

# Minnesota Active Citizenship Initiative Case Study

## Civic Business Framing Document

### **Civic Business Identity Statement:**

Civic Business builds the capacity of business institutions to develop active citizen leaders within their organizations. Civic Business does this in partnership with other demonstrations of the Minnesota Active Citizenship Initiative to renew and sustain democracy and to create a world that is abundant and just.

Civic Business is a demonstration of the Minnesota Active Citizenship Initiative.

This document frames the need for business to link best business practice to civic leadership development. It makes the case, based upon evidence, that many business leaders are seeking to achieve the ideals stated in the above Civic Business identity statement while building a sustainable business. This document makes a case that a civic organizing approach is a way for them to achieve their aspiration.

The document is authored by members of Kowalski's Companies who have successfully produced a civic business model and are moving forward to ensure sustainability in the next generation.

### **Kowalski's Companies**

Kowalski's Companies is a civic business. All stakeholders are obligated to organize, educate and set policy according to democratic principles and standards. We do this in partnership with other demonstrations of the Minnesota Active Citizenship Initiative to renew and sustain democracy and to create a world that is abundant and just.

## Executive Summary

This case study is focused on how Kowalski's organized a civic infrastructure that provides sustainability for our company and the capacity to address key policy issues facing Minnesota. The focus is based on:

- **The Need** for leadership development that includes an obligation to seek the common good in all situations while meeting business goals.
- **Solution Strategy** of civic organizing as a new approach to policy making.
- **Evidence** from lessons learned through stage three that civic organizing at Kowalski's Companies is meeting the need.

## Define the need for change in the business sector

- Business is a service delivery model that has systems to support the creation, management, distribution and consumption of goods and services...identify the needs-meet the needs. The principles of meeting needs, expertise, creativity, quality, excellence, timeliness, customer service, and consumption do not promote mutual obligation and do not have any association with politics yet it is the approach that organizes the vast amount of imagination and resources within society. These principles foster narrow self-interest, immediate gratification, and the capacity to consume. Power is hierarchical leaving the majority without any governing obligation. Expertise is focused on immediate problem-solving vs. organizing governing capacity. Leadership development focusses on technical skills.
- The role of defining the need is done by owners, management, experts, consultants and consumer groups. Need is driven by service principles and is separated from the principles of democracy, the need for justice, or the obligation to govern for the common good.
- Company policies support individuals to produce products or services vs. self-governance. Behavior is regulated (i.e. written up, fined) vs. investing in developing capacity to govern.
- Business has a scale of impact that makes it especially important to develop and institute a sustainable inter-generational way for companies to develop civic identity, language and practice needed to be what many imagine they are and should be. Leaders need to see their role as civic leaders who are required to work across lines of difference in order to determine and achieve goals that benefit the common good.
- There is evidence that many business leaders aspire to producing a just and sustainable democracy as part of organizing a sustainable business. They lack a model that integrates best business practice given 21<sup>st</sup> century realities with civic language and a common method for working with leaders from other sectors who share this same purpose.

## Specific Illustration

Kowalski's as a company has for many years earned a strong reputation for being customer focused and great at meeting the needs of our customers through good service, standards, quality, etc. We are also considered a good community partner and have always understood our responsibility to the communities we serve. We were a successful company prior to civics, so what was the need for anything more?

Jim & Mary saw the need for a company succession plan to transition from their roles to the next generation. They knew it would require a common language, a common approach that did not rely on their personalities or constant presence in order to be sustainable. They had already spent numerous resources over the years on various programs designed to organize, motivate, and educate leaders and staff members, which had some success, for a time; but they realized that it was time to do something with more meaning, something real and sustainable. They also were more and more aware of issues in our communities that seemed unsolvable. Civic organizing principles and standards aligned perfectly with their values personally and as a company.

*“I have become increasingly troubled about what is not working in our society. Civic organizing provides a path for systemic civic renewal. By incorporating civic principles in our grocery business we are sustaining the company for succeeding generations and contributing to the quality of civic life in Minnesota”*

■ Mary Kowalski

The belief that our key leaders would also have the imagination that they could positively impact society and renew democracy while achieving our business goals was powerful; it gave the work they did everyday transcendent meaning and purpose.

