

Executive Book Summary # 2

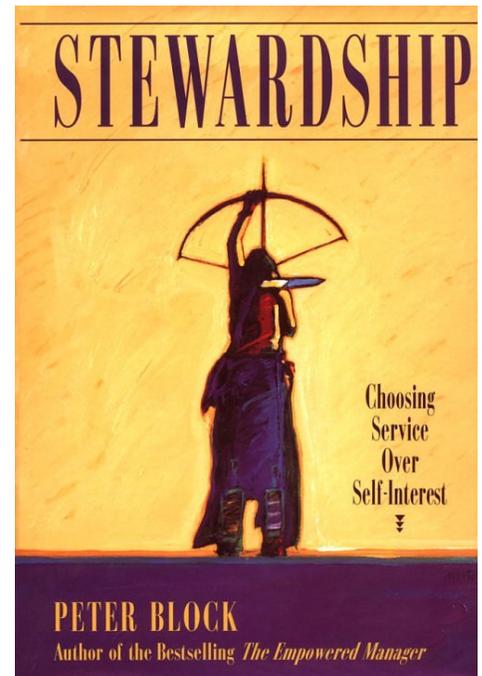
Compiled by Greg Wihak

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Stewardship Choosing Service Over Self-Interest

by
Peter Block



This book examines what the phrase "value added" means in an organization. Peter Block attempts to show who works for whom. His approach runs contrary to most business ideas in this area. Block explains that "organizations that practice stewardship will succeed in their marketplace by choosing service over self-interest at every point and by a far-reaching distribution of power, privilege and wealth." Without this, little real change will result. Stewards practice the concept of accountability in the way they deal with people who they supervise/manage. This book looks at the notion of power in the workplace and needing to take care of someone.

This book provides a roadmap of how to implement this philosophy in the workplace and why you would want to do this in the first place. He shows how stewardship will promote dramatic changes in the way that organizations are structured, their policies are developed and implemented, and how the inter-personal nature will be substantially different. He maintains that the current business model which has self-interest, control and dependency as the foundation, needs to be replaced with the values of responsibility, partnership, and service.

Replacing Leadership with Stewardship

Two basic human desires are that we want to be part of something that matters and that we want the things we do to be successful. In doing so we ensure continuity for the people that follow us in our organizations.

This chapter looks at “living out democratic values” and how current business practices do not reflect our democratic principles.

Changes in organizations have

come in waves over the last 30 years. The first wave affected **private industry** and dealt with market responsiveness, improved quality, and reduced costs.

The second wave hit the **health care industry** and forced them to look at their patients as clients.

The current wave we are riding has dealt with **educational institutions**. In our province we see the accountability

framework and a more strident push for student achievement as it relates to financial inputs.

The next wave on the horizon is aimed at **governments**. Being more responsive and smaller will be a challenge for this sector.

With 80 % of the new jobs in the U.S. being created by companies with less than 100 employees we can see how smaller tends to equal faster.

Amazingly the largest 500 companies in the U.S. have not created one new job since 1974!

There is a need to look at governance rather than management. **Governance** refers to how each individual:

- Defines a Purpose
- Holds power
- Balance wealth

What is Stewardship?

Stewardship is a set of principles and practices which deal with the way we govern ourselves with a strong sense of ownership and responsibility for the final outcome. It is the idea of control being given to customers (students) and developing a self-reliance on all whose lives are affected by that institution or business. It has businesses focus on

1. Quality
2. Service
3. Participation

Stewardship requires that we are:

- Accountable to the community
- Choose service over self-interest

- Accountable without control

Empowerment is required for stewardship to work. Dependent workers can not be present for this to work. Employees need to be able to decide to serve the organization because they want to create the best place possible.

“Prosperity inebriates men, so that they take delights in their own merits.” —
John Calvin
 (1509-64)

The Stewardship Answer

Stewardship asks us to be accountable for the outcomes without defining the purposes for others, controlling others, or taking care of them.

Does accountability and control go hand in hand? The idea of stewardship shows that this

does not have to be the case. Giving control to those who are closer to the work makes sense. Giving each member of an organization a say in what that organization looks and feels like, will result in a better organization. Block indicates that, “we do not serve other adults

when we take responsibility for their well-being.” Caretaking in an organization treats others in lower positions like they are unable to take care of themselves.

The structures and policies of our current organizations/

institutions are set up to force these caretakers relationships. You can care for something without controlling it. I care for my wife, but I would never believe that I could, or should, control her.



