THE IMAGE

AN ACTION RESEARCH JOURNAL ON
PERSONAL AND ORGANISATIONAL TRANSFORMATION

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"THE NEW FRONTIER OF ETHICS"

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The Action Research Journal is written to communicate designs, formats and ideas of transformational processes which promote the human factor in private and public sectors as well as individual growth. It is published by CentrePointeS, a research division of The Institute of Cultural Affairs. It is distributed through the network of ICA offices and affiliated organisations. These include ICA offices in Asia, Africa, Europe, Latin America, India, the United States and Canada.

The Action Research Journal draws on a variety of sources including other ICA CentrePointeS worldwide offices and affiliated professional consulting organisations to provide a spectrum of practical tools and constructs that facilitate individual and organisational transformation. We welcome comments and articles from our readers.
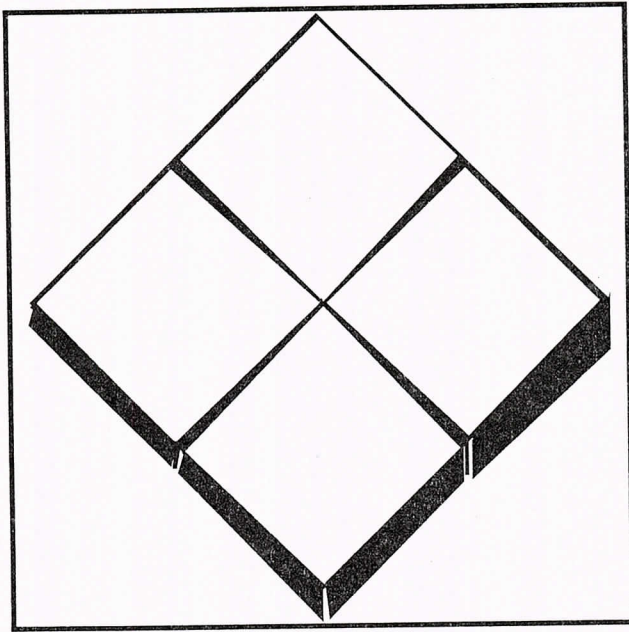
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"THE NEW FRONTIER OF ETHICS"

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Recently I had the opportunity to meet with more than 170 practitioners of transformational processes. All had been deeply moved by the book Synchronicity, by Joseph Jaworski and had gathered to discuss the meaning of the book. Although we had only 2 days to dialogue on the topics, the gathering raised significant issues for today's business community. Does an organization owe its people a 'meaning-filled' environment? Is the subject of spirituality a legitimate question for the workplace? How do you bring a deeper understanding of human issues to senior management?

All of these topics open vast unexplored and unanswered areas for today's organizations. Although there are numerous fine examples of how companies have indeed faced and benefitted from exploring them, it is not a widely-discussed topic for most.

To develop an ethic of responsibility for human development is difficult. It requires a shift in the value system from seeing the people in an organization as there to produce goods and services for the benefit of stockholders and customers to one of seeing the organization as providing opportunity for individual growth. It is a shift from "company centered" to "people centered". Although this seems like a subtle difference, it has profound implications for how an organization functions and makes decisions. It means that organizations that embark on reengineering cannot use it as an excuse to cut costs by eliminating people as it has been used so broadly across the world.

It also means that human values in ethics in all business dealings become the standard. In these times of globalization, it is becoming evident that a company can not divert its production to cheap labor sites and exploit the workers to advance bottom-line results. Nike, for example, has had its manufacturing operations in Asia audited and called into question by human rights groups. Carpet manufacturers in India and Nepal have had to pledge not to exploit children in their operations.

Another place where the question of human values is being raised is in the discrepancy between the amount paid to senior executives and those who do the actual production or service for the company. In the United States it is not uncommon to find the ratio exceeding 100 to 1 between the CEO's salary and those of workers. Often this is justified by saying that the right CEO can give stockholders much higher returns and therefore, from this perspective, it represents a small portion of gain for the company. It is argued that to not pay these large amounts will jeopardize the company if the CEO then leaves for another company.

As true as these arguments may be, there is something obscene and unfair in these large differences of pay. A feeling of resentment arises amidst those who work in such situations. And, from a human value perspective, how much is enough? Do we need so much money and what does it say about our value system?

Such unrelenting drive to increase one's personal wealth and to maximize the gain for the company can lead to decisions that violate our sense of ethics and fair play. Recently, an article about the corruption and looting of the treasury of Pakistan by Benazir Bhutto and her husband traced the path of payoffs and kick-backs that were a regular feature of her time in office. Although this practice is widespread amongst the poorer countries of the world, it is possible only with the cooperation of the international banking community. Citibank became the conduit for hundreds of millions of dollars siphoned from contracts in Pakistan. Her husband was known as "Mr. 10 percent". It is the same for Mexico where the same bank helped the president's family to rob the people of perhaps billions of dollars.

Whether it be these billions of dollars that help the bottom-line of the international finance establishments or the pay-offs to govenment officials to get a shady deal covered, the ethics of organisations are justified as necessary for competing and just part of doing business. Some countries, like France, even allow bribes and kick-backs as legitimate tax deductions for non-French business dealings!

We live in a time in which the ethics of decisions are justified as the "lesser of two evils" implying that although it is not right, it is better than having poor returns and not able to compete. The campaign financing scandal in the United States is the result of having to bend the rules to raise the money necessary to get candidates elected. "The other guys do it" is the cry of those that get caught.

The question that comes is what is a person to do when their personal code of conduct and ethical values puts them at odds with the reponsibilites they are asked to carry out? What is the line over which we will not go and what are the consequences that must be lived with, regardless of which way one decides? "Do I feed my family or do I blow the whistle?" Life is full of gray shadings for all of us, not black and white. Ambiquity is the rule, not the exception and we all must take responsibility for our own conscience.

This Issue

The New Frontier of Ethics is an attempt to shed some light on this new world of individual and organizational responsibilities. It is not a full coverage of the topic. For instance, I decided not to include any article on environmental ethical issues, although this is a major area of concern. Likewise, I didn't cover the ethics of business decisions. A very good book for this topic is R.C. Sekar's Ethical Choices in Business, Response Books, 1997, published in India. He produces a fine set of case studies that illustrate these ethical choices and how the market driven economy creates tough, ethical decisions.

The first article and cover symbol is from a book by Ronnie Lessem and Sudhanshu Palsule called Managing in Four Worlds, Blackwell, 1997. These authors advance a comprehensive theory of organizational functioning that takes West, North, East and South as the foundational ethos base for both organizational evolution as well as management philosophies. The West is the ethos of Free Enterprise, the East that of the Creative Spirit, the South of Communal Roots and the North as **The Ethical Organization** which is the chapter from which the article is taken. It focuses on the rational laws governing society and takes strongly into account the welfare system.

The second article is a talk given by S.K. Chakraborty at the 1996 Quality Summit organized by the Confederation of Indian Industries (CII). In his talk, **Total Quality Mind**, he calls for the primacy of human values as a necessary prerequisite for the production of quality effort. The application of ancient and time-tested Indian values and spiritual methods are the necessary base for a person's life in an organization. Chakraborty is a professor at the Indian Institute of Management, Calcutta and has written and spoken widely of the role of Indian values and ethics in business.

The Citizen Company is the title of a chapter from Charles Handy's latest book, The Restless Spirit, Broadway Books, 1998. Handy is a thoughtful and provacative writer whose ideas are always a fresh insight to today's business scene. He advances a case for redefining the structure and form of companies around a more human centered value system. He is troubled by the lopsided emphasis put on stockholders return and the lack of power by those actually involved in the company producing its value to society. He calls for moving beyond adversarial relationships between union and management and into some guarantee of employment for five to ten year periods for employees.

The next article is from the ICA CentrePointeS archives and represents our beginning to share the historical work of the ICA with our readership. For over 30 years, the ICA worked in areas of both social change and individual spirituality. Both were seen as two parts of a new society that needed to be created. Much of the research work is unpublished and, although much of it is from 1965-1984, it is still a source of tremendous insight and practical wisdom even for today. Much of this work has been copied onto a CD Rom called The Golden

Pathways, and can be obtained through the ICA CentrePointes offices listed in the back of the Image.

Joseph Wesley Mathews was the Dean of the Institute and its spiritual master. He pioneered much of the work of the ICA during his life that ended in 1977. One of the most profound areas of ICA work is what we called "The Other World", an analysis of the states of being of higher consciousness. From this work, Joe gave a talk in 1973 called **Indicative Ethics**, in which he allows the reader to understand ethical behaviour from the perspective of consciousness and how it is the basis for life's journey. It is our intention to publish more of the ICA work including further explanations of The Other World.

Robert Greenleaf has become known as the creator of the term Servant Leader. He wrote and spoke on this management philosophy for years, drawing on his experience in AT&T. His private writings have been compiled in a book called On Becoming a Servant Leader, Jossey Bass, 1996. He moves beyond ethics to what he calls 'strength', and proceeds to outline the characteristics of such leadership. We are publishing part of his chapter called **Building the Ethic of Strength in Business**.

Our next article is from a very fine book, The New Bottom Line, Bringing Heart & Soul to Business, Sterling & Stone, 1996. This book is a collection of essays on the question of spirituality and business. One essay is by Anita Roddick, the founder and CEO of The Body Shop, entitled **Finding Spirit Through Service**. Anita is an iconoclast who's irreverent style has made her a world spokeswoman for the necessity of creating a work environment in which human values are primary and where one's work can be seen to benefit society through proactive policies towards the third world and environmental issues.

Our final article is from a book called Organisational Wisdom and Executive Courage, Suresh Srivastra & David Cooperrider, New Lexington Press, 1998. This book also is a collection of articles from many different authors. Although it is quite academic in its format, the editors have drawn together a fine set of discussions on the role of widom and courage in organizational leadership. We are sharing part of a chapter called **Organizational Greatness** in which the author, Pradip N. Khandwalla outlines nine different levels of organizational response to the need for greatness. Each of these nine levels represents a different and higher form for organizations as it moves from market driven forces to a self-chosen set of values that create an ethic of responsibility to the employees and society. We have not published the full explanations of each level, but we hope the reader grasps the basic thrust and values of each level.

Jack Gilles
Editor

THE ETHICAL ORGANIZATION -R. Lessem and

The Northern manager is a genuinely ethical rationalist. Unlike his or her more individualistic Western counterpart, whose dictum is 'do well', the Northerner is motivated by a deep sense of 'doing right' and that of a collective good. A long history of successful co-operative movements and a welfare system that continues to work successfully has nurtured an ethical context for organizations. There are two aspects to the Northern organizational model. Firstly, the notion of forming co-operative alliances between different organizations is starkly prevalent in Denmark, Sweden and Norway. So, although the free market is very much a part of Danish economic and political reality, competition does not apply to organizations in the same sense that it does in the Anglo-Saxon model of the UK and the USA. Rather, co-operative competition is what works best to preserve the spirit of the people and their organizations. Secondly, organizations see ethical responsibility as more important than responsibility to shareholders and other parameters that define a classical Western company. It is therefore not surprising that the Northern world is now the global leader in the development of an articulated vision of an ethical organization.

The figure at the leading edge of developments in his area is Peter Pruzan of the Copenhagan Business School. Originally an American, but a Danish citizen by choice for the past 25 years, Pruzan is a systems scientist and an economist by profession. With Western roots in the USA and a passion for Eastern spirituality, Pruzan's home in the North serves as an apt interface in the creative tension between the two worlds. The tension between a 'demand for freedom' and a demand for wholeness are one of the nine fields of ethical tension that Pruzan talks about. Writing in *The Corporate Soul*, Pruzan talks about the 'phoenix of ethics', an emergent ethical revolution which will bring social responsibility on to the centre stage of organizational management. 'In a world which is confused by its own dynamics, where institutions such as family, church, nation have come to be regarded by many as unreliable sources of stability, dignity and shared values, appeals are being made to "organizations" - to corporations, unions, institutions, local governments - accept their responsibilities and to promote ethical behaviour.' Pruzan writes about the renaissance of social responsibility and ethics as a 'necessary supplement' to the classical quaternity of organizational management, namely economics, power, law and science. The emphasis is now increasingly turning away from shareholders to stakeholders; the employees, customers, suppliers, owners and local society who are beginning to demand that organizations begin thinking about their ethical responsibility and orient themselves towards a 'broader, value-based approach to management'.

