

Beyond Empowerment: Building a Company of Citizens

by Brook Manville and Josiah Ober



Harvard Business Review

Reprint R0301C

We're in a knowledge economy,
but our managerial and governance
systems are stuck in the industrial
era. It's time for a whole new model.

Beyond Empowerment: Building a Company of Citizens

by Brook Manville
and Josiah Ober

WE LIVE TODAY IN A KNOWLEDGE ECONOMY. The core assets of the modern business enterprise lie not in buildings, machinery, and real estate, but in the intelligence, understanding, skills, and experience of employees. Harnessing the capabilities and commitment of knowledge workers is, it might be argued, the central managerial challenge of our time. Unfortunately, it is a challenge that has not yet been met. Corporate ownership structures, governance systems, and incentive programs—despite the enlightened rhetoric of business leaders—are still firmly planted in the industrial age. We grant ownership rights only to the providers of financial capital, not to the providers of intellectual capital. We govern through small management teams at the top of hierarchies. We motivate people through Pavlovian carrot-and-stick incentives.

It's true that business organizations have become less bureaucratic in recent years and that authority has been pushed down through the ranks. People at lower levels—unit managers, factory workers, customer service representatives—have greater autonomy today than they did

a generation ago. But such “empowerment,” as it's commonly called, is limited. Workers are able to make decisions about their immediate jobs or to participate in somewhat broader decisions about their own units, but they still have little or no voice in decisions about the direction of the overall company. They remain essentially disenfranchised. It should be no surprise, therefore, that many knowledge workers feel estranged from their organizations—their outlook distrustful, their attitude cynical, their loyalty tenuous.

At the heart of the problem is a lack of adequate models. Although we know how command-and-control management works in an industrial company, we have no working template for a truly democratic system of management—one suited to the knowledge worker's need for and expectation of self-determination and self-government. But if a usable model for a democratic organization does not yet exist in the business world, history offers a compelling, if unexpected, prototype. Some 2,500 years ago, the city-state of ancient Athens rose to unprecedented political and economic power by giving its citizens a

direct voice and an active role in civic governance. Although not without its flaws, the city's uniquely participative system of democracy helped unleash the creativity of the Athenian people and channel it in ways that produced the greatest good for the society as a whole. The system succeeded in bringing individual initiative and common cause into harmony. And that is precisely the synthesis that today's companies need to achieve if they're to realize the full power of their people and thrive in the knowledge economy.

An Ancient Model

It is the year 480 BC. Dawn is breaking over the small Greek island of Salamis, just off the coast of Athens. Thousands of Athenian citizens huddle on slender, wooden galleys, clutching weapons and oars. Facing them are hundreds of powerful, hulking warships, the majestic fighting navy of the Persian Empire. That force is poised to complete the Persian takeover of the Greek mainland and its prize jewel, the flourishing city of Athens. Across the narrow strait, on a commanding hill, sits the Great King of Persia himself, eager to witness the culmination of years of preparation. He expects that victory will come easily. After all, the Athenians are a ragtag bunch. They do not even have a king of their own to dispense orders.

Yet by the time dusk falls, the Persian king's grandiose plans are in ruins. The Athenians have successfully carried out a bold and innovative battle plan, using the agility of their lighter ships, together with their deep knowledge of local geography and weather, to outmaneuver and ultimately defeat their far more powerful foe. Spurred by a deep sense of civic duty, the Athenians have fought together with especial valor, and their superior ingenuity, motivation, and commitment carry the day. Against all odds, a small community of 30,000 citizens defeats a colossal, monarchic military machine.

In the years following their great victory at Salamis, the Athenians were quick to exploit their advantage, steadily expanding their influence across the Aegean Sea. Skillfully combining diplomacy and military might, and resiliently rebounding from setbacks, they built the first great Greek empire. They not only kept the Persians at bay, but swept pirates from the sea, making the Aegean a safer place to trade. Commerce boomed, and many individuals prospered. Private and public wealth soared, as the city-state collected the modern-day equivalent of billions of dollars in taxes and tributes from a rapidly expanding group of subject states.

