



## **LEADERSHIP ACUMEN**

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### **Stewardship**

Recently I received an e-mail from a colleague asking me to share any materials, definitions and references I had for the concept of stewardship. As I provided him with our materials and other references, I reflected on the fact that two other international networks to which I belong were also exploring the concept. This led me to some further web-based research and a look through my own library. I discovered that in fact the amount of specific, detailed and helpful material - even in books with stewardship as part of a title - is limited.

It seems stewardship is at once both a simple concept and yet a difficult one to actualize. As senior executives and Board members, it is a particularly important calling upon which to reflect. For if stewardship is to be anyone's responsibility it must first start with you.

Clearly, executives and directors of government bodies, privately held companies, not-for-profit organizations, professional bodies, and religious congregations are held accountable for their decisions that lead to sustainable enterprises and overall care of the resources entrusted to them. Less clear is whether or not senior leaders and directors of share-held companies should be or are concerned about stewardship – at least few in these roles seem to talk about it publicly.

#### **Defining the Concept**

As we do in many of our programs, we recently put forward the concept of stewardship to a collection of for-profit, non-profit, charitable, professional associations and government agency directors. These were their responses to defining the term:

- Provision of guidance to the organization
- Provision of support to the organization
- Ensuring what you said you would do gets done
- “Sell” your organization to the community
- To protect – guardianship
- To advocate
- To serve
- Sustainability
- “I am here in passing. When I leave it has to be as good (or better) than when I arrived to pass on to future generations.”

As you can see, we often have a sense for what it means – but incompletely so.

Religions of many forms have tried to teach stewardship to each new generation. However, with fewer individuals regularly partaking in religious practice today, these stewardship lessons are starting to miss mainstream western society.

Some indigenous cultures have taught through stories and ceremony, “Seven Generational Thinking”. This means to project-forward seven generations to foresee the impacts of your decisions on your grandchildren's, grand children's, grand children.

The first few bullet points of definition above are positive, partial elements of stewardship. But, by themselves they are not sufficient. The last few bullet points start to get closer to representing the full concept - especially the final one.

Perhaps one definition that is thought provoking and useful comes from Ted Mollegen, an Episcopalian Minister, who has a website dedicated to the topic (see web-link below).

Stewardship means being in charge of something that is entrusted to you, but not your own possession,

It implies accountability to the true owner for what we do with and how we ensure a return on the things we are in charge of, such as:

- ourselves
- material and natural resources
- knowledge and innovations
- our children, employees
- our portion of business or other organizations
- self-regulation and professional standards

Peter Block in “Stewardship – Choosing Service over Self-Interest” suggests:

Stewardship is an alternative to leadership. Stewardship asks us to be deeply accountable for the outcomes of an institution, without acting to define purpose of others, control others, or take care of others. It can be most simply defined as giving order to the dispersion of power.

An organization called “The Stewardship” adds:

Stewardship is a force in the universe which acts to preserve the universe from harm – which takes place through the actions and the will of individuals.

Finally, the Alliance for Regional Stewardship contributes:

Stewards are committed to the long-term well being of their region and recognize the interdependencies between four spheres:

- new economy
- livable community
- social inclusion, and
- governance

Stewards work across boundaries of jurisdiction, sector and discipline to connect these four spheres and create opportunity for their region.

What is particularly exemplary from these diverse sources is the recognition of both financial, as well as other elements. Clearly stewardship goes beyond only fiscal concerns.

### **Stewardship in the Public Domain**

Politicians and civil servants alike are entrusted by the people to take care of and create a return from the resources they control while in office. It is important to recognize that the power, responsibility, and requirement for accountability in return is conferred by the citizenry – not God, ego, or any one particular individual. And, these privileges can be removed by the citizenry if stewardship is not evident in government leaders’ actions.

Many of the senior bureaucrats I have been fortunate to work with over the years (in several countries) have shown a strong commitment to and sense of stewardship in their work. This sense of stewardship (by name and action) seems stronger than in their counterparts in business and other organizations.

It is not uncommon for those in government to actualize the concept through the development of 50 year strategic plans; to give careful thought to long-term preservation and protection of national parks, wildlife and natural resources; or to facilitate multi-party agreements towards sustainable communities, knowledge and innovation sharing, and social development. Indeed, we often wait for, or expect, government leaders to legislate practices, standards, etc. having considered the various tradeoffs between short-term gain for the few and longer term care and stewardship concerns.