Stakeholder Dialogue

Northern ethical rationality is a confluence of the ends and the means of doing business and managing organizations. While the ends mark out the genuine service organization, the means include both, a systematic, rational articulation of ethics and a deeply human-centred drive towards dialogue and consensus. As Pruzan writes in *Conflict and Consensus*, 'Verifying the social claims of business is not therefore simply a matter of checking up on what companies have been up to. It also opens up the possibility for intelligent dialogue about what types of social responsibility are possible in different structures and how best they can be achieved, evaluated and communicated.' 'Socially responsible business,' according to Pruzan, 'enables organizations to reflect upon their behavior, . . . to substantiate their claims, and to engage with diverse groups of people. . .' Pruzan introduces the term 'Open Systems Decision Making', which is defined as 'a practice that reflects the values, views, and contexts of the entire spectrum of contexts in which the organization co-exists with people, other living creatures and the natural environment.'

It was in the late 1980s that the notion of 'stakeholder dialogue' emerged in Denmark. This meant that values against which an organization should be evaluated were selected not by the organization, but by key stakeholder groups. This approach was systematically adopted by Peter Pruzan in his 'Ethical Accounting System' (EAS). Today more than 50 private and public Danish organizations have developed ethical accounting processes. This method was first used by the SBN bank of Denmark in 1989. Increasing numbers of companies are beginning to show an interest in the EAS, like the Body Shop or America's Ben and Jerry's, both of which have adopted this technique, with an exclusive focus on stakeholder views in their Social Performance Reports.

According to Pruzan, 'The interest in organizational ethics reflects both a search for new approaches to strategic planning as well as for shared values, which can provide a framework for constructively treating the complexity, specialization and pluralism which characterize the post-industrial society.' He maintains that traditional approaches to decision making provided by economics, science, technology, law and even formal democracy are not able to meet many of the challenges the organization faces today. 'A result is fragmented perspectives at the top management level, ad hoc and inconsistent decisions, inefficient use of resources, and conflicts both within the organization and between the organization and the outside world.'

Reaching far back into Danish cultural roots, Pruzan says, 'Development of ethical competence is the development of a common language and shared values, and an orientation towards wholeness - in short, a dialogue-based culture which promotes consensus.' The basic principle of ethics is that a decision is ethical if it rationally can be agreed upon by all those parties who will be affected by it. This leads to a reformulation of the Golden Northern Rule: 'Do only unto other what you and the others have agreed upon'. As the 1993 SBN Bank statement on ethical accounting mentions, 'Recent hard times have perhaps caused us - briefly and unconsciously - to tone down the basic values of the bank. It is therefore

now that the concept of Value-Based Management must prove its worth'.

Ethics, according to Pruzan has two distinctive characteristics: in the first place, it is rational, and thereby open to dialogue; secondly, it is formalistic, the focus switching from the substantive content of moral rules to the form of interaction between subcultures of different rules. He lists five characteristics that form a prelude to the Ethical Accounting System:

1 Prices are not enough
2 Science does not provide the truth, the whole truth and nothing but the truth
3 The search for technological effectiveness leads to inefficiency
4 What is legal may not be legitimate
5 The moral majority may be unethical

The Ethical Accounting System (EAS)

The EAS focuses on values which are shared by the organization and its stakeholders: owners, employees, customers, suppliers, local society, environment, etc. These values are identified in conversations between representatives for the various parties and are operationalized by them in a series of postulates which can be measured on a scale from 'I totally agree' to 'I totally disagree'. The annual evaluation is performed by stakeholders, not by accountants hired by the company. This evaluation is summarized and presented in the EAS balance sheet, together with the organization's evaluation of its own endeavours to promote the values shared by the company and its stakeholders. 'One of the strengths of the EAS is that it enables us to quickly register changes in attitude among our customers, employees, shareholders and the local community,' reports Pruzan in *Conflict and Consensus*.

The EAS is distinguished from the conventional accounting system in three ways:

1 It not only employs monetary units of measure, but a spectrum of quantitative and qualitative values
2 Instead of being simply an abstract communication, oriented towards the owners, it is value-based and oriented towards the various stakeholders
3 It is designed and produced by the stakeholders themselves.

The EAS of SBN Bank begins with the following passage written by Peter Pruzan and his colleague Ole Thyssen: 'Many people think of ethics as personal matters that really cannot be discussed. Others regard ethics as a checklist that can be used to determine right and wrong. We have a different perspective. The idea behind the concept (EAS) is that ethics are socially constructive and that they can and should be discussed. A discussion of ethics does not elicit any unambiguous answers, but rather initiates a process in which the parties involved, each with their own values, must determine what they can agree is right and wrong.' The SBN accounting statement is divided into four tightly woven worlds:

customers, employees, shareholders and non-customers.
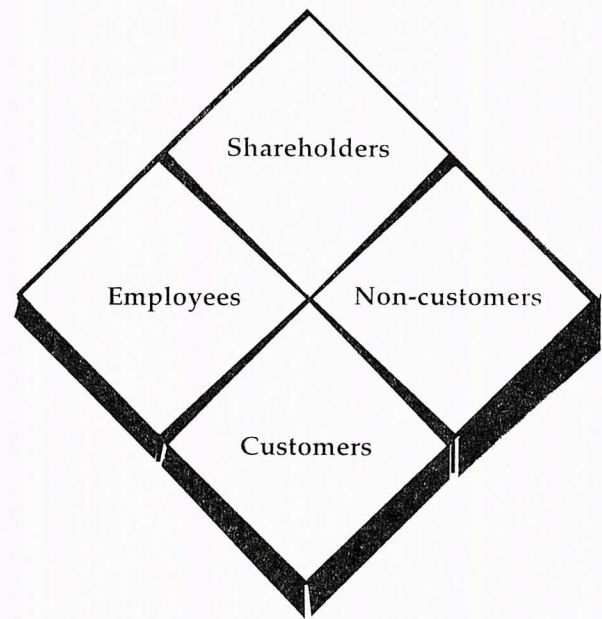
For Pruzan, an organization is essentially an 'autopoetic social system' or a self-organizing system. An autopoetic system does not consist of elements but the elements get their distinctive characteristics in the autopoetic process itself. A company creates its own reality as a system of communications among its employees and other stakeholders. Unlike what the mechanical paradigm dictates, it is not built up of separate parts and cannot be separated and put together again. Therefore, it cannot be reduced to constituents. However detailed the description of the parts may be, it still cannot provide a full description of the organization as a whole. The more explicate level of the organization is all the separate people and artifacts, without whom there would be no organization. On a deeper, implicate level, the organization consists of the underlying communication field that co-ordinates the people and artifacts. 'Through its communication process, the enterprise defines itself and distinguishes itself from its environment,' explains Pruzan. An autopoetic social system depends on a shared language of an ethical culture. This again is a quality of the system, not of its members. The goals and strategies of an organization are then 'qualities which are inherent in the self-organization of the company as a whole'.

Outlining the Northern position that balances the Western and Eastern worlds, Pruzan writes: 'We stand on the threshold of a new society, beyond both the Eastern and the Western models. The value which has received the highest priority in the East, consideration of the whole, must be reconciled with the major value espoused by the West, consideration of the individual . . . (an ethical) enterprise can escape from its self-imposed isolation and actively integrate itself in the new society.'

TOTAL QUALITY MIND - S.K. Chakraborty

When an artist paints a marvelous canvas, objectively visible to the onlooker, it goes without saying that it must have been a highly sensitive and lofty mind (the subjective) which was engaged for long hours projecting externally what was within. This simple truth explains every kind of human creation, nay Cosmic Creation too.

There was a time, not so long ago, when quality happened to be spontaneously associated with durability. That the two had to go together was taken for granted. This provides us with an important perspective for appraising old yet living civilizations like those of India and China. What sustains them, despite enormous assaults from objective, external sources, is undoubtedly the causal subjective quality of such peoples. Quality within has been the chief source of their continuity and sustainability - essential components of system excellence.

The same should be and has been true of man's economic and scientific endeavor too - a small but essential aspect of civilizations. How did Rolls Royce become decades ago a by-word for world-class quality when none of the dinning slogans of today were in the air? What explains even in these hi-tech days the ready and large markets abroad for Indian handicrafts produced in the backyard of poor villagers with the simplest of materials and tools? What again explains the world-class acclaim won by a C.V. Raman or a Satyen Bose in the realm of science, working in the ill-equipped laboratories of Calcutta University?

Human history offers many opposite examples too. The subjective depravity underlying Nazism has spelled objective disaster for the world. So was the Mahabharata war precipitated by the blind and cruel intransigence of the Dhritarashtra-Duryodhana combine. This same interpretation holds true for colonization and exploitation of large portions of Asia and Africa by several European countries. And this happened to the Eastern European countries too under the hegemony of the former USSR.

Extending the scope of the argument a little more, the systems-structures approach to excellence, while being necessary, is quite inadequate by itself to produce sustainable quality. For, widespread experience shows that even the best and apparently foolproof systems have been subverted by degraded minds operating with and within the system. Take for instance the process aspect of the Indian Parliament. Mounting vulgarization of the dignity and mission of the 'system' is too obvious to mention. What is the reason? Not objective system or structure, but the degenerate quality of mind amongst its members.

It is in this sense that the highly rational and objectivised ISO systems, spearheading our drive for Total Quality Management (TQM), need to be probed more deeply i.e. subjectively. How much role and scope for Total Quality Mind (TQM) are provided for in such system efforts, vigorous and expensive though they are in themselves? We know well that a scholar in philosophy may not usually be a person who builds or leads one's life on its basic principles. Such scholarship and the degree are perhaps more of a means to enhance career prospects or win acclaim. This could be equally true about ISO certificates - frequent and loud advertisements about them being afloat all the time.

Total Quality Mind - What Does It Consist Of?

What then are some of the major characteristics of the 'total quality mind?' The answer has to be offered in subjective, non-quantifiable terms. It is necessary therefore to dispel right away a fairly common notion that what is not measurable is not improvable. The major variables of human existence - beauty, love, kindness, greed, anger, vindictiveness, contentment, humility, deceit and many more - are non-measurable. Yet, their reality needs no vindication. We all constantly experience them. It may be convincingly argued that it is because of our neglect of them in human development, under the spell of the sinister illusion of non-measurability, that the intrinsic quality of social existence is becoming putrid beneath the gloss and sheen of extrinsic consumption standards.

Having said this much for the time being, let us list down some of the felt ingredients of Total Quality Mind. Those key elements are derived from the subjective 'deep structure' of the total quality civilization that India has been.

1. A mind that understands and pursues purification of the heart.
2. A mind that tries to learn and practice all work and duty as homage to the Cosmic Worker.
3. A mind that strives to maintain inner poise through recognition and denial, praise and blame, success and failure, etc.
4. A mind that recognizes and cultivates the synthesis of self-respect with obedience.
5. A mind that adopts the discipline of stilling thoughts and regulating breath.
6. A mind that commits itself to the task of learning to earn joy from cooperation and sharing, rather than from competition and grabbing.
7. A mind that is willing to foster the natural inner affluence and contain the artificial outer attachments.
8. A mind that starts convincing itself that giving is far more worthy and dignified than grabbing.
9. A mind that is learning to accept that honesty, truthfulness, compassion and the like are their own rewards - not instruments for some other mundane gains.
10. A mind that is learning to face the only certain fact of living - physical death - and preparing quietly and daily for this culmination as a noble finale, whenever and whichever way it might arrive.

If these ingredients of Total Quality Mind are scarce or absent from the contemporary milieu, we believe, this is not a mandate which should go unchallenged. We owe debts to the ancients, we owe accountability to posterity.

How might subjective Total Quality Mind, as

outlined above, affect objective Total Quality Management? A mind which sets itself on the Total Quality Mind track will deplete less and less from psychological entropy. It will be capable of nurturing a consciousness which can gradually align itself with and empower itself from the Cosmic Connection. This is no mere figure of speech. From the hoary past of our own times it is such Total Quality Minds who have sustained the Indian civilization - either on the front stage, or on the back stage. Of course, they are the ultimate human examples of Total Quality Mind. Nonetheless, even in our own organization-industrial context the grassroot framework of Total Quality Mind presented above remains a valid model, a necessary ideal. It is congruent both culturally and universally.

