

CREATING A “CIVIL SOCIETY” IN THE WORKPLACE

By James P. Troxel
Partner, Millennia Consulting, L.L.C.
Chicago, Illinois
August 1998

- The mayor of New York City wants to bring back a sense of civility so that pedestrians won't jaywalk on city streets.
- Large numbers of people turn out for a public forum on crime in their neighborhood as part of the “community policing” effort.
- Environmentalists hold the big corporations accountable for their lack of pollution prevention efforts.
- Volunteers turn out to build homes for the homeless, pull debris from the rivers, and participate in bikeathon or walkathon fund raising efforts for worthy health related causes in America.
- The “New Urbanism” architectural approach to community planning attempts to re-create a sense of neighborliness.

What do these activities have in common? Some have called it the recovery of Civil Society. Others have suggested that the following are also examples:

- Protestors try to stop the construction of the Three Gorges dam in China that threatens to displace 1.2 million people, flood 100,000 hectares of fertile agricultural land and destroy the habitat's endangered species.
- The women of India's Chipko movement are wrapping themselves around threatened tress to save them from loggers.
- Native Americans blocked a Honeywell corporation plan to create a nuclear weapons testing site in the sacred Black Hills of South Dakota and rejected offers from AMCOR company to build a landfill and incinerator on tribal lands.
- In Panama, indigenous peoples have organized to prevent a highway through the tropical forests of their homelands that would lead to the devastation of their forests, the expropriation of their lands, and the destruction of their culture.

Are these, too, indicators of Civil Society? And, if so, what do they have in common with the first list?

What is Civil Society?

Civil Society has several meanings, but three are most common: (1) as a way to describe a particular sector of society, (2) as a set of moral social principals, and (3) as a desirable set of social relations within society at large and any part of it. This article will attempt to give the reader an understanding of all three and then focus on how the second two uses have particular meaning at work.

Typically, the civil sector stands for the volunteer and nonprofit associations that countless numbers of citizens from every walk of life perform on behalf of their community. It also includes the representational organizations such as unions and other personal-interest constituent groups. Civil Society is based on the notion that a healthy community depends upon a vibrant and active populace.

Civil Society is comprised of “social capital” which includes such things as the norms regarding trust, reciprocity, and civic engagement. In America our social capital is the source and legitimacy of our democratic institutions. The governmental sector and the market sector spring from it. It is the “that without which” a society can’t exist. U.S. Senator Bill Bradley has remarked, “Government and market are not enough to make a civilization. There also must be a healthy, robust civil sector: a space in which the bonds of community can flourish. Government and market are similar to two legs of a three-legged stool. Without the third leg of civil society, the stool is not stable and cannot provide support for a vital society.”

According to David Korten, author of *When Corporations Rule the World*, “The cacophony of competing voices within an active civil society can be deafening. However, the ability of civic organizations to form alliances around clearly defined public-interest agendas gives them a distinctive role as catalysts of values-based social innovation – defining, articulating, advocating, and building constituencies for positions that may eventually find their way into the political mainstream.”

A healthy society has a creative balance between the three sectors – the civic, the governmental and the market. The relationship between the civic and the governmental is more obvious. Later in this article I would like to attempt to show the relationship between Civil Society and the business community. The relationship is certainly less obvious, but I think it is nonetheless fertile ground for continuing to discover the significance of Civil Society.

Recent interest

There has also been a parallel interest in the topic of “civility”, which, while related, is not the same. Civility generally refers to the manners and etiquette of our democracy, while Civil Society refers to the moral principles undergirding democracy. Civility often arises out of a commitment to deeply held values about society, but civil society will not likely emerge just because there is less rudeness, litterbugging or jaywalking. Civil Society is about much more than culturally acceptable manners and etiquette, as useful as those can be.

Interest in the idea of Civil Society is partly due to influences outside the United States. The dismemberment of the Soviet Union and the unleashing of the freedom in Eastern European countries prompted social thinkers there to promulgate a democratic state in their place. But they found that simply giving

everyone the right to vote was not enough. Democracy works, they learned, because democratic institutions are planted on the soil of Civil Society.

Even the United Nations now studies “civil society organizations” as part of its work in developing nations, realizing that without the key role such indigenous institutions play, external aid will not take lasting root.

Simultaneously, there is a renewed interest in the American version of Civil Society and what our founding fathers had to say about it. The Frenchman Alexis de Tocqueville, who came to America 150 years ago, realized American’s capacity to be joiners and form “little laboratories of democracy” is what makes our state and national political institutions work.

