (The Three Horsemen of the Governance Apocalypse.” It soon becomes clear, however, that this

principle is intended to attack disingenuous rhetoric and muddled assumptions. What the authors call “an invitation to leap to a self-satisfying conclusion” is exposed as unprincipled flourishing of terms like “common sense” (others leap to mind) to act as smokescreens for poorly-conceived decisions. Likewise, in the sway of bad directors or managers (or even, apparently, courts and written legislation), both “trust” and “loyalty” are routinely brandished to quell thoughtful questioning. As the authors say at one point, “there are no stupid questions.”



David Fushtey

Possibly the most passionate call to arms of the book, however, is the one that, at first, might seem almost outrageous. In a world like ours where “conflict of interests” is routinely deplored, the book makes a thoughtful and penetrating observation. Not only, do we read, that “Life is a conflict of interests,” but, even more surprisingly, that this is “not inherently bad.” So much does this seem the most iconoclastic claim of the book, that the assertions that arise as a kind of corollary deserve fuller quoting:

It’s time to begin recognizing, formally, that conflicts of interest are generally common and often inevitable. Then we can proceed to mitigate, blamelessly, through proactive analysis and deliberative decision-making. Under the current practice, directors are assumed not to be in conflict unless they acknowledge or post a matter of concern. This is an unrealistic standard that serves mostly to undermine faith in the system — among governors, the media, and the public...

The firmness of purpose that rings through a line like “It’s time to begin recognizing,” is even more evident in the book’s conclusion. Unusually, rather than just building to a rhetorical crescendo, the authors take a deep breath and repeat, in summary, the whole

book. As the authors insist, though, so important is the book's message, that the Summary — what they describe lightly as the “Coles Notes of Dave's governance principles” — “should be copied and posted inside your director's notebook.” A sense of purpose and a profound desire to have a real effect on decision-making can't go much farther than this.

Indeed, the final words of the book could hardly be more impassioned:

Governance will not be transformed by people standing on the sidelines.... [A] successful shift to principled governance will require a new generation of managers and directors who learn, grasp, and implement the principles enunciated here.

You have taken the first step. May you find success and fulfillment in the steps to come.

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Theo Dombrowski on Denman Island. Photo by Eileen Dombrowski via oasislife.ca

Born on Vancouver Island, **Theo Dombrowski** grew up in Port Alberni and studied at the University of Victoria and later in Nova Scotia and London, England. With a doctorate in English literature, he returned to teach at Royal Roads, the University of Victoria, and finally at Lester Pearson College at Metchosin. He also studied painting and drawing at the Banff School of Fine Arts and at the University of Victoria. **Editor's note:** Theo has written and illustrated several coastal walking and hiking guides, including *Secret Beaches of the Salish Sea* (Heritage House, 2012), *Seaside Walks of Vancouver Island* (Rocky

Mountain Books, 2016), and *Family Walks and Hikes of Vancouver Island* (RMB, 2018, reviewed by [Chris Fink-Jensen](#)), as well as *When Baby Boomers Retire*. He has recently reviewed books by [Aaron Bushkowsky](#), [Devon Field](#), [Pirjo Raitis](#), [Vince Ditrich](#), [Madeline Sonik](#), and [Alex Rose](#) for The British Columbia Review. Theo Dombrowski lives at Nanoose Bay. Visit his website [here](#).

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The British Columbia Review

Publisher and Editor: Richard Mackie

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One comment on “1706 Dave’s boardroom etiquette”



Mariken Van Nimwegen says:

January 26, 2023 at 3:04 pm

Well done, ‘Team Fushtey’ and good review, Theo.

I have immediately forwarded this to the ‘Save the Vancouver Folk Music Festival’ group, because the festival’s Board appears to be in deep doo-doo as we speak: they’re proposing to disband the Society at their AGM next week by complete surprise and hundreds of people are up in arms about that. A discussion is raging. All kinds of so far unfounded suspicion and misunderstanding aimed at the Board et al. is flying around at the moment. This review alone, by lack of time for members of the Festival to read the book before they vote on the motion to disband, already gives multiple helpful pointers and reminders. Let’s hope the current crisis gets sorted out, conceivably with the help of this useful book in the near future. Let’s face the music!