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The Soul of the Firm (Harleysville, PA)

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Mennonite Homes Association Peter Becker Community Harleysville PA September 21, 1999

C. William Pollard The ServiceMaster Company

"The Soul of the Firm"

Thank you for the opportunity of sharing with you this morning as you consider the role of mission and purposes and organizing principle in our role as leaders in a changing environment. I've had the opportunity in preparation for this talk to review your various mission statements. I want to commend you for statements that clearly define your commitment to serve God and follow Jesus Christ as you care for others and as you recognize the dignity and worth of every individual regardless of age or faith - all as being created in God's image.

We live in exciting times. Dickens once said "It is the best of times and the worst of times." The world is rapidly changing. People want more choices and options. As leaders, we are more transparent. We have to be more flexible yet certain about our direction and purpose.

Ten years ago, I had the privilege of participating in Peter Drucker's 80th birthday celebration. I was asked to speak on the subject of the "Effective Executive" of the 90's. I said then that the leader in the 90's would need to respond to an environment of accelerated change and choice. As I prepare now to participate in his 90th birthday celebration, I'm reminded of all that has occurred in the last 10 years. The world today is much different than it was at the beginning of this decade. The company I lead is much different than it was at the beginning of this decade. More than 80% of our business today comes from services we were not in just 12 short years ago. The world of

tomorrow will be changing at an even faster rate. Meaning that as leaders we really can't plan for the future, we can only plan for change.

Our tinkering with DNA has now raised the possibility of human cloning. The rapid expansion of technology has allowed us to change our homes from places of rest and relaxation to offices, entertainment, educational and even purchasing centers. We can now sit before our home computer and purchase everything from groceries to automobiles, plan our next vacation, access libraries all over the world and with a link to our TV or stereo system, order up the latest in entertainment or even attend church through cyberspace.

We continue to speak about the need for being global in our thinking, and our economy is increasingly being affected by global forces versus internal forces. Yet everywhere we look in our society and throughout the world, tribalism is rampant with growing divisions and conflicts among ethnic, religious and economic groups.

We are bombarded on every side by news of variant human behavior patterns. Some of which we are encouraged to accept, although we have been taught since our youth that they are wrong. Others, by the sheer volume of publicity given them, seem to be multiplying at an alarming rate and appear to be more prevalent today than they were in the past.

Some discuss our period of time not only in terms of a post-Christian era, but also one dominated by post-modernism - where everything is relative, including the meaning of words. As we look at which has occurred in the White House in the last two years, we have to ask the question: When is a lie a lie? Are integrity and fidelity still relevant in defining leadership? In determining character, can we divorce the leader's private life and conduct from his public or professional life?

Hunter, a sociologist from the University of Virginia, has described these conflicts in our society as a time of cultural wars where the fundamental ideas of who we

are and how we are to order our lives individually and together are now at odds. His conclusion is that the nub of the disagreement can be traced to a matter of ultimate moral authority. How are we to determine whether something is good or bad, right or wrong, acceptable or unacceptable? The division or gap in our society, he concludes, is growing. People living and working in the same community are, in fact, worlds apart.

Look at the changes that have occurred in your industry. The current government reimbursement policies are designed to squeeze the long-term health care provider and thereby seeking to ration healthcare. And, in turn, use expanded and cumbersome compliance systems to assure quality. How does patient rights really work when many of the patients are not in a position to effectively exercise a choice? Is managed care of Medicare a solution or just another way to squeeze the turnip?

How do you lead your people, care for your patients and fulfill your mission in this increasingly hostile environment? How do you nurture the soul of your organization? As leaders, as Christians, how shall we then live; how shall we lead the organizations we are responsible for, our families and serve in the communities we live in?

Will the real leader please stand up? Not the president or the person with the most distinguished title, or the longest tenure, but the role model. Not the highest paid person in the group, but the risk taker. Not the person with the largest car or the biggest home, but the servant. Not the person who promotes himself or herself, but the promoter of others. Not the administrator, but the initiator. Not the taker, but the giver. Not the talker, but the listener.

Samuel Beckett and James Joyce were friends and confidants. Although the writings of Joyce have received more fame and publicity, Beckett won the Nobel Prize for Literature in 1969. His essays, short stories, novels, plays, radio and television scripts are generally obscure esoteric works stressing the obscurity and despair of life. His characters are typically engaged in meaningless habits to occupy their time. But they

have no purpose or mission and accomplish nothing. As he spoke with unflinching honesty about the emptiness of life without purpose or meaning, he may well have been describing people today in an environment of an accelerated change and choice and no caring or moral leadership.