It has been suggested however that America is a poor place to be studying Civil Society right now. A baseball player spits on an umpire and nothing happens. A political consultant turns a scandal into a lucrative book deal. A pop singer and a movie star each want a baby but not a husband. Children gun down classmates in school, sometimes just over a pair of sneakers. Our idioms now include “going postal” and “road rage”. But are these indicators of a lack of Civil Society or a depletion of morals, or both, or neither?

In a tremendously influential commentary published in 1995, Harvard University social scientist Robert Putnam asserted that the voluntary social institutions that keep America’s communities together are fading. The article provided such evidence as the decrease in the number of parent teacher associations in local schools and the decrease in the influence of civic-minded organizations. It humorously noted that even one of America’s favorite pastimes, league bowling, is on the decline while at the same time the number of people bowling is on the increase. People seem to be “bowling alone” and foregoing the opportunity for vibrant civic discourse that takes place among team bowlers.

I believe that the challenge for Civil Society today is the renewal of the civic culture, a re-empowering of local civic organizations and a renewing face-to-face civic interaction throughout our society. A recent report by a joint project of the University of Chicago Divinity School and the New York-based Institute for American Values suggests that if we would spend more time as citizens and neighbors, vote and volunteer more often, and if we would recognize those among us who suffer not primarily as clients of the state, but as neighbors in need, then we might realize Civil Society.

But, the report states, “civic participation... is more about process than substance. It is ultimately a means not an end.... Effective civic engagement requires a public moral philosophy, a guiding set of shared moral truths.”

What are the principles of Civil Society?

If the creation and development of Civil Society is rooted in a set of moral principles, what are those shared values that underlie these principles for the twenty-first century, especially on a global scale, if indeed there are such?

During an international conference on the topic held at Cairo, Egypt in 1996, participants from 40 nations were invited to identify the core values that constituted a global Civil Society. We came up with three: (1) sustainable sufficiency, (2) inclusive participation, and (3) pluralism with honor. The following descriptions comes from their work as it appeared in John Epps' chapter in the book, *Beyond Prince and Merchant: Citizen Participation and the Rise of Civil Society*, edited by John Burbidge for the Institute of Cultural Affairs International, sponsor of the conference.

Sustainable sufficiency has to do with society's choosing to put an end to the mindless race for more and more, and the equation of one's social worth with one's income. The economic sector of society must provide adequate means for people to survive. But it need not provide the means for extravagance. Sustainable sufficiency demands the use of resources in a way that does not unduly deplete them; production must be undertaken with attention to environmental impact; and distribution must accord every member of society an opportunity to access its benefits.

Inclusive participation is the political aspect of the civil society. Members of a society are valued for their contributions to the society and are expected to offer those contributions. People are free to participate in the decisions that affect them. This doesn't mean getting one's way all the time. While consensus is cherished, there can be no tyranny of the minority where a few dissidents withhold consent and block progress. In this schema, individual license to do as one pleases is a value secondary to that of inclusive participation.

Pluralism with honor, the core cultural value, means that all the diverse elements of society are worthy of value and respect. There can be no discrimination based on race, tradition, or culture. Each element of society's mosaic must be recognized, appreciated, and valued. There can be no hierarchy of traditions, but rather an appreciation for them all. This does not mean a single person must forego his or her background and merge into some sort of homogenous mass. Quite the contrary. One is expected to manifest and remain part of one's heritage as a significant contribution to the social mix.

A Moral Philosophy at Work

All this might be well and good for society in general. But what does it have to do with where the bulk of time people spend their lives – in the workplace? Are we to simply disregard these principles eight hours each day and then try with the rest of our lives to build Civil Society? Or can Civil Society be built or modeled within the workplace? If so, what would that look like? Furthermore, does a business have a responsibility for helping to foster the formation of Civil Society at all? Does it need to abide by society's shared set of moral truths? What are the desirable sets of social relationships within workplace?

These questions are especially important for the large global corporations that now control the fate of the future. Their omnipresence in the day-to-day life of millions of people all around the world and their capacity to side-step narrow national laws, make them of special concern for those desiring to see a global civil society.

Many contend that a business doesn't have any responsibility for society; its job is to make a healthy return on the investment of its owners. The popular myth that is perpetuated in business circles is that the goal of a company is to make a profit. It is usually justified by adding that without a profit, a company cannot stay in business. No reasonable person will argue that profit is not essential to the survival of a company, but does that make it a goal?

Robert Campbell, author of the *Fisherman's Guide: A Systems Approach to Creativity and Organization*, stated that there is no moral justification implicit in profit, because profit is not a goal. Profit is a consequence of achieving a goal. The goal of a company is to fulfill a market need with one's products and services. If the company can do so in such a way that its revenues exceed its expenses, it has made a profit. Society confers recognition upon that company having been successful in filling its goal. Making a profit is a mere measurement device. The survival of a company is ensured not through the accumulation of wealth, but by giving expression to its potential through a responsive commitment to the market.

