

Business leadership and higher purpose[♦]

Foundations for business ethics

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Resumen

Una adecuada visión de negocios requiere una misión corporativa que incluya, además de elevados valores morales, altos propósitos. Como propósitos básicos podemos mencionar: utilidades para la empresa y sus accionistas, un desempeño eficiente, e incluso satisfacer las necesidades básicas de los clientes. Los propósitos superiores incluyen el apoyar el desarrollo creativo de los individuos para ser competitivos en mercados dinámicos y la búsqueda del bien común.

Palabras clave: negocios, ética, bien común, desarrollo organizacional, liderazgo, libre mercado.

INTRODUCTION

This article is written for business people who believe in Capitalism but who also assume that they do not have to make ethical choices about society in order to be successful in the business environment. That is, they assume one or more supports are adequate: (1) that the economic system itself will self-regulate through the value choices made by participants in the marketplace, (2) that the government will protect the public interest through laws, regulatory agencies, and courts, (3) that some other social institution will be sufficient to guide value choices, such as an organized Church. Indirectly, this article also responds to critics of Capitalism who assume that it is only an exploitative mechanism of profit-making, without moral values. While there are individual business people who do not go beyond profit-making activities, this article will argue that there is also a new paradigm for business developing that entails two diverse activities: (a) pursuit of the common good and (b) an increase of the kind of competitive advantage required to face dynamic markets and world-class competitors.

[♦] Extracto del capítulo 9 del libro «*New planetary culture*», en preparación.



Lawrence Miller

SEIZE THE MORAL HIGH GROUND AND LEAD THE CULTURE

Lawrence Miller noted that it is of the utmost importance for business to motivate managers and workers alike with higher purposes that are human, emotional, and altruistic.¹ Do business people really care about such things? Frequently, critics of the Capitalistic system cite the old paradigm found in the gurus of industrial efficiency, such as Frederic W. Taylor, who treated humans cruelly as part of the machine process. Even defenders of capitalism may find micro-companies preferable to global companies simply because they believe that the significant changes of the future (e.g. ecological consciousness and distributed leadership) are not typical of multinational corporations.² Such critics have missed the significant impacts of changes such as new paradigm management³ and total quality management.⁴ This article will argue that pursuing a higher purpose is good management, but

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it also will help both micro and macro businesses take a leading role in promoting a world community.

What is a higher purpose? We can approach it first by defining its opposite: a lower purpose for business is the company working to fulfill its own self-interests as a company. Lower purposes include corporate profits, additional dividends for shareholders, efficient output, and even fulfilling basic needs of customers.

Higher Purpose: the company can also work to fulfill additional factors, such as:

1. Higher needs of individual employees, managers, customers, and the many stakeholders that the company affects, an important aspect of this individual is summarized by Carl Rogers: “He trusts and values the complex inner processes of himself, as they emerge toward expression. He is creatively realistic, and realistically creative. He finds that to be this process in himself is to maximize that rate of change and growth in himself...to feel a growing pride in being a sensitive, open, realistic, inner-directed member of the human species, adapting with courage and imagination to the complexities of the changing situation.”⁵
2. The pursuit of the common good that we can now identify, including the local community, the nation, and the largest environment (whether now being planet as a whole or in the future being also the areas which we inhabit in outer space). This is a process that requires transformation of consciousness in order to be capable of including more and more in our horizon of possibilities, described in one way by Mihaly Csizszentmihalyi: “The task of the next decades and centuries is to realize the underdeveloped component of the mind. Just as we have learned to separate ourselves from each other and from the environment, we now need to learn how to reunite ourselves with other entities around us without losing our hard-won individuality...Recognizing the limitations of human will, accepting a cooperative rather than a ruling role in the universe, we should feel the relief of the exile who is finally returning home. The problem of meaning will then be resolved as the individual’s purpose merges with the universal flow.”⁶
3. The pursuit of the highest good, which means evolution of consciousness in order to envision our future directionality and course of spiritual evolution, which Walter Stace described in this way: “For all selfishness and cruelty and evil result from the separateness of one human being from another. This separateness of individuals breeds egoism and the war of all against all.”⁷



Carl Rogers

Miller noted a higher purpose that was on a smaller-scale, which even though was modest in its efforts, still positively affected motivation. Over and above Miller’s approach, if business leaders pursue the three types of higher purpose listed above, they can also promote:

