

Subsidiarity

Annotated Bibliography

Subsidiarity guides people to establish relationships where they can make decisions, accomplish good work, and live their lives in a manner that respects human dignity

Pati Provinske, Research Associate for the Koch Endowed Chair in Business Ethics, created this Annotated Bibliography (AB) to support authors Michael J. Naughton, Jeanne G. Buckeye, Kenneth E. Goodpaster, and T. Dean Maines in the collaborative writing of their essay (later published as a book), *Respect in Action: Applying Subsidiarity in Business*.

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Miscellaneous Notes:

- For some materials, only those chapters or sections that refer to subsidiarity have been annotated.
- Encyclical entries identify passages (§) addressed in the authors' collaborative paper.
- Spelling appears as it does in source material (e.g. *Globalisation* in lieu of *Globalization*).
- Some entries show more than one link to provide options for articles only available through subscription.
- Indented blocks of text appear without opening and closing quotation marks.
- Several links were updated on August 16, 2017, including the link for this Annotated Bibliography.

Overview

These annotations illustrate the principle of subsidiarity's timelessness as they encompass some of its integral elements (e.g., making decisions and respecting human dignity). Moreover, they discuss its usage relative to business—even though subsidiarity does not appear as a common word in today's business language. Therefore, to deepen this understanding of subsidiarity (at times without using the word directly), several annotations show *how* business reflects the principle; others show *why* its presence in business holds particular importance.

An essential aspect of subsidiarity's core meaning appears in Hittinger's writing where he examines "*munera*—gifts, duties, vocations, missions" (393, 407). The *Catechism of the Catholic Church* illustrates this meaning broadly: "God entrusts to every creature the *munera* it is capable of performing, according to the capacities of its own nature" (§1884). Heil, Bennis, and Stephens reflect the spirit of subsidiarity in a business context in their study of McGregor's "vision of a more humanistic workplace" (3).

Diverse sources represented here include business people, popes, bishops, researchers, professors, and others. Spanning more than one hundred years (from 1891 through 2014), their materials appear in encyclicals, books, journal articles, a case study, Pontifical Council writings, Gallup reports, and an Op-Ed. As the views occur over a broad timeframe, perspectives vary and sometimes overlap. Donati's reference to "socio-anthropological implications" may explain this (211). The list below includes only some of the sources and perspectives appearing in this Annotated Bibliography. It does not represent an exhaustive list of all who have written about subsidiarity or expressed a view.

- Several authors illustrate subsidiarity from a business sense (Alford and Naughton; Argandoña and Strandberg; Byron; Chamberlain and Dickins; Gallup; Goffee and Jones; Handy; Johnston; Kennedy; McMahon; Melé; Pollard; Stayer; Waterman).
- Others address subsidiarity's historical elements (Aroney; Brennan; Donati).
- Writers also look at human identity and dignity (Clarke; Iber; Miller; Rose).
- A number of authors focus on the writings of the Catholic Church (Gutián; Hittinger; Kelley; Nell-Breuning; the Pontifical Council; popes and bishops; Verstraeten).
- Others present thoughts from the vantage point of leadership (Cashman; Drucker; Heil, Bennis, and Stephens; Pugh and Hickson; Werhane, Posig, Gundry, Ofstein, and Powell).

Coming full circle, these annotations show collectively that, in making decisions and accomplishing work, subsidiarity can play an important role in business as it helps employers and employees establish relationships that respect human dignity.

Annotations

Alford, Helen J., and Michael J. Naughton. 2001. *Managing as If Faith Mattered: Christian Social Principles in the Modern Organization*. Notre Dame: University of Notre Dame Press.

Alford and Naughton examine the purpose of business, the virtues of human development, and other aspects of work within the context of faith. In their chapter on “Job Design,” they discuss how a woman working at a factory was demeaned and dehumanized as “only her objective output” was “treated as valuable” (103). In contrast, they show that the principle of subsidiarity provides a way for employers to “respect a person’s human nature” by allowing them “to take charge of their own work and to act on their own initiative” (103). Further, Alford and Naughton express this premise: “Subsidiarity suggests that responsibility and commensurate authority should never be separated” (103).

Argandoña, Antonio, and Lena Strandberg. 2011. “Governance and Subsidiarity in Firms.” In *Globalisation, Governance and Ethics: New Managerial and Economic Insights*, edited by Jacques-Marie Aurifeille, Christopher J. Medlin, Clement A. Tisdell, Jaime Gil Lafuente and Jaime Gil Aluja, 113–124. New York: Nova Science Publishers, (Economic Issues, Problems, and Perspectives).

Argandoña and Strandberg discuss the complex variables that interact bi-directionally within a firm as managers create decision rules and carry out action plans. Variables include trust; effectiveness; efficiency; survival (of the firm); consistency; and “the dignity of the persons and their personal rights” (115). Moreover, they state: “Achieving optimal economic outcomes is not an economic problem; it cannot be solved by manipulating economic variables alone. It depends on psychological and ethical variables” (118).

Aroney, Nicholas. 2011. “Subsidiarity: European Lessons for Australia’s Federal Balance.” *Federal Law Review* 39. Accessed July 2, 2013.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1912215.

To identify lessons that can be learned, Aroney examines “the nature and operation of the principle of subsidiarity in Europe . . .” (1). He focuses on *munus* as carrying “the sense of ‘function,’ ‘role,’ ‘service’ or ‘gift’ [. . .]” (23); and *munera* as “the corresponding functions” (23). For context, Aroney refers to a point Russell Hittinger makes in his article, “Social Pluralism and Subsidiarity in Catholic Social Doctrine” (2002): “. . . at the heart of a self-governing community—or any other of the ‘smaller associations’ referred to in the papal encyclical—is a unique *munus* (function or role) which that community both embodies in itself and offers to others as its unique gift and service” (23). Moreover, Aroney states, “Although an admittedly difficult and highly controversial task, unless the issue of *munera* is addressed, ‘subsidiarity’ as a principle is not going to have much effect, for its fundamental lesson about the nature and integrity of the *munus* of each community—social and political—

will not have been learned” (2). He emphasizes this point in his closing: “Unless we retrieve an understanding about the *munera* of governments and communities at all levels, the principle of subsidiarity is only going to do so much” (25).

Brennan, Patrick McKinley. 2014. “Subsidiarity in the Tradition of Catholic Social Doctrine.” In *Global Perspectives on Subsidiarity*, edited by Michelle Evans and Augusto Zimmermann. *Ius Gentium: Comparative Perspectives on Law and Justice* 37, doi 10.1007/978-94-017-8810-6_3. Dordrecht: Springer Science+Business Media. Accessed January 14, 2015. http://link.springer.com/chapter/10.1007/978-94-017-8810-6_3. Villanova Law/Public Policy Research Paper No. 2013-3008. Accessed May 1, 2013. SSRN: <http://ssrn.com/abstract=2182190>. (This annotation refers to the Research Paper.)

Brennan discusses the historical events that preceded the Church’s “response to the social dissolution wrought by the revolutionaries of 1789”—delivered in *Quadragesimo Anno* (QA) by Pope Pius XI in 1931 (2). Brennan acknowledges that Catholic social doctrine have continued to develop “by way of clarification and application, thereby shedding further light on the significance of subsidiarity and its relationship to the other principles comprised by the doctrine, including the common good, social justice, and solidarity” (2). Drawing on the *Compendium of the Social Doctrine of the Church* (2004, No. 79), Brennan states that in QA, Pius described subsidiarity as a “most weighty” (“*gravissimum*”) principle . . . “fixed and unshakable” (“*fixum . . . immotumque*”) (3). He explains: “The Church proposes subsidiarity, then, not as a ‘policy’ or a mere political preference, but instead as one among the unchangeable ontological principles of the socio-political order” (3).

Byron, William J. 2006. *The Power of Principles: Ethics for the New Corporate Culture*. Maryknoll, NY: Orbis Books.

Byron includes a chapter on the principle of subsidiarity in his book, along with the principles of integrity, veracity, fairness, human dignity, participation, commitment, social responsibility, the common good, and love (166–179). He frames the principle in terms of delegation, first with an example that relates to government, then with examples that pertain to business—and one that comes from the world of baseball. Regarding subsidiarity, he writes, “This principle, more readily understood, perhaps, in terms of delegation, would push decision making down to lower levels, but there are times, most would agree, when government must act in the interest of the common good” (166). Although he focuses on examples where delegation (relative to subsidiarity) has worked, he also includes an example where it has been tempered—and notes that some of the other principles (mentioned above) may then play a role.

