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Charles Handy on Subsidiarity: Quotes from The Age of Unreason and The Age of Paradox

Charles Handy

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CHARLES HANDY

The Age of Unreason

“The federal organization will not work unless those in the center not only *have* to let go of some of their power but actually *want* to do so... To be effective, delegation requires a positive will to trust and to enable and a willingness to be trusted and enabled, a positive self-fulfilling prophecy, a moral act, subsidiarity.” (126-7).

The Age of Paradox

“Much earlier, the Roman Catholic Church, borrowing the idea [of subsidiarity] from political theory, coined the word and turned it into a moral principle. It was last restated in a papal encyclical, “Quadragesimo Anno,” in 1931: ‘It is an injustice, a grave evil and a disturbance of right order for a larger and higher organization to arrogate to itself functions which can be performed efficiently by smaller and lower bodies...’ Strong words. I translate them more simply: stealing people’s responsibilities is wrong. You could also define subsidiarity as “reverse delegation”—the delegation by the parts to the center... The individual parts, or states, cede some of their powers to the center because they believe that the center can do some things better on a collective basis. Therefore, they retain as much independence as they think they can handle... As more and more organizations collect alliances around their cores, they are forced to negotiate what should be done by whom and pressured to allow as much discretion to the parts as is sensible and possible. What you do not own, you cannot dictate to; negotiation is inevitable, so is subsidiarity—leaving power as close to the action as possible. (133-135)

What they (McKinsey consultants Ostroff and Smith) are saying is that the trick is to find the optimum level of subsidiarity and then collapse as much into that as possible, so that the group or team or individual have the means at their direct disposal to do what they are responsible for. In their view it is the team, which is close to the action, which is the appropriate level of subsidiarity. That done, it is the job of the center to set standards but not necessarily to specify how they should be met. The unit is then judged, after the event, by its performance against those objective standards... No longer do people believe that the center or the top necessarily knows best; no longer can the leaders do all the thinking for the rest; no longer do people want them to. (136)

Subsidiarity means small units, small units with real responsibilities...the point is that we need the unit to be big enough to be competent to do what it has to do and small enough so that everyone knows everyone else in it... According to the principle of Occam’s Razor, the unit should be as small as it can be and as large as it has to be, a paradox in balance. (141)

Subsidiarity, however, depends on a mutual confidence. Those in the center have to have confidence in the unit, while the unit has to have confidence in the center, and the members of the unit have to have confidence in one another. When mutual confidence exists there is no need for the books of procedures, the manuals, inspectors, performance numbers, and countersignatures that clutter up larger organizations. They are the signs of distrust, the atmosphere of fear that makes so many organizations seem like prisons for the human soul. They should not, need not, be like that. Our work can be our pride. Put it this way: we want to be able to sign our work... Subsidiarity depends on mutual confidence, but putting your name to it is the best guarantee of quality that I know. It is the reason why professionals always sign their work. The signature acknowledges their responsibility...Such mutual confidence takes time to build up. It has to be earned by all concerned. (142-3)

Subsidiarity... implies that the power properly belongs, in the first place, lower down or further out. You take it away as a last resort. Those in the center are the servants of the parts. The task of the center, and of any leader, is to help the individual or the group to live up to their responsibilities, to enable them to deserve their subsidiarity. ... Subsidiarity is a tough deal, one has to understand one’s responsibilities and then deliver. It means, too, that we have to face up to disagreements. If we are going to take responsibility, we need to be clear about what the criteria for our successes are to be, what is acceptable and what is not. Only if there is mutual confidence can disagreement, argument, and conflict be handled positively...” (146)