

An Excerpt From

Stewardship, Second Edition
Choosing Service Over Self-Interest

by Peter Block

Published by Berrett-Koehler Publishers

Second Edition, Revised and Expanded

STEWARDSHIP



Choosing
Service
Over
Self-Interest



PETER BLOCK

Bestselling author of *Community* and *Flawless Consulting*

More praise for the new edition of *Stewardship*

"Be forewarned: this is a scary read. In the twenty years I have been engaged in collaborative leadership programs, Peter has been a go-to author for challenging the theory and practice of leadership. In this second edition of *Stewardship*, Peter leaves us nowhere to hide as he takes an in-depth look at what it truly means to lead from the heart in a culture driven by accountability, metrics, and control. Every 'yes but' I raised is countered with examples, metaphors, skillful explanation, case studies, quotes, practical suggestions, and Peter's trademark creativity and faith in our ability to do the right thing for the common good."

—**Anne J. Udall, Trustee, American Leadership Forum (ALF); former Director, Charlotte Region Chapter, ALF; and Vice Chair, Udall Foundation**

"Like Robert Greenleaf before him, Peter Block's voice is that of a contemporary prophet. This revised edition of *Stewardship* is one of the best books ever written. It serves as a powerful source of hope and encouragement for servant-leaders everywhere."

—**Larry C. Spears, coauthor of *Insights on Leadership*, *The Spirit of Servant-Leadership*, and *Fortuitous Encounters***

"Over the past forty years, through *Stewardship* and other seminal works, Peter Block has articulated the course required for effective leadership in the 21st century. If only more managers and leaders from every sector took note and practiced the principles of *stewardship*—productivity would rise, people would be healthier, local community life would be flourishing, and the spirit of democracy would be enlivened worldwide. His message is that essential and that scalable."

—**Lynn Luckow, President and CEO, LikeMinded.org, and former President and CEO, Craigslist Foundation**

"*Stewardship* is love in action. It is time for our organizations to rethink how they exercise power and control. In our changing country and world, our capacity for stewardship may be what ultimately saves our democracy and models accountability and freedom, in their real sense, for the rest of the world. As usual, Peter Block points us in the direction of our better selves, living out a better future."

—**Sayra Pinto, Principal, Matriz Coaching & Consulting**

"This is one of those very rare anomalies: a second edition that is more essential and timely than the first. It spotlights our current dysfunctionalities—such as the literal looting of so many of our organizations by self-serving top levels—and how far we have actually regressed from a pattern of commitment to service and healthy work environments in most corporations. It's impossible to read this book and then continue to look at current organizational processes as (desirable) 'business as usual.'"

—**Fritz Steele, organizational and environmental consultant and coauthor of *The Arrogant Leader***

“As with his other books, the second edition of *Stewardship* forces the reader to rethink basic assumptions about leadership and change in organizations. Peter always challenges my thinking and offers a perspective that I have never found elsewhere. He makes espoused values come alive. Leading in the way Peter describes requires courage, a virtue missing in many of today’s organization leaders. Peter’s unique ability to pinpoint the true source of power and confront the reader in a way that cuts through defenses makes reading *Stewardship* a true learning and growth experience.”

—**Cliff Bolster, Leadership and Learning Consultant, Bolster & Associates, Inc.**

“Peter Block is one of the most provocative and iconoclastic thinkers we have on the topics of leadership, business, and organizational design. His insights are still fresh and razor sharp, and he expresses them in a singular, poetic style. The new edition of this foundational text extends the scope of his insights to meet the challenges that have arisen in the last twenty years and shows how to create not just productive and humane workplaces but vibrant communities, an engaged democracy, and a healthy planet.”

—**Toni A. Gregory, EdD, Associate Dean for Academic Affairs, PhD Program in Interdisciplinary Studies, Union Institute & University**

“Peter Block’s second edition of *Stewardship* is even more provocative than the first edition was twenty years ago because we are more fearful about our economic and personal well-being than ever before. Block helps us see our own complicity and interconnectedness with all that goes on around us and, with this updated edition, will help a new generation learn that the way to find meaning and purpose in life is to form partnerships for the common good, empower each other through human understanding, and together, build competent societies.”

—**Frances Strickland, PhD, President, Smith Educational Enterprises**

STEWARDSHIP

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Also by Peter Block

*The Abundant Community:
Awakening the Power of Families and Neighborhoods,*
co-authored with John McKnight

*Flawless Consulting:
A Guide to Getting Your Expertise Used,*
Third edition

Community: The Structure of Belonging

*The Answer to How Is Yes:
Acting on What Matters*

*The Flawless Consulting Fieldbook and Companion:
A Guide to Understanding Your Expertise*

*Freedom and Accountability at Work:
Applying Philosophic Principles to the Real World,*
coauthored with Peter Koestenbaum

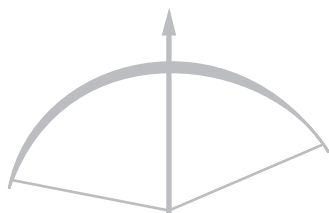
*The Empowered Manager:
Positive Political Skills at Work*

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STEWARDSHIP

Choosing Service Over Self-Interest

Second Edition



Peter Block



Berrett-Koehler Publishers, Inc.
San Francisco
a BK Business book

Stewardship

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To Leyland, Gracie, and Auggie, my grandchildren.

*Each a uniquely beautiful soul.
Knowing them assures me that they will create
a better world than the one they inherited.*

and

To Leslie Stephen, my always editor and friend.

*She is a dream to work with: honors my voice,
holds to the intent, performs alchemy with words.
After her touch, the writing is clearer and
kinder to the reader and to me.
This revision does not exist without her.*

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Contents

Foreword *by Steven Piersanti* xvii

Welcome xxiii

Stewardship xxiv

Service xxv

Introduction to the Second Edition

What Has Changed? 1

It's a Digital World 2

What Is Good for Business Is Good for the World 4

Side Effects 5

Goods We Can Build Upon 8

PART I

Trading Your Kingdom for a Horse

11

ONE **Replacing Leadership with Stewardship** 13

- Something More Is Required 13
- The Essence of Stewardship 15
- Choosing Partners 17
- Choosing Empowerment 18
- Choosing Service 19
- We Don't Act on What We Know 20
- The Leadership Question 22
- The Underbelly of Leadership 24
- The Stewardship Answer 27
- Three Organizational Challenges 28

TWO **Choosing Partnership over Patriarchy** 33

- Creating Order 33
- Distributing Ownership and Responsibility 35
- Partnership as the Alternative 37
- Balancing Power 38
- Four Requirements of Partnership 39

THREE **Choosing Adventure over Safety** 43

- The Wish for Safety 43
- Entitlement Is Empowerment Run Aground 44
- Choosing Empowerment 45
- Stewardship Begins at Home 49