Relative to business, Byron quotes Long & Foster president, Brenda Shipplett, as she refers to Wes Foster, the company CEO: “We’re used to doing a good bit on our own. That’s a very smart way to run a company, to empower people so they have confidence in themselves”

(170). For perspective, in 2006, Byron described Long & Foster as “the nation’s largest privately held real estate brokerage firm based in Washington, DC” (170).

In another example, Byron refers to his interview with former IRS Commissioner Charles Rossotti—whose practice of moving around and listening to people helped him “build relationships, restore trust, and improve both morale and efficiency” (170–171). According to Rossotti, “Over time, we could replace the abstraction of management with meaningful relationships of one person to another” (Rossotti 2005, 88). Byron comments on Rossotti’s “ground rules for decision-making”: “[They were] designed to produce procedures that would show more respect for autonomy and delegate responsibility down and out from the national headquarters to the field offices” (172). (These actions reflect the principle of subsidiarity.)

To illustrate subsidiarity in baseball terms, Byron quotes Joe Torre, then manager of the New York Yankees: “Successful managers allow their players to play the game. And that’s what I try to do” (173).

Rossotti, Charles O. 2005. *Many Unhappy Returns: One Man’s Quest to Turn Around the Most Unpopular Organization in America (Leadership for the Common Good)*. Cambridge, MA: Harvard Business School Press.

Calvez, Jean-Yves. 1964. *The Social Thought of John XXIII: Mater et Magistra*. Translated by George J. M. McKenzie. Chicago: Henry Regnery Company.

Calvez, Jean-Yves, and Jacques Perrin. 1961. *The Church and Social Justice: The Social Teaching of the Popes from Leo XIII to Pius XII (1878–1958)*. Chicago: Henry Regnery Company.

Cashman, Kevin. 2013. “Pause for Purpose.” *Leadership Excellence* 30 (3): 14. Accessed August 2017. <http://cashmanleadership.com/pause-for-purpose/>

Among his seven “pause practices” for leaders, Cashman refers to “questioning and listening, fostering generativity, and being authentic.” He describes generativity in terms of “preparing the next generation . . . helping people surpass us . . . coaching, mentoring, and stretching people to go beyond us, *multiplying our impact* and enabling human potential to flourish.” (These actions demonstrate the essence of subsidiarity.)

Further, Cashman’s thoughts on purpose—“clarifying it, and stepping back to step forward with new strength and conviction”—could describe the situation that Ralph Stayer, CEO of Johnsonville Foods, Inc., found himself in during the 1980s. Stayer stepped back, and at times he and his organization stumbled. Eventually, they succeeded. (See annotation for Stayer.)

Catholic Bishops (United States). 1986. *Economic Justice for All: Pastoral Letter on Catholic Social Teaching and the US Economy*. §19, §99, §101, §123, §124, §297, 308, §314, §323. Note: “This anniversary publication, which includes all three documents as well as updated suggestions for action, is authorized by Monsignor Dennis M. Schnurr, General Secretary, NCCB/USCC (1997).” Accessed April 25, 2013.
http://www.usccb.org/upload/economic_justice_for_all.pdf

Catholic Church and Leo XIII. 1891. *Rerum Novarum (RN)*. Encyclical of Pope Leo XIII on Capital and Labor. May 15. Accessed April 26, 2013.
http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html

Catholic Church and Pius XI. 1931. *Quadragesimo Anno (QA)*. Encyclical Letter of Pope Pius XI on Reconstruction of the Social Order. May 15. Passages addressed in the paper: §43, §79, §80. Accessed April 24, 2013.
http://www.vatican.va/holy_father/pius_xi/encyclicals/documents/hf_p-xi_enc_19310515_quadragesimo-anno_en.html

Many of the annotations included here reflect the essence of these words from Pope Pius:

Just as it is gravely wrong to take from individuals what they can accomplish by their own initiative and industry and give it to the community, so also it is an injustice and at the same time a grave evil and disturbance of right order to assign to a greater and higher association what lesser and subordinate organizations can do. For every social activity ought of its very nature to furnish help to the members of the body social, and never destroy and absorb them. (§79)

Catholic Church and St. John XXIII. 1961. *Mater et Magistra (MM)*. Encyclical of Pope John XXIII on Christianity and Social Progress. Given at Rome, at St. Peter’s, on May 15. Passages addressed in the paper: Personal Initiative and State Intervention, §53. The Remuneration of Work, §69. Principle of Subsidiarity, §117. Price Protection, §140. Social Responsibility, §147. Contribution of Private Enterprise, §152. Accessed April 24, 2013.
http://www.vatican.va/holy_father/john_xxiii/encyclicals/documents/hf_j-xxiii_enc_15051961_mater_en.html

Catholic Church and St. John XXIII. 1963. *Pacem in Terris (PT)*. Encyclical Letter of Pope John XXIII on Establishing Universal Peace in Truth, Justice, Charity, and Liberty, Structure and Operation of the Public Authority. April 11. Passages addressed in the paper: Structure and Operation of the Public Authority, §69 (partial). The Principle of Subsidiarity, §140. Accessed April 24, 2013.
http://www.vatican.va/holy_father/john_xxiii/encyclicals/documents/hf_j-xxiii_enc_11041963_pacem_en.html

Catholic Church and Paul VI. 1965. *Gaudium et Spes (GS)*. Pastoral Constitution on the Church in the Modern World. December 7. Second Vatican Council. Passages addressed in the paper: Section II: Setting Up an International Community, §86c. Section 2: Some Principles for the Proper Development of Culture, §59. Section I: Economic Development, §65. Chapter II: The Community of Mankind, §26. Accessed April 25, 2013.

http://www.vatican.va/archive/hist_councils/ii_vatican_council/documents/vat-ii_cons_19651207_gaudium-et-spes_en.html

Catholic Church and Paul VI. 1967. *Populorum Progressio (PP)*. Encyclical of Pope Paul VI on the Development of Peoples. March 26. Accessed April 29, 2013.

http://www.vatican.va/holy_father/paul_vi/encyclicals/documents/hf_p-vi_enc_26031967_populorum_en.html

Catholic Church and St. John Paul II. 1981. *Laborem Exercens* ('On Human Work') (*LE*). To His Venerable Brothers in the Episcopate, to the Priests, to the Religious Families, to the sons and daughters of the Church and to all Men and Women of good will on Human Work on the ninetieth anniversary of *Rerum Novarum*. September. Passage addressed in the paper: Work and Personal Dignity, §9 (partial). Work and Ownership, §14 (partial). Accessed April 26, 2013. http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_14091981_laborem-exercens_en.html. (Kennedy quotes St. John Paul II's §9.)

Catholic Church and St. John Paul II. 1991. *Centesimus Annus (CA)*. Encyclical Letter to His Venerable Brother Bishops in the Episcopate, the Priests and Deacons, Families of Men and Women Religious, All the Christian Faithful, and to All Men and Women of Good Will on the Hundredth Anniversary of *Rerum Novarum*. May 1. Passages addressed in the paper: II. Towards the "New Things" of Today, §13, §15 (partial). IV. Private Property and the Universal Destination of Material Goods, §30, §36, §41. V. State and Culture, §48. Accessed April 25, 2013. http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_01051991_centesimus-annus_en.html

Catholic Church and Benedict XVI. 2009. *Caritas in Veritate (CV)*. Encyclical Letter of the Supreme Pontiff Benedict XVI to the Bishops, Priests, and Deacons, Men and Women Religious, the Lay Faithful, and All People of Good Will on Integral Human Development in Charity and Truth. June 29. Passages addressed in the paper: Chapter Four: The Development of People, Rights and Duties, the Environment, §47. Chapter Five: The Cooperation of the Human Family, §57, §58, §60, §67. Accessed April 25, 2013.

http://www.vatican.va/holy_father/benedict_xvi/encyclicals/documents/hf_ben-xvi_enc_20090629_caritas-in-veritate_en.html

Catholic Church, John F. Cronin, Francis Xavier Murphy, and Ferrer Smith. 1964. *The Encyclicals and Other Messages of John XXIII*. Washington, DC: TPS Press.