Human Values for Total Quality Mind: Its Nature

By 'human values' we mean those emotional life processes or states which make a person more ideally and fully human. In this sense, values are not those states or things which a human being or organization covets, chases e.g., individual freedom, costly consumer goods, luxury home, high market share, high credit rating, greater productivity and so on. The prefix 'human' implies that we are dealing here with not objectivised economic, commercial, scientific, technological or political values systems, but with the subjective values of human beings without any garb or cloak or label. Besides, the connotation of 'human' here is not confined merely to the humanistic worldview, but embraces the spiritual worldview as well.

Why are human values, so conceived, deemed here to be so critical for Total Quality Mind? The answer will be easier if we distinguish between human values and dis-values. The following illustrative lists will clarify what is meant:

Dis-Value (Subdue)	Human Value (Foster)
1 Competitive 'killer' instinct	1 Cooperative 'let all live' emotion
2 Self-interest first	2 Self-interest last
3 Settle the score	3 Forgive and forget
4 Project myself	4 Conceal myself
5 Instrumental relationships	5 Humane relationships
6 Self as the start and the end	6 Self as on a continuum
7 Need-fullness	7 Need-lessness
8 External Aggregation	8 Internal wholeness
9 Asserting separateness	9 Affirming oneness
10 Rights consciousness	10 Duties consciousness

Sustained, patient and long-term efforts to *contain* the dis-values, and correspondingly to *nurture* the human values - this is the principal process for moving towards Total Quality Mind. For instance, the first mark of Total Quality Mind - purity of heart - will be realized by pursuing any or all of the ten pairs listed above, particularly (2) and (3). Again, feature (7) will be promoted by planned self-education and practice of pair

(7) in the table. Similarly, pairs (5) and (9) should stimulate Total Quality Mind items (4) and (6). Pair (1) in the table will also enhance feature (6). Item (3) will stand a good chance if pair (7) of the table is practised.

Conclusion: Quality Is Subjective First, Objective Second

System-structure-oriented Total Quality Management efforts though thorough and praiseworthy, lack the holistic perspective. They also seem to miss out on the true cause and effect sequence. Quality always originates in the subjective realm. The cleaner, the purer and the more internally coherent and autonomous it can be for each employee, the better *ipso facto* will be the chance of Total Quality Management delivering its true benefits.

It might be asked: do all the Total Quality Mind features and dis-value human value pairs require an employee, a manager, a leader to become a saint? To that we say: what is wrong with that? Do we not often describe a high-quality human being as a 'saintly person,' a *sadhu purusha*?" And certainly it is the inner qualities, not the outer robes which are implied in this appellation. In 1898 Jamshedji Tata had written thus in a letter to Swami Vivekananda (they were travel mates on board a ship from Japan to the USA):

'I very much recall at this moment your views on the growth of the *ascetic spirit* in India, and the duty not of destroying, but of diverting it into useful channels...I am of the opinion that, if such a crusade in favor of ...*asceticism*...were undertaken by a competent leader, it would greatly help *asceticism*, science and the good name of our common country.'

We guess it is the total evaporation of the ascetic spirit which is causing India to lose her face within and without - despite a few glories now and then. Undoubtedly asceticism, saintliness of inner spirit are what Total Quality Mind implies. This, in India is an essential underpinning for Total Quality Management. It may take some time to become widespread. But the campaign must begin right now.

THE CITIZEN COMPANY - Charles Handy

Businesses, and indeed all institutions, are communities not properties, and their inhabitants are to be more properly thought of as citizens rather than employees or human resources. What will this mean in practice?

Citizens in all democracies have the rights of residence, justice, free speech, a share of the wealth of society in some way, and a say, usually a vote, in the governance of their society. Most importantly, however, a citizen is entitled to life, liberty, and the pursuit of happiness, the three concepts that America made the basis of democracy, in other words the right to make your own life, subject to the laws of the land. The essential freedom of the individual has been the driving force behind democracy down the ages, but it is freedom combined with commitment. If you want to pick the flowers you should help to tend the garden.

Translated into corporate terms, a citizen's right to residence means some guarantee of employment; not for life, because that would be unrealistic, but for a fixed period of years - a decade, for example. It is reasonable to substitute predictability for permanence in a more uncertain world, and few, anyway, of the citizen-caliber workers would want to sign a commitment for life. What is needed to restore commitment in the workplace is a rebalancing of power, so that those in control make commitments in order to win commitment. We will increasingly, I suggest live our lives in five- to ten-year chunks, so that a ten-year commitment will be seen as a fair definition of guaranteed residence. Justice, free speech, and a share of the wealth are all easy to translate into the corporate world, but not always delivered. A say in governance translates into a right to be consulted about major decisions affecting the future of the corporation.

This has all the feel of a trade union manifesto, and some unions are moving this way, wanting to make their members citizens of the employing organization. In 1997 two large British industrial groups agreed to a guarantee of four years' employment for their core workforce in return for a promise of flexible working. A number of American corporations are negotiating similar arrangements. But citizenship is not just the outcome of negotiation or arbitration. It is more subtle than that, something that grows from a shared commitment, some of which can be defined in writing, such as the length of residence and the share of the wealth, but much of which is more intangible. As long as trade unions have an adversarial relationship with the organization they will have little role in a citizen company, and the citizens will not want them.

To an outsider, citizenship is a vital part of American life. Americans are as proud to be Americans as the Romans of old were proud to say *civis Romanus sum* - I am a Roman citizen. A common citizenship is the idea that binds such a diverse nation together in a blend of rights and obligations. Americans are rightly proud of the individuality, but they balance that with a need to belong, even to conform. The visitor can wonder how the vaunted individuality can go along with the idea of "dress-down Fridays" in which the freedom to dress

casually seems to be almost a requirement to don another sort of uniform, yet it is this very acceptance of conformity as a requirement of belonging that makes it possible for such an individualist people to live together in relative harmony. It is strange, therefore, that the notions of citizenship do not extend into American corporations.

Oddly, perhaps, the British are not citizens (except, by international convention, on their passports) but subjects, subjects of Her Majesty the Queen. Although this is an historical accident, the different words may have made a subconscious difference. There is no Bill of Rights in Britain and no written constitution. Citizens tend to expect these things, which are to be found in most other democracies.

The spirit of citizenship, however, is more important than the letter of the constitution. A state exists for its citizens, to make their lives better and more worthwhile, although it can only do this by trading profitably and peaceably with its neighbors. A democratic state, in other words, is properly selfish, looking to live up to its ideals by working with and for others. Similarly, a citizen company is primarily concerned with the betterment of its own people, although it can only do this by caring fanatically for its customers, innovating constantly, and working efficiently.

I once heard the chief executive of an advertising agency addressing the new recruits.

"What," he said, "would you say is the purpose of this agency?"

"To make money for the owners?" suggested one.

"To make our customers successful?" proffered another.

"To produce wonderful ads?" volunteered a third.

"Wrong, all wrong," said the chief, "The purpose of this agency is to enable all of us to have wonderfully fulfilling lives. In order to do that we have to work our guts out for the customers, keep our owners happy, and do wonderfully creative work, but it's in that order."

Partnership or associate are terms that fall more comfortably on corporate ears. They are also terms that are easier to apply to two other stakeholders - the suppliers and the customers. It is important for any company to win the trust and cooperation of the largest and most important of these groups, along with the most significant of their investors. Were citizenship to be formalized in any way, it would be appropriate to see these other stakeholders as associate citizens, with at least the right to be kept informed, to be consulted whenever appropriate. This form of associate citizenship should help to bond these crucial players into the long-term aims of the organization and to build a degree of mutual trust by the sharing of information. To win trust you have first to give trust.

One way to give formal expression to the right of citizenship would be to resurrect the old idea of voting and non-voting shares, often called A and B shares. The A shares, with their votes, would be confined to the personal citizens of the business - the core employees, or a trust representing their interests. To these could be

added significant holders of the equity, being investors who could be presumed to have a long-term interest in the business.

The idea of non-voting shares has always been hotly contested by the investment community - for obvious reasons. The investors would lose much of their power. But it is this power that will have to be reduced if the real members of these wealth-creating communities, the people who work there, are to have more say over their destiny and if the business is going to be more than the property of its financiers.

The emergence of completely new forms of organizations may, of course, make all the talk of ownership irrelevant. The Internet, probably the fastest growing organization of all time, is owned by no one. Visa, the credit care service, carries over seven billion transactions a year, worth over $650 billion, but is "owned," if that is the right word, by the financial institutions, well over twenty thousand of them, who use its services. Organizations like the Internet and Visa are facilitating mechanisms rather than collections of assets. Few in number at the moment, they may set a pattern for the future as more and more independent operators look for mechanisms of "connexity."

Federalism is an old idea for the combination of independents but one which, rethought for the information age, offers some clues to possible futures. The point of federalism is that too much power should never be in one place or in one function. The center is the servant of the parts, a facilitating mechanism with powers delegated to it by those parts. In practical terms, ownership then resides with the parts even if the outside investors think they own the whole. To equate federalism with a superstate ruled by a powerful center is a uniquely British distortion,.one that may haunt us in years to come if.we turn our backs on what may well be the form of the future.

Multinational companies have, perforce, become federal, although they don't always call it that or recognize what they have done. The need to be both local and global, or to be what some call multi-local, has forced them to work out a form of governance that gives as much authority to the local bodies as is possible without endangering the whole. Firms like Johnson and Johnson, Coca-Cola, IBM in its new guise, the oil companies, and ABB are some prime examples. The result is a system of very small centers, often less than two hundred people, concentrating on the design of the organization, its longer-term investments, and the key appointments, with a watching brief to detect any danger signs in the day-to-day operations. These day-to-day operations are, however, the responsibility of the local and frontline people and it is they who now drive the business, leaving the center to do only what it can do best on behalf of them all. The federal idea, however, of reverse delegation, from the parts to the center, does not only apply to the multinational giants. The principle applies to all levels of business. The center does not have to do everything itself. It should coordinate, not direct.

It will happen that way, eventually. Effective ownership will gradually revert to those who hold the resources, who will employ those who previously employed them. Those of the outside who provide only one of the resources - finance - will inevitably see their effective power recede. It is called "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.

The Herding of Cats

Citizenship is about autonomy, the freedom to run your own life. In return for this freedom, the corporate state can demand little, but hope for much. Citizens in a democracy are free to emigrate. You cannot stop anyone leaving. Nor can you demand commitment, only hope for it. Combining this freedom and these rights with the aims of the organization is the real challenge of the citizen company. Many managers would prefer not to accept the challenge, because organizing talented people is akin to the proverbial herding of cats - difficult by definition. We have to manage people whom we can't totally control. Instead we have to trust them, and they have to trust us. The principle is simple. The practicalities mean that it seldom happens.

For a start, organizations as well as individuals have to earn the right to be trusted. But in an atmosphere of downlayering and outsourcing, loyalty to the organization is today a rare commodity. Which is odd, because loyalty is worth money. Frederick Reichfield has put numbers on the loyalty effect, suggesting that disloyalty from employees, investors, and customers can stunt performance and productivity by up to 50 percent.

Once established, however, an organization with mutual trust at its core can be both creative and efficient. People obviously work better if they are not looking over their shoulders for the next job. They work more creatively if they respect the people around them and believe in what they are doing. Where they trust the organization, where they are committed to its goals and share in some way in the results of the business, they are more likely to accept relocation, reassignments, even temporary across-the-board pay cuts.

Who are these citizens? States require proof of talent and good behavior from those who would apply to be their citizens. Organizations are privileged in this respect. They can choose all their citizens, and would be wise to do so very carefully. Citizenship will certainly not be granted to all. In changing times no organization can make even ten-year commitments to too many people, but will keep their citizenship core as small as possible.