Most politicians come to their role with a passion for “making a difference” or creating long-lasting impact around a particular challenge. And, while this is a powerful motivation for policy development and electioneering, this passion must often be tempered by a broader understanding, systems/network-thinking, and impact analysis when given the responsibilities of power and stewardship.

Leadership and stewardship in this domain is characterized by doing what is “right” and beneficial to the citizenry over the long-term, rather than just what is popular in the short-term. This suggests the need for regularly educating community on issues, open communication, and transparency of decision-making as crucial components to effective stewardship in the public domain.

### **The Corporate Domain**

I have seen first-hand and heard from many CEO’s that longer term, stewardship-based leadership is much easier to exert in privately held companies than in publicly-traded share-held companies. The latter, it seems, is dominated by the drive for short-term profitability, dividend and share-price concerns.

This said, it appears recently that more shareholders, pension funds and the citizenry at large see the fallacy of such short-term thinking and are starting to demand (especially with shares trading at 30-times annual earnings), answers to long-term sustainability concerns.

Such concerns include: plans for sustained profitability and dividends, reasonable growth; innovation-driven product/service replacement; local jobs vs. global outsourcing; environmental liabilities and bio-mimicry manufacturing; succession in leadership and professional expertise.

Imagine the changes to corporate governance and leadership if we started considering the decision-making impact on seven generations of shareholders!

In the manufacturing sector for example, stewardship-in-action would have corporations engaged in total product lifecycle management. Companies like Ford and Nike are now working with noted architect William McDonough to implement the principal that:

***WASTE (from one mf’g process) = FOOD (for another mf’g process)***

in order to eliminate (not reduce) waste. Rohner Textiles from Switzerland and Designtex- Steelcase in the U.S.A. are manufacturing textiles and office furniture together, using fabrics and dyes free of toxins – creating products for example, which would be safe for babies to chew on. This involved mobilizing the chemical and other industries along the way. There is a new class of glassy-metals, now in the early stages of commercialization, offer reduced denting, corrosion and scratching plus increased strength, lustre and durability at less than half the weight and raw materials utilization. This kind of innovation could significantly enhance our ability to improve standards of living around the world, while helping sustain our natural resources. Of course, this will also require innovation of new profit models rather than those based on short-term design or short-term durability obsolescent time periods.

In North America, there exists The Product Stewardship Institute (web-link below). This group assists regional and local government agencies to establish co-operative agreements with industry and develop initiatives to reduce the health and environmental impacts from consumer products.

For years now, European countries have required manufacturers to design products that could be shipped to consumers without wasteful packaging – a practice yet to be adopted in North America. Some North American jurisdictions have required paint manufacturers to work with retailers to ensure that consumers can simply return unused paint to their retailer for disposal.

Sadly, many of these stewardship practices have not been applied in lesser developed areas of Asia, South America, and Africa – making them somewhat of a dumping ground for western prosperity’s garbage and resource extraction toxins.

This presents both a leadership and stewardship “test” to global companies that work across these different regions. And, admittedly there are some complexities involved. However, will the corporate governance bodies and executive leaderships assert stewardship to ensure that say, the European standards of total life-cycle management and packaging are adapted equally in Asia and North America?

Similar stewardship “tests” exist in other business sectors in such areas as: reclamation of flora/fauna in mine sites; down-wind health issues from oil and gas exploration/extraction; energy and eco-friendly practices in hospitality, energy reduction and packaging in the service sectors – all the while still ensuring profitability and “return” to their owners.

### **The Association Domain**

Not-for-profit associations represent an interesting perspective in stewardship. Of course, not all associations have the same kind of mandate.

<u>Professional Associations</u>	Charged with advancing professional practice, self-regulating and ensuring minimum standards, providing benefits to member professional, and advocacy toward government and community.
<u>Industry Associations</u>	To advance their industry’s overall perception with government or public, provide common services/benefits/training for members, ensure or promote minimum standards of practice, advocacy of policy positions.
<u>Health Associations</u>	Eradication of disease and/or mitigation of suffering. Advancement in research and minimum clinical standards by health practitioners, advocacy for government policy and public perception of those affected.

Yet again, these mandates do have striking similarities. And, if they are not for profit, what are they for? I would suggest the provocative question for association/leaders and governors to examine today would be:

What broad stewardship responsibilities does your association have?

(If not for profit, then for stewardship of...)

I think most members of a community expect associations to really contribute something beyond solely service to the members. And, think of the exciting and highly valuable stewardship contribution to society these associations could make.