As with building anything important, an infrastructure to sustain a company requires hard work, discipline, and commitment, particularly on the part of our key leaders...and a lot of work up front to ensure success and sustainability. **Stage one** involved much ground work educating our key leaders (through Civics 101, MACI Institutes, one on one meetings, etc.) and developing our core leadership group into an organizing agency, writing our primary policy documents, learning and using political skills and civic disciplines in our daily work. It wasn't perfect; change can be difficult and some fell back in to old “business as usual” patterns and the key leaders had to hold them accountable to their promise and agreement to use civic organizing in their work. Together we were building the common language and structure that Jim and Mary hoped for, a civic organizing approach which would sustain their values, their company and renew democratic citizenship to effect change needed in our society.

In stage two we expanded our internal civic organizing agency to deepen the civic infrastructure within our institution while sustaining our governing membership within Minnesota Active Citizenship Initiative (MACI). It was in this stage that we produced evidence that civic organizing achieved particular business goals. We developed an educational track to develop civic capacity while achieving our institutional goals. During stage two we demonstrated the value of a cross sector base; the institutional governing document as our primary policy document and had a model for civic policy making.

We established a company policy: *It is the obligation of all lead organizers to organize and sustain the civic infrastructure needed for all stakeholders (employees) to be active citizens and govern in light of our institutional governing document.* To achieve this we continued to develop our capacity to be civic leaders and invested in civic leadership development for department heads. The outcome produced a cross sector base within Kowalski's Markets between our stores, administration, central bakery, production kitchen as well as the individual departments throughout the company. We made the transition from having civic governing meetings to having organizing agencies for each of these jurisdictions within our company. This was a growing experience and took time to achieve. The transition was one that we as civic organizers need to see the difference between governing and organizing - we now would be organizing civic leaders to be able to go back to each of their jurisdiction to govern. This has helped to deepen the civic infrastructure.

### **Stage Two-Demonstrate the Capacity of a Cross-Sector Civic Organizing Base**

Stage two was where we governed around our internal documents. We wanted to ensure that they reflected a civic organizing approach and tied back to the MACI purpose. Initially we revised our Kowalski's Policy Document to be in alignment with our Operating Principles. Next we integrated the obligation of civic leadership into job descriptions for key supervisory positions. Job descriptions were now in alignment with our operating principles and this would form the basis for rewards and sanctions for job performance. This was a major change; it is the accountability to the civic organizing approach and was truly a new approach to governing. We believed this was the correct approach and that if we integrated it we would not only produce active citizens we too would achieve our business goals.

Seeing the need to build the capacity of all stakeholders, we developed Active Citizenship Training. This replaced our previous approach to orientations that focused solely on customer service. This new civic approach introduced the principles and obligations from our institutional governing document. We saw a need to have all existing stakeholders go through this; as well as all new hires. This helped to strengthen the civic infrastructures within our jurisdictions. While this training introduced them to the principles we also included illustrations of how they are integrated into day to day business. This took some time and governing; as we civic organizers had to take ownership in our role as educators when the stakeholders would come into their respective jurisdictions. One way we do this is with follow-up one on ones. One on ones really are the best way to educate and further civic capacity. Civic leaders (department heads) were also included in this in order to build their capacity.

During stage two we began compiling written case studies and documenting our practice. Case studies included examples of how civic organizing disciplines are applied to achieve specific business goals such as profitability, accountability and sustainable generational succession of ownership that sees an obligation to contribute to Minnesota's need for civic leadership.

We also took the time to govern with our vendors around civic organizing. We have introduced our Institutional Governing Document to key vendors and local unions. (In this process, we educated around how this has impacted our institution and has made a change in day to day decision making, sustainable solutions that take everyone's self-interest into consideration, increased ownership for looking at a larger purpose - not just an immediate stop-gap and it will impact the larger society with a new approach to how we govern.)

As Civic Lead organizers we take on the ownership to organize, educate and set policy in our day to day performance while linking to the MACI purpose. It is through our civic public meetings that we are able to build other stakeholder's civic capacity (as active citizens and civic leaders) as well as our own civic capacity while making the connection to the larger purpose and how this can impact the larger society - renewing democracy not just within Kowalski's but hopefully within Minnesota and Wisconsin. Kowalski's Institutional Governing Document is used to ensure that decision making is in alignment with it. We also have fifteen MACI lead organizers able to represent our institution as a Civic Institution. Each of us, as governing members of MACI, continue to test the civic organizing approach and use the outcomes from our tested practice to contribute to making a case for civic organizing and expanding the MACI purpose.