FOUR **Choosing Service over Self-Interest** 51

- A Model of Stewardship 51
- Teaching Revolution to the Ruling Class 54
- The Realm of Management 55
- Rank without Privilege 56
- Connecting the Heart and the Wallet 57
- The Point 58

PART II

The Redistribution of Power, Purpose, and Wealth

63

A CASE STUDY

Sometime Later in the Week 65

- The Need 65
- The Players 65
- The Squeeze 66
- The Crisis 68
- The Test 69
- Possible Solutions 70

FIVE **Defining the Stewardship Contract** 73

- Principles for the Practice 74
- The Stewardship Contract 79
- Life in the Balance 84

SIX	Upsetting Expectations	
	<i>The Emotional Work of Stewardship</i>	87
	The Trail Is Inside Out	88
	Facing the Wish for Dependency and Dominance	89
	Freedom's Just Another Word for Escape	
	from Freedom	92
	Unstated Emotional Wants: Breaking the Pattern	94
	Just Say No	97
	I Want My Mentor	100
SEVEN	Redesigning Management Practices and Structures	103
	Full Disclosure	103
	Management Practices	109
	Changing Basic Architecture	112
	Boss as Banker and Broker	118
EIGHT	Rethinking the Role of Staff Functions	121
	In the Service of Top Management	122
	Police and Conscience to the Line	124
	Mandated Supplier	128
	Mandated Services	129
	Offering Choice and Building Capability	131
	Service Guarantee	137
NINE	Financial Practices	
	<i>Creating Accountability with Self-Control</i>	141
	Money Is about Control	141
	The Money Is the Message	143
	Building Widespread Financial Stewardship	144
	Living within the Law	150

- TEN **Human Resources**
 Ending the Practice of Paternalism 151
 Institutional Caretaker 152
 A New Purpose and Role 152
 The Structure of Human Resources 154
 Human Resource Practices That Support
 Stewardship 155

- ELEVEN **Compensation and Performance Evaluation**
 Overturing the Class System 165
 The Divine Right of Kings 166
 Pay Reinforces Class Distinctions 168
 Performance Not for Sale 171
 Rank Individualism 174
 Confusing Boss Evaluations with Performance 175
 Pay for Empire 176
 Reward Systems That Support Stewardship 177
 The End of Caretaking 184

PART III

The Triumph of Hope over Experience

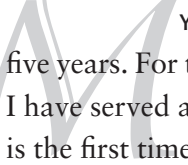
187

- TWELVE **Cosmetic Reform**
 When the Disease Becomes the Cure 189
 Nothing Is Next 189
 The Open Office 190
 Patriarchy Re-creating Itself 193

THIRTEEN	Re-creating Our Organization through Stewardship	205
	Stewardship Strategy for Political Reform	206
	Steps toward Political Reform	216
	A CASE STUDY CONTINUED	
	The Answer to the Power Company Story, <i>"Sometime Later in the Week"</i>	221
FOURTEEN	Cynics, Victims and Bystanders	225
	The Power of the Cynic	226
	Rescuing the Victim	228
	Facts Won't Help	230
	Treating Caution as a Choice	231
FIFTEEN	The Answer to "How?"	237
	How	237
	"How?" Is a Defense	238
SIXTEEN	Stewardship for the Common Good	243
	The Business Perspective	247
	The Point	251
	<i>References</i>	255
	<i>Index</i>	263
	<i>Designed Learning</i>	268
	<i>The Author</i>	271
	<i>The Artist</i>	273

Foreword

by Steven Piersanti

MY PUBLISHING CAREER has spanned more than thirty-five years. For thirty of those years I have been an acquiring editor, and I have served as the lead editor for many hundreds of books. Yet this is the first time I have ever written the foreword for a book.

Why have I chosen to do something for this book that I have never done before? Two reasons. First, as a testament to the importance of this book. And second, because of gratitude for the profound impact of this book on Berrett-Koehler Publishers and on me personally.

Stewardship was published to great acclaim in 1993, and it quickly became a best seller, eventually selling nearly 200,000 copies. *Library Journal* (June 15, 1993, p. 92) said that “Block transcends all extant leadership literature” and this book “[has] conceived the organizational structure of the 21st century.” *Stewardship* inspired thousands of leaders and change agents to profoundly rethink how they did their daily work. For example, one educational administrator wrote (in a letter to Peter Block), “I will never look at leadership and organizations the same way again . . . I have read the book, reread it, highlighted it, read my highlights, and taken notes on my highlights.” Hundreds of other book authors and change agents were so influenced by *Stewardship* that they incorporated ideas from it in their work, thereby

further spreading its influence. Some of them wrote their own books (such as *Abolishing Performance Appraisals* and *The Future of Staff Groups*) that delved deeper into particular themes of *Stewardship*. And Peter Block expanded the last chapter of *Stewardship* into an equally profound book, *The Answer to How Is Yes*.

Block has added fascinating and important new material in this second edition: a new introduction that surveys, with Block's compelling insight and mind-opening perspective, what has changed and what has not changed in the world in the past twenty years—and how the ideas in this book are needed now more than ever; a new chapter on “stewardship for the common good” that shows how the principles in the book apply not just to individuals and organizations but also to communities and to society in general; and new examples of stewardship in action.

But this new material is just icing on the cake. What I especially love about *Stewardship* is that it is the rare book that is just as relevant *and* radical today as it was the day it was written, or even more so. This is a sign that Peter Block hit bedrock with the concepts in this book.

One can open the book almost anywhere and find pithy, memorable observations that turn conventional thinking on its head and open our minds to new ways of seeing the world around us. Consider, for example, this comment in chapter 12, “Cosmetic Reform: When the Disease Becomes the Cure”: “Appraisal is a process of coercion. We also call it a reward system. Yet if it is a reward system, it is a punishment system too.”

Block provides such a foundational and far-reaching rethinking of leadership, power, purpose, governance, and participation in organizations and communities that the ideas of this book will continue to change our thinking for decades to come. The book's original and central concepts—stewardship, partnership, service, avoiding class systems, and many others—are so profound and universally relevant that they will challenge readers' beliefs and practices in any place and time, now and in the future.

Berrett-Koehler is unusual as a publishing company because we consciously and actively seek to learn from the books we publish and to use the ideas in those books to improve how we run our business, serve our customers, partner with authors, and work with all of our stakeholders. Without any doubt, *Stewardship* has had more impact on Berrett-Koehler than any other of the more than five hundred books we have published.

For twenty years I have given each new BK employee a copy of *Stewardship* and asked her or him to read it. But that is only the tip of the iceberg of this book's influence on our company.

