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### **Subsidiarity: A Leadership Principle for Good Work**

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# SUBSIDIARITY

A LEADERSHIP PRINCIPLE FOR GOOD WORK

ST. VINCENT HEALTH

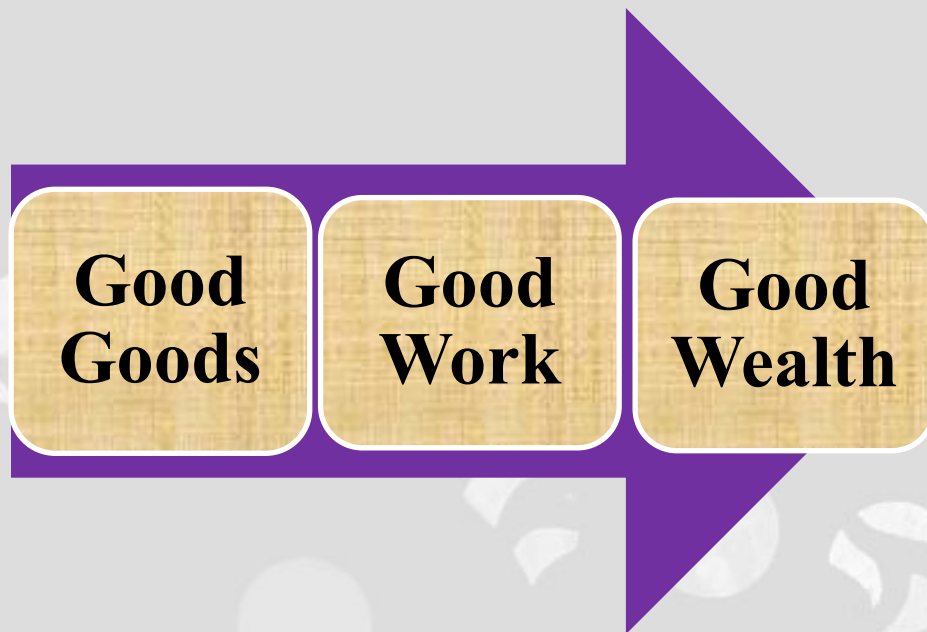
# Introduction to Subsidiarity



- **History:** Pius XI, *Quadragesimo anno* (1931)
- **Etymology:** *subsidium* “to help” “to assist,” to strengthen
- **Two Ways to Help and Lead:**
  - Create Conditions
  - Intervention
- **Two Ditches:**
  - Defect: Not giving help when help is needed
  - Excess: absorbing people’s “function”