It was Socrates who stated that a person should first understand oneself as a means of making contributions to others. **Know thyself was his advice**. Aristotle counseled his followers to use one's talents to the utmost. One must have discretion and direction. **His advice was, control thyself**. However, another great thinker suggested service to others as a way of finding meaning in life. "Give thyself" were words spoken by Jesus as He washed His disciples feet. In so doing He taught that no leader is greater than the people he or she leads and that even the humblest of tasks is worthy of a leader to do. Does this example fit in today's world a thousand years later? Does it fit in business? Does it fit in our Christian organizations? There is certainly no scarcity of feet to wash. Towels are always available. The only limitation, if there is one, is with us. Are we willing to be on our hands and knees, to compromise our pride and status, to be involved and to have compassion for those we lead and for those we work with and serve.

Now as I ask these fundamental questions about leadership, and the purpose of life and work, I do so not as a philosopher, educator, political or religious leader, but simply as a business person. Someone who is seeking to lead, with my partner Carlos Cantu, a fast growing, dynamic service company that we call ServiceMaster. We have experienced rapid growth, doubling in size every 3 - 3½ years for over 25 years, with our system-wide revenues now in excess of 6 billion dollars, serving over 9 million customers. We are a public company with our shares listed and traded on the New York Stock Exchange. And yes, I live in one of those pressure cooker environments where earnings and profits must be reported quarter by quarter and where earnings and profits have been up every quarter for the past 27 years. The shareholders that Carlos and I are responsible to as leaders vote every day on our leadership. They have the choice to buy, hold or sell.

But what I am suggesting here today is that the measure of my success as a leader cannot be limited to the calculation of a total return of the value of our shares or the profit we produce. The answer must also come from the people I work with - the over 240,000 people who are now part of the ServiceMaster team and are making it happen everyday as they serve others.

Now much of our business may be classified as routine and mundane. We do such things as clean toilets and floors, maintain boilers and air handler units, serve food, kill bugs, care for lawns and landscapes, clean carpets, provide maid service, and repair home appliances. The task before us is to train and motivate people to serve, so they will do a more effective job, be more productive in their work, and yes, even be better people. For us this is both a management and a leadership challenge. It is more than a job or a means to earn a living. It is in fact a way of life or mission.

When you visit the headquarters of our firm, located west of the city of Chicago, you will walk into a large two-story lobby. On your right on a curving marble wall, 90 feet long and 18 feet high, carved in stone letters 8 feet high, are our four statements that constitute our company objectives – To honor God in all we do, To help people develop, To pursue excellence and To grow profitably. If you were to tour the rest of our building, you would notice that nearly all of the workspaces are moveable. Most of the walls do not reach the ceiling. Practically everything in the building is changeable and adaptable just like the marketplaces we serve with their changing demands and opportunities.

But the marble wall conveys a permanency that does not change. The principles carved in this stone are lasting. The first two objectives are end goals. The second two are means goals. As we seek to implement these objectives in the operation of our business, they provide for us a reference point for seeking to do that which is right and avoiding that which is wrong. They remind us that every person has been created in the image of God with dignity and worth.

We do not use our first objective as a basis of exclusion. It is in fact the reason for our promotion of diversity as we recognize that different people are all part of God's mix. And it does not mean that everything will be done right. We experience our share of mistakes. But because of a stated standard and reason for that standard, we cannot hide our mistakes. They are flushed out in the open for correction and, in some cases, forgiveness.

In a diverse and pluralistic society, some question whether our first objective belongs as part of a public company's purpose statement. But regardless of where one is with respect to this objective, the principle that can be embraced by all is where it leads us, and that is to the dignity and worth and potential of every person. For us, this is fundamental to understanding the purpose of the firm.

For me as a Christian and one who has put his faith and trust in Jesus Christ, it provides a wonderful opportunity not only to talk about my faith, but to live my faith. It provides a focus on the importance of people who are all part of the world that God so loved. As a business person, I want to excel at generating profits and creating value for shareholders. If I don't want to play by the rules, I don't belong in the ball game. But I also believe that the business firm I work in has another purpose and that is to be a moral community to help shape the human character and behavior of people making up that community. They are, in fact, the soul of the firm.

