



Seattle Pacific University
LIBRARY
Discover, Create, Share

Seattle Pacific University
Digital Commons @ SPU

C. William Pollard Papers


Work and Faith

September 4th, 2007

Timeless Values in Turbulent Times (Bentonville, AR)

C. William Pollard

Follow this and additional works at: http://digitalcommons.spu.edu/pollard_papers

 Part of the [Business Administration, Management, and Operations Commons](#), and the [Leadership Studies Commons](#)

Recommended Citation

Pollard, C. William, "Timeless Values in Turbulent Times (Bentonville, AR)" (2007). *C. William Pollard Papers*. 33.
http://digitalcommons.spu.edu/pollard_papers/33

This Speech is brought to you for free and open access by the Work and Faith at Digital Commons @ SPU. It has been accepted for inclusion in C. William Pollard Papers by an authorized administrator of Digital Commons @ SPU.

Wal-Mart

Bentonville, AR

September 4, 2007

C. William Pollard

“Timeless Values in Turbulent Times”

It is a special privilege for me to be with you today and share some thoughts about values, the development of character, and doing what is right as we do business. Sam Walton, your founder, has been an inspiration and example to many of us. He was a business leader who not only knew how to excel at serving and meeting the needs of the customer, but also was a person of integrity with a commitment to the growth and development of his fellow associates.

Today, we live in a world of accelerated change and choice. We are flooded with choices about how we will live, how we will spend our time, what we will buy, or what we will dial up on the internet or our TV. As we make these choices on an individual basis, those of us in business also realize that the continuing forces of globalization are changing the supply and demand factors in our markets, resulting in more volatility and less predictability. In business, change and choice are a way of life.

Although I am now retired from active involvement with ServiceMaster, I have felt the effect of some of the change that is currently going on in our Company. After 35 years of being a public company and one of the Fortune 500, ServiceMaster has gone private and in July was acquired by a private equity firm. For many of our people, one thing certain about tomorrow is that it will be different from today.

It was Dickens who said “It is the best of times and the worst of times”. Although he wrote this years ago about the tale of two cities, he may well have been writing it about the world we live in today.

Now there is much about what is occurring around us that is exciting and pregnant with opportunity. As people living in the Western world, we have been blessed. We live in the most sophisticated and advanced culture that history has ever known. We have all the modern conveniences at our fingertips. We live very well in comparison to most of the rest of the world.

I have been reminded of this reality as I have traveled in Southeast Asia, and more recently in Africa, including places like Kenya, northern Uganda and southern Sudan. As I listened and shared with people who were not only less fortunate than I was but were without some of the basics of life; like food in their stomachs, clothes on their backs, a roof over their heads, and safety for their children, I sensed a spark of hope. Many of them, with a little help from the outside, were not only working hard to help themselves

and improve their life, but were also reflecting a basic principle of ethical behavior as they were reaching out to help others.

While we have made great gains in the Western world over the last 100 years in areas like life expectancy, health, education, and growth in real income, we have failed to develop anything comparable in the area of growth in moral behavior or the reduction of violence.

Robert Fogel, an economist from the University of Chicago and 1993 Nobel Prize winner, recently authored a book titled *The Fourth Great Awakening*, in which he traced the history of religious faith in America from pre-Revolutionary War times to the present.

As he analyzed the effect of religious faith upon the development of the American society and economy, he concluded that the biggest issue today in our culture was not the lack of employment opportunities or even the distribution of economic resources. Nor, in his judgment, was it a lack of diversity or equal opportunity.

In his opinion, the major issue was simply a lack of the distribution of what he referred to as spiritual resources or spiritual assets. There was, he concluded, a void in our society in the development of the character of people. He also went on to say that in order for the business firm of the future to resolve the growing complexity of ethical issues, it will have to acquire more “spiritual capital”.

The lesson from his study is simple and yet profound. The health and welfare of people cannot be understood or measured solely in terms of their economic or physical needs. Nor can it be measured solely by their intellectual or educational accomplishments. There also is a spiritual dimension to the human condition. It is this spiritual dimension that influences moral behavior and the development of character and is the genesis of love, not hate; good, not evil.

Alexander Solzhenitsyn, who suffered the evil of surviving life in a Soviet concentration camp, wrote in his classic work, *Gulag Archipelago*, that a line between good and evil passes through every human heart. He suggested that even within hearts overwhelmed by evil there was one small bridgehead of good, and even in the best of hearts, there remained a small corner of evil. His conclusion was that it was impossible to expel evil from the world in its entirety, but it was possible to recognize it and constrain it. For Solzhenitsyn, that source of truth and constraint came from God, an authority beyond himself.

