



The key to effective leadership

How steward leaders create sustained success for the long term in organisations

How can a business thrive and sustain growth while enhancing the wealth of its stakeholders and the well-being of the societies in which it operates?

Stewardship is an ancient concept that is enjoying a modern day resurrection. Recent years have seen the term “stewardship” gaining currency in a wide range of debates over the appropriate roles and responsibilities of industry, government and citizens in various economic and environmental governance processes. However, the term is still rather loosely defined and remains something of a conundrum.

Stewardship is defined as “the careful and responsible management of something entrusted to one's care.”⁽ⁱ⁾ The core idea here is that we do not really own what we think we own – we are merely trustees, or stewards, custodians of these things. As stewards, we are accountable to someone else for how we manage what has been entrusted to us.⁽ⁱⁱ⁾ In addition, the implication is that stewardship involves the use of one's own time, energy and resources and that a person's stewardship goes beyond the physical into cognitive, attitudinal and personal matters supported distinctly by an individual moral orientation.

Stewardship requires leaders with a vision of long-term benefits, who can communicate this to their employees. They recognize that stakeholder interests may not always be aligned and that their role is to balance these to create value not just for the organization but for societal stakeholders too. Through consistent and reliable performance, as well as undisputed integrity, steward leaders build the trust that engages employees, while allowing for optimal interactions between stakeholders. Rooted in compassion, equity, prudence, accountability, and care, the behaviour of steward leaders can be characterized by three seminal attributes:

1 Leading with impact:

Is about earning the right to lead, as opposed to relying on entitlements dependent on organizational ranks or job titles. Transformational leadership occurs when trustees make the interests of their employees a central concern, when they motivate employees and engage them through enhanced awareness and acceptance of the group's purpose and mission, and when they inspire them to look beyond their own self-interest for the collective good.

They communicate in ways that create alignment, commitment and engagement; while fostering creativity and encouraging new and better ways of doing things. When necessary, a trustee challenges processes and practices that reduce organizational effectiveness, and gains respect and trust from leading with high moral and ethical standards.

2 Safeguarding the future:

When stewardship is embedded in the organizational culture, the commitment of the firm continues over time. Relationships are based on trust, structures are decentralized and power is distributed, and employees are motivated to contribute to the company's purpose in the long-term.

Steward leaders seek to protect stakeholder interests in a visible and accountable manner. In this custodian role, a steward leader practices caution in practical affairs and employs a measured approach to risk. Through effective leadership, a trustee has the ability to effectively combine short term execution with long term thinking, the foresight to implement careful management of resources and the zeal to enforce strong forward looking policies and standards.

3 Driving towards the greater social good:

Staying in touch with external and internal stakeholders' expectations of the company and minimizing discrepancies with the trustee's expectations helps to ensure solid relationships, ensuring that there is a positive two-way

exchange between the corporation and its broader societal context.

Steward leaders develop themselves and their organizations so that they can mutually embrace transcendent values and work together towards driving social good. They lead their teams, groups, organizations, and professions to affect change that universally benefits and inspires others. Great stewards have a strong moral driving force and are committed to taking responsible decisions.

Stewardship draws on notions of accountability, a long-term orientation and responsibility for protecting and growing assets over time. Positioned as a clear object to benefit society with its aligned values, structures and processes, stewardship provides a firm's leaders and employees with the clarity of purpose to generate value in the broader sense. As one pithy definition puts it: "Stewardship essentially means those who are entrusted with wealth of any kind have an obligation to hand those assets on in better shape than they inherited them". ■

This article was adapted from *Introducing Stewardship and Summary of Effective Leadership*, published by Stewardship Asia Centre, a Singapore-based thought leadership centre committed to fostering stewardship across organisations in Asia. www.stewardshipasiacentre.com.sg

i Webster's Dictionary

ii <http://greatleadersserve.org/leadership-is-stewardship>



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Mr Ong Boon Hwee is the CEO of Stewardship Asia Centre, a Singapore-based thought leadership centre that focuses on promoting stewardship and governance of companies and organisations across Asia. He directs SAC's efforts to develop and propagate a greater understanding of stewardship, a concept that emphasises safeguarding and enhancing an organisation's ability to create economic and societal value over time. He recently co-authored "Inspiring Stewardship", a book on the stewardship influence that business leaders can make to their organisations over time.