Thus, we are shouting to the world that God does have a relevance to a work environment where not everyone has the same religious faith. We are proclaiming that God does have a relevance to a work environment where people are earning money and making profit. We are affirming that God does have a relevance to a work environment where performance and results are the accepted standard of accountability.

Fortune Magazine has described the soulless company as suffering from an enemy within and cites a quote from Henry Ford as being descriptive of many business leaders when he said: "Why is it that I always get a whole person when all I really

wanted was a pair of hands?" How many times as leaders have we been guilty of looking at people in our firms or organizations as just a pair of hands or simply another producer, an economic animal who can be motivated by a compensation package or new incentive plan or stock option program?

Drucker's classic definition of management is getting the right things done through others. A servant leader, however, cannot stop there. He or she must also be concerned about what is happening to the person in the process. Those people who are producing profits, who are accomplishing the mission of the organization, are also human. They have cares and concerns, emotions and feelings, beliefs and convictions. They can love or they can hate. As the soul of the firm, they can contribute or detract, motivate or discourage. A servant leader must be involved in what I refer to as soul craft.

One of the current best sellers on leadership is entitled *Leadership Engine* written by Noel Tichy, a professor at the University of Michigan's Graduate School of Business. In his book he describes companies that build and develop leaders at every level of the organization. One of the companies he studied and reported on was ServiceMaster. At first he was concerned about whether we would be a valid example because of our objectives and makes these comments about what he found.

"For many people who don't know the folks at ServiceMaster, the stated value of 'To honor God in all we do' is troubling. Before we went to visit them, one of my colleagues suggested that their religious orientation might make them unsuitable as models for more 'normal' organizations. But the truth is that when you get to know the people who work at ServiceMaster, you quickly see that there are no traces of ethereal other-worldliness about them. They are serious business people firmly focused on winning. 'Profit [to them] is a means in God's world to be used and invested, not an end to be worshipped. [It] is a standard for determining the effectiveness of [their] combined efforts'."

He goes on to say: "ServiceMaster has achieved such adherence to its values. . . because everyone from [the top] down works at making them an everyday reality. One of [their] twenty-one leadership principles says (No. 6), 'If you don't live it, you don't believe it.' And they really mean it. Service permeates all the way to the highest level of the company. And no matter how senior they become, each spends at least one day a year performing front-line service work."

Tichy is confirming in his own way what we already know – the message of Jesus Christ to serve as we lead is still relevant two thousand years later. It still works and as we live it we are also witnessing to those around us of the God who is the focus of our faith.

As I close I want to share with you an experience of my own life where a mentor taught me an important lesson of servant leadership.

The story starts over 21 years ago. I was being recruited to join ServiceMaster by my predecessors, Ken Hansen, who was then Chairman of the company and Ken Wessner, who was President and CEO of the company. They wanted me to come and head up the legal and financial affairs of the company, reporting directly to Ken Wessner.

In the selling of the job, they suggested that I, along with others, would be considered in the future for the CEO position of the company.

The interviewing process took several months and as we were coming to what I thought was 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. As I pressed the point, Ken Hansen stood up and said the interview was over. Ken Wessner led me to the front door. As I left ServiceMaster, I concluded that it was over – 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 the interview. I accepted the offer and at breakfast he made clear to me his teachable point of view. 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 upon a title, position or ultimately the CEO position, then you will be disappointed. It is up to you.

The point was simple. Never give a job or a title to a person who can't live without it. Leaders in ServiceMaster, to be successful, must have or develop a true servant's heart. I took the job and Ken, in his own way, tested me at the front end. I spent the first six weeks in ServiceMaster out cleaning floors and doing maintenance work, which are all part of our service business. There were lessons for me to learn, the most important of which was – as a leader I needed to be a servant and that I should never ask someone to do something I was not first willing to do.

As we are all challenged to step up to the next level of accomplishment or responsibility, let us never forget our responsibility to serve - our responsibility to serve the people we lead and work with.

It was C. S. Lewis who reminded us that: "There are no ordinary people. You have never talked to a mere mortal. Nations, cultures, arts, civilizations – these are mortal and their life is to ours as the life of a gnat. But is immortals whom we joke with, work with , marry, snub, and exploit."

The next step up may well be on your knees.
