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SERVANT-LEADERSHIP: THREE THINGS NECESSARY

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IF THERE'S ONE THING I've come to believe about leadership, it's **this:** Leadership is a serious meddling in other people's lives. **Because** I believe that to be true, I have to take seriously what it means **to be a leader.** Maybe that's why I've committed so many words on leadership to paper.

It's difficult to stop talking about leadership because there are so many corners to explore. You can't reduce leadership to a formula. Leadership really is a quest, a search that never ends for most of us. **It certainly** hasn't ended for me. These thoughts are a way for me to **search out** another dimly lit corner of leadership in my own mind.

To say that an undercurrent in our society is pushing us to reflect on the role and expectations of leadership is an understatement. In public discussions everywhere—about institutions, the government, corporations, the family—people who are truly committed are coming to grips with what it really means to be a leader. I receive **letters** all the time from people who are searching, as I am, for a **deeper** understanding of leadership. To examine our expectations of leaders in the future seems to me to be a good idea. Everybody seems to know a good leader when we see one in action. But toward what should we work in trying to make *ourselves* better leaders?

One of the most important questions leaders ask themselves is: What shall we measure? In some areas, we are pretty good at deciding what to measure and how to measure it. When we think about organizational results, we can usually recognize at least the more obvious marks of vitality in a capitalist system. We know the financial and operational ratios that indicate to some extent whether an organization can survive.

On a broader scale—and perhaps with the most important things—we seem to be less sure. What should we measure about the character of our national leaders? How should we measure it? What constitutes lying in governmental processes or corporate behavior? Does practiced untruth carry consequences for society? Is a person's or a family's reputation a disposable part of our organizational lives? Are we content with the way results are distributed in the capitalist system?

Indeed, what are we to measure? For leaders *are* measured, whether they like it or not. There is no such thing as a closet leader, and measurement is part of being in the public eye. But when we think of measurement and leadership, it's easy to fall into the trap of oversimplifying things.

Success in capitalism—and thus, successful leaders in capitalism—have been all too often rated according to the so-called bottom line, a literal reality on an income statement that doesn't transfer well into the world of metaphor and true significance. This simple measurement is neither satisfying nor adequate.

How many simplistic things are satisfying or adequate? Matthew Arnold, an English writer and poet, warns us in his book *Culture and Anarchy* about simplistic thinking—the thinking that “one thing is necessary.” I'm borrowing part of the title of this chapter from his book. When we think broadly about the obligations and potential of leadership, it's tempting to try for easy answers, to focus on “the one thing necessary.” I would like to discuss *three* things I feel are necessary for leaders. (Of course, many things are necessary, but we've got to start somewhere.)

I strongly believe that three things should be placed at the top of any leaders' lists, whether those leaders guide institutions,

governments, corporations, or families. These three things are needed now, and they are vital for the long term:

1. *An understanding of the fiduciary nature of leadership.*
2. *A broadened definition of leadership competence.*
3. *The enlightenment afforded leaders by a moral purpose.*

First, some thoughts on the fiduciary nature of leadership. *The Oxford English Dictionary* (given to me by Herman Miller when I retired as CEO) offers two helpful definitions of fiduciary: “of the nature of, proceeding from, or implying trust or reliance;” and “one who holds anything in trust; a trustee.” It seems to me that the concept of fiduciary leadership is self-evident.

Long ago, Edmund Burke taught us that the governed consent to be governed. This great concept is the enabler of civil society and speaks directly to leaders. Leaders hold many things in trust for their followers, for leadership is a fiduciary job. The followers (of whom only some are employees) count. Leaders only hold temporarily, in trust, the opportunities and accountabilities that followers delegate to them. Leaders direct all that they hold in trust toward the common good, as defined by everyone's right to life, liberty, and hope. Fiduciary leaders see us not as the sum of separate issues, but as an interdependent family with complex needs and goals and opportunities. We all need to be included.

Our acceptance of the fiduciary nature of leadership as an assumption guides us down five essential paths:

Path 1. Leadership is not a position. To my knowledge, a promotion has never made anyone a leader. Leadership is a fiduciary calling. Inherent in this calling is the knowledge that hope plays a critical part in the lives of followers. Fiduciary leaders design, build, and then serve inclusive communities by liberating human spirit and potential, not by relying only on their own abilities or experience or judgment.

Path 2. We are learning every day how important it is for organizations to become centers of learning and collaboration. By making it possible for people to grow and to work together, fiduciary

leaders try to invest and enlarge the knowledge and talent that they hold in trust for individuals. I strongly believe that learning and collaboration take place most easily in inclusive organizations.

Path 3. Fiduciary leaders balance two essential ideas: individual opportunity and a concept of community. In this balance, they insist on disciplined accountability to and for others.

Path 4. Fiduciary leaders, seeing the importance of trust, work to build it. I once received a note from an outstanding industrial designer who has worked for Herman Miller for many years. The note said, "Your trust is the grace that enables me to be creative." This is what leadership looks like through the eyes of a follower. When followers see conflict among leaders, they are rendered impotent. But when leaders give and expect trust, the organization reaps undreamed-of benefits. Trust may be the most motivating force in organizations. Trust is clearly the basis for covenantal relationships, which are far more productive than contractual ones.