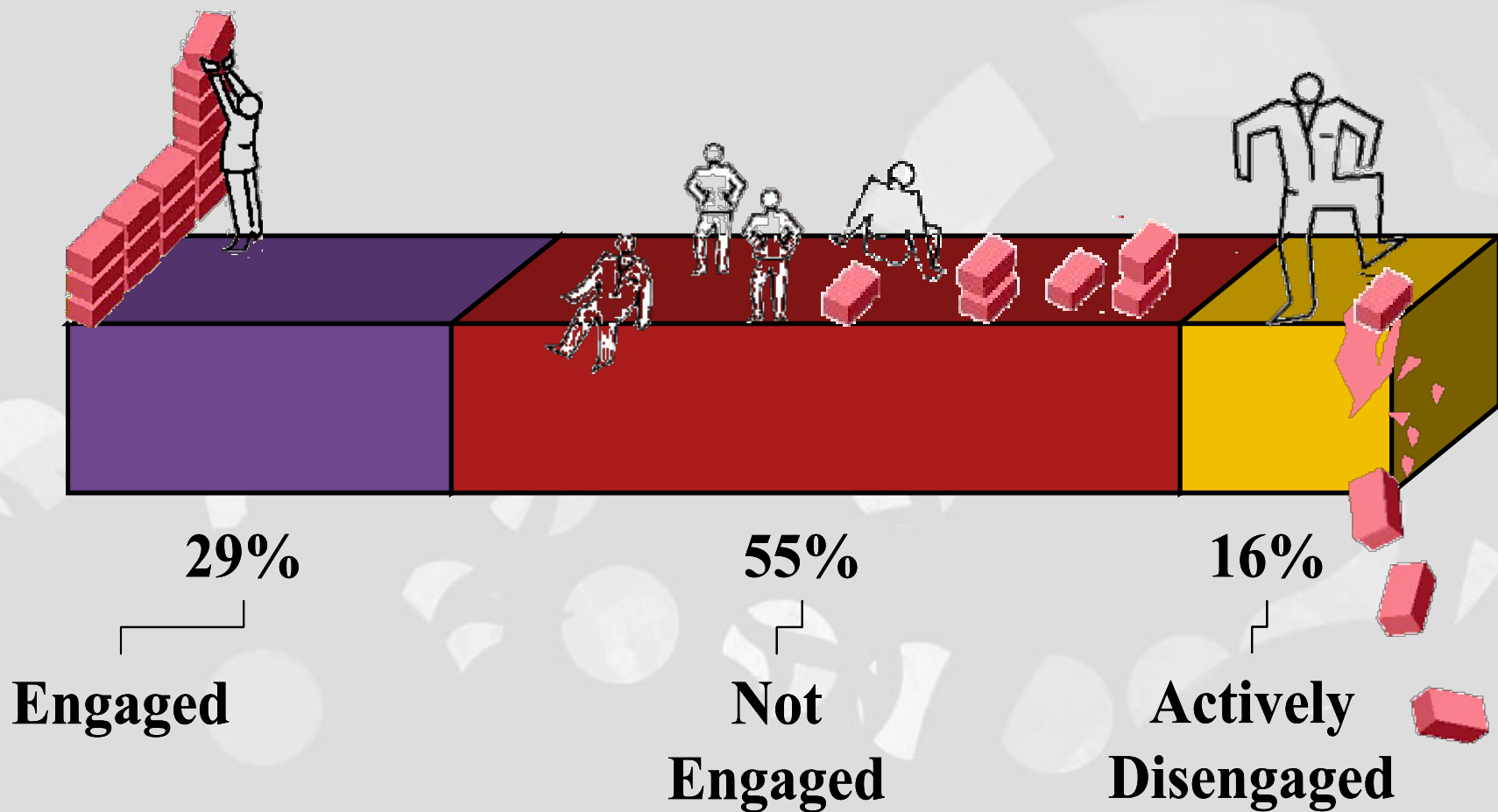
# Seeing

## Locating Subsidiarity



- **Good Goods:** making goods which are truly good and providing services which truly serve;
- **Good Work:** organizing work so that coworkers develop their gifts and talents; and
- **Good Wealth:** creating sustainable wealth and distributing it justly.

# Good Work: Engaged/Disengaged



# Costs of Disengagement

- **Financial Costs:**
  - A Gallup Study found that employee disengagement impacts American businesses, with the annual cost of disengagement ranging from an estimated \$450 billion to \$550 billion.
  - Companies with *engaged* employees outperform those with disengaged employees as measured by lower employee turnover, less absenteeism, fewer safety accidents, higher employee satisfaction, faster growth, healthier margins, better customer relations and fewer quality defects.
- **Human Costs:**
  - “...for dead matter leaves the factory ennobled and transformed, while men are corrupted and degraded.”  
(Pius XI, 1931)

