The Stirling numbers of the second kind have the generating function

$$\sum_{n} S(n,k)x^{n} = \frac{x^{k}}{(1-x)(1-2x)\cdots(1-kx)}.$$

$$= x^{k}(1+x+x^{2}+\cdots)(1+2x+4x^{2}+\cdots)\cdots(1+kx+(kx)^{2}+\cdots)$$

Now refine the above GF as follows:

$$\frac{x^k}{(1-x)(1-2x)\cdots(1-kx)} \rightarrow \frac{x_0}{1-x_1} \frac{x_0}{1-(x_1+x_2)}\cdots \frac{x_0}{1-(x_1+x_2+\cdots+x_k)}$$

$$= (x_0 + x_0x_1 + x_0x_1^2 + x_0x_1^3 + \cdots)(x_0 + x_0(x_1 + x_2) + x_0(x_1 + x_2)^2 + \cdots)\cdots$$
$$(x_0 + x_0(x_1 + x_2 + \cdots + x_k) + x_0(x_1 + x_2 + \cdots + x_k)^2 + \cdots)$$

where the x_i 's do not commute. A typical monomial, say $x_0x_1x_1x_0x_0x_1x_3x_3x_2$ (where k=3), is translated into a partition as follows. Write the numbers from 1 to n in order under the x_i 's:

Each x_0 means that the number below it starts a new block. Otherwise, x_i means that the number below it goes into the *i*th block. Here, 1 starts a new block (as always) and then 2 and 3 go into that same block. New blocks are started by both 4 and 5 and then 6 goes into the first block, whereas 7 and 8 go into the third one and 9 into the second one. This yields the partition 1236 - 49 - 578.

Setting $x_i = x$ for all i gives the original generating function.

Observe that we could also replace the x_0 's in (*) by x_i 's to get

$$\frac{x^k}{(1-x)(1-2x)\cdots(1-kx)} \to \frac{x_1}{1-x_1} \quad \frac{x_2}{1-(x_1+x_2)}\cdots \frac{x_k}{1-(x_1+x_2+\cdots+x_k)}$$

and then simply assign each of the letters in [n] to a block as above. Then the first occurrence of x_i shows which is the least element in block i.

In fact, if we then erase the x's, leaving a sequence of numbers, we get all sequences of length n of integers from [k] satisfying the following condition:

For all i > 1, the first occurrence of i is preceded by some occurrence of i - 1.

Such sequences have been called restricted growth functions and are clearly in one-to-one correspondence with partitions of [n] into k blocks.