Path 5. Trustees leave legacies; so do fiduciary leaders. The *Constitution on the Church in the Modern World*, from Vatican II, reminds us that "the future is in the hands of those who can give tomorrow's generations reasons to live and hope." A Native American saying tells us that the world does not belong to us; we merely borrow it from our grandchildren.

An acceptance of the fiduciary nature of leadership implies, for me, at least two actions: (1) broadening our definition of leadership competence; and (2) finding a clear moral purpose for our actions as leaders. We usually measure the competence of leaders in the more tangible areas of finance, operations, sales, and technology. I'd like to suggest that we need to bring a new balance to our measurements of competence. *We need to think more about how well leaders handle relationships.*

It's no mystery that organizations stand a better chance of reaching their potential when the gifts of everyone are brought to bear on reality than when an organization limits itself to the gifts of a few people at the top. From this perspective, I'd like to propose five areas in which leaders can build their competence.

Area 1. The leader perceives, defines, and expresses reality. Consider this story about reality for three men in a nursing home. Two of them, not perfectly clear of mind, made a habit of escaping together. The nurses and the manager were understandably worried about the dangers to these two. Something had to change. One day, the manager, at his wits' end, asked my father-in-law, also a resident, what he could do about these two old friends. My father-in-law replied with a shrewd grasp of reality. "These two men have lived a long time, and their habits are not going to change. All of their lives, they have put on their hats when they go outside. I'm sure if you hide their hats, they'll no longer try to escape." Sure enough, that solved the problem.

There are many realities: competitive realities having to do with technology and service and quality; realities of behavior (our mothers used to tell us that we may do anything we want as long as we're willing to live with the consequences; imagine what a corporation would be like if that were the only statement from the CEO!). Defining and expressing reality for an organization is important because it ends the numbing isolation that is so prevalent and so deadly today.

Area 2. A competent leader knows that the future lies in the selection, nurture, and assignment of key people. Vision and strategy are important, but they are not nearly as important as the provision for key leaders and future leaders. Some people from Herman Miller's research group had been conducting some experiments in a high school in Benton Harbor, Michigan. As part of their work, they interviewed the school superintendent and asked him his strategy. He responded succinctly, "My strategy is to be alive at four o'clock!" I think he had a good understanding of the proper role of strategy.

Area 3. A competent leader bears personal responsibility for knowing, understanding, and enabling the creative people in an organization. Creative work lies at the heart of organizations. We need to know who, through innovative thought and action, provides for our future. Creative people cannot be left to languish on the fringes of organizations. They must be intimate and accountable. Designer

Charles Eames taught me how important it is, in dealing with innovation, to understand the nuances of the word *appropriate*. Being appropriate means having the right answer to the right question. Appropriate innovation goes beyond the limits of *excellence*, a word that today has become almost as banal as *bottom line*.

Area 4. Competent leaders are transforming leaders. Competent leaders guide their organizations, and the people in them to new levels of learning and performance, transforming the present into a reaching toward potential. And, as Charles Handy says, "The total pragmatist cannot be a transforming leader." Transforming leadership is a process of learning and risking and changing lives. (Now you can see one of the reasons I believe that leadership is a serious meddling in other people's lives!)

Area 5. Competent leaders discover, unleash, and polish diverse gifts. Every person comes to our organizations, our institutions, and our families with unique gifts. The great majority of these people welcome the promise of transforming leaders. As we are helped to new levels of achievement by competent leaders, our organizations mature and become more effective. If we as individuals remain stifled, our organizations will die.

The last of my three things necessary for leaders, and another inescapable implication of fiduciary leadership, is a clear moral purpose. Without moral purpose, competence has no measure, and trust has no goal. A defining thought gives me a way to think about leadership and moral purpose.

In every church and monastery in Celtic Britain and Ireland, a fire was kept burning as a sign of God's presence. This is the way I as a Christian see moral purpose—as a sign of God's presence in our leadership. It's up to leaders to keep the signs of moral purpose alive and visible in organizations. Let me propose some signs of moral purpose. I'm sure you will add others to my list.

Sign 1. The first sign of what I call God's presence is a wholehearted acceptance of human authenticity. We are all authentic. We are not authentic because we have been hired by a company, nor because we have been admitted as a student to a particular college, nor because we have married a particular man or woman. We are not authentic because of government programs spelling out the rules

for hiring minorities or people with disabilities. As parts of a great cross-cultural society, we form a cornucopia of gifts and talents. We are genuinely insiders in this world because we are God's mix—we are made in his image. Authenticity needs to dominate our relationships and our understanding of justice. The implications of this belief are enormous for leaders.

Sign 2. Because we are authentic, we are entitled to certain rights as insiders: the right to belong; the right to ownership; the right to opportunity; the right to a covenantal relationship; the right to inclusive organizations. Leaders with a clear moral purpose work to make these rights real.