Chamberlain, Gary L., and Dianna Dickins. 2004. "The Evolution of Business as a Christian Calling." *Review of Business, Special Issue: Catholic Social Thought and Management Education* 25 (1): 27–36. The Peter J. Tobin College of Business at St. John's University. Accessed August 11, 2017. https://link.springer.com/chapter/10.1057%2F9781137295125_4

In their Abstract, Chamberlain and Dickins state, "Looking at business as a calling sheds new light on the role business can play in the life of a Christian" (27). Within this context, they examine ". . . four themes from among the many themes of Catholic Social Teaching because of their direct relationship to business as a vocation and the vocation of business itself" (27). These include the common good, subsidiarity, solidarity, and participation by workers. The authors acknowledge how these themes have evolved as they look at the encyclicals and other writings of several popes (John Paul II, Leo XIII, John XXIII, and Pius XI) and the work of US bishops in *Economic Justice for All*. They relate their writings to the social nature of work, the building of community within a business, and the importance for individuals "called to a particular business [. . .] to take steps to ensure that his or her potential is developed" (31). In their summary, Chamberlain and Dickins conclude, "The business then is not just an amalgam of individuals, but a true community fostering the growth of people" (35). They include an Exhibit showing the nesting of "communities"—a term used in several articles that define or describe subsidiarity (i.e., it illustrates how groups use subsidiarity to transfer decision making).

Clarke, W. Norris. 1993. *Person and Being*. Milwaukee: Marquette University Press.

Clarke delivered *Person and Being* as a lecture at Marquette University (1993) in honor of St. Thomas Aquinas. In his Introduction, Clarke states that he focused "more on the human person in St. Thomas and its links with his metaphysics of being," while also noting that this "was never quite made explicit by Thomas in his philosophical analysis of the person" (1–2).

Clarke also reflects on the writings of others. He considers questions that Charles Taylor asks in his book, *Sources of the Self*: ". . . a significant part of our self-identity, part of our answer to the question, 'Who are you?' must include our moral stance, or, as he puts it, 'What do you stand for?' (i.e., what values, etc.)" (55). Further, Clarke conveys, "This *conscious* self-awareness of our own uniqueness and interior depth is also important as a support for our sense of self-worth and dignity, as a protection against the pathological feeling of loss of self and fusing into others, so that we become totally passive to what others expect and wish of us, and finally lose any real sense of 'who we are'" (57–58). Before closing, Clarke writes, "To be a *human* person is to be on a journey from potential self-possession to actual" (59).

He concludes with “the three basic phases of personal development [self-possession, self-communication, and self-transcendence]” (112).

Taylor, Charles. 1989. “Part I: Identity and the Good.” *Sources of the Self: The Making of the Modern Identity*. Cambridge, MA: Harvard University Press.

Cortright, S. A., and Michael J. Naughton. 2002. *Rethinking the Purpose of Business: Interdisciplinary Essays from the Catholic Social Tradition*. Notre Dame, IN: University of Notre Dame Press.

Cronin, John F. 1950. *Catholic Social Principles: The Social Teaching of the Catholic Church Applied to American Economic Life*. Milwaukee, WI: Bruce Publishing Company.

Curran, Charles E., and Richard A. McCormick. 1986. *Official Catholic Social Teaching, Readings in Moral Theology*, No. 5. New York: Paulist Press.

Oswald von Nell-Breuning’s “first-hand report,” “The Drafting of *Quadragesimo Anno*,” appears in this book (Brennan 2012, 4). (See annotation for Nell-Breuning.)

Donati, Pierpaolo. 2009. “What Does ‘Subsidiarity’ Mean? The Relational Perspective.” *Journal of Markets & Morality* 12 (2): 211–243, Fall. ISSN: 1098–1217. Accessed April 23, 2013. <http://www.marketsandmorality.com/index.php/mandm/article/view/132/126>.

As Pierpaolo Donati discusses the history and semantics of subsidiarity—“from the viewpoint of its socio-anthropological implications,” and its relationship to solidarity, he notes that Latin countries will have a particular perspective (211). He illustrates that one general definition may not be recognized because people hold different perspectives. In addition, Donati refers to the common good, dignity, the norm of reciprocity, rights and duties, and trust.

Donati quotes Lincoln; mentions that, “around the mid-twentieth century, [subsidiarity] was launched again by the Catholic Church”; refers to two meanings; says “the concept wavers between them”; and notes that there can be “conflicts and contradictions” (212).

He compares Catholic social teaching to “the other doctrines” (213), and discusses the *Compendium*, noting, “Catholic social teaching is based on four key principles” (213). The text has been footnoted to expand on the *Compendium*’s clarification (239).

Drucker, Peter F. 2006. *Classic Drucker: Essential Wisdom of Peter Drucker from the Pages of Harvard Business Review*. Boston: Harvard Business Review Book.

Drucker reflects on the respective worlds of managers and executives, their responsibilities, and their relationships. In an interview with T. George Harris, he responds to a question about relationships between new PhD executives and others who work in their firm: “And do you

know the biggest things these young executives have to learn in their new position? [. . .] Basically, they have to learn the meaning and importance of respect” (203). Regarding performance, he says, “You have to focus on a person’s performance. The individual must shoulder the burden of defining what his or her own contribution will be” (203).

He closes with these thoughts, “. . . I’m not comfortable with the word *manager* any more, because it implies subordinates. I find myself using *executive* more, because it implies responsibility for an area, not necessarily dominion over people. [. . .] In the traditional organization—the organization of the last 100 years—the skeleton, or internal structure, was a combination of rank and power. In the emerging organization, it has to be mutual understanding and responsibility” (209).

Drucker, Peter F. 2006. *The Effective Executive: The Definitive Guide to Getting the Right Things Done*. New York: HarperBusiness.

Drucker looks at whether effectiveness can be learned, the importance of knowing the value of one’s time, the significance of contributing, the effectiveness of decision making, the need to concentrate, and other topics (many relate to subsidiarity but do not refer to it). He distinguishes between what delegation is (or, should be), and what it is not; and refers to the preaching managers hear about being “a better ‘delegator’” (37). He continues, “As usually presented, delegation makes little sense. If it means that somebody else ought to do part of ‘my work,’ it is wrong. One is paid for doing one’s own work” (37). Drucker explains, “But I have never seen an executive confronted with his time record who did not rapidly acquire the habit of pushing at other people everything that he need not do personally” (37). He emphasizes, “‘Delegation’ as the term is customarily used, is a misunderstanding—is indeed misdirection. But getting rid of anything that can be done by somebody else so that one does not have to delegate but can really get to one’s own work—that is a major improvement in effectiveness” (38).

Drucker, Peter F., and James C. Collins. 2008. *The Five Most Important Questions You Will Ever Ask About Your Organization*. New York: Leader to Leader Institute.

The Five Most Important Questions You Will Ever Ask about Your Organization illustrates examples of subsidiarity in business without referring to the word directly. They show the importance of recognizing the value of *all* employees—which is key to subsidiarity. This then prepares employees so they can perform—and it helps them engage by instilling pride in their work. (Note: The significance of employee engagement appears in the Gallup annotation.)

The opening describes Peter Drucker’s philosophy this way: “Central . . . is the view that people are an organization’s most valuable resource and that a manager’s job is to prepare and free people to perform” (xix).

In “Transformational Leadership,” Frances Hesselbein, CEO of the Frances Hesselbein Leadership Institute, describes leadership inclusively: “Every organization must have not one but many leaders. [. . .] I think of it as dispersing leadership—with leaders developed and performing across every level of the organization. Leadership is a responsibility shared by all members of the organization” (80). Hesselbein served previously as the CEO of the Girl Scouts of the USA.

Drucker, Peter F., and Rick Wartzman. 2010. *The Drucker Lectures: Essential Lessons on Management, Society, and Economy*. New York: McGraw-Hill.

Dwyer, Judith A, and Elizabeth L. Montgomery. 1994. “Subsidiarity, Principle of” (927–929). *The New Dictionary of Catholic Social Thought*. Collegeville, MN: Liturgical Press.

Dwyer and Montgomery look at key points from how subsidiarity was used initially (“to protect individuals and groups”) to how it has been used more recently (“to define the relationship between individual nation–states and worldwide public authorities”) (927). They refer to the writings of the popes, including Leo XIII (*RN*)—“rights and duties” (928); Pius XI (*QA*)—“That most weighty principle, which cannot be set aside or changed . . .” (928); John XXIII (*PT* and *MM*)—“the individual is the foundation, cause, and end of all social functions” (928); and Paul VI (*PP* and *Octogesimo Adveniens*)—regarding international authority (929).

Gallup. 2013. “State of the American Workplace: Employee Engagement Insights for U.S. Business Leaders.” Washington, DC. Accessed July 18, 2013.