### **Emerging Leaders:**

Within Kowalski's we saw a need for an emerging leader's civic educational track. This has been a great test to the civic organizing approach. Initially we had a civic youth track and an educational task group. Deb Kowalski and Dan Klassen took ownership around combining the two groups together to form an Emerging Leaders Educational Track. This was governed around and decided at Kowalski's Organizing Agency. We created criteria together for those stakeholders to be in this track. The criteria would be presented by one of our Civic Lead organizers and then decided by our internal OA. The growth we have seen in this group has been amazing. Each member has been through our internal civic educational track - Civic Leadership for Civic Institutions. The group governs around their role as civic leaders and what that truly means on a quarterly basis. We have seen members move into department head positions as well as other key roles. This has given them, as well as us, an opportunity to govern around civic organizing prior to being put into a key leadership position.

Deb and Dan have seen a high level of ownership taken by this group and also an imagination of what it means when we say a "new approach to policy making". Together we are work on case studies yearly. This has provided us an opportunity to govern around the case study process and the purpose. Everyone feels this strengthens our civic understanding.

Over the years we have seen the members really grow. There also has been a noticeable difference in their baseline understanding – which shows the civic education happening within each jurisdiction. The transition when one member moves off and another comes on has been seamless. Each member has taken the ownership to educate the new member and also come to a meeting with them to ensure their success and the sustainability of the educational tract.

### **Stage 3 – Establish a New Basis and Base for Policy Making to impact existing approaches**

At Kowalski's our policy is to use a civic organizing approach with all institutions where we conduct our business from the smallest vendor partnerships to the largest organizations. It is now common practice for leadership at Kowalski's to be open and transparent about whom we are as a civic business. Opening our new store in Excelsior was evidence of that, whether dealing with city planners, local businesses that we would impact, and even our potential new customers. We even took the opportunity at our pre-opening consumer group meeting to introduce ourselves as a civic business and what that meant, the responsibility and obligation we have as a civic institution to govern for the common good as a new business in their community.

We get many compliments about how we do our business. Although that is nice we explain that we practice governing with purpose, that we are grounded in a set of principles and standards that is linked to a bigger cause. We have our self-interest but want to hear the other side and work through it to establish outcomes that are good for the whole. There is no doubt that this has led to a more successful business. With the many segments of our business and all of our outside partners we solve problems more efficiently; we create accountability and foster personal responsibility with all involved.

In stage three we organized current and next generation leaders to our institutional governing document and the MACI policy agenda in order to ensure that they will be advanced into the next generation.

**Jenny's Insights** – *This is my story, but this also resonates with other leaders that are the next generation within our institution.*

*Just about 3 years ago I started my journey from an active citizen, to lead organizer as the deli director. Prior to becoming the deli director, I simply knew what it was like to participate in governance. I went through Civic Leaders for Civic Institutions and thought I had a decent understanding of the basics, like the Institutional governing document, etc. Even though I wasn't part of the first wave of civic leaders and lead organizers to go through the longer version, CB101, my story is evidence that the educational track has been sustained.*

*When I started my new role as a lead organizer, Terri Bennis, my senior lead organizer, knew I needed additional guidance. Russ Tourville was appointed as my civic mentor to help build my civic capacity. When you go through a shortened version of CB101 it is so incredibly helpful to have someone to guide you, build capacity, and help grow that imagination even bigger than I knew was possible. Looking back, along with support from senior lead organizers, it also shows that I was able to get up to speed in far less time than my predecessor.*

*It was definitely overwhelming for me at times coming into my role from my prior position. My prior role didn't require me to use the disciplines like a civic leader or lead organizer would. What I realized to be a lead organizer, I had to learn, practice, and teach the civic principles, standards and disciplines.*

*I knew upon arrival in my position the deli "meetings" did not operate in the form of an organizing agency. With the help of my senior lead organizers, they helped us to meet the criteria for an organizing agency. We went from business-as-usual to strategic planning. Prior to my arrival in this position, the deli managers were not addressing what it was to be a civic leader, governing body, and were not focusing on work plan strategies.*

*Now every agenda is intentional about producing outcomes that are for the common good while meeting the many business issues and goals we have. The deli managers feel like they are experiencing what it is to be an engaged governing member, with civic policy making being the ultimate goal. They are now organizing in their jurisdictions to do the same.*

*This experience I have had over the past 3 years shows evidence that we are sustaining the process of civic leadership from generation to generation.*