Unfortunately, as Korten points out, markets tend to respond to money and financial values. They do not distinguish between profits gained by exercising monopoly power, passing the social and environmental costs of their business onto the community, or creating artificial demand through marketing campaigns for unnecessary and even harmful products. In other words, frequently, the market sector is blind to many of the real needs of healthy human societies and often encourages behaviors contrary to fundamental human interest and even to the needs of the market itself.

So, in a sense, while even a "profit-making enterprise" is in the business of helping create and foster Civil Society because it is driven to serve society's

needs, it is not well-positioned to define those needs in the first place. It was never intended to. That's the job of the civil sector, usually working through the governmental sector. What would it look like if the market sector seriously applied the moral principals of Civil Society?

I submit that Civil Society is being realized in the market sector and in its workplace. When we use the following set of core values from the Cairo conference, we can readily see the Civil Society is already emerging at work, sometimes in some very surprising ways.

SUSTAINABLE SUFFICIENCY

The idea that our organizations are inextricably related to everything both within and without them has gained popular currency and influenced by Meg Wheatley's adaptation of chaos theory to business. Her ideas our built on the work of Robert Greenleaf with his concept of Servant-Leadership introduced in 1977, followed by Peter Block with his 1993 book, *Stewardship*. She has pointed out that everything a worker does within his or her workplace is going to affect the entire organization and everything that organization does, is going to affect the entire society. Everyone is able to respond and therefore, everyone is responsible. The question then becomes how does one demonstrate that they are going to be making a difference in their work.

Today we are witnessing many organizations, including private businesses, taking seriously the importance of one's relationship to the planet and how we use and preserve resources. Being "environmentally-friendly" is now accepted as a desirable practice. Another illustration is the number of companies who have installed showers in the workplace to encourage employees to rides their bikes to work instead us using a car. This kind of "stewardship" is used increasingly in management. Their message in part was that in order to be effective in today's world, businesses would need to take greater care of the human, natural and technological resources available to them. Homer Miller Furniture and Ben Jerry's Ice Cream come to mind as examples.

One way organizations have learned to better see the relationships they maintain both within and without the workplace is through the use of a "systems approach." Building on the back of systems theorists, as well as total quality management and business process reengineering approaches, Peter Senge in his book *The Fifth Discipline* notes the importance of an organization mapping the various influences upon a company's operations. When this is done, it gives employees a chance to see better how their actions influence the whole company and gives them tools to become more effective. Companies such as Hanover Insurance and Analog Devices now do this on a regular basis.

Even profit-making enterprises are in the business of serving society, understood in its broadest context. This challenges the prevalent paradigms in business and raises the question of the ultimate purpose of any organization. This is a huge task and has a long way to go, especially with the globalization of business. Within a national context, the civil sector defines, creates and holds accountable the governmental and market sectors. But on a global scale there is a gap between the realization of global civil society, and the creation of effective international government controls, thus giving free reign to the growing multinational business sector to do as it pleases.

One way to bridge this gap and allow the principle of sustainability to take real root is to return to Adam Smith's initial understanding of how the market economy was to work. In his view, the market was very local. A community was enhanced when its people and businesses bought locally, sold locally, hired locally, deposited locally, lent locally, invested locally and owned locally. What Civil Society needs are enterprises that are committed to investing in the future, providing employees with stable, well-paying jobs, paying a fair share of local taxes, paying into a fully funded retirement trust fund, managing environmental resources responsibly, and otherwise managing for the long-term human interest. Such companies are a valuable community asset, and in a healthy economy, they pay their shareholders sound and stable – but not exorbitant – dividends over the long term. They do not, however, yield the instant shareholder gains that short-term Wall Street thinking demands. Too frequently, then, they become “weaker players”, targets for capture and cannibalization by a predatory financial system that rules our world economy today.

Civil Society cannot be fulfilled if it cannot perform a serious degree of direction over its economic life.

INCLUSIVE PARTICIPATION

The use of participative approaches in business has become more commonplace in recent years. I have devoted attention to this phenomenon in my book *Participation Works: Business Cases from Around the World*. Unfortunately, most businesses use of employee involvement programs is a thinly veiled attempt to appease and placate the workers and their unions. This gives participation a bad name because these approaches invariably fail. Nonetheless, when a systematic approach to employee involvement and participation is used in business, the return in the form of increased profitability as well as employee satisfaction has been well documented.