# Reasons for Disengagement:

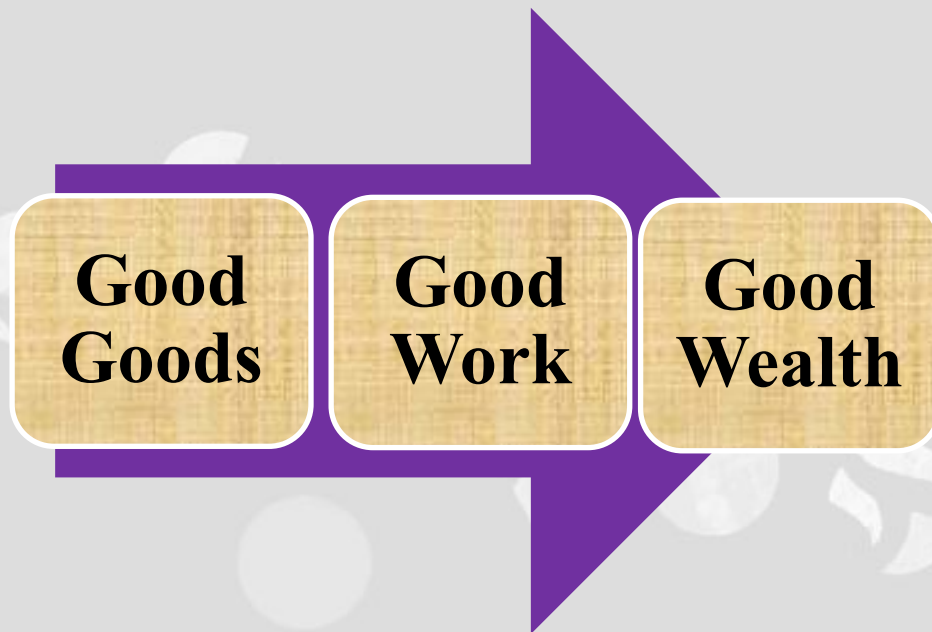


- **A Failure to See and Develop Associates' Gifts**
- **A Failure to Build a Community of Work**



# Not in a Vacuum

## Locating Subsidiarity



- **Good Goods:** making goods which are truly good and providing services which truly serve;
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# Judging with Subsidiarity:

## The Logic of Gift



- “Subsidiarity respects personal dignity by recognizing in the person a subject who is always capable of *giving* something to others” (Benedict).
- At the heart of subsidiarity is not a right to autonomy, but rather a *munera* (function), a gift to be given (Hittinger).
- “God has not willed to reserve to himself all exercise of power. He entrusts to every creature the functions [*munera*] it is capable of performing, according to the capacities of its own nature. This mode of governance ought to be followed in social life. The way God acts in governing the world, which bears witness to such great regard for human freedom, should inspire the wisdom of those who govern human communities” (Catechism).