- Positive Skills: people will develop higher skills, talents, and capabilities because they

identify with the company

- Positive Motivations: people will work harder and smarter because they have better skills and they believe more in the company mission when it goes beyond merely making the company owners richer
- Reduction of Turnover: people will be less likely leave a company with which they identify and which they believe cares for them as people, not merely as resources. “These perks signal the company’s acknowledgement that its people are human beings, not just workers.”⁸
- Competitive Advantage: companies perform better when they have innovative, adaptive, creative, trustworthy, dedicated, committed and cooperative workers, managers and leaders
- Sustainable Growth: we need to guard the viability of the environment or else we will destroy the very source of our life
- Justice: we need to dedicate ourselves to a purpose that transcends the limits of materialism, racism and religious differences or else face their offspring in the forms of terrorism and wars of vengeance

This brings us closer to our theme that business leaders must seize the moral high ground and show how business can serve society and transcendent purposes. We may then ask business leaders to begin to orient the corporate mission towards these higher purposes. One answer is to understand what it takes to express these higher goals. John Clancy has researched the use of metaphors, purposes and paradigms in the language of business leaders. Clancy recognizes that business activities are conceptualized (and communicated) in terms of certain key metaphors.

“The business leaders’ basic view of their business must be ultimately traceable to their basic view



John Clancy

of the world, their notion of their own place in the world, and their conception of the place that the business holds in that world. Very closely tied to this, in my view, is the fundamental purpose that they see for the business. I believe that the purpose the leaders see for their business is inextricably bound with the paradigm that lies at the basis of their thought.”⁹

In other words, business leaders need to understand their own unconscious assumptions and beliefs before they can begin to espouse new ones.

**ACTION ITEM:
ARTICULATE A TRANSCENDENT PURPOSE**

Nothing could be more important than understanding unconscious assumptions; the business view is grounded in the worldview, and the worldview uses one or more key paradigms. The new paradigm in business¹⁰ describes what is changing in the rationales, perceptions, and values of business. At this point, in considering an action plan, the additional question is: How does a business leader seize the moral high

ground and articulate a transcendent purpose? As more and more business leaders do this for practical purposes in their specific companies, then business as a social institution will have the opportunity to do the same for the new planetary culture.

Clancy cites only three purposes for business:

- 1.- to generate wealth,
- 2.- to produce goods and services that satisfy the needs of customers, and
- 3.- to build a corporate institution of indefinite duration as a perpetuation of one or more business peoples' own interests, values, and family.

All three of these are lower or self-interested purposes. The need for a purpose higher than rational, materialistic profit-making was also expressed by Lawrence Miller, but note that even with a noble aim he limited his vision of the higher level to a variation of Clancy's second option about production:

“The financially oriented are satisfied with the proof of financial success. Unfortunately, the masses of people, within our society or within our corporations, are not primarily motivated by what is rational. It is the emotional—the appeal to self-esteem, the spirit—that is the prime mover.

We must learn to create and utilize purpose in the management of our business and our nation. Business enterprises do have a noble purpose and we should recognize and proclaim it. The purpose of business is the creation of wealth—not for a few, but for all. Wealth is not money. It is the goods and services that business provides. It is we who are able to produce wealth who will eliminate poverty, disease, and ultimately war, who will free humanity from the chains of mindless toil so that we can pursue and utilize our higher capacities of mind and soul.”¹¹

Clancy pointed out that dynasty building can be another higher purpose, though it may not free humanity from the chains of mindless toil. In one sense, Miller is correct that there must be a productive en-

terprise. We must distinguish between business people as producers and others (politicians, academics, churchmen, charities, etc.) as dependent on the wealth producers. But as important as wealth production may be, it does not in and of itself know how to apply wealth, goods and services to the purposes of the common good.