Homebuilders Associations for example could create standards for low toxicity building materials and environmentally sustainable building practices. They could self-regulate trades

and protect consumers against unscrupulous builders such that citizens do not lobby government to regulate/legislate practices.

Chemical Industry or Petroleum Associations could take the lead in educating all in their industry about profitable, environmentally sustaining, health and socially-enhancing approaches. This would provide leadership in finding truly innovative ways of implementing the Kyoto protocols before government and community force the implementation of penalizing legislation.

Professional Associations might look at how to transform member practices and knowledge bases as societal needs and technologies shift considerably what it means to be a competent lawyer, doctor, pharmacist, engineer, etc. And, they would act well in advance of the looming scarcity of trained professionals (due to aging demographics of the workforce), to visualize new models for case management - Models that might integrate other professionals/para-professionals, for example, as the number of professionals per 100,000 of population drops.

### **Religions Congregations**

I must admit to some trepidation in approaching this segment! However, there are some inescapable statistics. Every formal religion in the world, except Islam, has declining membership and is likely to continue in this trend into the future

A look through the voluminous literature and references regarding stewardship in this domain begs the question – why has so much of “stewardship” talk in congregations and the religious hierarchy become only about money? Stewards are seen primarily as fund-raisers and collectors, with the topic of tithing, closely linked. Sure, sustainable congregations and institutions require a flow of funds. And, the funds have to support value creation and community stewarding practices in an active manner that is truly visible and appreciated.

However, congregations which focus first on providing sustained support, guidance and facilitating service to community, see vitality in membership and funding-financial sustainability. Similar to associations, congregations and religious institutions have to be seen to be making a difference in the community.

This might include cross-connects to health care, social services and more as a base for: meals-on wheels; specialty counseling, support for AIDS groups, diabetes and others; providing a home for youth groups while also injecting some important values, ethics and spiritual understanding, even leadership development of the next generation or community at large. Outreach and In-reach simultaneously!

Stewardship practices in the religious domain have to strive toward being tangible and broadly valued just as in any other sector.

### **The Stewardship-Leadership Link**

For those in governance and executive leadership positions, stewardship really should be foremost in your set of responsibilities. It sets the context for so many other elements.

It could be argued that the average individual who is working hard to earn a living, improve the standard of living for their family, and trying to give to their children a better opportunity in life than they had, does so with an inherent sense of micro-stewardship for their family. However, we can unwittingly do this to the detriment of broader stewardship at the community, national, and international levels.

It is up to our senior executives and those in governance roles to see the bigger picture, to access wider perspectives, knowledge and information, and to action stewardship on behalf of those who have entrusted additional resources to their care. Those with more resources, have a larger stewardship responsibility.

Being given power and charge over something which is entrusted to us, but not our possession, is both an honour and a privilege. It also carries with it an awesome responsibility and requirement for accountability to ensure we recognize the interdependencies of economy, community, social inclusion, environment and health. And, in so doing, make decisions that support not only financial return but also allow us to proudly talk to our grandchildren in our later years about the sustainable legacy we have left for them to steward further for their grandchildren.

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## Exploring the Web!

This month, the connections below take you to sites with more perspectives on the issues surrounding Stewardship:

<http://the-stewardship.org/main.htm>

The Stewardship Project - an international not-for-profit organization dedicated to “the assumption of responsibility for the welfare of the world”. Quite a thought-provoking site!

<http://www.ecostewards.org/>

World Stewardship Institute – cultivates environmental stewardship in business, science and faith-based organizations.

<http://www.elca.org/dcm/stewardship/started.html>

Stewardship as a financial fundraising element of Christian ministry. See also:

<http://www.gbod.org/stewardship/default.html>

an excellent, multi-faceted website, and

<http://members.aol.com/stewardship/>

Ted Mollogan’s website

<http://www.regionalstewardship.org/>

The Alliance for Regional Stewardship – a group of leaders committed to the well being of their regions, recognizing the interdependencies between: new economy, livable community, social inclusion, and governance.

<http://www.productstewardshipinstitute.org/>

The Product Stewardship Institute – assists state and local governments in cooperative agreements with industry to reduce health and environmental impacts from consumer products. Looking at total product life-cycle responsibility.

<http://www.amazon.com/exec/obidos/tg/detail/-/1881052281/104-4942209-5882318?v=glance>

A Summary of Peter Block’s landmark book: “Stewardship – Choosing Service over Self-Interest”

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