Its influence started in 1992, even before *Stewardship* was published, when I was working with Peter Block on the manuscript and sought to incorporate its ideas into how Berrett-Koehler was conceived and organized. In fact, the founding concept of Berrett-Koehler was based on stewardship, as described in our first catalog in the spring of 1992:

If I were to choose one word to describe our vision, it would be "stewardship." By this I mean a deep sense of responsibility to administer the publishing company for the benefit of all of our "stakeholder" groups—authors, customers, employees, suppliers and subcontractors, owners, and the societal and environmental communities in which we live and work. Each of these groups contributes to the success of our publishing venture, and each has a "stake" or investment in its success, whether that investment is time, talent, money, or other resources.

This is still our guiding concept today for all that we do at Berrett-Koehler.

There is a story behind why the ideas of *Stewardship* fell on such fertile ground at Berrett-Koehler. Before founding BK, I had been president of Jossey-Bass Publishers in San Francisco during its challenging transition from being an independent company to becoming part of the media empire of Robert Maxwell (who at the time was a chief

rival of Rupert Murdoch) and being placed as a division of Maxwell Communications Corporation.

I quickly discovered that our new corporate parent was calling all the shots, and none of the other Jossey-Bass stakeholders really mattered. Not the many Jossey-Bass employees who had been central to the company's success for ten to twenty years of faithful employment there; not the authors with whom Jossey-Bass had longstanding relationships, some of whom were original authors of the company; not the many suppliers and service providers on whom the company depended, including some who had supported the company from its founding. All that really mattered was the call from my boss in New York City—a bureaucrat who seemed to have no real understanding of our company or even how to work collaboratively and intelligently with us.

What was especially troubling about this new balance of power was that there was nothing our new corporate parent was doing that made Jossey-Bass more successful or productive or profitable. Yet, without adding any value, the corporate parent presumed to unilaterally govern our company. It was easy to see that something was deeply wrong with this equation.

And so the ideas in the *Stewardship* manuscript spoke directly to my corporate experience. We set out to build Berrett-Koehler Publishers on a different foundation. This started with the founding concept quoted above and was later reinforced by our articulation of our mission as “Creating a World That Works for All.” It has continued with a host of BK practices directly inspired by the concepts in *Stewardship*.

One of these core practices is to avoid a class system in our management, employment, and compensation practices. This begins with involving all employees (and, when appropriate, other stakeholders) in making major company decisions. And whereas, as Block writes in *Stewardship*, most organizations have two compensation systems, with the executive compensation system designed to pay those at the top as much as possible and the employee compensation system designed to control costs, Berrett-Koehler has just one compensation system for everyone in the company. Furthermore, this compensation system is

designed to pay a living wage to everyone and to minimize the disparity between the lowest and highest paid employees; accordingly, the highest paid employee (me) earns less than five times what the lowest paid full-time employee earns, including bonuses. All employees are involved in decisions about changes in the compensation system. And we have taken another page out of *Stewardship* by banishing secrecy: all employees know where every employee is on the compensation scale, and all employees receive full financial reports each month of how the company is doing and where money is being spent.

Another area where Berrett-Koehler has sought to live by the ideas in *Stewardship* is by following a partnership approach in our relationships with authors. This approach struck pay dirt right from the beginning of our company with our distinctive publication agreement, which, in the words of one early observer, “creates incentives for both parties to contribute and do well, whereas most contracts are contingencies for when things go wrong, legal protection against foul-ups.” The publication agreement gives authors more involvement in deciding the title, cover design, and interior design of the book than is normally the case in the publishing world. Various other clauses in the agreement also support a partnering relationship with authors in lieu of the publisher control clauses in most agreements. And most radical of all, the agreement yields to authors the ultimate power by giving them the right to terminate the agreement “if, for any reason, the Author is not satisfied, in the Author’s sole judgment, with any aspect of the relationship with the Publisher or with the Publisher’s performance in any aspect of publishing and selling the Work.” This turns on its head the normal hierarchy between publishers and authors.

We have developed many other practices over the years to support a partnering relationship with authors, including launching each new book with an “Author Day” that allows authors to interact with our entire staff and to work directly with our editorial, design and production, sales and marketing, and digital community building teams; supporting the growth of the “BK Authors Cooperative,” which is an independent organization through which BK authors help each other

in numerous ways to increase their success and impact; and creating a groundbreaking “Bill of Rights and Responsibilities for BK Authors.” These partnering practices and many others are major contributors to Berrett-Koehler’s success and are why many view BK as one of the most author-friendly publishers.

We approach relationships with other stakeholder groups with a similar partnering approach. This starts with the ownership of our company by our employees, authors, customers, suppliers, service providers, sales partners, and other stakeholders. All these groups are included in our strategic planning processes and our occasional “BK Community Dialogues.” And our board of directors includes representatives of all these groups. This has led to great support for Berrett-Koehler by our stakeholders throughout our company’s history, including during challenging economic times.

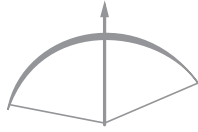
So we at Berrett-Koehler know from abundant firsthand experience that the ideas in *Stewardship* are powerful and effective in creating meaning, contribution, and success for an organization or community.

It is my hope that every leader, every aspiring leader, every change agent in any group, and every member of the BK community will read this book. I know that all who do so and who seek to incorporate these concepts in their life and work will be richly blessed and increase their capacity to do good in the world.

Steven Piersanti

President, Berrett-Koehler Publishers

Welcome



OUR TASK IS TO create organizations that work, especially in a world where everything constantly seems up in the air. We know that fundamental change is required. We keep talking about cultural change, but this will not be enough if we stay focused on changing attitudes and skills. No question that beliefs and attitudes need to change, but unless there is also a shift in governance—namely, how we distribute power and privilege and the control of money—the efforts will be more cosmetic than enduring.

The need for something different partly grows out of us as individuals. There resides in each of us the desire to more fully integrate our lives. We must feel fragmented, because we talk about ourselves as if we were cats with several lives. “This is my work life,” “This is my personal life,” “This is my spiritual life.” In compartmentalizing our lives, we are constantly setting aside parts of ourselves, even at times giving ourselves away. This fragmentation is also reflected in our organizations. There are all the debates between being people oriented and task oriented, hard-nosed and soft-nosed, values driven and results driven.

The central idea of this book, stewardship, has the potential for us to reintegrate parts of ourselves and move beyond the debates in our organizations. In this way, it is a book of reconciliation. Stewardship focuses our attention on aspects of our workplaces that have been most

difficult to change: the distribution of power, purpose, and rewards. It is these dimensions of organizations that need to be re-formed if we are to become whole in our efforts to strengthen ourselves. We are each engaged in discrete exercises to help our organizations lose weight, become more flexible, and stay hopeful. We have a program for everything. Cost reduction, continuous improvement, customer service, cycle time, empowerment. Each one seems to meet its goals, yet a major part of our lives stays unchanged. We remain watchful of people who have power over us; we feel that the organization is the creation of someone other than ourselves and that the changes we want to make still need sponsorship and permission from others at a higher level.