<http://www.gallup.com/strategicconsulting/163007/state-american-workplace.aspx>

This Gallup report provides a business example that relates to subsidiarity—without mentioning the word directly (e.g., showing what managers can do and should not do . . . and the impact of their actions).

Gallup finds that employee disengagement impacts American businesses greatly. It shows the percentage of workers who are disengaged (70 percent) and the annual cost of disengagement: “. . . an estimated \$450 billion to \$550 billion . . .” (12, 5). Further, Gallup states that these workers (70 percent) are not reaching their full potential,” and that “employee engagement remains flat when left unmanaged” (8). However, the findings *also show* “that managers who focus on their employees’ strengths can practically eliminate active disengagement and double the average of US workers who are engaged nationwide” (9). To listen to a roundtable conversation discussing this report, go to Minnesota Public Radio, MPR News, *The Daily Circuit*, and download the podcast dated June 20, 2013. Accessed January 7, 2015.

<http://minnesota.publicradio.org/display/web/2013/06/20/daily-circuit-disengaged-workers>

Goffee, Rob, and Gareth Jones. 2013. “Creating the Best Workplace on Earth: What Employees Really Require to Be Their Most Productive.” *Harvard Business Review* 91 (5): 98–106, May.

Goffee and Jones present findings on “creating the best workplace on earth” from their three years of research asking “hundreds of executives in surveys and seminars all over the world to describe their ideal organization” (99). Six ideas emerged: “You can be yourself; You’re told what’s really going on; Your strengths are magnified; The company stands for something meaningful; Your daily work is rewarding; Stupid rules don’t exist” (101). They discuss “highly engaged employees” (100); the challenges companies face in going beyond “traditional diversity categories” (100); the benefits of doing so; several aspects related to culture; how one company measures its return on investment—“in lower turnover of hourly managers and their crews” (103); the role that honesty (102) and trust play (105); an “element of risk” (105); how “systemization need not lead to bureaucratization” (105) and more.

Gutián, Gregorio. 2010. “Integral Subsidiarity and Economy of Communion: Two Challenges from *Caritas in Veritate*.” *Journal of Markets & Morality* 13 (2): 279–295, Fall. Accessed April 25, 2013. <http://www.marketsandmorality.com/index.php/mandm/article/view/80/75>

Gutián focuses on *Caritas in Veritate* (CV) as he discusses the principle of subsidiarity and the Economy of Communion (EC). Although noting that “the first formulation of the subsidiarity principle” occurred in 1931, when Pope Pius XI “formulated subsidiarity as a ‘fixed and unshaken’ principle,” and that Pope John Paul II “simplified [the] formulation” in *Centesimus Annus*, Gutián refers to the respective roles of Saint Thomas Aquinas and Pope Leo XIII (respectively, 280, 281, 291). Relative to Saint Thomas Aquinas, he notes the theological aspect: “the person, as the image of God, holds a special place in society” (281). Gutián indicates that “the underlying idea to the principle already appeared in [Pope Leo XIII’s] immortal encyclical *Rerum Novarum*” (292).

Handy, Charles B. 1989. *The Age of Unreason*. Boston, MA: Harvard Business School Press.

In his *Acknowledgments*, Handy introduces a connection between people in a workforce and work, as follows:

The book is addressed primarily to those who work in and who manage organizations or some part of them because it is their hands that rest on the levers of change, although they may not always realize it. [. . .] Work has always been the major influence on the way we live (xi–xii).

He discusses change and language, as follows: “Change, after all, is only another word for growth, another synonym for learning. [. . .] Words are the bugles of social change. When our language changes, behavior will not be far behind” (5, 17). Later, he introduces federalism, saying, “The federal concept requires the center to act on behalf of the parts, if the resulting decisions are going to be self-enforcing—and they have to be because the center does not

have the manpower to control the detail” (123). He provides clarity and also includes a note on leadership: “It all requires a new image of the corporation, one in which the *center* genuinely is at the middle of things and is not a polite word for the top, or even for *head office* [. . .]. Running the federal center . . . [requires] leadership, but it is the leadership of ideas not of personality” (123–124). Handy conveys caution, however, when he states, “Federalism misunderstood becomes inefficient decentralization, leading to talk of the headless corporation or the hollow company . . .” (125).

Subsidiarity, Handy writes, characterizes a philosophy that relates to discontinuity as expressed here: “The federal organization is not only different in its form and shape, it is culturally different, it requires a different set of attitudes from those who seek to run it and from those who seek to manage it and from those who are managed” (126). He says his “choice of words is deliberate because the sense of morality implied by it is crucial to its working. Subsidiarity means giving away power” (126). Recognizing reluctance, Handy cites virtue: “This Catch-22 starts from the observable fact that it is hard to give responsibility to someone if they are not capable of it, but how do you have any evidence of their capability if they have never been given the responsibility? Trust has to be earned, but in order to be earned it has first to be given” (127). The reward? “Practice subsidiarity, in other words, and in due course you will draw unto yourself the kinds of people whom you will need if the subsidiarity is to work” (129).

Handy, Charles B. 1994. *The Age of Paradox*. Boston, MA: Harvard Business School Press.

In his chapter on subsidiarity, Handy looks at attempts to define it and explains its operational use (133–148). He opens with a descriptive overview:

Subsidiarity is an ugly word. [. . .] Subsidiarity is the idea at the core of federalism; it is the key element in learning; change, if it is to be effective, depends upon it; the work of teams requires it as does any attempt to make individuals take more responsibility for themselves. Yet it is a confusing word because it has nothing to do with subsidiaries. (133)

He refers to those who have tried to define it politically (i.e., relative to states’ rights) and as a “moral principle” (the Roman Catholic Church) (134). He then translates: “Stealing people’s responsibilities is wrong. You could also define subsidiarity as ‘reverse delegation’—the delegation by the parts to the center” (134). For perspective, he describes a situation with his daughter—he had wanted to help her and her business partner—and was told to “mind my own business, not theirs” (i.e., to not steal their decisions) (134). By way of reverse delegation, Handy says, “I would wait for them to ask for my advice” (134).

Handy acknowledges the respective roles and responsibilities of those at the top or center relative to those “nearer the action” (137)—with “subsidiarity in practice” involving “organizations everywhere . . . collapsing and dispersing their centers” (136). In a federalist organization, he says, the parts “retain as much independence as they think they can handle”

and “cede some of their powers to the center because they believe that the center can do some things better on a collective basis” (134). Consequently, when those nearer the action retain and exercise power they garner “a sense of involvement, of ownership. It is subsidiarity in practice . . .” (137). The center, however, “must be strong and well informed” as it “carries the ultimate responsibility for the whole” (137). He refers to the balance of power (138, 141); the optimal size of a unit being “as small as it can be and as large as it has to be” (141); the presence of “mutual confidence” (142); and the achievement of pride through the acknowledgment of and credit for a person’s work (142).

To explain the importance of confidence and trust, Handy uses words like “authenticity, integrity, and character” (146). He emphasizes that unlike empowerment, whereby power can be removed, subsidiarity places power appropriately—“lower down or further out” (146). With power comes responsibility and the chance that mistakes can be made. He acknowledges that they should be scrutinized according to those that cause irreparable damage to an organization and those that can be forgiven (145).

Handy, Charles B. 1999. *The Hungry Spirit: Beyond Capitalism: A Quest for Purpose in the Modern World*. New York: Broadway Books.

Although writing about business, economics, and capitalism, Handy sets the tone in his “Personal Preface” stating, “There must be something that we can do to restore the balance” (xiii). He considers culture and community (xviii), along with the “personality of an organization” and “soul”: “. . . something that is more than the structure of the systems or even than the financial rewards” (149). Writing that “inhabitants” of business “are to be more properly thought of as citizens rather than employees or human resources,” he discusses “what this will mean in practice” (171). He cites an example involving a contractor and subcontractors, noting, “. . . it was the subcontractors who had the real power, but needed help to deliver it” (177). He calls this situation “. . . ‘subsidiarity,’ the old idea that power should morally and rightly lie at the bottom not the top of things. Put more simply—stealing people’s responsibilities is morally wrong and doesn’t work in the end. It is a pleasing thought that, ultimately, the pressures of modern business will compel us to be moral” (178). Moreover, he adds, “To make it work, the holders of the responsibilities, the repositories of subsidiarity if you like, have to be educated up to their responsibilities. You can’t, responsibly, give responsibility to incompetents. On the other hand, those people will remain incompetent unless they have the incentive of responsibility. It has to be a chicken and egg process, in step and by degrees” (239).