One way to increase participation is through employee ownership options. There is evidence that when employees participate in the financial rewards of their labors, they become ever more vested in the life and activities of their companies. Profit-sharing models seem to be on the rise. The number of firms

now experimenting with worker-ownership is close to 10,000, involving about 12 million people – more than the entire membership of private-sector trade unions. Unfortunately, too many employee stock option programs have been nothing more than refinancing schemes for the owners. Perhaps the most startling success story of a company that has turned the decision-making power over to its employees is chronicled in Ricardo Semler's book, *Maverick*, which describes his company, Semco in Brazil. This movement toward increased employee ownership is a positive trend and will continue. This is one way of instilling a sense of Civil Society at work.

Employee participation works best in activities such as strategic planning when employees were afforded the kind of information that helped them to build plans based on real, current information about the business. This is where the recent movement toward "open book management" made popular by John Case and others, comes into play. Much has been learned since its inception at such workplaces as Johnsonville Foods in Wisconsin. It appears those who employ "open book management" have found it to be a very important motivational tool to realize the inclusive participation of all the people in the workplace.

The use of "self-managed teams" (SMTs) also has become a very popular means to build participation amongst the workers that have realized important gains for the businesses that employ them. One of the results of their use has been the creation of a work culture in which employees take greater initiative for the well-being of the whole work environment. In effect, it has to create what Meg Wheatley refers to as a "leader-full" organization. She also says that "lavish communications" throughout the organization is another key ingredient of such teams.

Some will argue that a workplace that has the kind of "inclusive participation" that described here might be an ideal unobtainable. It is true that real participation will not be realized until we examine and address the sources of power and control with the workplace. The voice of the contrarian must be given room. There will also be a need for space for the labor union.

PLUARLISM WITH HONOR

Here's a typical scene that I happened upon recently. I met a colleague in an Italian coffee shop about half-hour before our appointment. It featured a Kenyan blend as the coffee of the day, and was operated by two young Asian women. The background music was Mexican. Strangely, I felt right at home.

We have learned in recent years that diversity is a competitive advantage for those companies that truly foster a diverse workforce. This has been a hard lesson to learn because our workplaces had followed the long American tradition of a putting in place a homogeneous, melting pot culture. Experiences at Texaco

and Mitsubishi are unfortunately only tips of the iceberg of a deeper problem. Fortunately, it has become almost standard practice for organizations to adopt and promote non-discriminatory policies in the workplace. We are seeing, also, that a diverse “salad bowl” garden variety better nurtures the human resources within a company.

Furthermore, companies that market to a diverse customer base have found that relying on the experience and wisdom of their own employees gives them a leg-up on their competitors. In a new “List” put out by Fortune magazine that highlights the “50 Best Companies for Asians, Blacks, and Hispanics,” Pacific Enterprises, a \$2.8 billion energy-services holding company was posted as number one. According to its treasurer, Danny Arriola, the reason they do so well is because they work hard at maintaining a workforce that reflects the urban areas it services. “We have a smorgasbord of customers and a smorgasbord of employees... The best salespeople are the ones most like the customers they serve.” Fannie Mae, the congressionally chartered secondary mortgage lending institution and number four on the Fortune list, realized that when they diversified their workforce, it increased their lending to more minority homebuyers. It boosted their returns as well.

One of the best ways to build a healthy, pluralistic work culture is to create a learning environment. Today it seems a whole industry has emerged to help organizations foster a learning environment through such approaches as dialogue, inquiry and staff development. It has been documented that an ongoing learning culture gives a business a competitive advantage, yet the investment by many companies has not been forthcoming to capitalize on this fact. Nurturing and harvesting the wisdom and common sense of the workers is one way an organization becomes more effective.

Creating a sense of “community” is another way to help foster a sense of Civil Society within the workplace. Commentators such as John Nirenberg and Scott Peck have identified the importance of building community as a way of increasing organizational effectiveness. Though still a foreign concept, more and more companies are experimenting with instilling a sense of community in their workplaces. Pluralism with honor will be made easier in a workplace that functions like a community.

Jim Collins and his colleague Jerry Porras have made popular the notion that a company that wants to last needs to learn how to preserve its core values and purpose, as well as define its vision for the future. Their book, *Built to Last*, documents 18 successful companies and how they strove to remain faithful to a core sense of identity over the long haul and reveals how much more successful they were compared to other companies in their similar industries. Discerning the core values of organization, like that of a society, is a key ingredient of discovering Civil Society at work.

Conclusion

These are just a few indicators of what Civil Society might look like within organizations and businesses. It is apparent that many companies are trying to put some of these principles in place. This bodes well for the future; because, by modeling them in our workplace they can be a portent of the coming Civil Society. And those at work can feel assured that by modeling these principles, they are also heralding a new shape of society.