We need a way of reconciling the promise of our programs with the experience of our day-to-day lives so that the *Queen Mary* truly changes direction.



Stewardship

Stewardship is the umbrella idea that promises the means of achieving fundamental change in the way we govern our institutions. Stewardship is to hold something in trust for another. Historically, stewardship was a means to protect a kingdom while those rightfully in charge were away, or, more often, to govern for the sake of an underage king. The underage king for us is the next generation. We choose service over self-interest most powerfully when we build the capacity of the next generation to govern themselves.

Stewardship is defined in this book as the choice to preside over the orderly distribution of power. This means giving people at the bottom and the boundaries of the organization choice over how to serve a customer, a citizen, a community. It is the willingness to be accountable for the well-being of the larger organization by operating in service, rather than in control, of those around us. Stated simply, it is accountability without control or compliance.



Service

The underlying value is about deepening our commitment to service. We have the language of service. We serve our country; we call ourselves a service economy; we choose public service as a profession; we have committed to serve customers. What is missing is the experience of service. Our experience is too often to find ourselves surrounded by self-interest, especially inside our institutions. The ways we govern, manage, and lead are a testimony to self-interest. Authentic service is experienced when these conditions exist:

- There is a balance of power. People need to act on their own choices. Acts of compliance do not serve those around us or the larger organization. Dominance also fails. We do a disservice to others when we make decisions for them. Even if we are right.
- The primary commitment is to the larger community. Focusing constant attention on the individual or a small team breeds self-centeredness and entitlement.
- Each person joins in defining purpose and deciding what kind of culture this organization will become. We diminish others when we define purpose and meaning for them, even if they ask us to do so.
- There is a balanced and equitable distribution of rewards. Every level of an organization shares in creating its wealth and expanding its resources. When an organization succeeds in its marketplace, money and privilege need to be more evenly distributed among levels if our commitment to service is to have any integrity.

Without these elements, no genuine service is performed.

These notions of service and stewardship, however, are not the basis of how we currently run our organizations. They do reflect some of our intentions about how to govern, but not the reality.

Some of the elements are often in place. We frequently see innovative pay systems, self-managing teams, total quality efforts, partnerships, customer attentiveness, and inverted pyramids. They are rarely, however, put together in a pervasive governance strategy. As a result, we end up too often working against ourselves. We share control with the left hand and take it back with the right. One moment we are on the fast track toward participation, and the next moment we are instituting more controls. The new technology makes it even easier to control workers. We can electronically track their movements, their work patterns, who they are communicating with, how much they are working even when they are out of sight. Supervision has almost turned into surveillance.

The intent of this book is to translate these ideas about power, community, purpose, and privilege into a whole strategy for governing our companies and institutions. Stewardship then becomes a governance strategy. It is the search for the means of experiencing partnership and empowerment and service. This book offers a guide map for this search. Discovering how to govern, to ensure the well-being and survival of our organizations, is how we create meaning in what we do. This is the spiritual stream we stand in.

Stewardship encompasses concerns of the spirit, but it also must pass the test of the marketplace. It must be practical and economical. It must be low cost and good for customers and communities as well as employees. Our organizations constantly stand on this intersection of spirit, community, and the marketplace. The unique intention of this book is to offer the means by which there can be a reconciliation of what is good for the soul, good for a customer, and good for the health of the larger institution.

This book, then, is for those of us living questions of purpose and survival. It is not written from the point of view of consultants, experts in managing change, and experienced practitioners worried about changing others. The book takes the viewpoint of core workers, staff people, supervisors, managers, and executives. It is for frontline

workers and people in a support role. People who are in the middle of it all. It is for activists in school reform, health care, and government under fire, as well as businesses in the private sector. It is for people who have decided that their organization needs reforming and have doubts about whether what they are doing now is enough.

This book has three parts plus a new introduction, which presents the current backdrop for the issues the book deals with. Part I, “Trading Your Kingdom for a Horse,” is about the basic concept and the promise of stewardship and the limitations of leadership. It dramatizes the choices we face and the high wire we dance upon. Part II, “The Redistribution of Power, Purpose, and Wealth,” gets practical. It is for the engineer in each of us that asks at some point in every conversation, “Enough theory—what does it look like? What do we do differently tomorrow, first thing, at 7 a.m.?” I don’t know why the engineer in us gets up so early. In this second part resides the vision of stewardship in action. Special attention is given to staff groups like finance and human resources. Part III, “The Triumph of Hope Over Experience,” goes into some of the details about how to get there. What is a logical sequence for thinking about the reform process? It is about how to handle cynics and victims and people who do not want to take the trip. It often does not matter what the trip is; there are just some people who do not want to take it.

The idea of communal stewardship can also be applied to larger community concerns about the social responsibility of institutions. This is explored in chapter 16, “Stewardship for the Common Good.” There are growing questions in society about the relationship between our institutions and the environment, the disparity in wealth, our health, and other social concerns that once were questions on the margin but now may have to do with our collective survival and well-being.

A comment about the book’s design: Accompanying the main text are inserts of anecdotes, quotes, and key sentences from the text itself. Taken together, these are intended as a book within a book. If the main text gets slow, you always have the inserts and quotes to chew on.

This treatment is also a way of balancing the rhythm of the text with voices more profound than mine. And you will notice key words or phrases set off on certain pages. This is to visually open up the book and also to let you know where you are; if you should want to return to a particular spot, they are there to help you find your way back.

At the end of the book are references to books and other works that support the ideas presented here. I also want to acknowledge the important contribution to this book of Joel Henning. His fingerprints are everywhere. We were committed and cranky friends, thought partners, conspirators, and fools together during the time when the ideas were taking shape. He wrote the original foreword to the book, which I have removed, as the times have changed. Joel always found the language to get to the heart of the matter and the courage to lean into any kind of breeze. He is over ten years gone now, but his work and humanity live on in all he touched.

Many hands touching the production of a book make a bigger difference than might be immediately obvious. I appreciate Steve Pieranti for the encouragement of this edition and the Berrett-Koehler staff that brought the book into being. The copyediting was done by Elissa Rabellino. I am so grateful for the way she honored my voice and non-*Chicago* style of writing. She suffered too many sentence fragments and yet in every instance stood firmly for the readability and clarity of the ideas. It is just a better book because she touched it.

Same with Leigh McLellan, who designed the interior of this edition. She has a wonderful and delicate eye for design and keeping the pages open and welcoming, with enough visual energy to encourage the reader to hang in there when the writing doesn't do its job. For me, the look of the book is as important as its content, and much thanks to Leigh for creating a sense of wholeness out of all the type, spacing, and ornaments.