Handy, Charles B. 1999. "Subsidiarity Is the Word for It." *Across the Board* 36 (6): 7–8, June. Accessed January 6, 2015. <http://connection.ebscohost.com/c/articles/1902146/subsidiarity-word-it>

Handy explains how delegation and subsidiarity are *not* the same, and how subsidiarity relates to managing choices . . . which then lets "people learn to grow and be free" (8).

Hebert, L. Joseph. 2011. "Tocqueville's 'Administrative Decentralization' and the Catholic Principle of Subsidiarity." *The Catholic Social Science Review*. 16: 241–258. Society of Catholic Social Scientists. Accessed January 6, 2015. <http://www.catholicculture.org/culture/library/view.cfm?recnum=9958>

Hebert refers to Russell Hittinger's article, "Social Pluralism and Subsidiarity in Catholic Social Doctrine" (annotated herein).

Heil, Gary, Douglas McGregor, Warren G. Bennis, and Deborah C. Stephens. 2000. *Douglas McGregor, Revisited: Managing the Human Side of the Enterprise*. New York: Wiley.

Heil, Bennis, and Stephens open with this reflection:

Simple truths are the hardest to come to—and the most powerful to use. Douglas McGregor knew how to find the simple, powerful truths about the changing nature of work, and of man's place in the workplace. [. . .] Douglas McGregor's significance was in applying a better understanding of how people behave in the business world. (vii)

In revisiting McGregor's book forty years after he published it, the authors include excerpts from his work and reflect on them. Further, they share comments on his studies and they look at his thinking on motivation. They discuss his philosophy as well as his views on leaders and managers. In a theme that resonates throughout, they acknowledge McGregor's passion to create "a more human organization," and note the importance of doing so: "companies are finding that their enduring source of competitive advantage rests within their human capital" (4). The authors explain how McGregor proposed to recognize this premise and support it.

Hesselbein, Frances, Marshall Goldsmith, and Richard Beckhard. 1996. *The Leader of the Future: New Visions, Strategies, and Practices for the Next Era*. San Francisco: Jossey-Bass.

In his foreword, Peter Drucker reflects on the possibility that "born leaders" exist, but says clearly, "Leadership must be learned and can be learned" (xi). In addition to their respective chapters, Hesselbein, Goldsmith, and Beckhard provide opportunities to learn by bringing together thirty-three authors who contributed articles on leading and leaders. Each presents some facet that relates to an understanding of subsidiarity. Examples from Charles Handy, Sally Helgeson, and C. William Pollard appear here.

Charles Handy uses the word subsidiarity in his article, “The New Language of Organizing and Its Implications for Leaders” (3–9). He writes: “The principle of subsidiarity holds that a higher–order body should not assume responsibilities that could and should be exercised by a lower–order body. [. . .] More simply put, the principle means that stealing people’s responsibilities is wrong because it ultimately deskills them” (5). Sally Helgesen provides perspective below.

In “Leading from the Grass Roots” (19–24), Sally Helgesen describes situations where leaders exist throughout the organization—including those in the “rank and file” (21). Referring to “positional power,” she writes, “Thus the equation of leadership skills with position must by its nature breed frustration and cynicism among those in the ranks, denying them a feeling of ownership in the enterprise in which they are engaged and discouraging their full-hearted participation” (20–21). She continues with an example that relates to subsidiarity (without using the word directly):

The importance of those in the ranks is enhanced because they stand at the point of intersection between an organization and its customers and clients. So an organization cannot be truly responsible to the needs of those it is configured to serve unless its frontline people are given autonomy and support. [. . .] Top-down leaders, by withholding power from those in the ranks, deprive them of the ability to use the expertise and information vested in them to respond directly and with speed to customer concerns. (22)

In “The Leader Who Serves,” (241–248), C. William Pollard (then chairman of The ServiceMaster Company), states that servant leaders, “seek to recognize the dignity and worth of all people because they have been created in God’s image” (244). In the example below, he describes how a housekeeper at a ServiceMaster client reacted when they were introduced:

She put her arms around me and gave me a big hug. She thanked me for the training and tools she had received to do her job. She then showed me all that she had accomplished in cleaning patient rooms, providing a detailed “before and after” ServiceMaster description. She was proud of her work. She had bought into the result because someone had cared enough to show her the way and recognize her efforts when the task was done. She was looking forward to the next accomplishment. (247)

Hittinger, Russell. 2002. “Social Pluralism and Subsidiarity in Catholic Social Doctrine.” *Annales Theologici* 16: 385–408. Accessed January 6, 2015.
https://www.stthomas.edu/media/catholicstudies/center/ryan/curriculumdevelopment/vocatio_nofthebusinessleader/Z0Hittinger-Subsidiarity02.pdf

Hittinger delves into the essence of subsidiarity, and to some extent, social justice and the common good, as he examines and explains critical points delivered in the encyclicals from several popes (Leo XIII, Pius XI, Pius XII, John XXIII, John Paul II), and in writings from Alexis de Tocqueville, E. Gellner, Jeremiah Newman, J. Messner, George Weigel, and others. Within this context, Hittinger presents layers of meaning for *munus* and *munera* (gift—singular and plural). He examines the meaning of “*munera* (gifts, duties, vocations, missions)” (393, 407), and presents this thought from John Paul: “God entrusts to every creature the *munera* it is capable of performing, according to the capacities of its own nature” (*Catechism of the Catholic Church*, §1884).

Throughout, Hittinger aims to provide clarity regarding relationships between the state and individuals—as well as relationships between other parties. Here he reflects on comments from Pius XI on social justice: According to Pius XI, social justice ensues “when each individual member is given what it needs for the exercise of its proper *function*. . . . all that is necessary for the existence of his social *munus* (393–394).

Hittinger emphasizes, “*First*, the principle does not require ‘lowest possible level’ but rather the ‘proper level’” (396). Referring to *Centesimus Annus* (1992), he closes saying, “The principles of social pluralism and subsidiarity should be read in light of that dialectic” (408).

Pius XI. 1937. *Divini Redemptoris*, §51, March 19. Accessed August 11, 2017.

https://w2.vatican.va/content/pius-xi/en/encyclicals/documents/hf_p-xi_enc_19370319_divini-redemptoris.html

Iber, Simeon Tsetim. 2011. *The Principle of Subsidiarity in Catholic Social Thought: Implications for Social Justice and Civil Society in Nigeria*. New York: Peter Lang.

Iber traces several references to subsidiarity from the writings of St. Thomas Aquinas, Pope Leo XIII (although the principle was not mentioned specifically), Pope Pius XI, Oswald von Nell-Breuning, Bruno V. Manno, R. E. Mulcahy, and others. Their writings conveyed collectively the sense of human identity, dignity, and liberty. Iber cites research “that subsidiarity values both individual liberty and community” (5). He also lists “five essential parts of subsidiarity, as offered by Nell-Breuning,” and refers to the concept of social justice, as well as the philosophy of solidarism (46). Iber concludes: “Subsidiarity is a natural principle of organizing and ordering individuals and groups to pursue common purpose and objectives in community” (215).

Johnston, Herbert. 1961. *Business Ethics*. 2nd ed., rev. New York: Pitman. All citations refer to this edition.

Johnston states the purpose of his book as follows: “. . . to help the reader develop two habits of thought: that of looking for and or recognizing the moral dimension of business situations, and that of reducing the terms of these problems to the moral principles in the light of which

alone there is a chance of solution” (v). He recognizes that even though times and “historical conditions” change, “they are still human societies, with the same essential nature and properties. It should, then, be possible to reach a few very general conclusions which could serve as principles for citizens and their representatives faced with the difficult task of implementing them on the levels of policy and practice” (258).

He illustrates situations showing the relationship of government to business, and further, their relationship to the common good. Although he doesn’t state as such, it seems the situations could reflect the relationship between management and employees and the common good. For example, he introduces writings by Popes Pius XI and Pius XII, and says, “According to the principle of subsidiary function, it is the job of government to leave to private enterprise whatever the latter can effectively do, intervening in the essentially private economic order only to the extent that the common good, with whose securing it is charged, demands such action” (260–261). Thus (with Johnston’s words in mind), *according to the principle of subsidiary function, managers should leave to employees whatever they can effectively do, and step in only to the extent that the common good, with whose securing it is charged, demands such action.*

Before moving into the “Cases and Problems” section of his book, Johnson offers this thought on the principle of subsidiarity: “Its further application, in a flexible and prudent manner, to the whole economy is one of the most important tasks facing both business and government” (265). Leading up to this point, he writes, “Like all principles, this is a general one, leaving policy and practice to be determined according to particular circumstances. But it is also a clear principle, steering a middle course between the extremes of individualism and socialism and respecting both the private character of business and the public character of government, while also recognizing their relationship” (261).