Sign 3. Another sign of moral purpose in a leader is truth. The degree of truth in our lives and organizations critically affects our present and future relationships. Unfortunately, we see objective untruthfulness all around us—in Senate hearings, in corporate advertising, in unhappy families, in the daily media. From his own experience there, theologian Eberhard Jungel has thoughtfully reviewed the recent history and demise of communism in East Germany. For me, his crucial conclusion was "if . . . one begins to analyze why 'realized socialism' finally failed, one should seek the decisive cause in its objective untruthfulness." To assume blithely that untruthfulness has no consequence for our world is mighty risky.

But what is truth? Is it a concept? A person? Is truth communication? Quality? Predictability? A leader's promise? It seems to me that truth in its many facets is all of these things. It also seems to me that in our most private moments, every one of us knows truth in our hearts.

Sign 4. Leaders with clear moral purpose are vulnerable—a gift of all true leaders to their followers. Moral purpose enables leaders to be vulnerable because it changes the rules of measurement. A clear moral purpose removes the ego from the game. It means that leaders no longer need to succeed on the terms that make some leaders intolerant, inaccessible, and insufferable. Vulnerable leaders are open to diversity of gifts from followers. They seek contrary opinion. They take every person seriously. They are strong enough to abandon themselves to the strengths of others.

Sign 5. Leaders with a clear moral purpose to their actions take very seriously realistic and equitable distribution of results in the capitalist system. I'm not talking about redistributing wealth, but distributing the normal results of profit-making institutions, and, for that matter, many nonprofit organizations. What is fair and motivating to authentic insiders from whom leaders demand a meaningful contribution? As *I Corinthians* reminds us: "Who plants a vineyard without eating any of its fruit? Who tends a flock without getting some of its milk?" Who, indeed?

When I was CEO at Herman Miller, we capped the cash compensation of the CEO at 20 times the average compensation. For many years, we have had productivity gain sharing in cash bonuses, and, quarterly, we have paid out profit sharing in fully negotiable Herman Miller stock. These practices didn't happen accidentally. They are all attempts to distribute the results of our work equitably.

Of course, not all results are tangible. And not all compensation consists of money or stock. During a consulting session at Beth Israel Hospital in Boston, I was confronted by a small but militant group of physicians. They fired this question at me: "Why do you always think of a bonus as cash?" They suggested time, safety, and the chance to spend time with the president of the hospital. The equitable distribution of results may be the most convincing sign of a leader who is clearly guided in his or her job by moral purpose.

Sign 6. I'd like to suggest, as a sign of God's presence, personal restraint. Leaders work in public, under constant scrutiny. You may not like that—in fact, I often resented the intrusions that came with my job—but that's reality. Because leaders function in public, perceptions of leaders are crucial to their performance. What message does our lifestyle send to people about what we think is right, who matters, and what moves followers? What signal are we sending with our power, our status, and our perks?

What is the real purpose of talent and wealth? Surely they are gifts from God to us, but are those gifts only for our use? How can we share equitably, and how are we to employ, for the common good, the unearned gift of access? Access—to resources, education, or opportunity, for example—is a gift that, like talent or wealth, exacts accountability. How in the context of capitalism and in a world of limited resources are we to understand and practice

simplicity? How are we to assess our individual liberty and license—essential to us—and modulate our liberty and license in light of the common good?

I certainly don't have the answers to all of these questions, but I do think that as each of us finds his or her own answers, we will come to understand how a moral purpose can guide our work as leaders.

I have tried to discuss three things that I think are necessary to leadership. Leadership is a quest for many things, but surely the three important ones are: (1) an understanding of the fiduciary nature of leadership; (2) a new meaning of competence; and (3) clear moral purpose.

I'd like to end with a story that illustrates for me just how much trust followers place in the hands of their leaders; how much competence followers expect in their leaders; and how necessary it is for leaders to have a clear moral purpose for their actions.

Carla drove a lift-truck on the second shift. She came into my office while I was CEO of Herman Miller, made herself comfortable, and told me about her family's vacation trip from Michigan to Florida when she was a little girl. "We were driving through a county in one of the deep south states," she said. "My father was wearing his white cowboy hat. It seemed like I never saw my father without his cowboy hat. A deputy sheriff stopped our car. In those days, we knew that black people should not roll down the windows or unlock the door at a time like this. The deputy rapped his nightstick hard on the window next to my dad's head and said loud enough for us all to hear, 'Boy, when you're in this county, you drive with your hat off.' My dad put his hat on the seat beside him until we passed the county line. I made up my mind then that I would always speak up against that kind of treatment."

We talked some more together, and Carla told me that the minority program at our main plant was not going as well as I had thought it was. Carla could not let some of the incidents go unprotested. She had taken the first and most difficult step; she had led the way. I asked Carla what she wanted me to do. She said, "You're the CEO. It's your job to tell us what you believe." I told her I would do that.

As in many cases, a follower had shown a leader what was necessary.