At the same time, Athens spawned a cultural florescence the likes of which the world had never seen. The atmosphere of the democratic city was open, experimental, and entrepreneurial. Philosophers, artists, scientists, and poets from across the Mediterranean world flocked to Athens's academies, workshops, and public squares. Not

only was the great Parthenon built, but many other masterpieces of architecture and sculpture were created too. Moral philosophy came into being, the craft of history writing emerged, and drama became a great art form. Scientists developed new theories about everything from the atomic structure of matter to the relationship of the earth to heavenly bodies.

Underpinning all the achievements was a system of governance based on personal freedom, collective action, and an open, democratic culture. Athens was at heart a community of citizens – a “politeia,” to use the Greek word – and each of those citizens had both the right and the obligation to play an active role in the society's governance. (Although the Athenian conception of democracy marked a historic leap forward in civic and political thinking, it is important to note that it did not extend to the enfranchisement of women or immigrants, much less the freeing of chattel slaves.) Our emaciated modern conception of democracy makes it difficult to understand the richness of the original Athenian concept. What we call “citizenship” today – an essentially passive legal status involving only minimal civic obligations and relying on a distant and entrenched governing elite – is but a shadow of the Athenian politeia.

The Architecture of Citizenship

What made the democracy of ancient Athens so successful, and why does it stand as a good model for businesses today? First, the system was not imposed on the Athenian people, but rather it grew organically from their own needs, beliefs, and actions – it was as much a spirit of governance as a set of rules or laws. Any managerial structure that is to have true meaning to knowledge workers must also emerge naturally from their own aspirations and initiatives. And second, the system was holistic – it was successful because it informed all aspects of the society, just as a productive corporate culture must inform all aspects of an organization and its management. The Athenian democracy encompassed *participatory structures* for making decisions, resolving disputes, and managing activities; a set of *communal values* that defined people's relationships with one another; and an array of *practices of engagement* that ensured the broad participation of the entire citizenry. By looking more carefully at this architecture of citizenship, we gain hints of what the business organization of the future might look like.

Participatory Structures. The Athenian system of governance had what might be called a radically flat organization – much flatter than even the leanest of corporate structures today. A set of clearly defined and universally understood processes and institutions – including councils, courts, assemblies, and executive offices – served to minimize hierarchy, inhibit the development of a ruling class,

and engage citizens in governance and jurisprudence. In addition to taking part in local policy making, every adult male Athenian had the opportunity to attend the great citizen assembly, which met almost weekly to debate and vote on matters of importance, from financing the construction of a new road to fighting a war. The assembly was steered by a council of 500 citizens whose membership rotated annually. The councilors took turns setting the assembly's agenda and presiding over its deliberations.

To ensure that the decisions of the populace would be executed swiftly and well, the Athenian governance structure also included teams of "executives" – generals, administrators, managers – who were selected by election or lottery. Turnover in executive positions was systematic: At some point in their lives, most of Athens's 30,000 citizens had the opportunity to participate as a leader. Individual performance was carefully monitored, and outgoing executives were rewarded or punished accordingly – but only by their peers, the body of citizens themselves. The administration of justice was similarly open and participatory. Citizen arbitrators settled most conflicts, but when arbitration failed or the crime was particularly serious, juries representing the entire citizenry made the judgments and set the penalties.

Transparent procedural rules governed judicial and policy-making processes, keeping them simple, fair, and flexible. But the processes also allowed, even encouraged, passion and emotion. Many decisions made by the citizens were literally matters of life and death; no one was ejected from meetings for speaking loudly or heatedly – as long as the rights of others were respected. Expertise in technical matters was deeply valued, but the concept of professionalism played little part in the system. Amateur engagement was seen as preferable to professional management because it encouraged the constant sharing of fresh viewpoints and knowledge. It was expected that people with expertise in a particular area would come forward whenever their skills were needed, without becoming part of any standing bureaucracy. Laws and policies were stated in plain language; professional prosecutors and lawyers were unknown. Time limits on debate in courts and assemblies allowed each citizen to have his voice heard and prevented any bloc from dominating the proceedings. And voting on policy was open and mostly "by consensus," though secret ballots were employed for judicial decisions to ensure fairness.