Kelley, John J. 2000. *Freedom in the Church: A Documented History of the Principle of Subsidiary Function*. Dayton, OH: Peter Li, Inc.

Kelley distinguishes between the words *subsidiary* and *subsidiarity* (the “substantive form”) as he presents the history of their meaning and a timeline (148–149). He acknowledges their influence, as found in the writing by several popes and others, including Fathers Gustav Gundlach and Oswald von Nell-Bruening, and Franz H. Mueller (14, 17, 26).

Although Kelley refers to the “sense” and use found in the papal encyclicals, he also mentions the “business sense” (14). Moreover, he adds “secular antecedents of the principle,” including Thomas Jefferson’s “great impact on the form of government” (9); and General Motors Corporation’s philosophy relative to business (10). Citing GM’s history since the 1920s, Kelley notes that GM’s philosophy reflected both “decentralization of operations in various smaller and semi-autonomous corporations called subsidiaries” and the centralization of one operation (finance)—whereby “subsidiaries have received assistance in a variety of ways.”

Examples included “. . . the formulation and training in managerial tradition, consultation and recommendations from the home office, public relations and promotions” (10–11). Thus, Kelley notes, “all these subsidies are theoretically given to the extent needed. Ultimately only fiscal policy has been formulated at a central location. Non-interference in the operations of the subsidiaries has been an ideal” (11). As “large business corporations continue to evolve their managerial philosophy according to circumstance,” Kelley describes “ideals of management . . . expressed in terms of decentralization, non-interference, and diversification. The actual practice depends upon many variables . . .” (11).

Kennedy, Robert G. 2006. *The Good That Business Does*. Grand Rapids, MI: Acton Institute.

Kennedy focuses on the good that business does by providing “a reflection, in the light of the Christian social tradition, on the legitimate role that business plays in modern life and its critical contribution to the common good of the communities in which we live” (1). He asks, “What is a good business?” and follows with this: “Nevertheless, a business that is not aimed at an authentic human good cannot, by definition, be a *good* business” (68–69). Moreover, he writes, “We can speak about *good* businesses in different ways, as when we say that a profitable enterprise is a good business or that a well-managed company is a good business. In the discussion here, however, we mean *good* in the deepest sense. A *good* business is one whose activities truly serve human needs in every important respect” (68).

By drawing on St. John Paul II’s encyclical, *Laborem Exercens* (“On Human Work”), paragraph 9, Kennedy provides insight into an example of the good that business does (71):

Work is a good thing for man—a good thing for his humanity—because through work man not only transforms nature, adapting it to his own needs, but he also achieves fulfillment as a human being and indeed in a sense becomes “more a human being.”

He sums up, identifying the criteria a business must meet to be a good business by describing the goods and services it produces, the goals it works toward, the wealth it creates, the way it enhances the common good, and the conditions of operation it establishes—“that fully respect human dignity” (74, 82).

Although not referring to subsidiarity directly, Kennedy describes both how and why a *good* business demonstrates the principle of subsidiarity.

Lower, Michael. 2005. “Subsidiarity and Employee Participation in Corporate Governance.” *Journal of Catholic Social Thought* 2 (2): 431–461, Summer. Subsidiarity and the Law. Accessed January 6, 2015. doi: 10.5840/jcathsoc20052222. https://www.pdcnet.org//pdc/bvddb.nsf/purchase?openform&fp=jcathsoc&id=jcathsoc_2005_002_0002_0431_0461&onlyautologin=true

McMahon, Thomas F. 1985. "The Contributions of Religious Traditions to Business Ethics." *Journal of Business Ethics* 4 (4): 341–349, August. Accessed April 25, 2013. http://www.jstor.org/stable/25071515?seq=1#page_scan_tab_contents

Writing in 1985, McMahon reflects on two interviews conducted by *Fortune* magazine in 1955 and 1980 that looked at twenty-five year olds throughout the United States as they entered the business world. The first set included 115 men; the second set included eighty-two men and women. He notes, "My reason for comparing the *Fortune* article from 1955 and 1980 has greater significance than showing the ethical and religious differences between the organization man [1955] and the careerist [1980]" (343). McMahon explains that there is a "change in emphasis in concepts and principles as well as the contributions which religion has made to the past and the present views of business ethics, especially in the application of principles" (343). He discusses subsidiarity, noting it "was first specifically applied to business ethics as a management tool by Herbert Johnston . . ." (346).

In one of six key points, McMahon refers to Jews, Protestants, and Catholics, saying: "The concepts of living wage, stewardship and subsidiarity are remarkably similar among religious scholars" (347). In another key point, he indicates that subsidiarity is "the most difficult concept to apply—but probably the most universally acknowledged in terms of what-it-is" (347). Having reviewed the interview responses regarding social consciousness, religion, loyalty, work ethic, and other topics, McMahon asks, "Will they [contemporary executives and managers] be willing to risk career advancement when challenged to take positive steps to correct unethical or antisocial situations at work?" (348). Closing, he states, "The challenge is to explore new and better ways to frame concepts, principles and applications for future business executives and managers" (348).

Melé, Domènec. 2004. "Subsidiarity Principle in Business Organizations." Overview of Melé's Case Study. IESE Insight: Business Knowledge Portal. Accessed July 26, 2013. <http://www.ieseinsight.com/doc.aspx?id=406&ar=2&idioma=2>

Each of Domènec Melé's three entries for his Case Study provides a particular perspective on Fremap, a Spanish non-profit mutual insurance company that changed significantly as it integrated the principle of subsidiarity into its organizational structure. Taken together, the three perspectives create a complementary *rare* picture in that "literature on subsidiarity in business organizations is very limited."

In his Overview, Melé discusses the principle of subsidiarity and describes the situation and organization with a broad brush. First, the Working Paper delves into aspects of subsidiarity (e.g., respecting human freedom and human dignity; considering diversity; and contributing to the common good). Second, it reviews these aspects as they relate in the organizational context and in practice. The Case chronicles changes that occurred and the impact they had on Fremap, its employees, and its customers—economically and psychologically.

Melé concludes, saying, “. . . in giving practical application to the principle of subsidiarity, the role of top managers is crucial: their conception of the person; how they encourage initiative and entrepreneurial spirit; how they give appropriate training and support; and how they maintain unity and sense of commitment and cooperation within the organization.” See more on Melé’s Working Paper and Case Study below.

Melé, Domènec. 2004. “The Principle of Subsidiarity in Organizations: A Case Study.” Working Paper. WP No. 566, September, 1–20. IESE Business School – Universidad de Navarra. Accessed April 10, 2013. <http://www.iese.edu/research/pdfs/DI-0566-E.pdf>

Melé presents his findings on Fremap, a Spanish non-profit mutual insurance company, and the design of its business organization, before and after it integrated the principle of subsidiarity into its structure, its philosophy, and its treatment of employees. Recognizing that making such a change may occur “in different guises,” Melé does not present these findings as a blueprint per se (8). However, he refers to the ethical framework that subsidiarity can provide. Melé also displays a chart showing that subsidiarity is “a principle of reflection which needs careful and wise consideration of circumstances before it is applied”—as compared to empowerment, which is “frequently used as a pragmatic tool or technique” (5).

Throughout, Melé illustrates Fremap’s primary focus: people. For employees—this meant creating a structure that provided support and allowed them to “flourish as human beings” (5). For customers—this meant removing layers in the structure so they could be closer to people who would address their concerns. Previously, paperwork would shuffle through the hands of up to eight or so employees who only addressed parts of a claim. With subsidiarity in place, for the most part, one person could manage the entire claim (support would be available if needed, as well as a technician). As employees became motivated, and as customers were satisfied, Fremap succeeded. Quality improved: “Fremap obtained EN-ISO 9001:2000 certification . . . EN-ISO 14001 certification . . . the European Seal of Excellence . . . and the ‘Madrid Excelente’ award” (13). Its capital adequacy ratio was strong, along with its operating performance—as revealed through Standard & Poor’s ratings (14). Fremap’s motive? “The motives for the changes were to improve quality and, at the same time, to effectively implement a culture that made persons central to the organization, which entails putting the principle of subsidiarity into practice. As Mr. Alvarez explained, ‘We decided to establish a new administrative organization based on the person and on quality’” (14).