Finally, a word about the painting that graces the cover. It is a painting of an archer by John Nieto, a well-known contemporary American artist. The painting speaks to the best intentions of this book. The

archer's feet are so planted as to be almost a part of the ground. Practical and connected to reality. The bow and the arrow are aimed at the heavens. The arrow carries within it clear intentions; the sky is a place of infinite view and vision. The colors of deep purple and fierce yellow offer a hint of what is unknown; they speak to adventure. These are at the heart of the offering that is this book.

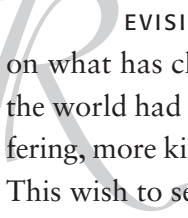
All of the above by way of welcome.

Cincinnati
November 2012

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Introduction to the Second Edition

What Has Changed?

 REVISING A BOOK after twenty years is an occasion to reflect on what has changed in that time. There is, of course, the wish that the world had gotten better. You want to believe that there is less suffering, more kindness, and, for all peoples, a world of more possibility. This wish to see progress is even stronger considering the practice of stewardship, a clearly idealistic and spirit-based undertaking.

Stewardship as used here is meant to be a choice to (1) act in service of the long run, and (2) act in service to those with little power. In historical terms, this has meant to care for the well-being of an unborn king or the next generation. For today's world, it translates into creating accountable and committed workplaces without resorting to increased control or compliance as governing strategies. This is not an easy assignment, considering the still-dominant paradigm of leadership, which is about good parenting and its stronger cousin, patriarchy. Patriarchal leadership, the common practice in most organizations, acts in service of the short term and works in the interest of those with high power, not low power.

Stewardship, then, is an intention to distribute power widely, especially to those at the lowest levels of the organization. It calls us to organize workplaces based on relatedness and collaboration as an

alternative to the bell-curve ideology of competitiveness that is used to rationalize patriarchy.

Stewardship also is a call for a purpose larger than today's drive for material gain, and it pays attention to supporting the common good for our communities, the earth, and people outside the usual cast of stakeholders. This takes us a step away from the individualism and self-interest that is so prevalent.

Against this backdrop, here are reflections on developments over the last twenty years that make stewardship an even more urgent form of governance.



It's a Digital World

The biggest change in organizational life is that we have been beamed into all the joys and sorrows of the virtual and digital world. It is a romanticized world, riding on the wings of speed and frictionless transactions with no human beings involved. It is mesmerizing to grasp the world in a handheld device, much smarter than we will ever be. Technology is credited with bringing the world closer together, spreading democracy, changing the nature of business, supplying round-the-clock connectivity. Geography has been made obsolete. Here are some noteworthy aspects of this life in a work context:

- Workers are members of teams made up of people they have never been in a room with. This has given rise to the question "How do we build a team that never or rarely meets face-to-face?"
- We have willingly given up the forty-hour workweek. We are online and in touch and reachable most of our waking hours. If you ask people to park their cell phones at the door, 40 percent say that this is not possible.

- We work at home. Our bedroom has become our office. We can work in our pajamas most of the time. This allows us to move our residence anywhere, supposedly take better care of our family, and have more control over our time. We can also go to school at home, so our dining room becomes our classroom.

- With a device in our pocket and plugs in our ears, we can have background music or be in phone contact all the time. You go to public places and you see that most people have something in their ear and

are somewhere else. There is no longer a need to be here now. You can go anywhere but here, anytime you wish.

- We all participate in this electronic world, one where speed is a value in and of itself. If something is quicker, it is attractive. If we are quicker, we are attractive. Slow food is considered a revolution. Fast food, a value proposition.
- Controlling costs is now the dominant value for most organizations, replacing the priority once given to the customer and the employee. We can now outsource most every job and function (except top management) in order to reduce labor and benefit costs. We cut down on travel costs and training on the rationale that current audio and video technology approximates the sights and sounds of being in the room together in real time.

The virtual world is sold on these features. A promise of more freedom to the individual. Work at home, learn at will, and control your time. Get information you need on demand. Be a global citizen. All true. Big change in twenty years.

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What is new is the wedding of futurism to what might be called “virtualism”: a vision of the future within which we somehow take leave of material reality and glide about in a pure information economy.

—Matthew B. Crawford, *Shop Class as Soulcraft*



What Is Good for Business Is Good for the World

A second major shift is that the private sector has fully come into its own power to name the debate and create the context for what matters. It is the dominant sector. In other times, the church and the military set the tone for the society. Once it was the government and concern for the social good. Not so now.

The lens for assessing our common interests and institutional well-being is the business lens. It is the focusing device. This defines the conversation: Government is primarily assessed on its waste. The social-service sector is encouraged to merge, eliminate overlap, increase leverage and productivity. The private sector sings, “Why can’t a school be like a business?” Our answer to the “public education problem” is to institute variable pay for performance and stronger measurements as tools for reform. Pure business plays. Intuition and experience have been replaced by evidence. Evidence-based medicine, evidence-based learning, evidence-based decision making. All business terms. This language and reverence for business seeps into all conversation about a better future. We are also looking for businesspeople to run every institution: the hospital, the school, the prison, the government, social services, the church, even the Girl Scouts. We consider business success the ultimate credential.

This is not an argument against business, for businesses are the stabilizing institutions in most communities. They contribute to communities in many more ways than creating jobs. They are the institutions most open to change and adaptation to the new world. They also bring to the community talented and committed people. Businesses provide some of our best foreign policy too; the globalization of business puts a crack in the class structure, has fought racism, and helped create a middle class where none existed. The point is not to paint business as a villain. The point is to recognize its power to frame the culture, to frame the context for how we choose to be together.

In recognizing the power of the business perspective, we see how it affects not only the way we work but also who we are becoming. It defines our new heroes. The contemporary hero is now the entrepreneur. A single soul with faith in an idea that reinvents a marketplace, disrupts a whole industry, takes everything to scale, creates new needs, and provides an escort service into the future. This inventive instinct can also take over domains once reserved for God. We clone sheep today, humans tomorrow. We are in the process of creating synthetic versions of aliveness; we send avatars to meetings, watch a screen more hours than we can count, create video games to simulate experience. In all this we are witnessing the second creation of the world, as if to say, “Thank you, God, for your hard work and the good beginning; thank you for providing a good role model—we can take it from here.” This economic usurpation of God produces a certain amount of guilt, so now we put the word *social* in front of *entrepreneur*. The social entrepreneur speaks to our wish to integrate our surrender to consumption and materialism with the universal desire to do good in the world.



Side Effects

These two concurrent forces—the growing virtual and digital world and the preeminence of the business perspective—have their grip on us. They live on a set of assumptions so deeply embedded in our consciousness that we rarely question them and so cannot ever solve the fundamental issues that keep us and our organizations in patriarchy’s power. These assumptions have a cost. What we see in the last two decades is increasing isolation, anxiety, fear, and concentration of wealth and power. This reality is what calls us to stay interested in the idea of stewardship. The point of this book.