There will also be the necessary mercenaries, who could always turn into citizens, and there will be probationer citizens, who have to prove their worth and earn trust. The citizen core will be the proven "trusties." For an example of how such an organization works we only

have to look at professional partnerships, in law, accountancy, consulting, or architecture. The partners in a professional partnership are the full citizens of that organization, so much so that all the outcomes belong to them, bad as well as good. A public company with limited liability does not have to ask so much of its citizens, but, proportionately, the rewards and the commitment are probably lower.

Businesses could also look at universities, who have long struggled with the dilemma of tenure, or life citizenship. This dilemma is nicely put in the jibe that those who need tenure don't deserve it and those who deserve it don't need it. Tenure, which was once the guarantee that you could speak your mind without fear of dismissal, is now a guarantee of a job for life, a protection that the best should not need. Unfortunately, the best are not guaranteed to remain that way. The universities fear that they may get lumbered with unworthy citizens who cannot be expelled. Indefinite tenure then becomes expensive and demoralizing to the rest.

To prevent this deterioration the stakes have been raised in the initial tenure decision. It is now much harder to be accepted as a full citizen after the necessary probationary period. Tenure is also becoming more conditional, subject to periodic review or even to termination after due process and proper notice. Citizenship, in other words, is now more clearly seen to have responsibilities as well as rights. In business it was often the other way around - citizens, if one could call them such, had more responsibilities than rights. The worlds of academia and commerce are meeting each other halfway.

The payoff for a citizen company should be a shared commitment and mutual trust. But the trust has to be in the bloodstream, no matter how well the bone structure or the nervous system has been designed. In a world where work is where you are - in the car or plane, at the office or at home, on the client's premises or in a hotel - you will increasingly have to work with people whom you do not see. Organizations are drowning in communications, in e-mail, voice-mail, faxes, and telephones, but you can tell lies on e-mail and not be noticed, and who knows whether your fax or your e-mail has actually been read, not crumpled, lost, or deleted. More than ever before we have to trust those with whom we work. Trust sounds like a nice motherhood term, something no one could be against, all warm and woolly. In practice, however it is difficult and tough. Management by trust depends upon some clear rules and principles, which will have to become the guidebook for a citizen company. There are seven cardinal principles of trust:

1. Trust is not blind.

It is unwise to trust people whom you do not know well, whom you have not observed in action over time, and who are not committed to the same goals. How many people do any of us know that well? Perhaps more pertinently, how many people know us that well? In ordinary life there seems to be a rule of twelve. When asked how many people's deaths would affect them personally, or how many telephone numbers they can remember, it is seldom more than twelve. Work demands less stringent conditions. In practice, we can probably know a maximum of fifty people well enough to rely on them in ordinary circumstances. Those fifty can, in their turn, know another fifty, and so on.

Large organizations are not, therefore, incompatible with the principle of trust, but they have to be made up of relatively constant and smaller groupings. Impossible? ABB has 225,000 employees working in 5,000 business units which operate in 142 different countries. Each unit has an average of forty-five people working in its citizen core. The larger factories manage with three hundred, which is stretching it. The units combine with each other in an infinitely flexible way to create a powerful and fast-growing complex corporation, but the building blocks conform to the rule of fifty.

Make the groups larger, or change them too frequently, and the organization starts to replace trust with systems of control, because the people do not know each other well enough to develop trust. My title, in one large organization, was MKR/32. In this capacity I wrote memos to FIN/41 or PRO/23. I often knew no names and met no people behind those titles. I had no reason to trust them, and, frankly, no desire to. I was a "temporary role occupant" in the jargon of the time, a role occupant in an organization of command and control, based on the premise that no one could really be trusted, only the system. I left after a year, for such places can truly be a prison for the human soul, and in those prisons people seldom grow because there is no space to explore the truth about yourself. Worse, these prisons, boring though they may be, suck up energy, leaving little over for exploration outside. Role underload, studies show, can be more crippling than role overload.

2. Trust needs boundaries.

Unlimited trust is, in practice, unrealistic. We trust our friends in some areas of life, but not necessarily in all. A neighbor may be a great help in emergencies, but hopelessly unreliable when it comes to money. "I would trust him with everything - except my wife" one man wrote in a reference for an applicant to the program I was running. We manage our young on a loose rein, but the rein is always there, getting longer and looser as we trust them more. It is not different in organizations.

By trust, organizations really mean confidence, a confidence in someone's competence, and in their commitment to a goal. Define that goal, and the trusted individual or team can be left to get on with it. Control is them exercised after the event, by assessing the results, rather than before the event, by granting permission. This freedom within boundaries works best, of course, when the work unit is self-contained, with the capability of solving its own problems.

Trust-based organizations are redesigning their work, pulling back from the old reductionist models of organization, whereby everything was divided into component parts of functions, where everyone only did parts of things and seldom saw the whole. The new, holistic designs for the units of the organization look, at first, to

be more expensive than the old functional types, because they often duplicate functions, maintaining separate accounting sections, for instance. The hope is that the energy and effectiveness released by the new freedom within boundaries more than compensates. When we are trusted to find our own means to some results we have the room to explore, to put our own signature on the work.

Unfortunately, this redesigning was called "re-engineering" - a word from the old world of machines. Re-engineering became a euphemism for getting rid of people, the sign of a manipulative management, never to be trusted. This is sad, because the redesigning was intended to be the outward and visible sign of trust.

3. Trust requires constant learning.

An organizational architecture, made up of relatively independent and constant groupings, pushes the organization towards the sort of federal structure that is becoming more common everywhere. A necessary condition of constancy, however, is an ability to change. The constant groups must always be flexible enough to change when times, and customers, demand it. This, in turn, requires that the groups keep themselves abreast of change, forever exploring new options and new technologies, in order to create a real learning culture. The choice of people for these groups is, therefore, of crucial importance. Every individual has to be capable of self-renewal. The ability to search for oneself and to regard learning as a continuing part of life, which was the justification for trusting someone in the first place, becomes one of the keys to its success.

Learning, however, like trust, can be squashed by fear. No one will stick his neck out, or take the sort of initiatives which new situations require, if they are fearful of the consequences if they are wrong. Trust, like learning, requires unconditional support, and forgiveness for mistakes, provided always that the mistakes are learnt from.

4. Trust is tough.

When trust proves to be misplaced, not necessarily because people are deceitful or malicious, but because they do not live up to expectations, or cannot be relied upon to do what is needed, then those people have, ultimately, to go, or have their boundaries severely curtailed. Trust is like glass: once broken it can never be the same again. Where you cannot trust, you have to check once more, with all the systems of control that involves. Therefore, for the sake of the bigger whole the individual must leave. Trust has to be ruthless. The pressures to perform, however, can be positive. Most of us need deadlines and targets to pull the best out of us. Where rules and checks predominate, on the other hand, satisficing, doing enough to get by, is the preferred behavior. We settle for enough when enough, in the case of personal growth or creativity, is never enough.

5. Trust needs bonding.

Self-contained units, responsible for delivering specified results, are the necessary building blocks of an organization based on trust, but long-lasting groups of "trusties" can create their own problems, those of organ-izations within the organization. For the whole to work, the goals of the parts have to gel with the goals of the whole. The blossoming of vision and mission statements is one attempt to deal with this, as are campaigns for "total quality" or "excellence." These well-meant initiatives can boomerang, however, if they are imposed from the top. They become the equivalent of the compulsory school song, more mocked than loved. In one organization where I worked, a memorandum was circulated from the head office stating that starting immediately, the organization was committed to a Theory Y philosophy - a belief that individuals are self-motivating. The contrast between the medium and the message caused hilarity. Like morality, visions and missions are caught, not taught.

6. Trust needs touch.

Visionary leaders, no matter how articulate, are not enough. A shared commitment still requires personal contact to make the commitment feel real. Paradoxically, the more virtual an organization becomes the more its people need to meet in person. The meetings, however, are different. They are more to do with process than task, more concerned that the people get to know each other than that they deliver. Video conferences are more task-focused, but they are easier and more productive if the individuals already know each other as persons, not just as images on the screen. Work and play, therefore, alternate in many of the corporate get-togethers which now fill the conference resorts out of season.

These are not perks for the privileged. They are the necessary lubricants of virtuality, occasions for not only getting to know each other, and for meeting the leaders, but for reinforcing corporate goals and rethinking corporate strategies.

7. Trust has to be earned.

This principle is the most obvious and yet the most neglected. Organizations who expect their people to trust them must first demonstrate that they are trustworthy. Organizations that break implied contracts through downsizing will find that those who are left will trust them less. Individuals will not be trusted fully until they have proved that they can deliver. Governments who promise to cut taxes but end up increasing them forfeit the trust of the voters.

These cultures of trust are easier to grow and to preserve within the bounds of a single organization. As organizations become semi-dismantled, as many more people find themselves outside the organization, then the issues of trust become more difficult to deal with. Do you and your suppliers, or you and your clients, have the same goals? If not, then trust will be difficult because each will suspect the other of promoting their agenda rather than the joint one. Are the boundaries and the contracts clear and understood? How often have you met, and what sort of affinity is there between you? Are genuine mistakes acknowledged and accepted? These questions are as important outside the organization as inside. If they can't be answered positively, business becomes adversarial, complicated, and no fun.

Some of you are aware of the way Confucius went about creating by far the most important revolution that the great people of China have ever known. That revolution was a structural revolution; this is, it was from within the establishment. And it was a radical revolution. By that term I mean foundational, or basic, or primal.

What I mean when I call a revolution radical is that it touches the dimension of humanness, or that it recreates the image of what it means to be a human being. That is the kind of revolution that we are engaged in now. For the first time in history it is happening across the globe rather than within any particular national or cultural history. Such a revolution can only be a quiet nonviolent revolution within the establishment. Violent revolutions, which history has to have from time to time, are relatively superficial revolutions. Even our own revolutionary war was superficial in that it was simply the continuation of the European culture. That one was not in the same ball part with the revolution that is now involving our nation as a part of the whole globe.

Whether one wants such a revolution or not, it is a necessary fact of our moment of history. Humankind's image is being reconstructed and people of good will ought to be concerned deeply, passionately, with the way that it is going to be reconstructed and articulated. The way it is articulated is what actually happens to the mindset of the masses. It is the manifestation of the revolution, or the manifestation before the manifestation in the social processes or web of relationships.

The ancient revolution in China that Confucius instigated was that kind of revolution. Once you get relatively clear on the theoretical aspects of what you're about, then you have to become practical and think in terms of strategies and tactics. Confucius decided, first, that the way you did that was to infiltrate the upper echelons of the ruling structures of China. So for over twenty years he was the prime minister in the court, and worked away at trying to change the situation in China. Then he saw that that would not work. He could get nowhere because it is the job of the ruling structures, of the establishment, to maintain the establishment. You and I would not want it otherwise - at least, I wouldn't - because I like to see the bread come around daily and the milk, and have the railroads run, and so on. So what he did was to go out to the country and began to get young men who, I suppose, were restless, who wanted to see something happen in China, and together they began to forge the concrete practical vision to be communicated to the minds of the grassroots level of China. He sent these young men, called the *literati*, to every single Middlesex village and crossroads of China. This was called the bureaucratic structure. And they did such things as make out deeds, and collect taxes. In fact, they were the only people who could read and write. But fundamentally, they were communicating a new image of what it meant to be a human being in China. The result was that China's understanding of itself in history was transformed.

The *literati* were the guild dynamic, and when we talk of making it overt and active and geared for the future, it means that in each local community of the world you have an awakened human being whose life is in the breach and who has the practical vision and the prowess to communicate that practical vision. Only, one will never make it - or if he does, it will be a miracle. Let's say you need at least ten. And around that ten, if they stand there as iron, you could have a thousand. But do not ever get the mixed-up idea that the guildsman is a layman. I am a guildsman. A guildsman is a religious; the core of the guildsman is the religious.

In our day, the recovery within the church of a sense of vocation in civilization is more important that anything else, and that task is of the religious. Some of the religious are clerics, and some are "lay-ics". The division here is incidental, though both are needed. The important thing is the calling of the religious. They are going to be the religious in every local community in the world. These *literati*, these guildsmen and women, are going to be like the carrier mosquito. They will carry the malaria of a new morality to every local community on this globe. There's no one else to carry it.