Melé, Domènec. 2005. “Exploring the Principle of Subsidiarity in Organisational Forms.” *Journal of Business Ethics* 60 (3): 293–305, September. Accessed April 23, 2013. Abstract: <http://link.springer.com/article/10.1007%2Fs10551-005-0136-1>

Melé’s Case Study focuses on Fremap, a Spanish non-profit mutual insurance company, as it evolved from being an organization with a bureaucratic structure to one based on the principle of subsidiarity. He provides “before and after” charts—including one showing financial

figures and other quantitative measures (they improved); and another comparing qualitative measures (which also reflected positive outcomes). As Melé examines Fremap’s organizational structure and job design, he relates them to a human dimension (e.g., meaningful work).

Overall, Melé’s broad look covers a period from 1988, when “Fremap employees attempted to identify values that defined it as a company” through 1992, when “a remarkable change got underway in the organizational form” (295), and beyond: “Twelve years after the change process started, the company’s growth and the scope of its activities have increased substantially” (296). Melé says, however, that “Although the aim of this paper is not to examine rigorously the relationship between the new organisational form and the results, all the facts point toward the positive consequences of Fremap’s changes on its bottom line. What are more relevant . . . are the ethical considerations . . .” (298).

Melé concludes on this note: “Naturally, the principle of subsidiarity, as with any other ethical principle, is by itself insufficient to build a robust model for designing organisational forms. Such a model would require a consideration of psychological, sociological, economic and managerial perspectives. However, all of these aspects without ethics would lead to an inhumane organizational form” (303). Fremap’s CEO reflects on the “new corporate culture” as humanistic relative to employees and clients (302).

Miller, Michael Matheson. (2011) 2014. “Michael Miller on Wealth Creation” (1:52). Video Playlist. PovertyCure (Website). Accessed January 2, 2015.
<http://www.povertycure.org/voices/michael-miller/#povertycure-a-six-part-dvd-series-extended-preview>

Referring to the developing world, Miller says, “Business is the best way to create prosperity.” He examines changing the framework to focus on business, not foreign aid. Instead of looking at “What causes poverty?” he suggests asking, “What causes wealth?” From this perspective, he refers to what can occur when those in poverty are given the opportunity to act as entrepreneurs: They can “rise up to create value and jobs.” (Note: Miller is not referring to the poorest of the poor here.)

Miller sees markets as “networks of human relationships where people get together and solve the problems that are closest to them so that they can solve the problems to create prosperity that allows them to live their lives with dignity.” In this example, Miller cites subsidiarity—one of the principles in Catholic social teaching—whereby those closest to a situation provide the best insight into ways to address their needs.

Miller is a Research Fellow at the Acton Institute and the Director of Poverty, Inc. He is the Director and Host of the PovertyCure DVD Series. Accessed January 5, 2015. <http://michaelmathesonmiller.com/about/>

Mueller, Franz H. 1943. "The Principle of Subsidiarity in the Christian Tradition." *American Catholic Sociological Review* 4 (3): 144–157. Accessed January 6, 2015.
http://www.jstor.org/stable/3707729?seq=1#page_scan_tab_contents

Nell-Breuning, Oswald von. 1986. "The Drafting of *Quadragesimo Anno*." In *Official Catholic Social Teaching*, edited by Charles E. Curran and Richard A. McCormick. Series: *Readings in Moral Theology*; No. 5. New York: Paulist Press.

In 1971, Nell-Breuning asks, "Where did I get the courage?" He was referring to his role in "preparing a draft (of *Quadragesimo Anno*) in strict secrecy, according to the custom of that time" (60–61). He provides *more than* a look behind the scenes that resulted in the encyclical, *Quadragesimo Anno* (*QA*). He describes the events that occurred based on *his presence, his participation, and his interpretation*: his "personal share" in writing the *QA* (60), his one meeting with Pope Pius XI, and his exchanges with Fr. Ledochowski—"the man appointed by the Pope" (67). Perhaps because of the secrecy, and perhaps also as a result of the translations that occurred—from Italian to Latin, and from Nell-Breuning's "rough" Latin to Latinists whose "whole concern was for elegance of language" (67–68)—at one point, he writes, "Basically, I am of the opinion that the expounding of an official document should depend exclusively on what the wording means, according to the ordinary rules of interpretation, and not on what the author of the draft, or on what the teaching authority presumed it meant. [. . .] the message does not depend on his view of it, but exclusively on his statements" (65).

Notre Dame Press. n.d. "*Catholic Social Tradition* series exploration of *Managing As If Faith Mattered*." Notre Dame: University of Notre Dame Press. Accessed April 29, 2013.
<http://undpress.nd.edu/book/P00722>

Several reviews recognize that Alford and Naughton show how work, faith, and Catholic social tradition can come together. The series, *Catholic Social Tradition*, indicates that ". . . economic and social challenges become opportunities for managers to integrate their beliefs with their working environment and make decisions based on the tenets of Catholic social tradition." (See annotation for Alford and Naughton.)

Pollard, C. William. 1996. *The Soul of the Firm*. New York: HarperBusiness. Accessed July 31, 2014. <http://www.wheaton.edu/hastertcenter/About-the-Center/Advisory-Board/William-Pollard>

Pollard presents his perspective on structure in the title of Chapter Eight: "How Structure Can Strangle the Soul." First, he suggests that people ask, "Who are the most important people in my firm?" Then, he responds, "As far as I am concerned, the most important people in any firm are those closest to the customer. They represent the firm to the customer. They have the greatest influence on whether or not the customer becomes an appreciating asset" (85). He goes on to cite Peter Drucker's suggestion that "the layers of management we put in place to

organize and direct the firm are like relay switches. With each set of switches, the firm loses power and response” (86).

These notes appear in the book jacket and on the ServiceMaster Web site:

Pollard joined ServiceMaster in 1977, [and] served in a number of leadership positions, including CEO from 1983 to 1993, and Company chairman from 1990 to 2002. As of 2013, he is serving as an advisor to the Company. During his leadership of the Company, *Fortune* magazine recognized ServiceMaster as the #1 company among the Fortune 500 and also was included as one of its most admired companies.

Pontifical Council for Justice and Peace. 2004. *Compendium of the Social Doctrine of the Church*. Vatican: Pontifical Council for Justice and Peace. Passages Reviewed: Chapter Four: Principles of the Church’s Social Doctrine, §IV. The Principle of Subsidiarity; §V. Participation; §VI. The Principle of Solidarity. Accessed April 29, 2013.
http://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_doc_20060526_compendio-dott-soc_en.html

Pontifical Council for Justice and Peace. 2012. *Vocation of the Business Leader: A Reflection*. Third Edition. Passages Reviewed: Organizing Good and Productive Work, §44–§50. St. Paul, MN: John A. Ryan Institute for Catholic Social Thought. Accessed January 6, 2015.
<http://www.stthomas.edu/cathstudies/cst/research/publications/vocationbusinesslead/>

Pugh, Derek Salman, and David John Hickson. 2007. *Great Writers on Organizations: The Third Omnibus Edition*. Aldershot [etc.]: Ashgate.

Pugh and Hickson refer to views that Charles A. O’Reilly and Jeffrey Pfeffer present on employee value in their book, *Hidden Value: How Great Companies Achieve Extraordinary Results with Ordinary People*: “[T]here is a common thread in the approach of many successful companies—they unlock the hidden value in all their employees. They do not expect to buy in their needs for personnel as they buy in their needs for other resources. Instead they operate a people-centered value system that establishes a sense of purpose among all employees. The senior managers put the emphasis on leading rather than just managing, so the employees are motivated to develop and achieve” (82).

Note: As leaders provide these opportunities for employees, they create a platform for them to engage—which in turns provides financial benefits to the organization. Subsidiarity takes an even broader view, recognizing the value of a person *beyond* their value as an employee.

O’Reilly, Charles A., and Jeffrey Pfeffer. 2000. *Hidden Value: How Great Companies Achieve Extraordinary Results with Ordinary People*. Boston, MA: Harvard Business School Press.
<http://hbswk.hbs.edu/archive/1734.html>

Rose, Mike. 2004. *The Mind at Work: Valuing the Intelligence of the American Worker*. New York: Penguin Books. All citations refer to the 2004 edition. It was republished in 2014 as the Tenth Anniversary Edition.

