

EDITORIAL: Does governance = leadership?

Dear readers!

We are pleased to share with you the recent issue of the journal *Corporate Governance and Organizational Behavior Review*.

The word “governance” is often associated with the high-level direction of some type of large entity such as a government. In fact, Merriam-Webster defines governance as, “overseeing the control and direction of something (such as a country or an organization)” (“Governance”, n.d.). In understanding what it means to control or direct something as complex as an organization, it is not always clear where leadership fits into the equation (for a related review see Vera, Bonardi, Hitt, and Withers, 2022), especially with an organization as large as a government. Yet, there are times in history when governance and leadership seem to go hand-in-hand, such as when a strong leader is needed (Selvanathan, Crimston, & Jetten, 2022). Such was the case about 90 years ago in the U.S.A.

In 1933, the Great Depression reached an apex. Over a quarter of the labor force was unemployed, those that did work got paid very little, thousands of banks had disappeared, and even food riots were not uncommon. It was in this context that Franklin D. Roosevelt (FDR) was elected as the next president of the U.S.A. What he and his team were able to accomplish in what became known as “The Hundred Days” completely changed not only the history of the U.S.A. but also that of the world (Goodwin, 2018).

Examining “The Hundred Days” of FDR brings clarity to the question of how governance can equal leadership. From day 1 of his presidency, FDR took to heart his famous saying from his inaugural speech that, “the only thing we have to fear is fear itself”. He did this by clearly separating himself and his presidency from what happened in the past while also lifting the spirits of the people, not by telling them what they wanted to hear, but by telling the truth while showing a way out. He accomplished this feat by not only giving the people a sense of shared purpose but also being very clear about expectations, both from their side and from the side of him and the government. Essential in the *governance = leadership* equation for FDR was being willed to take full responsibility with a smile and by creating a team of people who were committed to action and change (Goodwin, 2018).

The first order of business for FDR was stopping the complete failure of the whole banking system, which at the time seemed like an impossible task. Governance as leadership was again required. A window of time was needed, so a banking “holiday” that was to last one week was implemented, after which FDR reached out to as many stakeholders as possible to create a solution in the short amount of time available. He not only included congressional leaders from both political parties but included a group of prominent bankers and even members of the previous president’s Treasury Department and all of the state governors.

Amazingly, in a matter of four days, not only was a bill created to shore-up the whole banking system, it was passed by both the house and senate of the U.S.A. Finally, FDR had three days left to convince the American people that the banks were sound. He did this first through a press conference that was designed to be conversational and educational and then on Sunday night (the day before the banks were to reopen) he had his first “fireside chat”. The chat was broadcast through the radio to an estimated sixty million people, where he used plain and honest language to persuade the American people that they could again trust the banking system (Goodwin, 2018).

All of this hard work paid off, for when the banks reopened again on Monday, instead of people running to the bank to pull out their money, they were running to the bank to deposit their money. However, FDR did not stop there, he continued his governance as a leader model by addressing the problems that lead to the crisis in the first place by creating lasting reform. In fact, by the end of “The Hundred Days”, fifteen major pieces of legislation had been passed and signed into law which later became collectively known as the “New Deal” (Goodwin, 2018).

Although much of what was to come in American politics to the current time is often thought to fall short of what FDR and his team were able to accomplish (Smith, 2018), whenever crisis strikes modern-day organizations (Randolph-Seng, 2020) we can safely say that lasting, positive change will happen when governance equals leadership.

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