In this journey to the stewardship possibility, we can note some ways in which these cultural forces are shaping our lives:

- Electronic connection, while touted as valuable for building relationships, has the effect of isolating us more deeply. Take Phil, a friend who works at home for a large technology company. This allows him to move around the country, following his wife's career. The price he pays is that his time on the computer is minutely monitored by the company. The normal workweek is fifty hours, but he is expected to deliver fifty-eight billable hours a week.
- Phil works in a world where there is little travel budget for him to be in the room with other employees or to see how what he has designed is being used. There is no budget for his development. The digital revolution that promises more freedom also impinges on our privacy and provides infinitely more control than we thought possible. It creates more instrumental relationships. Thus the isolation.
- Stewardship requires a level of trust and relatedness and is about putting choice close to the edge. The electronic world shares information widely, but that does not necessarily mean it builds relationships. It may sustain them once built, but something is lost by not being in the room with other human beings. If we want to decentralize choice and power, the virtual world has ushered in vast surveillance capacity. Jobs that once held some privacy, like driving for a living, are now monitored closely. Your workstation can now be monitored from afar. The virtual world also has eliminated incidental contact, like passing in a hall, eating in a lunchroom, chatting before and after meetings, or going in and out of work. These peripheral moments, captured in sideways glances, are what build social capital; unplanned, face-to-face encounters encourage the informality where trust and connection are built.
- E-mail and social media are another substitute for seeing each other. We have come to believe that we are communicating with each other when we send an e-mail. Maybe, maybe not.

Facebook creates the illusion of having five hundred friends. We can exchange photographs, be up to date with the smallest details of our lives, but even so, we are still watching a screen. The handheld device becomes an extension of our arm and has made eye contact a rarity among strangers. We have confused an amazing information gadget with a tool of relatedness.

- The divide between personal life and work life has become blurred. We all have a major concern about work/life balance, how to balance work life and personal life, which means we are way off balance, and not in the direction of too much personal life. If as stewards we care for the common good and well-being of a community, yielding so much sovereignty to the workplace makes that care harder to act on.
- The current business narrative is fundamentally one of scarcity. No amount of earnings, no amount of productivity improvement, is enough. Even in good economic times the narrative is one of fierce competition, more cost reduction, grow or die. One effect is increased fear at work. People seem more afraid of their bosses now than twenty years ago. The fear is joined by a schizophrenic sense of enormous business growth and success at the same time as individual earnings and well-being are declining or staying flat. Stewardship is a narrative of abundance: it says that what we have is enough, that there are limits to growth, and it expands our field of vision to care for something larger than profitability.
- The rush of globalization destabilizes our sense of place and security. While globalization has the advantages of increasing our cultural competence, increasing our understanding of other cultures, and providing a positive kind of foreign policy, it moves our center of gravity into unknown territory. Being global citizens can cost us our sense of place, our stability, and the experience of knowing where we belong. Stewardship relies on trust, familiarity, and continuity to do its work.

- We are consumed by our anxiety about success. Parents are more worried about the employment future of their children. We have tiger moms and helicopter parents who want their children to win in the competitive world we have constructed. Home has become a child-management-services bureau where every day is scheduled for positive outcomes. In some cases, when you hire an employee, you are also hiring the person's parental management team; one day you might have to answer to his mom or dad on why you rated their son only above average. Stewardship supports the assumptions of a cooperative world; it replaces competition with collaboration, self-interest with service. It asks us to care more about meaning and impact than about the traditional concern for upward mobility.
- Finally, we continue to be disappointed in our leaders, which means our expectations of them are beyond fulfillment. We seek transformational leaders and relational leaders. We want our mentors, and everyone who can afford it wants a coach. We still love leadership; we just want it to be more benevolent. This focus on leaders tends to centralize accountability instead of distributing it. It says that leaders are cause and employees are effect. Stewardship inverts this and suggests that employees are the central point and bosses need to earn their right to govern.



Goods We Can Build Upon

All these forces create some positive counterforces that support and reinforce the shift in our thinking toward stewardship. For example:

- The longing for hope, stability, and optimism is as strong as ever. In the world of religion, while participation in the traditional churches has declined in the West, the emergent churches here have strong growth. They make fewer demands to embrace specific beliefs and focus more on creating a successful

lifestyle and being part of a community. They give their members an opportunity for connection that has disappeared from the neighborhood and the workplace. Around the world we see growing resistance to the materialism of the West. It is frightening in some of its forms but is clearly a reaction to witnessing the disruption of tradition and culture in the West.

- The environmental movement is touching our lives and our organizations. At a surface level, every business has turned green, at least in its advertising. Government is now also turning green, and proud of it. This is a good thing. This means that conversation about the environment is commonplace. The social responsibility of business is on the table. All these support the steward.
- There are always organizations that strive to create an alternative to the traditional command-and-control cultures. Most high-tech companies seek less social distance between levels. They create more informal ways of being together, make the office more like home, and encourage sociability. They are valuing more ownership from employees and more decisions at lower levels. Some older major companies, like Mars and Crown Equipment, still value the importance of employees, appreciate the importance of learning, and work to keep trust strong by using high engagement and many of the stewardship practices described in this book.
- One response to the increased isolation and cultural force of the digital world is the growth of localism. This is a face-to-face, close-to-home effort. It is the decision to work, shop, and play within walking distance. Given the downsizing and loss of faith in larger institutions, the choice may not be entirely voluntary, but it has become a strong social movement, a convergence of the food, environmental, and anticonsumer movements. Cooperative enterprises are in a growth mode. Local agriculture, neighborhood building, and the desire to buy less

and create more on our own are all on the rise. Just one example is that at this writing there are more than thirty cohousing efforts in the United States alone. In cohousing, fifteen or more families buy a common property, and on this property they have private houses but also common space for eating, raising children, and feeling connected to others close at hand. It is the re-creation of the village and community life that the industrial and information ages have set asunder.

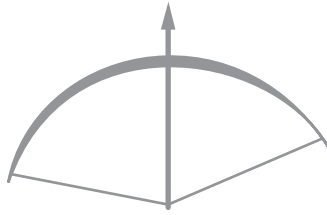
- Finally, as always, there is a large group of young people seeking something more than economic success. They want to serve society. They are open to larger purposes for an organization than being successful in a marketplace, necessary as this might be. They are choosing stewardship and service over self-interest.

The hope of this new edition of this book is that the ideas and practice of stewardship are still a useful framework for thriving in the complexity of this modern age. Stewardship provides a spiritual, values-based anchor in an era that constantly drives us in the direction of speed, control, and efficiency. Stewardship is an alternative way to create a future that transcends the pressure of lower costs and short-term results. It holds a restorative set of values, centered on creating high performance by putting the future in the hands of each member of an organization. It is a voice for the common good as an answer to the growing individualism of the culture.