In business, men do not arrive at totalitarian methods because they are evil, but because they wish to do the good in what seems to them the most efficient way, or because they wish merely to survive, or with no more evil intent than to prosper.
Earl Shorris



Partnership is the willingness to give more choice to the people we choose to serve.

Peter Block

Stewardship and Building Organizations

Ownership and responsibility for the success of the organization must be realized at every level (from the bottom to the top). This idea seems to be noble and worthwhile, but our current organizational structure do not look or act like this.

Typically business reform is called for because of a particular reason. Three reasons would be:

1. Doing more with less

-Quality requires a decision to

own accountability and responsibility for product, service and the customer.

2. Learning to adapt to customers and marketplace.

-The power of the customer has taken hold in the marketplace and they are placing increased demand on businesses to be responsive to their wants and needs. The current business model gives little power/control to those individuals who are interacting with the customers daily. Having to check with a

supervisor or manager is something that every customer has heard.

3. Creating passion and commitment in employees.

-Employees who bring their bodies to work, but leave their brains at home are common. Creating a sense of ownership and responsibility for all employees is the goal. The question is how can you ensure employee commitment when job security is not guaranteed.

Choosing Partnership over Patriarchy

Patriarchy is a belief system that attaining a common goal requires that all levels of an organization need to give their attention to maintaining control, consistency and predictability.

Control

-There is a clear line of authority that starts at the top and filters its way down. The leader makes the major deci-

sions, the middle managers implement, and those at the bottom execute them.

Consistency

-Need for a common way of doing business within an organization.

attention to measurement than to the outcome.

Patriarchy has bred self-centeredness and self-interest and is at the heart of bureaucracy.

Predictability

-Desire to measure things that can be measured. Leads to a greater

Partnership

The command and control system is what we are familiar with. The opposite idea has many names, but has minimizing bureaucracy, cutting costs, and improved customer service at the heart. The partnership alternative has two questions that can be asked in all areas of business.

1. How would partners handle this?
2. What policy or structure would we create if this were a partnership?
2. Right to Say No
3. Joint Accountability
4. Absolute Honesty

-In a partnership there is a balance of power.

Four Requirements of Partnership

1. Exchange of Purpose

-There needs to be contact without control in this relationship. We need to learn to ask questions, make simple direct statements, live with not getting our way, and to be a boss without playing a role.

Choosing Adventure over Safety

Stewardship places empowerment in your own hands. Individuals are put in the position of being more vital to the organization that they belong to. You are standing on your own ground and discovering your own voice, which is an anxiety-filled notion. Empowerment gives the responsibility of defining purpose to the individual.

Empowerment without commitment can not occur. This emotional investment is one that

comes with a cost of giving up the safety of the present system. An employee is forced to become the creator of their organization. The question of, “Are you here to build a career or to build an organization?” needs to be answered with the organization taking precedent. An individual’s purpose must come from that individual and not from their boss or the organization.

The adventure comes from

moving from the current system to one that has individual empowerment at its’ heart. Focusing on external forces is one thing that derails this empowerment journey. Block proposes focusing fifty per cent of our work on ourselves and the other fifty per cent outwards with stewardship ideals. Doing this will help change the practices, policies and structures of our organizations.



Choosing Service over Self-Interest

Stewardship requires trust in those who in leadership positions. These leaders hold our trust and therefore need to place service ahead of their own self-interest. In serving others the leader must give up control.

Gandhi’s Three Elements of Service –Based Power

1. Power is granted from those below.
2. Our Contribution is our humanity.

-Need to be a good human being with strengths and vulnerabilities. Must work on ourselves first.

3. What is true is known to each of us.

-Stewardship is based on the understanding that the knowledge and the answers are found in themselves.

Revolution 101—Teaching the Ruling Class

The move from self-interest to service is a revolutionary idea for the current ruling class. It requires a re-distribution of power back to the rightful owners. This is an idea that challenges the beliefs of the current model. “Stewardship enables the use of power with grace.”

Block refers to the ruling class as the managers and executives of our organizations. These positions control most of the decisions and the resources. They have separated themselves from the working class. Two problems with this managerial class structure are that it

creates barriers in quality improvement and is very expensive.

The separation of doing the work from managing the work subverts an individual’s power.

“If we use power as an act of service, then we are required to let go of the idea that we should be waited upon”.

Service with Power and Empowerment Governance Structural Requirements

1. Affirming the spirit

-We all want to be a part of something that matters. Affirmation needs to come from the individual who owns and is responsible for their actions.