The New Morality

I rejoice over being able to use the term "the new morality" here in an authentic way. We have waited a long time for this moment in history. When we talk about the functional or the practical significance of what the Other World chart represents, or the breaking through of the Other World that is in the midst of this world, one thing I'm very clear about is that it's the basis for the new evangelism. It points to the secular evangelism in and through which people's hearts and lives and social relationships are changed. Another practical or functional consequence is the seed of the new mythology by which a human being in our time can grasp again their relationship to the Ground of their being. This is not an intellectual activity, but when one suddenly experiences this relationship, that is what I mean by "awe."

But the Other World is the stuff from which comes the new morality that our time has been waiting for. In New Testament days also, they were waiting for the coming of the Messiah, the new morality. The most important thing about the youth revolt in our day is that it was a revolt at the point of morality. If you want to understand youth, you will see them yearning, however brokenly, fragmentedly, even distortedly, for the invention and articulation of a new system of ethics. When we old ones scream back at their screaming, what we are screaming for, in the sociological sense, is for the appearance of a new morality that will replace the old.

Sometimes you interpret this scream, especially from people who are my age, as an attack of the youth who are screaming for a new morality. But no, deep in our hearts the thing that makes old folk and young folk companions, that you in between ones do not even understand, is that we want the same thing!

The term, "the new morality," may sound strange to you, but there is nothing strange about it. I am not

INDICATIVE ETHICS - Joseph W. Mathews

talking about the moral life. The moral life is a thing that goes on in the life of every human being at every moment, all the time. Wherever the activity of observing, judging, weighing up, deciding and acting is going on, that is the moral activity of humankind. Morality is a system of ethics, a human invention superimposed upon everything that happens in life. It serves somewhat as a roadmap, whereby this judging, deciding, and acting is given direction.

As you are aware, two great systems of ethics have been invented in Western civilization. I recall being shocked and delighted, although I was not bright enough at the time to understand it, by the statement of G.E. Moore, an English ethicist of the last century, that there were many systems of ethics that had not been invented. I had been taught all my life that ethics was ethics! They were not seen as invented but as somehow coming down from an intellectual super-universe or from divine revelation. Mankind's only problem then was that he did not embody that system, rather than that the invented system was no longer adequate to the situation or to human being's image of what it meant to be a human being.

You are very familiar with these two systems of ethics. One is called teleological ethics and the other ontological ethics. Those are hard words, as long as the ones you use in your secret societies in business and medicine. We ethicists have our jargon too. But whenever you are talking about what is good or about virtue or about goals or values, you are using the system of ethics called teleological ethics. Your mother started training you in this system, and your Sunday School took it up, and your business firms and your professions: it is through every fiber of your consciousness. On the other hand, whenever you use words like "right" or "conscience" or "mores," you are dealing with ontological ethics. You are not asking then about the goal, but about the right line, the right rule to embrace.

There is another system of ethics, which H. Richard Niebuhr called dialogical ethics, and that uses the word "must" rather than "good" or "right." Paul used the word "befitting" and asked what the "befitting" thing was. He took that from the Stoics. That approach is very close to contextual ethics, which raises the question of what is the appropriate thing to do in your given situation. Lord Shaftesbury, one of the first anti-slavery men in England and a great philosopher, was very close to this kind of system. There is a sense of art in it. What is the befitting thing to do in the midst of this context?

Now, I believe that we are in the midst of creating a new ethical system. As a matter of fact, if you were not, you probably would not accomplish what unconsciously you set out to do twenty or thirty years ago. But this invention is not sitting down and conjuring up out of your minds something that did not exist. A new system of ethics, like any kind of new philosophy, is a drawing together into a rational unity, of insights that an age has produced from many sources. I think you will see that as I try to describe this quickly. But it will only come to be when that coagulating process takes place.

If I had to give a name to this system of ethics, instead of calling it ontological, teleological, or dialogical ethics, I would use a very simple word and call it the indicative ethic. In a way, it is all summed up precisely in that. To call it an indicative ethic is to say that we begin with the "is" and not the "ought." There is nothing new about this. You have been bumping up against this for fifty years. You begin with the given, and morality then has to do with what *is*, rather than what ought to be.

The Other World

The Other World is what gives you the clue to this. Those four areas - mystery, freedom, or consciousness, agape or love, and tranquillity or serenity - are the trans-ontological indicatives of humanness itself. What is humanness all about? It is all about mystery. It is not that humanness ought to be about mystery. Humanness *is* about mystery. When one grasps the state of being in which one senses that one is not what one is except by this encounter with the mystery, then one knows that the indicative of one's life, down underneath all other indicatives, is this relationship with the mystery. No ought is being introduced here, it just is the indicative of life. In our day, in the midst of a malaise that is deeper and more complex than any person has yet been able to say, this basic indicative of life has been obscured.

The second indicative of life is freedom of consciousness. It is not that I have freedom, but that I *am* freedom. What it means to be a human being is to be and to be able to take an attitude toward "to be." That is·the indicative of life. I am not my relationship to my wife. I am the relationship to my wife, but beyond that I am the attitude that I take toward the relationship that I call "being related to my wife." That is freedom. This is what I mean when I say to my wife, "you cannot keep my conscience for me," I am not telling her that she ought not keep my conscience for me. I am articulating an indicative: she cannot keep my conscience for me even if I tried to permit her to do it. That is an indicative of life. Even if you thought all your life that your mother ought to keep your conscience, that is indicatively not the way life is. She cannot do it.

The next is the mountain of care. This is the concern for the world. Never again in this understanding of ethics do you say that somebody ought to care for the world. This is in another system that somebody else invented. What you are saying is that a person cares for the world. My illustration for that is the awareness that when I came into being I did not first come into being in a family and then have to say "no" to my family in order to care for the world. Nor did I first come into being as a citizen of the United States, and therefore have to say "no" to my nation. Do you know how I came into being? It is a crude image, but someone got hold of my feet and pulled me out of the rear end of a human being. What I am saying is that I came into humanity. I came into humanness. I did not come out of a family. This is an indicative of life. Therefore, my concern, when I dare to

embrace what it is to be a human being is - not ought to be - humankind. If you are not concerned with humankind, then I say to you that you have refused a fundamental indicative of your life. Never again shall anybody say to be, "I ought" first.

Last is the Sea of Tranquillity. When you grasp your having shown up with one great life to live and one great death to die, when you grasp the delight of your life just as it, with all of the suffering, all the tragedy - then you experience that that is what it means to be a human being. This is sheer indicative. And in those moments when you reject that indicative, say "no" to it, and go to a psychiatrist, what you grasp is that you are refusing the indicative of your existence. So you go to him, not because you are sick as you say, but because you are immoral. Then, only if you want to raise the question of how you became immoral can the psychiatrist help you. This is the ethics of the indicative.

In the second place, you also have to call this the contextual ethic. For these states of being, because the Other World is only in this world, exist only in concretions. A state of being does not exist except in that externality. That is to say, if you tell me that you are experiencing a glowing or unglowing state of being that is outside of a knockdown or drag-out fight with your wife or a moment of fantastic love with your wife, then I conclude that you don't know what you are talking about. For contextually, ethics is also a part of that indicative. There is no Other World, there is no sense of being me, there is no awareness of an "I", except in the concrete given situation of life.

The third way you have to come at the new morality of our times is to call it a morality of creativity, a decisional ethic, an ethic of freedom. I create my own morality in every given situation, morality defined the way the other systems talked about morality. I decide the "right." I decide the "good." All of life is a relationship on the ontological level, and living is constant and sheer creativity out of nothingness. The significance has to be created and injected into any given relationship. That is what I mean by decision, or what I mean by freedom. It is an ethic of God-awe-full creativity. You can see that the rigor in this ethic surpasses the most rigorous dimensions of the inventions of the past. This is not new to you, but you have to pull it together into a statement that can be grasped by the masses.

The fourth way to come at this is to see that it is a morality of authenticity. It is the relationship of authenticity to authority. Out of the two-story universe which created the other systems of morality that I have suggested to you, it is always necessary to appeal to authority - either the authority of universal reason or the authority of some religion or pseudo religion. It is as if there is a ten-point code that is superimposed on me.

Authenticity on the other hand, has to do with assuming final responsibility for your concrete created moral deed. I like to say to myself these days, using the ancient poetry, "when I get to heaven, they are not going to ask me what my wife thought of me, though she may

have tried to keep my conscience a sterling puritan. They are not going to ask me what my colleagues thought of me or what youth thought of me. They are not even going to ask me what history thought of me. They are really going to ask me what I think of myself." And if they do, they will fit right into the indicative ethic. That is authenticity. It is like teetering on the edge of that six foot hole, at which moment your life turns from many, many happenings and many, many deeds into one great big happening and one great big deed. To be a moral human being is to take it all into your being and then fall back into that hole. That is authenticity. That is what they are going to inquire about when you get to heaven.

There is no imperative in this ethic, and yet there are imperatives all over the place. But you understand that the imperatives are those requirements that you place upon your life out of the great indicative of your existence. That is to say, when a moral human being sees that these are his indicatives, he requires of himself that he be what he is, that he be his indicatives. Then he builds his models, not as some theoretical exercise at two o'clock in the morning but as his decisions regarding what he is going to require of himself when he rises in the morning. That is the imperative in the midst of the indicative.

It has been a long time since we knew what we meant with the term "a Christian human being." It has been a long time since we really knew about such a person's concrete posture in the world. That sentimental stuff that some churches have carried over from the nineteenth century into the twentieth century which is phony today, does not work with us anymore. It is out of another age.

We have been wandering around trying to be moral people without knowing what moral meant. How long has it been since you knew a moral person when you saw one? I mean, with every bit of integrity and fiber of your being? The bourgeois morality that you and I were given is no longer adequate. Or, how long has it been since you really had a criterion for being what used to be called a person of character? No wonder we pay those head shrinkers sixty dollars an hour. Little wonder we have not had any map.

I say to you that the dawning is at hand, not for the sake of virtue, but for the sake of integrity, of living and dying as an authentic human being. The hour is at hand when we are going to know again what it means to be a person of the Spirit, what it means to be a moral human being, what it means to be a practical person in the everydayness of the world. We guildsmen have a horrendous march ahead. But at the center of all the work we have to do is one task and that is the communication of the ethics of the indicative.

THE ETHIC OF STRENGTH - Robert K. Greenleaf

Ethics, as a word , is suffering from overuse. It is a loosely defined word, and for some reason it has become the custom to start an agitation about ethics for every ill of our society. This tends to confuse the issue for those who are trying to use their efforts constructively. There is a place for an explicit concern with ethics. But this popular clamor is thwarting that concern, too.

Ethics, as I see it, is like humility. It has been said that if a person is self-conscious about his humility, he hasn't got it. It is a natural thing. Either you're humble or you're not. The same holds for ethics. The person who says, "Now I am being ethical," should be regarded with suspicion. The institution that seeks to remedy its faults by making a big to-do about ethics should be dealt with at arm's length. The basis for trust is not there. A friend of mine tells of his first boss in business, a rough, uncut diamond sort of man with limited education but a lot of common sense. In commenting on a particularly difficult character they were trying to deal with, this boss observed, "You know, if a fellow is an S.O.B., if that is what he really is, deep down inside, he had better just go ahead and be one, because if he tries to be something else, he'll wind up being both a hypocrite *and* an S.O.B., and that's worse!"

This is the kind of overstatement that makes a point. Obviously, some of our impulses must be restrained. But there is also a sort of primitive integrity about being what we are. If the cards are bad, difficult to work with, I would rather they be dealt on the table than under it.

A lot of the talk about evil in the world smacks of the notion that it ought not be there rather than as something to be dealt with realistically. I am a lot more concerned with helping good people deal with evil, and keep their integrity, than I am in eliminating evil. I am not enough of a theologian to know why evil is with us, but I know it is here. And I will be frank to admit that this would be a pretty dull world if there were no evil.

Ethics, in the abstract, does not interest me. But ethical people trying to do their creative, responsible best do interest me.

At this point I will abandon the word *ethics* because of the connotations that somebody knows what others ought to do. I am not denying that there are norms, gleanings from thousands of years of experience, that we would all do well to heed. And I grant that some people have a better understanding of those norms than others. but on arriving at maturity, the major problem of most young people is not that they do not know or care enough - that is, care to serve and not to hurt. (There are some, of course, who arrive at maturity not knowing and not caring, and they deserve a kind of help that is not in my experience to give.) For those who know and care and who are capable of a reasonably disciplined approach to life - both the emerging adult in college and the young adult in business - the need is to learn to grow in *strength*.