In combination, these democratic structures ensured that no obstacles or barriers would arise to separate the Athenians from their government. More important, they reflected the people's deep trust in their own ability to chart the course of their state. Think how different such a notion is from the beliefs that underlie corporate management structures today. In most companies, major decisions continue to be made by small, insular elites behind the closed doors of executive offices and conference

rooms. Tightly scripted planning, budgeting, and approval processes deter rather than encourage free thinking and honest debate. The entire shape of the modern company reflects a fundamental distrust of its members – a distrust that, as recent American business scandals have shown, can all too easily give rise to a malignant arrogance.

Communal Values. Establishing democratic structures is not enough, of course. People do not walk miles to attend meetings, forsake precious time to play temporary executive roles, or risk their lives in wars merely for the sake of "structures." For ancient Athenians, as for knowledge workers today, motivation came from a higher purpose – from a sense of shared ownership in their community's destiny. A distinctive set of values made the personal communal and the communal personal. In most companies today, by contrast, there is a tension between the employee's individual will and the will of the organization. Management is forever arbitrating the bounds between personal freedom and the corporate interest. In Athens, there was no such tension. The interest of the citizen was indistinguishable from the interest of the government.

The society placed the highest possible value on individuality, diligently protecting each person's right to self-determination, equality of opportunity, and security. Every citizen was free to – and encouraged to – express himself publicly, debate and dissent, and participate actively in all decisions that would materially affect him. But he was also free to pursue his private interests; he was not expected to engage constantly in public matters, but to contribute only when his skills and perspectives were needed. All citizens were given an equal chance to fulfill their personal potential while making their greatest possible contributions to the society. Finally, each citizen was secure, protected from the physical coercion and verbal abuse that would have made it impossible to enjoy either freedom or equality. As members of a community devoted to the common good, citizens were expected to band together not only to guarantee their collective security from external threats, but to guarantee the security of each individual from vicious behavior on the part of any aberrant internal member or group. The public welfare depended on the protection of each of the community's members.

A second set of Athenian values, balancing those that focused on individuality, centered on community, on the

Brook Manville is the chief learning officer of Saba Software, a provider of software and services for human capital development and management based in Redwood Shores, California. Josiah Ober is the David Magie Professor of Classics and the acting director of the University Center for Human Values at Princeton University in New Jersey. They are the authors of A Company of Citizens: What the World's First Democracy Teaches Leaders About Creating Great Organizations, forthcoming from Harvard Business School Press.

belief that the people *are* the state. So deeply held was this concept that it was embedded in the language: “Athens” was only the name of a place; the name of the community was “the Athenians.” The physical manifestations of the city paled in importance to its people. The historian Thucydides memorably quotes an Athenian general’s address to the citizenry on the eve of a great battle: “Not ships, not walls, but men make our city.” How many knowledge workers today, hearing a similar pronouncement from their company’s top management, would believe it? How many would automatically embrace the company’s interest as their own?

Critical to the day-to-day integration of individual and community was a third set of values having to do with moral reciprocity. The sense of moral reciprocity provided the all-important link between “What’s in it for me?” and “What’s in it for us?” Its essence was the shared belief that engagement in the life of the community was educational

The second difference between employability contracts and moral reciprocity is less obvious but perhaps more important. Whereas moral reciprocity is integrally tied to a broader dependency between the individual and the community, employability is simply a quid pro quo understanding about working and learning on the job. Without the chance to meaningfully participate in steering one’s own destiny, without the opportunity to gain the sincere respect of one’s peers, without an honest stake in making the community more successful through one’s own work and ideas, employability can quickly decay into generic training programs or bogus choices among short lists of uninspiring assignments. Narrowly construed employability contracts will motivate knowledge workers only so far.