Rose states his purpose as follows:

My purpose in writing the book, then, is to provide an alternative lens on everyday work, to aid us in seeing the commonplace with greater precision. I believe that such a change in perception could contribute to a more accurate portrayal of the full world of work, and could help us think more effectively and humanely about education, job training, and the conditions in which so many people make a living. (xxxii)

Writing as the son of a waitress, he describes vividly not only her work but also the work done by hair stylists, plumbers, carpenters, electricians, construction workers, welders, and others. He refers to the intelligence of those “not only in the boardroom but also on the shop floor” (216). He gains his understanding by observing some of them do their jobs. He listens. He asks questions. He explains also how he followed up by checking the literature on various studies and consulting with practitioners “to validate or revise my findings” (220).

In “Praise for the *Mind at Work*,” Howard Gardner reflects on Rose’s work:

In the era of the ‘symbol analyst,’ too many of us peer right through waiters, hair stylists, handymen and other ‘manual workers.’ Thanks to Mike Rose’s impressive eye, the accomplishments of these workers are now visible.

As vividly as Rose describes the detail of the work, almost to a level where readers can hear dishes clatter, his conclusion captures the essence of subsidiarity: people “seek some expression of self, some agency, some small way of saying, *I am here*” (196).

Rose, Mike. 2014. “Dreaming of Meaningful Work.” *Los Angeles Times*, September 1, Op-Ed. Accessed September 12, 2014. <http://www.latimes.com/opinion/op-ed/la-oe-rose-students-value-of-work-20140901-story.html>

In his Op-Ed, Mike Rose expresses the sentiment he writes about more extensively in his book, *The Mind at Work: Valuing the Intelligence of the American Worker*, released as a Tenth Anniversary Edition in April 2014. An annotation for the 2004 Edition appears above.

Focusing on young adults in his Op-Ed, Rose looks beyond economic aspects to highlight the importance of work in a person’s life, as follows: “it will shape who they are and what they can do in the world. They are desperate to be somebody, to possess agency and competence.” He goes on to say, “I’m often struck by the value and hope they place in securing a solid job that will engage them. [. . .] They want work that draws on their talents and teaches them new skills. They hunger for what we all want from our work.” Earlier in the piece, Rose refers to “finding self-expression.” Note: The *LA Times* published this Op-Ed on Labor Day.

Stayer, Ralph. 1990. "How I Learned to Let My Workers Lead." *Harvard Business Review* 68, (6): 66–83.

Reflecting on changes his family business experienced from 1980 to 1990, Ralph Stayer, CEO of Johnsonville Foods, writes that he goes from having a "knot in his stomach" to realizing "it's not always easy giving up control" (66, 83).

Stayer realizes that "in 1980 every problem did, in fact, rest squarely on my shoulders, weighing me down and—though I didn't appreciate it at the time—crippling my subordinates and strangling the company" (66). At one point he states, "I was in love with my own control" (68). Eventually Johnsonville embarked on company-wide changes whereby people doing the work were given the authority to make the decisions—and they received training and coaching as needed. Structures changed; systems changed; job descriptions changed; financial incentives changed; . . . and more. Looking at the company in 1990, Stayer concludes, "Our sales, margins, quality, and productivity far exceed anything we could have imagined in 1980" (83).

Johnsonville's Website shows that the company now goes by the name Johnsonville Sausage, LLC. Accessed January 8, 2015. <http://www.johnsonville.com/about.html>

Subsidiarity. 1980. "Subsidiarity Is Beautiful." *America* 142 (23): 492, June 14.

This article describes the work done by a philanthropic foundation: It subsidized "small local panels" that mediated effectively among various groups. The "success of these panels confirms the principle of subsidiarity" that Pope Pius XI wrote of in 1931 in *Quadregesimo Anno*: ". . . functions that can be performed by individuals or by smaller, subordinate bodies should not be withdrawn from them and turned over to larger and higher collectivities. [. . .] It is rather the recognition that small is not only beautiful but more human and often more efficient" (492).

Vaccaro, Antonino, and Alejo José G. Sison. 2011. "Transparency in Business: The Perspective of Catholic Social Teaching and the 'Caritas in Veritate.'" *Journal of Business Ethics* 100 (Supplement 1): 17–27, March. Accessed April 23, 2013. doi: 10.1007/s10551-011-1184-3. <http://www.ieseinsight.com/fichaMaterial.aspx?pk=9254&idi=2&origen=1&ar=17&buscador=1&general=Subsidiarity>

Vaill, Peter B. 1989. *Managing as a Performing Art: New Ideas for a World of Chaotic Change*. San Francisco: Jossey-Bass.

Vaill, Peter B. 1996. *Learning as a Way of Being: Strategies for Survival in a World of Permanent White Water*. San Francisco: Jossey-Bass.

Vanier, Jean. n.d. "Opening Reflection on Subsidiarity." Working Paper.

Verstraeten, Johan. 1998. "Solidarity and Subsidiarity." In *Principles of Catholic Social Teaching*, edited by David A. Boileau, 133–147. Milwaukee, WI: Marquette University Press.

Verstraeten covers Church teachings and concepts, perspectives from the popes and others, and the evolution of the meaning of solidarity and subsidiarity ". . . in the history of the social doctrine of the Church" (133).

Discussing the doctrine, he reflects that it is, according to O. von Nell-Breuning, a "permanent process of learning" (133; McCormick 1986, 228). He comments on the period before Pope John XXIII, the period from John XXIII to John Paul II, and the period during "The theologizing of the social doctrine with John Paul II" on solidarity (140) and on subsidiarity (145). Throughout, Verstraeten addresses perspectives regarding social justice (135); the common good (135, 143); community (136, 141); dignity of the human person (133, 137, 139, 140); and other teachings. He includes quotations and perspectives from the encyclicals and other writings such as these: *Quadragesimo Anno*, *Mater et Magistra*, *Pacem in Terris*, *Laborem Exercens*, *Libertatis Conscientia*, *Gaudium et Spes*, *Populorum Progressio*, *Centesimus Annus*, and more. He acknowledges that "*Quadragesimo anno* made history primarily by making the subsidiarity principle explicit" (135). Verstraeten closes with this thought: "Perhaps a critical rereading of *Quadragesimo anno* can be of some help" (146).

McCormick, Richard A. 1986. "Laborem Exercens and Social Morality." In *Official Catholic Social Teaching, Readings in Moral Theology*, No.5, edited by Charles E. Curran and Richard A. McCormick, 219–232. New York: Paulist Press.

Vischer, Robert K. 2001. "Subsidiarity as a Principle of Governance: Beyond Devolution." *Indiana Law Review* 35 (1): 103–142. Accessed April 23, 2013.

<http://mirrorofjustice.blogs.com/mirrorofjustice/vischer/beyonddevolution.pdf>

Waterman, Robert H. 1994. *The Frontiers of Excellence: Learning from Companies That Put People First*. Great Britain: Nicholas Brealey Publishing Limited. The annotation refers to this version from Great Britain was annotated. This book was also published in the USA as *What America Does Right*.

Waterman looks at organizational leaders, workers, and structures, as well as things that can impact them, including change. He examines areas that "make top performing companies different," such as the following (17):

They are better organized to meet the needs of their people, so that they attract better people than their competitors do and their people are more greatly motivated to do a superior job, whatever it is they do.

They are better organized to meet the needs of customers so that they are either more innovative in anticipating customer needs, more reliable in meeting customer expectations, better able to deliver their product or service more cheaply, or some combination of the above.

For leaders, this points to the importance of “understanding what motivates people and aligning culture, systems, structure, people, and leadership attention toward things that are inherently motivating”—in effect, leaders should “understand the needs of [their] people” (17–18)—including employees and customers. Moreover, Waterman says that leaders should recognize also that “the needs of the business and the needs of people are inextricably linked” (18). From “talking with workers, managers, top executives, psychologists, and career counselors,” he identifies and explains these needs: “the need to feel in control, to believe in the value of their work, to be challenged, to engage in lifelong learning, and to be recognized for their achievements” (18).

These observations reflect subsidiarity—but without using the word.

Werhane, Patricia, Margaret Posig, Lisa Gundry, Laurel Ofstein, and Elizabeth Powell. 2007. *Women in Business: The Changing Face of Leadership*. Westport, CT: Praeger.

Werhane, Posig, Gundry, Ofstein, and Powell provide insights into the leadership of twenty-two women in business through a collection of interviews and commentary. Although they do not refer to subsidiarity directly, the authors cite aspects which can reflect it: “. . . these women emphasize the importance of collaboration, of listening, and of inclusion in decision-making” (xix).