Let me take a moment to explain how I view the person who has cultivated *strength*. This is not a person who lives by codes and rules but rather one who knows the resources of inspiration and wisdom on which to draw and sees his or her own experience as an extension of that tradition. Somewhere an influence has shaped the attitudes and motives of this person so that he or she feels responsible for doing well in any chosen undertaking - and for doing it in such a way as to become a plus value in both the immediate environment and the wider society.

This person has a strong feeling for his or her uniqueness and for potential greatness, if life is used well - and he or she wants to use it well. The person of *strength* may or may not profess a formal religious belief and may never make a speech on ethics, either publicly or privately. He or she may be rough or smooth on the exterior, may be mild or brusque of manner - but has courage. This is the way I see the person of *strength*, and this person may not have chosen, consciously, to be that way. He or she has been so influenced by upbringing and environment.

But some things this person *has* chosen: to be competent and industrious, to build inner strength, to do things that develop foresight, resiliency, insight, wisdom, and an imaginative response to all that presents itself. The person of *strength* may not be able to do all that he or she would like but realizes that if one is right inside, one can do more by trying than by not trying. An internally "good" person without the developed abilities I have mentioned is probably more of a social asset than an internally deficient person - a so-called "bad" person. But not much better. A well-motivated incompetent can do as much harm as a poorly motivated competent person. There is a tremendous obligation on the "good" person to develop personal competence because a mediocre "good" person can be more of a liability than an asset. And there is a like obligation on society, and on all the institutions in it, to know who the "good" people are and bet developmental resources on them.

Such people can be helped to learn to manage their lives so that when confronted with the opportunity for a decision or the chance to initiate a constructive action, they will be able to find the best course of action among several choices and stay with it as they carry increasing responsibility and cope with the confusion and stress of our times.

"Faith," Dean Inge once said, "is the choice of the nobler hypothesis." Not the *noblest* - we may never know what that is - but the *nobler*, the best possible at the time the choice is made. I would expand the good dean's definition to include the ever-present belief that in the moment of decision, whenever it comes, one will be composed enough to see a range of choices and tough enough to choose the nobler one, the best possible one among available choices.

Now let's describe this person's qualities in terms of competencies. *Strength*, as that term is used here, is first, *technical competence* in whatever endeavor one is engaged in. But so many are technically competent who are not strong; in a clutch, they do not have enough choices or the toughness to choose well. What, then, are the competencies that distinguish the strong from the merely able?

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The list is probably long, but high on the list of competencies I see analytical sharpness, intuitiveness, foresight, persuasive ability, and comfort in dealing with power.

Disciplined analytical sharpness includes value analysis - the ability to weigh available choices on a scale that is bounded by *serving* and *hurting* people.

Intuitive fertility comes from constantly reviewing one's experiences and storing in one's internal computer the data from which choices are made. Then, in the moment of need, having pursued conscious analysis as far as it will go, one is able to withdraw from the analytical search and allow the unconscious resources to deliver, as on a computer screen, a range of choices. Faith is the belief that in the moment of need and regardless of the stress, one can compose oneself and an adequate range of choices will be delivered.

Foresight, a facet of intuitive fertility, is simply seeing an event before it happens and preparing for it. The "lead" that a leader has, the possession of which is one of the bases of trust of followers, is that she or he cares more, prepares better, foresees more clearly than others.

Persuasive ability includes respect for the integrity of the persons one would persuade. One is persuaded, I believe, when one has arrived, through one's own intuitive sense, at one's own feeling of rightness about a position or action. The person being persuaded takes an intuitive step from the closest approximation to certainty that can be reached by formal logic (which is sometimes not very close) to a state where one may say with conviction, "This is where I stand." Persuasion, thus defined, may help the one being persuaded to order the logic and take the intuitive step. But the person being persuaded must take that intuitive step on his or her own, untrammeled by coercive pressure, expressed or implied. Persuasion is one of the critical arts possessed by those who would be strong.

Another is the *ability to use and deal with power*. Anyone who possesses strength as discussed here has power - to hurt as well as to serve. It is important to use one's power to avoid being hurt oneself by others' use of power, but it is more important to use one's power affirmatively to *serve*, in the sense that those being served, *while being served*, become healthier, wiser, freer, more autonomous, and more likely themselves to become servants.

The difficulty in acquiring competencies like these, that build strength in persons who are able, is that classroom instruction contributes little. A university would not produce much of a football team if all it did was teach academic courses about the sport. The same reasoning holds for preparing young people to gather the competencies that make for strength in carrying responsible roles. The good practitioners of these competencies - and I have known quite a few - were not born with them; they learned them, but not in a classroom. The question is, can technically able people with the potential to learn such competencies be helped to learn them? Are there ways that we can favor the emergence of more strong people?

The best way I know to give this help within a business is to organize to identify those who have the potential to grow in strength and see that they have a substantial early experience under a boss who has the capacity to coach such high-potential subordinates so that they grow in strength. The only point at which classroom training may be fruitful is with the bosses. *Put your training money on the bosses of high-potential people.*

The work of building strength begins with someone at or near the top of the business who has the insight, the skills, and the drives - *a strong person*, one who will identify both those who have the potential to grow in strength and the bosses who will coach them and who will arrange for the training of the bosses. In a large business, this may require the attention of a specialized staff person. But large or small, what is important is that the top management of the company determines, as a matter of long-range policy, that it wants to make the effort to build a strong company by encouraging the growth of strong people. It is not expensive to do, but it does require an uncommon perception of how *strength* is built. I have a hunch that a top executive of a company will do better in his company if he invests part of himself - and some money but not a lot - in helping a professor in some college start the process of strength building in the undergraduate years. The executive who undertakes this will do better by acknowledging that there is more to be learned about the growth of people than the best of us will ever learn by working at it all of our lives. And some of what every executive would profit by learning is best learned by working with and supporting a sensitive professor as he or she coaches students to encourage strength building.

An asset to this approach to building strength in a company is that there is no penalty - in fact, there is a bonus - if one brings along more strong people than the company can hold. It is strength-building to lose strong people for the right reasons: they like you and appreciate the growth opportunity you have given them, but there is another place that needs them more than you do and will put them on a faster track. A friend of mine who is head of a moderate-sized company is a director of a much larger one. One day in a conversation with the head of the larger one, my friend mentioned that he needed a new controller and was having a hard time finding one. The prompt response was, "I will give you the names of five of our people who I think would serve you well, and we will be pleased to have you take one of them." When the one selected was deliberating on the offer he was told, "Make your own decision, but if you take this job and it doesn't work out, we will welcome you back." That attitude gets around - and builds strength.

This is not a discourse on management in general, only the facet that has to do with building strength as defined here. If one accepts the premise that "only those who have choices can make good decisions, and only the strong have choices," with the corollary that "the strength of any institution is gauged by the influence wielded by strong people," what can top leadership do not only to encourage the emergence of strong people but also to

sustain their influence?

Reflecting on my own experience, I have seen much that is destructive. Some strong people emerge despite formidable discouragement because they have it in them to grow by contending with great adversity. But if the aim is to encourage enough strong people to make the company strong and to minimize the emergence of intensely competitive people - in an interpersonal sense, people who destroy strength in others - then to rely heavily on overcoming discouragement as a means to develop strength is not a sound approach. What, then, does one do? Beyond the suggestions made so far, the strong business seems to me characterized by two additional features:

• *Clear and compelling goals* that excite the imagination and give people something to hope for - goals that have meaning in human terms.

• *Frequent face-to-face conversation* between top executives and lower echelons in which there is full discussion of right actions, actions that comply with the law even when the law is absurd and that serve and do not hurt people.

Every time I hear of a major default by a lower-level manager, I wonder what kind of goals the business has placed before its people and how long it has been since someone higher in the company talked with this manager about how to hold one's head up in this crazy world and get a job done. Too often, I have observed, top management just puts the screws on for competitive performance; it sincerely hopes that the job will be done in a way that brings credit to the company but is prepared to disown the person who brings disgrace. That is not a strength-building stance.

Why do so many businesses that have the technical competence and the financial resources to survive, perhaps even to prosper in the competitive race, lack that quality of strength that brings distinction? Why, despite "success," are they likely to be judged "ordinary"?

I know of no single comprehensive answer to that question. But I suspect that a common trait among them is *arrogance*, arrogance that results from the place top leadership occupies in the traditional hierarchical structure, a situation in which the single chief stands in the morally dangerous position of having no colleagues, only subordinates. And the attitudes that are likely to be generated by that isolation of the single chief may color the whole management structure, even in a very large institution.

The chief executive who recognizes the danger in this arrogance-breeding role is not usually amenable to redesigning the structure so as to minimize the risks because to do that, the ultimate power now held by one person would need to be shared. Short of this radical step, if the risk of arrogance is recognized (and some people in the role do recognize it but regard it as inevitable and do not know what to do about it), is there a remedy that might be acceptable and that would help free the top executive for the kind of discussions with lower-level managers that are imperative?

The best I know is for the chief executive to consider the suggestions already given. (1) Nurture many strong people in the institution, people who are strong enough to challenge the top person. (2) Find a way personally to support a professor who is dedicated to encouraging strength in students. Make a major time investment in it; learn to talk to students, to understand them, and get on equal terms with them; see through them the shape of the future society that all of our institutions will adapt to, and get their perspective on the world. The executive who learns well from this involvement may then be better able to talk with subordinates - and find it a rewarding experience. Building strength in a business comes naturally when the top leader accepts that the process is best started at the top.

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lowly work, reform of ossified cultures to revitalize them, love, knowledge, effort without expectation of reward as a foundation of individual and social development, and full involvement in life rather than escaping from it. The basic discipline is one of transcending egotism through *bhakti*, or devotion to God. The movement seeks social transformation through spiritual self-transformation rather than through social engineering. The chief methodology adopted by the movement is *bhakti pheri*, or trips of devotion and love by adherents to local communities. In these trips the adherents neither preach nor seek converts nor accept any food or hospitality. Instead they simply talk about the divine brotherhood of humans, their personal experiences of self-transformation, and their unconditional acceptance of others. But this seemingly simple methodology has spawned creative new activities like *krushibhakti*, or devotion to God, through farming and collective cultivation; collective fishing, as an offering to God, whose profits are distributed to the needy. The movement's management is highly informal and decentralized, but it does have a charismatic and highly innovative founder-head.

The social impact of the Swadhyay Movement has been so remarkable that it has been described by some social scientists as an alternative to conventional models of socioeconomic development. As of 1996 it reportedly had an active membership of about two hundred thousand and a presence in eighty thousand villages (15 percent of Indian villages). In those communities in which it has been active, mainly low-caste and rural communities, caste barriers have been eroded, and drinking, gambling, thieving, smuggling, and wife beating have disappeared. Conducting the marriage ceremony, traditionally reserved for only the highest caste (the Brahmins), has been opened to lowest-caste women. Hygiene and cleanliness have been institutionalized. There has been a highly perceptible improvement in living standards and quality of life. Over three thousand collectively farmed plots are in operation, and over nine thousand wells and dry lakes have been recharged by Swadhyay engineers and technicians, with local participation and without financial assistance from the government.

FINDING SPIRIT THROUGH SERVICE -

"I don't know what your destiny will be, but one thing I do know. The ones amongst you who are really happy are those who have sought and found how to serve."

— *Albert Schweitzer*

You may ask the question: Love and spirituality in a high performance organization? That is like tossing a hot potato into a cold bowl of water. The best you can do is warm things up, right? Not true. The best you can do is better than you ever imagined!

Work is where the compulsive search for connection, common purpose and a sense of friendship and neighborhood find a special place. Work is where a continuous sense of spiritual education can take place, and where the word "service" includes both the desire to express ourselves and the desire to contribute selflessly to a greater good.

If this process is managed from the heart, great things in business can and will happen. The only thing that is stopping us is our imagination and as Einstein said: "Imagination is more important than knowledge."