2. Control, consistency, and predictability are not working

-Seen in the struggle between patriarchy and partnership. Balancing power and accountability is what is required for governance.

3. Empowerment requires that each member is responsible for creating the organization's culture, delivering outcomes, and quality of their own experience

-Leadership does not have to come from the top down and neither does reform.

4. Reintegration of the managing and doing the work.

-Two class system of managers and workers needs to be changed. This system reflects self-interest over service.

5. Patriarchy can not be used to "direct" movement toward customer service, quality improvement, and cost reduction.

6. Control/power structures located at the top and has created class system.

-These are obstacles to quality and service.

"It is a misuse of power to take responsibility for solving problems that belong to others."

"The stewardship contract is the balancing pole, the middle way between dominance and abdication."

Stewardship Governance Principles

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|--|--|-----------------------------|
| 1. Maximize the choice for those closest to the work. | 4. Yield on consistency across groups, and support local solutions. | 7. End secrecy. |
| 2. Reintegrate the managing and the doing of the work. | 5. Service is everything. | 8. Demand a promise. |
| 3. Let measurements and controls serve the core workers. | 6. De-glorify management as a job title and demystify the staff functions. | 9. Redistribute the wealth. |

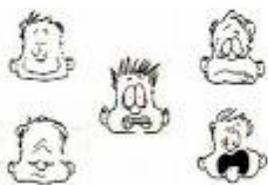
The Emotional Work of Stewardship

-Rational wants can be fulfilled by others, while emotional wants can not be fully answered because of they are made up of emotional questions/doubts about our own lives. Safety, self-esteem and freedom provided by someone else is not empowering. Relying on some-

one for these things is giving personal control over to someone else. They might not be there next time you need them to fulfill these roles.

The caretaking role of adults destroys their ownership, responsibility and emotional ac-

"When we tell subordinates we can no longer take care of them, we also need something to offer. What we are offering is real choice in defining an organization that has purpose and meaning for them."



Redesigning Management Practices/Structures

Before practices can be changed all members of the organization must have all of the information. This full disclosure creates more knowledge, which increases personal power.

The management practices of a business can be based on stewardship by using the following ideas to implement this change.

1. Managing the customer relationship.

-This would mean each person engaging in this information gathering process.

2. Work flow and job design.

-Elimination of specialized departments/tasks which allows for workers to do "whole" jobs. Increases understanding of client wishes/needs.

3. Discipline.

-Teams of workers would decide when this is necessary and

what is required.

4. Purchasing and supplier relationships.

-Those doing the work would decide what is need to do it most efficiently.

5. Quality control.

-Each team is responsible for this rather than a separate department.

6. Product and service improvements.

-This is a part of everyone's job.

7. Reporting results.

-Core workers meet with bosses to discuss results. Produces fully informed work force.

8. Structure around customers.

-Groups are organized around customers rather than geography.

The Role of Staff Functions

The definition used to describe **staff workers** is the workers have specialized expertise (legal, finance, info servicing, etc) and tend to be in corporate central offices and tend not to deal directly with clients. **Line workers** are those who invent, design, produce, sell, market the product/service.

In the stewardship model the staff workers need to see the

line workers as their clients.

This gives the line workers more control over the relationship.

These staff groups are:

- A. No longer held responsible for implementing top management policy and strategy.

- B. Define teams involved in the core work proc-

ess as their primary customers.

- C. Required to transfer their expertise to the line workers.

Direct billing their services to the core workers allows the core workers more economic power. It also shows who your good people are because their services are requested more often.

"If we wanted to create staff groups who lived partnership. We would set them up so that their customers had a choice about how and where they get their service."



Ending the Practice of Paternalism

Block maintains that human resources departments have "evolved into a caretaking and enabling function whose assignment is to take responsibility for the morale and emotional well-being of employees." The paternalistic state of current organizations has management "owning" the employees in exchange for "taking

care" of the employees.

Currently the HR departments work in a parenting role and must move to a partner role in how they fire, hire, pay, appraise, train, transfer, and provide benefits.

Performance appraisals are another example of one adult exerting power over another to

identify improvement areas.

Therefore, "if you insist on having an appraisal process, let people be appraised by their customers". In the stewardship approach true appraisal can only be done by oneself. The current link between appraisals and benefits makes this difficult.

"The handcuffs of control become golden when they are fitted with the promise of protection and satisfaction."