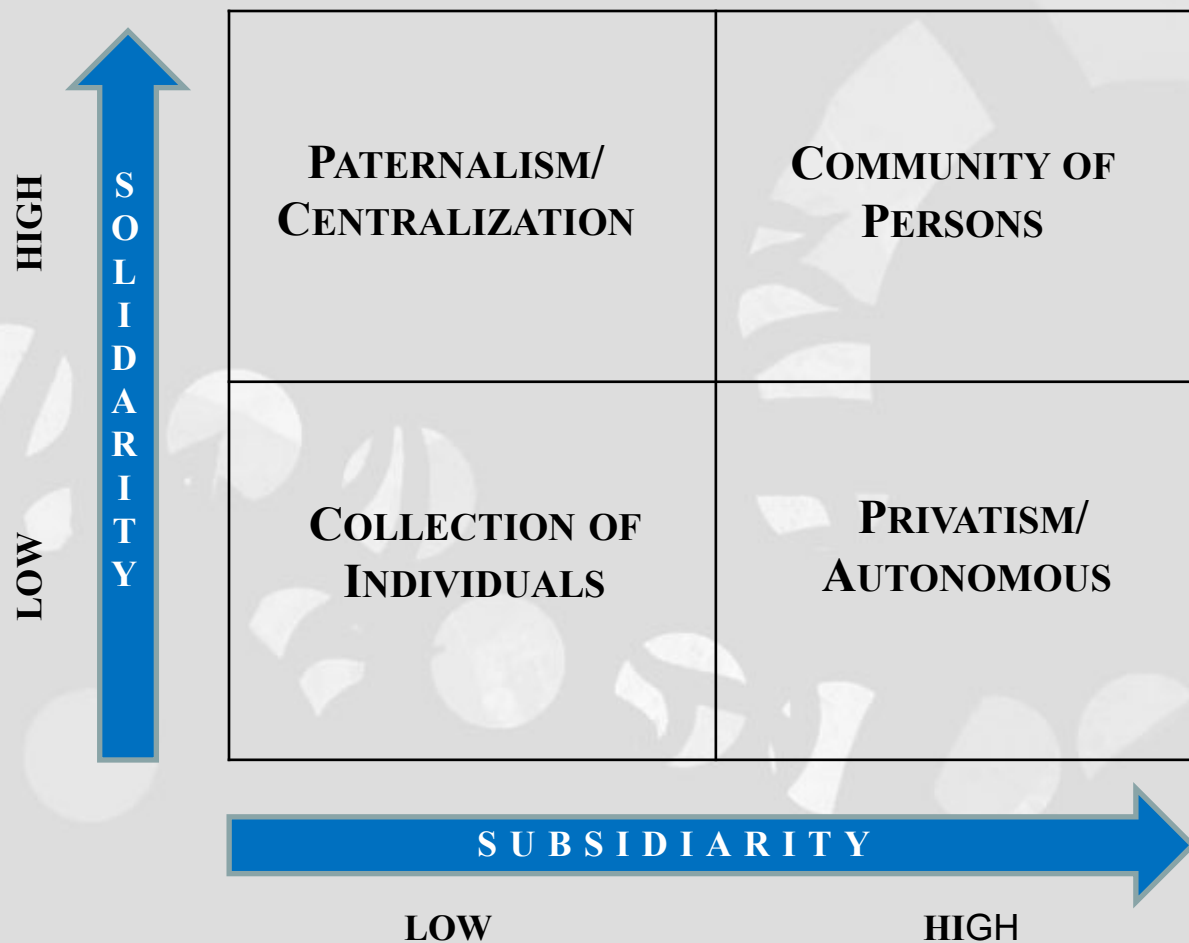


# Logic of Justice



- **Justice:** If economic systems lessen people’s sense of responsibility or rob them “of opportunity for exercising personal initiative, then such a system . . . is altogether *unjust*—no matter how much wealth it produces, or how justly and equitably such wealth is distributed” (John XXIII),
- **Thou Shalt Not Steal.** It is “a grave evil and disturbance of right order” (Pius XI) when leaders and authorities absorb employees’ gifts and rob them of their corresponding responsibilities.
- **Leadership Principle:** “We must as leaders embrace the principle of subsidiarity. It is wrong to steal a person’s right or ability to make a decision. If we do so, it will ultimately cripple the firm” (William Pollard, former CEO of ServiceMaster).

# “Subsidiarity must remain closely linked to . . . Solidarity” (Benedict)



# Acting

## Subsidiarity at Work



- **Orienting**

- **Institutionalizing**

- **Sustaining**



# Orienting Subsidiarity toward Good Work



- **Designing Work:** Design in *participation* to draw out the full potential of people.
- **Developing People:** Those closest to the work often know the most about the work, especially when educated and equipped.
- **Building Community:** : To take upon oneself, in full trust, the risks of the lower level's decisions.





# Institutionalizing Subsidiarity

**Definition:** to infuse subsidiarity into the practices, policies, programs and structures of the organization that enable it to go beyond the economic, technical and legal requirements of the task at hand.

## **Practices, Policies, Structures, Programs, Metrics**

- Organizational Structure and Job Design
- Employee Development and Formation
- Continuous Quality Improvement
- Performance Evaluation/Rewards and Incentives
- Internal Promotions
- Turnover
- Others



# Sustaining Subsidiarity

- **Mission Driven Recruiting and Hiring for Subsidiarity Leadership:** Board, Executive, Supervisory



# Conclusion: Tensions in Shaping a Culture of Subsidiarity

- **Trust and Accountability:** Give as much individual responsibility as possible and as much administrative support and/or managerial intervention as necessary.
- **Standardization and Innovation:** Make as many standards as necessary but ensure as much initiative and innovation as possible.
- **Decentralization and Centralization:** Move decision-making to the lowest level possible and to the highest level necessary.





# Bridge/Gap Exercise

## Subsidiarity, Good Work and Practical Wisdom

**What grade would you give St. Vincent's on implementing the full meaning of Subsidiarity into the organization? Justify your grade with what you see are the gaps and bridges.**

The following questions can serve to address the question above:

1. In what ways are we engaging Associates to bring their full talents and gifts to the organization? What current programs, policies and structures serve to foster a Subsidiarity culture at St. Vincent's?
2. What challenges make it difficult to nurture and build a culture of subsidiarity? How do we avoid a culture of disengagement?
3. How can we promote subsidiarity in our communications? What kind of language works, and what gets in the way?
4. How will you lead in ways that promote subsidiarity? What inner qualities and dispositions do you need to continue to cultivate in order to exercise this type of leadership?

# Final Thought

## Logic of Gift and Subsidiarity Leadership



“He [Peter Maurin] did not begin by tearing down, or by painting so intense a picture of misery and injustice that you burned to change the world. Instead he aroused in you a sense of your own capacities for work, for accomplishment. He made you feel that you and all (people) had great and generous hearts with which to love God. If you once recognized this fact in yourself you would expect and find it in others ‘the art of human contacts’ Peter called it happily.”

Dorothy Day



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