To start at the beginning, I have to journey from my own place, from landscapes and peoples and experiences that have shaped me. All are kept alive in my soul through the stories attached to them. I am the sum total of all these stories and experiences. These stories shaped the geography of my mind, and therefore, shaped my thinking in business.

The places, events, and people that we know make their mark on us like the curves and dots of some inward map which guides us through life. My geography starts with Joan of Arc. She gave me moral imagination. My first heroine stood up for something in a way that caught my imagination: She fought the God of conformism and apathy - always, always examining herself.

Learning about the Holocaust gave me moral outrage and kick-started me at an early age into the belief that everyone must stand up to something and keep their mouth open.

The death of my father offered a profound sense of loss, so a lot of time in my household was spent thinking out loud about life. We talked openly about its meaning its purpose and its significance.

Challenge Everything!

My mother taught me to challenge everything. She reminds me of the wonderful Walt Whitman quote:

"This is what you should do: love the earth and sun and the animals, despise riches, give alms to everyone that asks, stand up for the stupid and crazy, devote your income and labor to others, hate tyrants, argue not concerning God, have patience and indulgence toward the people, take off your hat to nothing known or unknown or to any man or number of men...reexamine all you have been told at school or church or in any book, dismiss what insults your own soul and your very flesh shall be a great poem."

My mother pushed me to the edge of bravery. She challenged everything and she created a world that allowed my spirit to flourish. Every time I did anything kind or loving to anyone, she would delight in it. From day one I was told my genetic pattern was to have a bold spirit, and to create a world that enabled the spirit to flourish.

As a child, life was storytelling. Not children's rhymes and riddles. We were told how we were conceived. We were told stories of romantic love, deep feelings which defy description. You have to experience the feeling. The stories guided our relationships to each other. My mother made things magnificent for us: the stories of life on the farm in Southern Italy, the anecdotes of the family, and especially irreverence to the church. There was more majesty in those stories than in any organized religion. It was all about love and work.

I came from an Italian immigrant family. At ten years of age, when my father died, my mother and us four kids worked in a large cafe. There were no family holidays, there were no family diversions, except for the weekly cinema - it was work! It was a livelihood. It was an extension of our home, our kitchen. Courtships flourished in that cafe, marriages formed, friendships connected, the eye was delighted, the music from the jukebox spoke personally to everyone, and your heart was in the workplace.

You Can Bring Your Heart To Work With You

It taught me a huge lesson - you can bring your heart to work with you. It taught me that business is not financial science: it is about trading, buying and selling. It is about creating a product or service so good that people will pay a higher price for it, allowing you the means to fulfill the social projects you had erstwhile only dreamed of.

It taught me that whatever our society tries to diminish, it is the family or community that keeps pushing up like flowers in the cracks of pavements.

My first lesson in community was the Kibbutz. I had arrived from an academic institution where we believed that academic people were more valuable than other people because education is a value-adding industry. Educated people are better than other people because education improves people and makes them good. The purpose of education is to earn more money, and the place where education is to be used is your career.

I carried around a set of beliefs that nonacademic work was what filled up the hours before resting, that work was a privilege but for which there was a price to pay. In our modern cultures, I believe that price has come to mean work without joy. However in the Kibbutz in Israel, I learned that work can be noble. Wendell Berry's insights on community are a fitting reflection of what I learned:

"The health of a community depends absolutely on trust. One of the essential trusts of community life is that which holds marriages and families together. Another trust is that neighbors will help one another. Another is that privacy will be respected."   — Wendell Berry
Sex, Economy, Freedom & Community

A community is about a placed people working for a common good. Its people actually know the land and how to care for it. It was a seminal experience for me. I learned that love, labor, community, service, and the land were connective and integrative. It was my first lesson in socially-engaged spirituality. Is it any wonder with experiences like these I walked onto the business stage believing in a better way?

The Power of Storytelling

I have always held the belief that what gives me, and ultimately my company, an edge is that I get out of the chair, out of the office, and I move. I move towards people and events that have a clearer vision than I have. These insights are garnished through experiences I share, by storytelling. Every insight I have had, I have shared.

Matthew Fox's observations on the power of storytelling, and the way it forms the basis of the educational systems of tribal peoples, mirror what I have seen by journeying and dialoguing with tribal people, mountain dwellers, desert dwellers, and nomads. In his 1994 book, *The Reinvention of Work*, Fox talks of how the Celtic peoples insisted that only the poets could be teachers and believes that "knowledge that is not passed through the heart is dangerous."

While Fox throws out the challenge for our educational systems to insist that teachers be poets, storytellers, and artists, I see a bleeding need for retailers to be crafted storytellers. Imagine the transformation of the retail environment, in high streets and shopping malls - those monuments to noncommunication, where language is reduced to sound-bite simplification - into a place which functions like a well in a traditional society; where people gather and chat, exchange ideas and information. For me, the notion of gatherings of people, in such a setting, experimenting with products and sharing stories is deliciously seductive.

In their book, *The Path of the Everyday Hero*, Michael Ray and Lorna Catford put the value of storytelling beautifully:

"Myths and stories are the reflection of the human soul. They remind us of our potential, of the divine possibilities of our existence."

Without an awareness of your emotions you are not able to experience reverence. Reverence is not an emotion. It is a way of being. But the path of reverence is through your heart, and only an awareness of your feelings can open your heart. Let me explain by a story.

In 1993 I spent time in what is perhaps the most disadvantaged Native American reservation, Rosebud in South Dakota. I was invited by the tribal colleges to see if I could come up with any creative solution to any one of their huge social problems.

I noticed that in the Badlands sage bush grew wild. Gather the sage bush, extract the essential oil and convert into personal care products. Easy. They had the plants and I had the technology. No. Not easy. They said first we must ask permission from the plant nation. First we must "do a sweat." Then maybe.

What that experience, the ritual - the sweat lodge - told me was simply this: I was not on *top* of nature, I was *part* of nature. It taught me not respect. It taught me reverence.

Living in communities, whether they be indigenous or local, allows me an experiential education. I am able to humanize the issues and share what I have found and what I have been told by grassroots communities in the majority world. Journeying provides insights.

My insight is that the catastrophe is poverty and that if Western governments are to help, they have to put the poor first: as active participants, advisors, and leaders. Any government that mobilizes its grassroots is at least a light at the end of the tunnel because the only true experts on poverty are the poor.

It is poverty that drives the catastrophe when desperate people overexploit their resource base. Nothing incites people to deplete forests, soils, or water supplies more than fear that they will soon lose access to them.

When I visited the Wodaabe Tribe in the Sahel, Africa, they had never heard of the word "desertification" but they knew better than anyone that their soil was exhausted. They too were living out the experience.

A Poor Man Shames Us All

Forest dwellers in the heart of the Amazon do not need to be told about the mass extinction of species. They know far better than any research biologist what it is to watch their homeland go up in smoke before advancing waves of migrants and developers. What they taught me was that a poor man shames us all.

I am a dogged believer in small-scale economic community initiatives which keep the community together and the culture intact. Increasingly we are developing these initiatives in my company.

Viewed in isolation, these grassroots initiatives are modest. Ten women planting a tree on a roadside, a dozen youths digging a well, an old man teaching neighborhood kids to read - but from a global perspective their scale and impact are monumental. These micro enterprises, these organizations are a ragtag front line in the worldwide struggle to end poverty and environmental destruction.

Socially-Engaged Spirituality

When you experience their lives, live with their communities, you care. In my job I have a signboard above my office which reads Department of the Future. One of the most important jobs I have to do is develop more opportunities for our staff to spend company time in the service of the weak and frail, to be able to measure their greatness by those experiences and find the heroes in themselves by caring for others.

As Sara Paddison writes in *The Hidden Power of the Heart*: "Care is another one of those four-letter words like love, that cages a powerful frequency band. Care is an oil that lubricates the entire mental, emotional and physical system."

Through service, through compassionate service and

caring with passion, people can feel connected and up-lifted. I have found it be one of the most important ingredients for both spiritual and physical health and well being. I have found that people become motivated when you guide them to the source of their power. Anything that changes your values, changes your behavior.

The people I work with are mostly under thirty, mostly caring females all in search of present day heroes or heroines. Fox reminds us of Studs Terkel's idea that for work to be authentically human it must be about a search for daily meaning as well as daily bread, for recognition as well as cash, for astonishment rather than torpor. This is what I find in the people with whom I work.

They have a secret ingredient called enthusiasm. Enthusiasm created from the heart guides your whole system, so there is no resistance. Everything flows and seems possible.

Protecting Your Soul

I have frequently wondered what protected my soul in a business environment that often alienates humanity in every way? I think I know some of the answers. When my husband Gordon and I began, we did not know how to run a conventional business. We had never read a book on economic theories, nor had we heard of Milton Friedman. We valued and respected labor as fuzzy and cuddly, touchy as it sounds.

We had no money. Every "original" idea was based on the experience of that first year's trading. We behaved as people did in the Second World War. We re-used everything. We refilled everything and we recycled all we could.

Then there was our naiveté. We did not know you could tell lies. That grace has stayed with us until this day. We also love change. We believed everything was subject to change. We shared, and still do, an extraordinary level of optimism about social change.

Let me share another example with you. When a member of our staff, after three exhaustive weeks refurbishing a Romanian orphanage holding babies with AIDS, or campaigning for human rights looks you dead in the eye and says "This is the real me" - take heed, for she is dreaming of noble purposes, not a moisture cream.

In *The Dance of Change*, Michael Lindfield asks us "Is it enough to join a protest march for a few hours to voice our horror at oppression in a particular country and then return home via the local supermarket and pick up a jar of our favorite coffee that just happens to be supplied by the main industry exploiting the people for whom we have recently voiced our support? Global issues are now the politics of place, and local action and initiatives are the means of addressing them." That to me is also service.

The Politics of Consciousness

In my company, finding your spirit through service allows us to be conscious participants and practice what Lindfield calls "the politics of consciousness" which he describes as bringing "the power of the inner world into a specific and positive action that can effectively meet human needs."

This has to be the way forward. It does not take a rocket scientist to know a basic truth - that business alienates humanity in every way. Businesses are tough places to nurture tender feelings.

People who do harbor dreams of a more responsible and compassionate world often feel alone and unsupported, except when something occurs to bring their feelings out in the open. Then they find that others have also harbored these same, seemingly subversive, thoughts and feelings.

And so to end: what I have shared with you is not hypotheses or theory. It is service in practice - it is continuous education of the spirit, a defined space, not unlike the community of the Kibbutz. Ethics, spirit and service are part of the moral code that exists only amongst people. So, if the people have no pathway for the compulsive search for connection, neither can the company.

I have found being part of my company's community that I had, and still have, an unprecedented opportunity to create a special place. In that place, service has to be honored and celebrated. The parent has to be served, child development needs to be supported, families welcomed, and values explored and protected.

Community service has to be honored as part of the workplace day. Volunteer programs have to be initiated and supported where people put love and caring into practice, returning to the workplace with stronger values. The workplace also has to inspire creativity and, above all, be fun.

As a company, caring for people includes service to the weak and frail. While traditional business may search for the lowest wages, the lowest environmental regulation, the most passive and desperate workers, we have a duty to the weak and frail to espouse a gentler way of doing business - where core values of community, social justice, openness, and environmental awareness are key.

Let us return to Albert Schweitzer: "I don't know what your destiny will be, but one thing I do know. The ones amongst you who are really happy are those who have sought and found how to serve."

ORGANIZATIONAL GREATNESS - P.N. Khandwalla

Like individuals, organizations too can rise above their bread-and-butter concerns. They may be able to do so in several different ways.

Stakeholder Orientation

One influential stream of thinking on corporate management has stressed that the only stakeholder in a corporation is the owner. The rest are mere "factors of production," and therefore the only duty of management is to maximize the owner's earnings. The ethical foundation of this maxim is the inference of neo-classical economic theory that the only principle that maximizes customer welfare and ensures equity in payments to factors of production in a competitive market economy is the single-minded pursuit of maximal profits (subject to compliance with legal requirements). However, when markets are imperfect or there are gross market failures, there are also gross inequalities and injustices and potentially large negative effects from corporate actions. Profit maximization as a principle can then degenerate into an opportunistic, get-rich-quick mind-set that does not necessarily lead to Pareto optimality.