**Max Maddaus, Store Manager:**

*The Civic Organizing approach comes with the obligation that all within that institution take on the role of active citizen and will be held accountable to that. Active citizenship produces sustainability though eliminating the role of the consumer within that institution and shifts to a contributor. All members of the institution are focused on an overarching goal of renewing democracy and sustainability while achieving our business goals.*

*The largest way I personally impact broader society is by having the civic organizing approach ingrained so deeply. I find myself using it as a governing backbone in nearly all situations. I use the approach within my family life, while interacting with the general society etc. Through work I impact other organizations though exposure of our approach in meetings or problem solving collaboratively, through networking, etc. I have not had a large scale impact through another institution using the approach.*

**Jeremy Lee, Produce Director:**

*As my role has changed at Kowalski's, I further see the need for a new approach to policy-making. The work that I do in my role needs to build the civic capacity of myself and those around me to achieve the overall goal of renewing democracy. As I attend more organizing agency meetings higher in the hierarchy, I see another level of governance. Each member has their self-interest in his or her jurisdiction, but is just as concerned with the other sectors and where the gaps and opportunities are to ensure a sustainable infrastructure for Kowalski's. Not only do they want to govern with the other jurisdictions, they understand the obligation to do so.*

**Integrated MACI Educational Track is sustained**

We have put the infrastructure in place needed to sustain the MACI educational track. What we have practiced and put into policy, are the follow up 1on1's for our Active Citizen Training. Every new employee meets with a Kowalski's Civic Leader or Civic Lead Organizer after they have attended the session. This allows the new stakeholder a chance to ask questions and clarify the meaning of active citizenship.

We also have three follow up meetings for our leadership training, which is called Civic Leaders for Civic Institutions. There are three, three- hour sessions that teach the basic concepts of Civic Organizing. The three follow up one on one meetings give the new civic leader a chance to clarify any questions they have as well as complete the exercise Individual Identity Statement. These three one on ones are conducted by a Lead Organizer in a timely manner. After the three meetings the written Identity statement shows alignment to the MACI purpose. This ongoing support is critical to the development of our leadership, which then leads into our organizing agencies. These meetings are understood to be part of the educational track. Our business problems are basis for applying a civic approach, building civic capacity and a civic infrastructure while we achieve our business goals. ***A good business must have strong leadership. Civic organizing gives us the skills to do that.*** We practice these at all levels of our business; it is not just one leader at the top.

## Stage 4 -Transform Institutions and Ensure Sustainability

### Summary of Insights and Next Steps (December 2016)

Kowalski's primary policy document, our Institutional Governing Document, is what we all agree to hold ourselves and others accountable to. We have evidence and examples that our civic leaders who use the civic organizing approach to accomplish their work do so more successfully, efficiently and sustainably.

We understand that to be a sustainable civic institution it is critical to have a strong and focused internal organizing agency and key leaders that will not waiver on the core foundation of what it means to be a civic business. We will continue to strengthen all organizing agencies to insure we are meeting the Criteria for Stage 1-3 while developing strong lead organizers, civic leaders and active citizens and building the civic capacity and civic infrastructure. We will put time on our calendars to insure we can achieve this. Civic Business as a demonstration and Kowalski's Companies as a member of MACI will continue to advance a civic policy agenda that supports civic leadership development in which leaders learn to see their role as civic leaders who are required to work across lines of difference in order to determine and achieve goals that benefit the common good.

We support the cross sector demonstrations through the Minnesota Active Citizenship Initiative organizing agency and MACI Institute while organizing ownership of Kowalski's lead organizers, civic leaders and active citizens to their role in advancing the *Civic Business Policy Agenda* in addressing specific policy issues.

We will govern with store managers and directors around civic involvement in the communities around their stores and within public policy issues. We believe that everyone has a role in civic governance for the common good. Everything we are doing internally is building our capacity to impact externally; this is a new focus for us. Store managers will be contacting their local legislators, not about any particular issue but to build relationships in order to better our communities. We see that legislation is happening at the local level much more than ever before. We need to plan how to accomplish this...how to approach these legislators, our common message of this innovative model and that we want to work with other innovative leaders for the common good.

Part of our role every day is to be educators to our civic leaders and active citizens, creating and sustaining the climate and infrastructure to govern and set policy for the common good using a civic organizing process. As active citizens may come and go, having them be able to be part of this process and experience that governance is so important, and our hope is that they will carry the experience with them wherever they spend their time and fulfill their role as an active citizen. This is the mindset we have as lead organizers, and our role is to carry this into the next generation of active citizens.