If the idea of stewardship is elusive, it is because this idea changes with the times, and it is not formulaic and so gives great latitude on the form it takes. It also suffers from ambiguity and having no definitive template or compelling testimony or evidence. Sorry about that. The good news is that it invites you to cocreate the idea and practice and thus imagine its possibilities, and make sense and meaning of it in your own way, out of your own context. Which is what we have to do with our lives anyway.

PART I

Trading Your Kingdom for a Horse



FEW RULERS IN literature can top Shakespeare's Richard III for self-centeredness and inhumanity. Dismounted on the battlefield, with his life in the balance, he cries out, "A horse! A horse! My kingdom for a horse!" At that moment, he would gladly give up all the wealth and power he has accumulated for a practical means that will bring his survival.

Each of us is in the same spot—facing the same choice. Our marketplace is the field of battle, and we have to decide whether to hold on to the power and privilege we have worked so hard to acquire, or to pass it on in exchange for a better chance for survival.

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Replacing Leadership with Stewardship

THIS BOOK IS about how our institutions are managed and governed.

There is a longing in each of us to invest in things that matter and to have the organization in which we work be successful. Our task is to ensure that when we step aside, our job, the service we provide to the world, and hopefully our organization still exist for the next generation. No easy task in this environment.

This book is also about living out democratic values, using the workplace as the focal point. One of its goals is to quicken our efforts to reform our organizations so that our democracy thrives, our spirit is answered, and our ability to serve customers in the broadest sense is guaranteed.



Something More Is Required

THE EVIDENCE THAT our organizations are not working well is fully upon us. Something stark has happened to our institutions that we were not quite ready for. Every sector of society is constantly in the process of reform. Health-care reform, financial reform, education

reform, government reform. Crises that precipitate this kind of reform always come packaged in economic terms first, even though the real issues are much more profound. Our schools, our health-care systems, our government agencies, and our private businesses and industries are under financial scrutiny. Our manufacturing capability has been exported to low-cost-labor countries. Our service functions have been largely automated, to the extent that some companies now consider that allowing you to talk to a human being is a competitive advantage. All organizations continue to search for the latest program to reduce cost. Reengineering and total quality movements have come and gone. Now we are lean and agile. Adaptability and innovation are thought to be the critical competitive edges.

None of this is news. In fact, we are weary of hearing about it. The problem with all the emphasis on economics is that economics is not the real problem. If we keep describing the problem as one of economics and the need for economic austerity, it will lead us to the same actions that created the problem in the first place. Focusing on the cost of health care, the cost of education, the cost of energy, the pressure for higher returns, the cost of social problems, will only keep us stuck in the old conversation. What the money talk reveals is our lack of faith in the ability of these institutions to spend the money in a useful way. Money is a symptom; it is never the real issue. Money is a language. It is easily measured, so it is easy and convenient to talk about.

An economic crisis for any organization means it is failing in its core purpose. In some fundamental way it is unable to serve its constituents or the society as a whole. And if it is unable to serve its constituents, that means it has failed to serve its own internal people. The way organizations mobilize to serve customers and their own people has to do with the definition of purpose, the use of power, and ultimately the distribution of wealth. Purpose, power, and wealth are the chief concerns of the system and process traditionally called *management*. Here we want to suggest the term *governance*. *Management* is a cool, neutral term. It has a professional flavor to it and would treat power as a problem in social engineering. Management is all about creating or-

der in the world and constantly denies issues of power and purpose and wealth. It is all about blueprints, not about what we are constructing. The political nature of institutions is finessed when we talk of management. The term *governance* gets more to the point. We are accustomed to equating power and purpose and wealth with the process of government. Using a term like *governance* recognizes the political nature of our lives and our workplaces. Hope for genuine organizational reform resides in reshaping the politics of our work lives—namely, how we each define purpose, hold power, and balance wealth.



The Essence of Stewardship

Stewardship is the set of principles and practices that have the potential to make dramatic changes in the governance of our institutions. It is concerned with creating a way of governing ourselves that creates a strong sense of ownership and responsibility for outcomes at every level of the organization. It is a buck that stops everywhere. It means having more of a partnership with customers and creating self-reliance on the part of all who are touched by the institution. It says that the answer to economic problems is not reduced costs or better funding; it is to focus on relationships, reciprocity, and participation first. These are the elements that produce the service we seek. This is what will put us closer to our employees and our marketplace. Stewardship is creating a sustainable connection with the people in our playing field that is the answer to our concerns about economics.

We know there is a need for reform; we are less clear about how to achieve it. Most of our theories about making change are clustered around a belief in leadership. We think that leadership is the key to fitting organizations to their marketplace and fitting people to their organizations. If the organization fails, it is the leader's head that we want. This pervasive and almost religious belief in leaders is what slows the process of genuine reform. Stewardship offers an approach to reform that puts leadership in the background where it belongs.

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Stewardship is the choice for service.

Service is a stance that relationships are critical.

Relationships are built through partnership, rather than patriarchy.

Partnership is built on empowerment, not dependency.

Stewardship begins with the willingness to be accountable for some larger body than ourselves—a team, an organization, a community. Stewardship springs from a set of beliefs about reforming organizations that affirm our choice for service over the pursuit of self-interest. When we choose service over self-interest, we say we are willing to be deeply accountable without choosing to control the world around us. It requires a level of trust that we are not used to holding.

In its commitment to service, stewardship forces us then to yield on our desire to use good parenting as a basic form of governance. We already know how to be good parents at work. The alternative, partnership, is something we are just learning about. Our difficulty with creating partnerships is that parenting—and its stronger cousin, patriarchy—is so deeply ingrained in our muscle memory and armature that we don't even realize we are doing it.

In addition to engendering partnership, genuine service requires us to act on our own account. We cannot be stewards of an institution and expect someone else to take care of us. Regardless of how parental our environment may be, we decide whether to support efforts to treat us like children, which expresses our wish for dependency, or to keep deciding that we serve the organization best by creating a place of our own choosing. The well-worn word for this is *empowerment*.

The way we govern our institutions grows out of the stance we take on partnership, empowerment, and service. How we define purpose, how we create structure, how we pay people, how we set goals and measure progress—all grow out of the beliefs we have about control, and about safety, and about self-interest. These are the essential questions about governance. And they are more profound than simply

asking who is at the top of our organization or what management style enjoys popular support at the moment.



Choosing Partners

In deciding how to govern, one critical choice is between patriarchy and partnership. Patriarchy expresses the belief that it is those at the top who are responsible for the success of the organization and the well-being of its members. A measure of patriarchy is how frequently we use images of parenting to describe how bosses should manage employees in organizations. To create workplaces that provide meaning and are economically sound and strong in the marketplace, we need to face the implications of having chosen patriarchy for the governance system inside our organizations.