That is, humanity needs to find the right direction, so we are interested not only in profits (the rational, materialistic purpose) or wealth (the expansive purpose) or even dynasties (the institutional purpose) but also something higher: humanity needs business to lead us to a better future. In classical economic theory, the units of the economy were rational agents who had enough information to pick the best choice among competing options. In that view, the common good was supposed to be automatically fulfilled because every individual unit was an ideal unit defined as a rational being seeking the self-interest of the best price.¹²

The complexities of human motives, misinterpretations, and unfortunate historical momentums were ignored. But, if the neoclassical economists did not ignore those complexities, they could not do their calculations and model the economy. When they modeled the economy on the principles of free market choice and diminishing returns, they could make their equations “come out right.” The problem was that people were not perfectly rational units. The chaos mathematician, Brian Arthur, has applied an alternative view to economics:

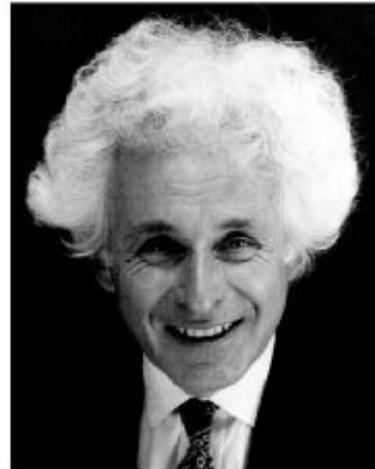
“The free-market ideal had become bound up with American ideals of individual rights and individual liberty: both are grounded in the notion that society works best when people are left alone to do what they want.

“Every democratic society has to solve a certain problem,” says [Brian] Arthur. “If you let people do their own thing, how do you assure the common good?”

But increasing returns cut to the heart of that myth. If small chance events can lock you in to any of several possible outcomes, then the outcome that's actually selected may *not* be the best. And that means that maximum individual freedom—and the free market—might *not* produce the best of all possible worlds.”¹³

The point relevant to the topic of business purpose is that capitalism has used an economic theory that implies how the common good, or the “best of all possible worlds,” is supposed to come about automatically through the free market. But on that basis, however good this “hidden hand” in economics really is, the planet has been brought to the brink of world war, world-wide pollution, and world revolutions such as the haves vs. the have nots or the self-indulgent materialists vs. the religious fanatics willing to commit acts of terrorism against the establishment and die for their beliefs. The brinkmanship of capitalism can proceed blindly by assuming that somehow business leaders do not have to make value choices about what kind of world is good and what is the common good for humanity as a whole (and the planet as a whole). Our traditional and neo-classical economic assumptions, woven in with Western theology and politics, may seduce business leaders into believing the lowest of the moral low ground that “the business of business is business,” but at this historical cross-roads, we cannot afford to ignore the possibility that something more than survival of the technologically strong is needed for planetary survival. Jerry Mander used a cross-cultural approach to identify some of this fallacious thinking by contrasting it with the world view of the American Indians:

“If you can use the machine better than the next fellow or the next culture, you survive and they die. This may be sad, the reasoning goes, but that's the way it is in today's world.



Jerry Mander

This view sees Western technological society as the ultimate expression of the evolutionary pathway, the culmination of all that has come before, the final flowering. We represent the breakthrough in the evolution of living creatures; we are the conscious expression of the planet. Indians helped the process for a while, but they gave way to more evolved, higher life forms.

Our assumption of superiority does not come to use by accident. We have been trained in it. It is soaked into the fabric of every Western religion, economic system, and technology. They reek of their greater virtues and capabilities.

Judeo-Christian religions are a model of hierarchical structure: one God above all, certain humans above other humans, and humans over nature. Political and economic systems are similarly arranged: Organized along rigid hierarchical lines, all of nature's resources are regarded only in terms of how they serve the one god—the god of growth and expansion. In this way, all of these systems are *missionary*; they are into dominance. And through their mutual collusion, they form a seamless web around our lives. They

are the creators and enforcers of our beliefs. We live inside these forms, are imbued with them, and they justify our behaviors. In turn, we believe in their viability and superiority largely because they prove effective: They gain power.

But is power the ultimate evolutionary value? We shall see. The results are not yet in.”¹⁴

Wealth-generation, production, and institution-building were Clancy’s three self-interested purposes for capitalism cited above, and they are based on such an assumption and the somewhat blind hope that there will not be an ecological collapse or a chaos of revolution. Such presuppositions and brinkmanship are endangering the planet. The idea of dominance cited above by the ecologist, Jerry Mander, is indeed soaked into the fabric of Western Civilization. If we seek a higher purpose, we can take a moral stand against dominance and improve our organizational capability. What does it mean to seize the moral high ground? It means to define and do good before revolutionaries define it and impose it on you.

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