Practices of Engagement. The structure and values of Athenian democracy outlined above provided the framework for citizenship. Ultimately, however, citizenship

People with expertise came forward whenever their skills were needed,
without becoming part of any standing bureaucracy.

in the broadest sense: It gave each individual the chance to become better, to grow wiser, and to fully develop his talents. As a citizen, you owed the community your best effort; the community, in return, owed you every opportunity to fulfill your potential. By providing unfettered opportunity to each of its members, the society understood that it would arrive at the best solutions to problems facing everyone.

On the surface, moral reciprocity may seem like an ancient version of what in business has come to be called “the employability contract”: An employer promises to further the employee’s professional development (and thus career prospects) in return for the employee’s commitment to perform at the highest possible level throughout his or her tenure. There are, however, two significant differences between the modern concept of employability and the Athenian concept of moral reciprocity. First, employability does not foster long-term loyalty—indeed, it envisions each worker’s likely departure. Employability is a short-term bargain that assumes a conflict between the interest of the community and that of its individual members. Athenian citizens, by contrast, could not ordinarily be “fired” from their organization, nor were they likely to leave it for any but the direst of reasons. Whether modern global business can (or should) ever return to a goal of long-term employment remains to be seen. But the contract between the individual and community will be richer and more productive for both if it has a meaningful chance of durability.

must be expressed in action—in day-to-day practices—or it will quickly degenerate into bureaucracy, routines, and self-interest. An organization’s practices define its culture, how work gets done. To the Athenians, though, the practices of democracy were not just about “doing citizenship” but also about “learning citizenship.” They continually refined their understanding of the workings of democracy through their actions and interactions in public squares, in leadership roles, and in jury trials.

The practices that animated the Athenian system can be broken out into subgroups, though it is essential to think about them in their totality—and as embedded in the structures and values to which they gave life.

Practices of access ensured that every citizen had free and equal opportunity to participate in self-governance. Athenians volunteered in both making and executing decisions, sharing their knowledge by participating in forums and initiatives at both the local and statewide level. The rotation of roles was crucial to the dynamism of governance, enabling all citizens to have opportunities to lead, to assume executive positions, and in general to take turns at ruling and being ruled.

Practices of process were essential in ensuring that deliberations, decision making, and execution were carried out in ways that were consistent, fair, and timely. Citizens sought consensus, making decisions and judgments based on trust among well-intentioned individuals (the polar opposite of today’s partisan politics). All governmental and judicial processes were transparent, ensuring that

every decision was based on information freely offered and supported by clearly expressed reasons. The populace also believed in making decisions swiftly; citizens maintained a sense of urgency in bringing debates to a conclusion. Finally, it was expected that all would support and, as necessary, assist in executing decisions, regardless of one's point of view prior to the final vote.

Practices of consequence ensured that citizens did not come to see process as an end in itself (a sure recipe for bureaucracy), but rather maintained a focus on achieving practical and concrete results. Fundamental to the society's emphasis on outcomes was the concept of merit; the people strove to ensure that every decision was based on the best argument, never on the position, privilege, or prejudice of those deciding. Another cherished concept was accountability—accepting personal responsibility for respecting the values of the citizen culture in all decision-making and executive settings, supporting those values in one's own conduct, and accepting peers' judgments about one's performance. Finally, the Athenians considered it an obligation to challenge the process—to seek to reverse misguided policies, appeal bad decisions, and call attention to, and act upon, misbehavior that threatened the community or any of its members.

Each of these three sets of practices was governed by an overarching group of *jurisdiction practices*, which ensured that every decision was made in the right place, by the right people, and at the right time. The community believed that decisions should be made by those with the greatest knowledge of the issues and the greatest stake

“both/and” thinking has recently been promoted by Jim Collins and other management thinkers. It seeks to break the conflict between self-interest and corporate interest. Pericles, the Athenian statesman, expressed the essence of this attitude. Every citizen, he said, was “the rightful lord and owner of his own person,” exhibiting “an exceptional grace and versatility.” And, he went on, thanks to their *politeia* and their entire way of life, the citizens were collectively able to be a great and powerful community.