Short-term profit maximization may involve high costs resulting from top-heavy control structures, large transaction costs, and poor team cooperation in situations where no one's contribution can be accurately measured or differentially rewarded. Emphasis on corporate morality, trust, and cooperation, even if it results in some abuses, and strengthens relations with stakeholders, reduces drastically the costs of profit maximization, and leads to long-term higher profits.

Corporate Social Responsibility

Corporate social responsibility is the obligation of firms to work for the betterment of society and to pursue social benefits along with economic gains. These obligations arise because corporations are citizens in a complex, interdependent world that have responsibility for the good of the larger society that gave them birth and sustained them with supportive infrastructures, institutions, resources, and facilities. In addition, since corporations are institutions with vast power and very little accountability; inculcating a social conscience within them is a way of bridging this gap.

Corporate social responsibility involves various obligations: economic obligations, which extend to being productive and profitable and to meeting the needs of customers; legal obligations, which include doing business within the limits of the law; ethical obligations, to incorporate the codes, norms, and values of society in the organization's daily business; and philanthropic or discretionary obligations, which involve contributing to social causes.

An interesting example of a medium-sized U.S. company, is the ice cream maker Ben & Jerry's, that has grown quickly, become very profitable, and thrived using greening policies. The company buys its materials from "organic" sources that are eco-friendly or preserve local lifestyles. For example, it buys wild blueberries from a Indian reservation and nuts harvested by natives of the Amazonian rain forest. It has an active, eco-friendly waste management program, recycling its packaging, stationery, copier paper, plastic materials, and so on. For this a "Green Team," headed by a manager for natural resources, brainstorms periodically about environment-related issues and executes energy conservation projects. The company's resource conservation program involves recycling and reuse of production and other wastes. For example, egg yolks, a waste product, is fed to pigs, and spilled ice cream is used to sweeten manure pits. The company sponsors community projects and campaigns for promoting environmental awareness, and it is a signatory to the Valdez Principles. It contributes 7.5 percent of its profits to various social causes, including an institution dedicated to diverting military spending to the pursuit of global peace.

Strategic Domain-Development Orientation

During the twentieth century, a good deal of socio-economic development of poor, "developing" societies has been accomplished through strategic developmental organizations (SDOs). The SDO can come in many forms, including apex governmental organizations; industry, trade, or sector associations; state-owned and even private sector enterprises; cooperative societies; and not-for-profit institutions. But the distinguishing characteristic of the SDO in all its various forms is its commitment to the strengthening and long-term development of some aspect or other of its domain of activities. While the concept of corporate social responsibility in the First World has emphasized protection, community action, and control of pollution, and SDO goes well beyond these. Depending upon the nature of the SDOs its domain can consist of markets, sectors, client systems, or beneficiaries.

An example is the Grameen Bank which has been able to alleviate the poverty of half a million rural households, in spite of charging commercial rates of interest.

Any organization can play an SDO role if it has a vision of excellence for its domain and conceptualizes the strategic role the organization can play in transforming its domain.

Institution Building

The concern with institution building became acute during an altruistic phase of American foreign policy following the Second World War, when the United States provided developmental assistance to many poor countries. Somehow the organizations that were set up to channel this developmental assistance did not function well, and so the question arose, How can formal, artificially created organizations designed to optimize technical efficiency be turned into proactive, adaptive organizations that respond to social needs and pressures and internalize the aspirations of the communities they serve? These institutions were intended to have a strong normative orientation and a strong commitment to performing socially valued functions and services. This implies that

their internal structures, systems, and processes would be impregnated with positive social norms and values and that they would affect their environment in positive ways. Institution-building organizations play role-model and positive-change-agent roles, and the test of normative institutionalization for them is not how profitable or efficient they are but how socially relevant their activities are, how values-driven their operations are, and how positive their social impact is. Although institution building has an obvious synergy with the SDO role, its relevance extends to any organization with a social conscience.

The key components of an effective institution-building organization may be its leadership, the doctrine or ideology it espouses, its program of action for delivering services, the resources it needs, and the internal structure and processes established for operating and maintaining it. Meeting social needs effectively makes it almost obligatory for the organization to network with others and develop various kinds of linkages. These linkages include those with entities on which the organization depends for resources (enabling linkages), those with entities performing functions or providing services that are complementary in an input-output or production sense to those provided by the organization (functional linkages), and those with entities that incorporate norms and values relevant to the doctrine and program of the organization (normative linkages). Institution building may proceed in cycles: formulation of a fresh idea, concretization into programs and activities, review and consolidation, multiplication of impact through innovation diffusion and networking.

Organizational Ethics

Every decision involves choices, and almost all choices may have moral implications, even if these are frequently overlooked. Thus all humans and their institutions are moral entities and at some time or other have to confront issues of good and bad and right and wrong. Human beings must therefore search for and adopt those moral principles or heuristics that resonate with their core convictions and values. This is also true of organizations and other institutions that humans build.

Analogically, organizational scholars have attempted to conceptualize stages of the moral development of business organizations. The base stage is the amoral organization. It seeks to win at any cost and with any means, including, for example, exposing workers to life-threatening substances, in violation of safety codes, for the sake of profits. The next higher stage is the legalistic stage, consisting of abiding by the letter of the law. An example may be Ford's recall of the unsafe Pinto car only after it was ordered to do so by the U.S. National Highway Traffic Safety Administration. The third stage is the responsive organization, which goes somewhat beyond profitability and legalistic concerns and attempts to strike a balance between making a profit and doing the right thing. As an example, rather than wait for government orders, Procter & Gamble withdrew its Rely tampon when it was confronted with nonconclusive evidence of harm it might do to users.

The next stage is characterized by the "emergent ethical" organization, in which there is a much greater tilt toward ethics, based on the recognition on the part of management of a social contract between business and society. Such organizations adopt codes of conduct that are elaborated in handbooks and policy statements, in committees, by ombudsman, in ethics training programs, and so on. For example, General Mills has developed guidelines for ethically dealing with competitors, customers, and vendors, and in its recruitment decisions it looks for ethical values in job applicants. The fifth and highest stage is that of the ethical organization, which is characterized by organization-wide acceptance of a common set of ethical values that permeate all organizational actions. A possible example is the Alacrity Foundation, a private sector company in the business of building urban housing. In India this industry is notably corrupt. Alacrity's core value is completely ethical business practices, which it follows routinely. For instance, in one housing project there was great customer dissatisfaction due to uncontrollable delays resulting from government sanctions. Most construction firms do nothing in such cases. However, Alacrity voluntarily made cash payments to it customers to compensate them. In another housing project the customers complained that the water supplied to them was unfit for use. Alacrity arranged to supply good water by tanker for five years. Alacrity acquired such a strong reputation for ethics that in several cases the government dropped legal proceedings related to apartments built by Alacrity.

Organizational Justice

Just organizational systems may increase identification with the organization and thus increase organizational effectiveness; unjust systems, by contrast may be alienating. The major ingredients of organizational justice appear to be distributive justice and procedural justice. Distributive justice relates to the question of fairness in paying or rewarding various categories of stakeholders (particularly employees), and procedural justice relates to fairness in the processes used to resolve issues and conflicts. Several principles of distributive justice have been adumbrated, such as equal shares for all the distribution of shares based on need, rights, effort, social contribution, or merit. Empirical work suggests that, in terms of performance appraisals, the main elements of procedural justice in U.S. organizations are solicitation of input from those being evaluated prior to making a judgment, two-way communication during the evaluation process, facility in challenging and rebutting evaluations, evaluators' familiarity with the work of those being evaluated, and consistent application of standards of evaluation.

Organizational Altruism

Organizational altruism has to do with helping behavior in and by organizations. It may be rooted in the biological need of mammals to nurture their young, or possibly in an instinct for symbiosis, which makes us

want to help others out of enlightened self-interest. Altruistic behavior requires a conception of an extended self, one that incorporates the interests of others besides oneself in one's priorities.

Altruistic behavior can be defined in organizations as any work-related behavior that benefits others regardless of any benefits to the self. Altruism is the basis of what has been called prosocial behavior in the organizational context. Prosocial behavior is behavior that a person engages in voluntarily to benefit others, without expecting material or social rewards in return. It is disinterested helping behavior, such as assisting coworkers with job-related and personal matters; providing services, products, or personal services to customers even when this collides with the interests of the organization; suggesting various work-related improvements; contributing extra effort; volunteering for additional assignments; and staying with the organization despite hardships. It has been suggested that organizations with strong reciprocity norms, responsibility norms, altruistic role models, leadership styles, and organizational climates promote prosocial behavior among their members. An organization in which prosocial behavior has become a way of life may well exhibit prosocial behavior in its domain.

Radical Humanism

Radical humanism seeks to emancipate humans from repressive social, occupational, and ideological conditions and bring them to the center stage in the affairs of the systems they inhabit. Theoretically, such emancipation leads to the fuller development and articulation of human consciousness and greater autonomy in personal, organizational, and social life.

One form of radical humanism offers, through the application of critical theory, a powerful critique of profit-oriented functionalism in corporate management. This functionalism results in unilateral power to make decisions and allocate resources in the hands of management; fragmentation of work and over-specialization, which makes work meaningless; the absence of dialogue and opportunities for self-expression at work; dishonesty toward employees; the objectification of human beings; narrow economism and utilitarianism; and so on. While "bourgeois" humanism is all right as far as it goes (in terms of such "top-down" managerial tools as limited participative management, human relations, transformational and visionary leadership, and total quality movement, and so on), what is really worth pursuing is the struggle for individual and collective self-determination, ownership of organizations by their workers, industrial democracy, and empowerment of employees.

Cascades, Inc., a billion-dollar pulp and paper multinational based in Quebec, was started almost from scratch in 1963 by three brothers and their father in a small Quebec town. The company has no organizational charts and almost no official positions, job descriptions, time sheets, supervisory control, and so on. The structure is relatively flat, with just three or four "symbolic" levels of hierarchy. There is "self-management" in everything

through self-management teams, and there are direct, informal relations and frank exchanges at all levels. There is an open-book policy concerning all information, including financial information; access to executive offices for all employees; profit sharing by all employees (unrelated to individual productivity). Employees apparently report that they are cared for and respected. In spite of (or because of) this nonhierarchical, organic mode of management, Cascades apparently has consistently achieved profitability levels that compare favorably with industry standards, and it weathered recessions better than most of its competitors.

Organizational Spirituality

Spirituality refers to the experience of the divine, the underlying unity of all things and beings, an ineffable bliss that is beyond any mundane, sensory pleasure. Saints have commonly considered the quest for spirituality to be the ultimate human journey. Can organizations, usually set up and operated to achieve mundane goals such as making profits, conducting elections, healing patients, or educating people, be spiritual?

The journey toward spiritual management begins with the individual manager. In the Indian tradition, through yoga, meditation, faith in God and in one's own intrinsic divinity, and introspection, a pure mind receptive to wholesome values can be achieved. These values include selfless work, work as a calling, and commitment to discharge one's obligations rather than assert one's rights.

Chakraborty has castigated contemporary models of leadership as "dealership." As alternatives he offers "wisdom leadership" and the *rajarshi* leader, who embodies truth, order, justice, and goodness and induces the eternal order of the cosmos (*rita*) into the logos of society. This eternal order is to be grasped intuitively by stilling the mind and anchoring it within the Self, the "state of quiescent unconditional awareness". It is this Self that provides guidance in all matters. The *rajarshi* leader is free from fear, insecurity, and narcissistic power hunger. He promotes goodness rather than pleasantness. He sees at once, and clearly, the whole reality rather than comprehending reality in fragments and through successive approximations. He gives primacy to detached performance of his duty and appointed role over self-interest and other distortions. The *rajarshi* is not one who shirks action but rather one who acts wisely.

The Swadhyay (meaning self-study and self-development) Movement in India provides a remarkable example of an organization that uses spiritual means to pursue spiritual goals and in the process generates amazingly good mundane consequences. The mission of this movement is spiritual development of individuals and society. Its main inspiration is Hindu philosophy concerning the universal immanence of God. The movement seeks to demonstrate its practical utility. Its core values stress spiritual fraternity of all humans, reliance on the force of one's conscience for solving life's problems, the dignity of

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