Peter Block

Overturing the Class System

How our Pay Practices are Incongruent with our Service-Driven Institutions

1. The Class System

-Currently managers are paid as much as possible, while labourers are paid lower to keep costs down. Both should be under the same pay scale and everyone should be paid as much as possible. (Same rules for everyone)

2. Pay and Performance

-Belief that the more you pay someone the higher their motivation will be. Stewardship identifies pay as one of common purpose.

3. The Best and the Brightest

-Currently paying for the best individual performance encourages self-interest, while stewardship recognizes team work.

4. We Own You

- Our current system pays supervisors more for the size of

their departments, or for the number of subordinates (principal allowance structure).

5. Private and Confidential

-Private industry holds pay information as trade secrets. The system employed for pay at higher levels is not known. The system is in place to keep those top executives/managers in place. A similar system is in place for team workers, but this system attempts to keep costs low.



Patriarchy Recreating Itself

Improvement, or change, initiatives are started for a reason.

However, what tends to happen is that in the effort to improve patriarchy is used as the change agent. The indicators that patriarchy is behind the change are:

1. The top of the pyramid dictates what the vision will be for the organization.
2. The idea of “enrolment” indicates buying into

the corporate vision or strategy.

3. Most organizations have the top determining what changes are needed and how they will be implemented. This gives them the power and it allows lower levels of the organization to abdicate their role in the change process.

4. Results are short term focused and can be easily measured.
5. Creation of new departments is another way to continue the control mode of patriarchy.
6. Common training programs are another way of control to ensure that the staff is getting the same message and are more likely to buy into

the company mantra.

7. Use of reward/incentive programs is another way to recognize employees that have bought into the system.
8. Organizations attempt to implement change across the organization rather than allowing individual departments or facilities.

How to Recreate an Organization Through Stewardship

To create the ownership and responsibility that is indicative of stewardship an organization must do the following things:

1. Communicate the Stewardship contract— People must know what they are getting them-

2. Individual Vision— Each member of the organization must express their own vision and then take part in a discussion about it.
3. Take the motivation/

initiative of those anxious for change and go from there.

4. The change must be done with the customers in mind.
5. Organizations can not create additional depart-

ments to handle this change process.

6. Change from training to learning must be made.
7. Recognition must be the focus, rather than appraisals and rewards.

Required Political Reform

The implementation of any substantial political reform of an organization will require the following steps to be employed.



- Step 1—Define the Stewardship Contract
- Step 2—Renegotiate Control and Responsibility (done at all levels)
- Step 3—Fully Inform People
- Step 4—Create a Desired Future
- Step 5—Training
- Step 6—Form Improvement Teams
- Step 7—Change Management Practices
- Step 8—Fit Architecture to Purpose
- Step 9—Redesign the Reward System

Cynics, Victims, and Bystanders

*“A cynic can chill
and dishearten with a
single word.”*
*Ralph Waldo
Emerson*

Any change process will have people at various points of involvement and passion. An acknowledgement is required and a recognition of what to do when faced with high levels of cynicism. Employing the following process is important to ensure that certain individuals

do not have their position become that of the group.

1. Acknowledge the other’s position and discuss your own doubts/concerns.
2. Make the choice despite your reservations and confirm this to the group.

3. Invite the other person to make the same choice.

The power of the cynic and/or bystander must be recognized and dealt with. One boisterous cynic in a group can drastically affect the partnership goal.

Implications and Conclusions

Stewardship provides an exciting opportunity for the business and educational worlds to re-shape themselves. It provides personal empowerment and responsibility for where you work and more importantly, how you work.

Peter Block provides a road map how to get to this point and he has indicated some of the pot holes along the route and how to repair the road as you are on the journey.

The book had a natural flow and was one that forced you to evaluate your own personal beliefs on many aspects of the workplace. The notion of power, top-down models, risk vs. reward, incentives, accountability are woven through this book.

An acknowledgment of the power of the negativity or reluctance of some to embrace change was included, but he provided a solution to deal with this problem that seems overly

simplicistic.

Changing the way you do business is a scary proposition for organizations. Crisis might force change, but what happens when there is no perceived crisis. The top down nature of our businesses and organizations make this movement to empowerment and personal accountability very challenging. Lower level employees who have tried to initiate change in the past, but were shot down tend to be reluctant to put their

necks out again.

The idea of “stewardship” has its’ roots in the idea of religious stewardship and environmental stewardship. Peter Block looks as stewardship as “the exercise of accountability as an act of service.” Being accountable for yourself and doing so in the service of others is something that our business world, and more importantly our schools, should take a hold of for the inherent value in this idea.