Indeed, this “school to the rest of Greece,” as Pericles called his city, was the envy of and an object of fear to its enemies. One of Athens's rivals spoke in awe of how the motivation of its citizens yielded outstanding performance: “They regard their bodies as expendable for their city's sake, and each man cultivates his own intelligence, for doing something notable for the common cause...Of the Athenians alone it may be said, they begin to possess something almost as soon as they desire it, so quickly are they able to act upon something once they have made a decision...and when they are successful, they regard that success as nothing compared to what they will do next.”

Looking Ahead

The Athenian model of organizational democracy is just that—a model. It does not provide a simple set of prescriptions for modern managers. It does, however, offer a window into how sizable groups of people can successfully govern themselves with dignity and trust and without resorting to a stifling bureaucracy. Most important,

How many knowledge workers today would automatically embrace the company's interest as their own?

in the consequences. This meant that technical decisions tended to be left to experts; decisions about battle strategy, for example, were reserved for generals. Decisions of great consequence, from levying taxes to declaring war, demanded full-scale debate by the society as a whole. Other, more mundane decisions—scheduling festivals or resolving disputes between neighbors, for example—were made locally. So precious was the possession of citizenship for Athenians that the entire citizen body had the jurisdiction to consider any proposal to confer citizenship upon a foreigner.

The culture of citizenship created by the Athenians—with its interplay of structures, values, and practices—encouraged every person to zealously pursue individual excellence and at the same time created, through shared processes of self-governance, an emotional commitment to efforts for the common good. This kind of

it shows the need to combine structures, values, and practices in a coherent, self-sustaining system. Simply creating forums or processes for group decision making will not be enough—half-hearted measures will only amplify employee cynicism. Building and sustaining a company of citizens requires a genuine change in organizational and managerial culture.

Most of today's workers are familiar with the basic values and structures of democracy, and most have experience with some forms of communal action at work, whether it's serving on self-managed teams, reaching decisions through consensus building, or sharing leadership responsibilities. The idea of moving toward a more democratic structure should not, therefore, be a foreign one. Still, what we're talking about is a radical change in the corporate mind-set, and complications abound. Consider a few of the most obvious: Technological advances, de-

mographic shifts, and the increasing globalization of markets have dispersed workforces, undermined traditional assumptions about job security and employee loyalty, and created far more open markets for labor. The very definition of an “employee” has grown fuzzy, as companies rely increasingly on freelancers, contractors, and temporary workers.

One of the first hurdles a company will need to clear is simply to define what constitutes a “citizen.” What are the benefits, rights, and responsibilities that go along with formal citizenship in an organization? Should limited citizenship be available, with lesser rights and responsibilities? Should contractors and partners be given some form of citizenship? How should different levels of citizenship be managed? How should ownership rights and other rewards be distributed? These are hard questions, and every company will need to answer them in its own way, taking account of its size, circumstances, and goals.

One thing, however, is certain: The practice of citizen-

ship cannot be imposed from above. It must grow out of the actions and beliefs of the citizens themselves. The transition to a more democratic business organization will thus take time, requiring many experiments and many successes and failures. While an organization’s managers will necessarily play key roles in establishing basic goals and values – as a series of great leaders did for Athens – they must also have the courage to take their turn in being led, as the self-confidence of the citizenry grows. It is a process that must never cease: The experience of democracy must continually refine the practice of democracy.

Pericles told his fellow Athenians that “future ages will wonder at us, even as the present age wonders at us now.” Over two thousand years later, his bold prediction rings true. But our attention to Athens should not be limited to wonder. It should encompass emulation as well. ▽

Reprint R0301C

To place an order, call 1-800-988-0886.