So where does the development of character and integrity, or the exercise of self-restraint of impulses like evil and greed, come from in our pluralistic society, especially in a business environment?

People often look to the law for determining right and wrong and there is a role for government of oversight and imposition of some restraints on doing business and as part of protecting the public good. Those of us in a public company environment are well

aware of the added restraints and compliance requirements of Sarbanes Oxley. But morality is not something that can be easily legislated. Virtue, character, ethical conduct and the development of relationships or trust can not be mandated or simply perscripted in a code of conduct.

Can the business firm of the 21st century make money, serve customers, create value for its shareholders and become a moral community to help develop human character? A community that is focused on the dignity and worth of every person? A community with a soul?

Can people find a sense of purpose or meaning in their work, a sense of discipline and commitment to truth? Develop a strong ethic that extends to the care for others; and a sense of community and a willingness to give back and practice of charity?

As we mix the skills and talents of people at work, and work becomes a place where we attempt to accomplish certain social goals as we seek to correct imbalances in the mix of opportunity, culture, race, and gender, can't we also be about the process of developing the whole person and nurture character development so it can become a part of the fabric of a community. A way or philosophy of life of the people who make up the firm. Why isn't this also part of the social responsibility of the firm?

For this to occur, I suggest there must be moral leadership from those of us who have been called to manage and lead a business. Leadership that is transparent; that is willing to serve and lead by example. Leadership that has a moral compass for .

Books and articles about leadership and the qualities of a good leader abound. They often describe leadership as something that is glamorous and elevated. But you know, I have found it to be hard work and sometimes unromantic.

Peter Drucker, who was a friend and mentor of mine, has reminded us that the essence of leadership is performance. He then went on to say that, leadership, in and of itself, was not necessarily good or desirable. Leadership, he said, was only a means. To what end was the real question.

What he was telling us in this statement is that leadership is not so much about you or me or what we want, or our position or title; it's more about the people who follow and the direction we are leading them. It is about the responsibility we assume for the growth and development of those people.

This conclusion is also consistent with what Drucker wrote about the discipline of management as not only involving the science of developing processes, procedures, and organizational structures, but it is also a liberal art. Its object, he says, is a human community and the leader/manager must deal with the understanding and development of

the human condition including its spiritual dimension and the reality that people can do good or evil, right or wrong.

As we look at management and leadership this way, it is imperative for us as leaders to know what we believe and why we believe it. To know where we are headed and why it is important for people to follow. To understand who people are and why they work and not just what they do and how they do it. To be an example in our private and public life of the practice of right behavior. To be always willing to walk in the shoes of those we lead.

As I have now retired from my leadership and CEO responsibilities at ServiceMaster, and look back at the 25 years that I had that responsibility, I can add up the numbers that show growth in profits, customers served, and a compounded return for our shareholders that averaged 20% per year. While these figures are part of a normal business assessment of performance, the conclusion for me cannot be limited to these money or value-creation measurements. The real and lasting measurement is whether the results of my leadership can be seen in the changed and improved lives of people I led.

Our corporate objectives at ServiceMaster were simply stated: To honor God in all we do; To help people develop; To pursue excellence; and To grow profitably. Those first two objectives were end goals; the second two were means goals.

It did not mean everything was done right. We experienced our share of mistakes. We sometimes failed and did things wrong, but because of a stated standard and a reason for that standard, we could not hide our mistakes. They were regularly flushed out into the open for correction and, in some cases, for forgiveness.

Leaders could not protect themselves at the expense of those they were leading. There was an accepted standard in seeking to do that which was right and avoiding that which was wrong.

In a diverse and pluralistic society, some may question whether the first objective, to honor God, belongs as part of a purpose statement of a business or for that matter in our case of a public company. But regardless of your starting point, the principle that may be embraced by all is simply where it led us and that was to honor and recognize the dignity and worth of every person. The challenges and opportunities of running a business with these objectives are discussed in my recent book entitled *Serving Two Masters? Reflections on God and Profit*, copies of which will be available to you today.

Frankly, when you view people as only production units or something that can be defined solely in economic terms, you lose sight of their real value and worth.

It's the whole person who comes to work every day, not just a pair of hands. Someone who deserves to be treated as the subject of work, not just the object of work.

Someone who, as part of being human, is in the process of developing a view of right or wrong and whether they will put the interest of others ahead of their own self interest.