The governance system we have inherited and continue to sustain is based on sovereignty and a form of intimate colonialism. These are strong terms, but they are essentially accurate. We govern our organizations by valuing, above all else, consistency, control, and predictability. These become the means of dominance by which colonialism and sovereignty are enacted. It is not that we directly seek dominance, but our beliefs about getting work done have that effect.

We pay a price for our top-driven, parenting, patriarchal governance system:

- Democracy cannot thrive if we experience it only for a moment of voting every two to four years. If day in and day out we go to a workplace that breeds helplessness and compliance, this becomes our generalized pattern of response to the larger questions of our society—and, in fact, most other aspects of our lives.

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The governance system we have inherited and continue to sustain is based on sovereignty and a form of intimate colonialism.

- In a high-control environment, what is personal and sacred to us is denied. Autocratic governance withers the spirit.
- In the marketplace we operate in now, centralized control, with its strong belief in better planning and clearer strategy, cannot create a more agile or adaptive future.

Partnership carries the intention to balance power between ourselves and those around us. It brings into question the utility of maintaining consistency, control, and predictability as cornerstones of management. It comes from the choice to place control close to where the work is done and not hold it as the prerogative of the middle and upper classes. It also flows from the choice to yield on consistency in how we manage, and thus to support local units in creating policies and practices that fit local situations. Finally, with the world in flux, demanding predictability becomes a form of institutional arthritis.



Choosing Empowerment

Another choice is between dependency and empowerment. Dependency rests on the belief that there are people in power who know what is best for others, including ourselves. We think the task of these leaders is to create an environment where we can live a life of safety and predict-

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If we were not looking so hard for leadership, others would be unable to claim sovereignty over us.

ability. Dependency also holds those above personally responsible for how we feel about ourselves (we want that positive feedback) and for how much freedom we have. I will never forget hearing a supervisor say to his boss, “I want my freedom, if it is all right with you.” Dependency is the collusion required for parenting and patriarchy to endure.

We cannot be leaders without followers, and we cannot be good parents unless we have good children. This dependent mind-set justifies and rationalizes patriarchy and keeps it breathing. If we were not looking so hard for leadership, others would be unable to claim

sovereignty over us. Our search for great bosses comes not from a desire to be watched and directed but rather from our belief that clear authority relationships are the antidote to crisis and ultimately the answer to chaos.

Empowerment embodies the belief that the answer to the latest crisis lies within each of us, and therefore we will all buckle up for adventure. Empowerment bets that people at our own level or below will know best how to organize and innovate, make a dollar, serve a customer, get it right the first time, or invent an alternate future. We know that a democracy is a political system designed not for efficiency but as a hedge against the abuse of power. Empowerment is our willingness to bring this value into the workplace. It is our willingness to claim our autonomy and commit ourselves to making the organization work well, with or without the sponsorship of those above us. This requires a belief that my safety and my freedom are in my own hands. No easy task—therefore the adventure.



Choosing Service

Ultimately the choice we make is between service and self-interest. Both are attractive. The fire and intensity of self-interest seem to burn all around us. We search, so often in vain, to find leaders we can have faith in. Our doubts are not about our leaders' talents but about their trustworthiness. We question whether they are serving their institutions or themselves. When we look at our peers and our neighbors, we see much energy dedicated to making sure each gets all of their entitlements. We ourselves are no different. We are intensely career minded, even though there are so few places to go. Or we have surrendered to lifestyle and dream of the day we will have our own business... a small but profitable guesthouse–marina–landscape nursery–travel agency–bookstore–art gallery conglomerate. We were born into the age of anxiety and become adults in the age of self-interest.

The antidote to self-interest is to commit and to find cause. To commit to something outside of ourselves. To be part of creating something we care about so that we can endure the sacrifice, risk, and adventure that commitment entails. This is the deeper meaning of service.

Let the commitment and the cause be the place where we work, even if we know we won't be there long, even though we are a contractor and work at home without meeting half the people we interact with.

.....
One need ask only one question: "What for?"...What am I to unify my being for?
The reply is: Not for my own sake.

—Martin Buber, *The Way of Man: According to the Teaching of Hasidism*

Real commitment is an act made with no expectation of return. No barter. Not only do we commit to the product or service at our workplace, but also we commit to the culture and texture and efforts to create community. This means self-interest is replaced by a care for the

common good. Our task is to create organizations we believe in and to do it as an offering, not a demand. No one will do it for us. Others have brought us this far. The next step is ours. Our choice for service and community becomes the only practical answer to our concern about self-interest.



We Don't Act on What We Know

What is beguiling about our situation is that we already know a lot about service, about partnership, and about empowerment. The books have been written (I wrote one), the experiments have been conducted, and the results are in. We know, intellectually and empirically, that partnership and participation are the management strategies that create high-performance workplaces. Virtually every medium-to-large organization showcases the success it has had with self-management, partnerships, lean operations, creating a culture of accountability, and giving superior service to customers.

Plus there are busloads of executives, authors, and consultants traveling around this country to conferences and seminars, telling their stories of workplaces transformed, bureaucracies flattened, employees

involved, customers honored, and quality rewarded. They are all true stories, with primarily happy endings.

So what's the problem?

The problem is that despite this load of knowledge and evidence, there has been disturbingly little fundamental change in the ways that business, government, health care, and education manage themselves. Even the organizations that are out telling their stories have enormous difficulty capitalizing on their own experience. One or two plants may be accomplishing miracles, but within the same division, the other fifteen still operate through business as usual: high command, high control, high predictability, strong class system, employees worried about what their bosses think about them.

You can go all the way back to 1971 in Topeka, Kansas, where a Gaines Pet Food plant created deep participation, with teams doing their own purchasing and controlling their own work process. They even designed rooms with round corners to symbolize their intention to honor the circle of the team. The plant was successful in its quick start-up, and in the productivity and quality it achieved for many of its early years. It became a showcase, even charged people for coming to hear the story, and launched several of its originators into consulting careers. What it did not do was have much influence over the way the multitude of other General Foods plants were managed around the world.

We are so actively engaged in change, yet certain fundamentals remain untouched. Like an old western movie set where a cowboy actor, elbows flapping, pistol smoking, sits on a stationary horse, painted scenery passing by on rollers. Every executive and manager in America has given at least one speech in the last year on the need for change. Every company in America has implemented at least one program intended to empower, one to spark innovation, one to embrace customers, and one to "right-size" as a means to flatten its stomach and reduce body fat. These efforts are sincere, and each taken alone is generally successful. Something larger, though, like the cowboy's wooden horse in front of the camera, remains unmoved.

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