Now for me, as a Christian, and one who seeks to be a follower of Jesus, one of the best ways that I found to share and lead in the development of the firm as a moral community was to seek to serve as I led and to reflect the principle that Jesus taught His disciples as He washed their feet – namely that no leader was greater or had a self-interest more important than those being led. In seeking to so serve, the truth of what I said and believed could be measured by what I did. My ethic and faith become a reality as I was able to serve those I led.

Servant leadership has been a learning experience for me. It has not come naturally. The first thing I had to understand was what it meant to walk in the shoes of those I would lead. This was a lesson that I would learn as I first joined ServiceMaster over 30 years ago.

My predecessors in the business, Ken Hansen, who was then chairman of the company, and Ken Wessner, who was then President and CEO of the company, were both involved in recruiting me to join the firm. They wanted me to come and initially head up the legal and financial affairs of the company, reporting directly to Ken Wessner. Prior to my joining ServiceMaster, I had practiced law for ten years and had served as a Vice President and a faculty member at Wheaton College.

The interviewing process took several months, and as we were coming to what I thought of as the final interview to confirm compensation and starting date, I decided that I needed to know more about what it would take to be CEO of ServiceMaster. I was in my late 30's and knew that this would be an important career decision. I wanted a chance to get to the top and be CEO of the firm someday and needed to understand what it would take to get there. As I pressed the point and tried to get some assurance of how I could become CEO, Ken Hansen stood up and told me the interview was over. Ken Wessner then ushered me to the front door. As I left ServiceMaster that morning, I concluded that it was over and I had blown the opportunity.

A few days later, Ken Hansen called me on the phone and asked me if I wanted to have breakfast with him to discuss what had happened in his office. When we sat down for breakfast, he simply said: Bill, if you want to come to ServiceMaster to contribute and serve, you will have a great future. But if your coming is dependent on a title or position or ultimately the CEO's position, then you will be disappointed. To be successful at ServiceMaster, you will have to learn to put the interest of others ahead of your own.

His point was very simple. Never give a job or a title to a person who can't live without it. Determine at the front end whether the leader's self-interest or the interest of others will come first. Know whether he or she can define reality by being willing to do what they ask of others.

I took the job and Ken in his own way tested my commitment and understanding of what he had told me. I spent the first eight weeks of my ServiceMaster career out cleaning floors and doing the maintenance and other work which was part of our service business. There were lessons for me to learn, the most important of which was my dependence upon and responsibility to the people I would lead.

Later on in my career the faces of our service workers would often flash across my mind as I was faced with those inevitable judgment calls between the rights and the wrongs of running a business. The integrity of my actions had to pass their scrutiny. Otherwise I was deceiving myself and those that I was committed to serve.

Drucker has referred to this type of leadership as reflecting the ethic of prudence. Prudence that demands of leaders to be an example of what they say and by the way they live. In Drucker's judgment, a leader has only one choice to make with respect to exercising his or her responsibilities – to lead or mislead. In my judgment, responsible leadership requires the ethic of service and the example of right behavior.

Leadership is both an art and a science and in seeking to lead an organization as a moral community, one should recognize that it is not always comfortable. At times it feels like you are rowing upstream. There will always be an abundance of skeptics with questions raised regarding a goal which mixes the principles of faith and morality with work and making money.

The values and moral standards that I have referred to in these remarks are not new. They are timeless and have survived centuries of change. They represent an ethic that can be applied to the leadership of any organization or institution of society.

Character and integrity can be developed and learned. Leadership must set the example. People's minds and hearts need to be touched and, in some cases, transformed. The true value of a firm is dependent upon the values and commitments of its people.

As I say this, and then reflect upon where ServiceMaster and its people are today, there is one thing I know for certain. The value of our firm cannot be determined by the price that a private equity firm was willing to pay. Its value now and in the future will depend upon whether the leadership can continue to develop the firm as a moral community and capture the hearts and minds of the people who have been and are making it happen every day. In the absence thereof, the new owners may discover that they have bought a wasting asset.

It was C. S. Lewis who reminded us: "There are no ordinary people. You have never talked to a mere mortal. Nations, cultures, arts, civilizations - they are mortal and their life is to ours as the life of a gnat, but it is immortals whom we joke with, work with, marry, snub and exploit." What is a business without people? What is leadership without an example of service and a moral compass that drives a compassion and caring for the welfare of the people who are producing results and who often have little or no voice in those macro decisions of the firm that affect their future.

I am continuing to learn what all this means – I am an imperfect example – my hope however, is that these words have been of encouragement to you as you seek to serve and lead in your walk of life, to act upon your opportunity to continue to develop your company as a moral community with the growth and development of your associates and to reflect and act upon your legacy of seeking to do that which is right and good.

* * *

August 31, 2007