Beyond Business, Through Business

Rinaldo S. Brutoco

If there had been any question that we are a global society, it was doubtlessly dispelled upon observing the rapidity with which events triggered by the break on Wall Street on October 19, 1987 spread around the world. This international chain of action and reaction will unavoidably continue to reverberate through the world economic system for many months to come.

I see this upheaval as only one aspect of the rapid evolutionary change in which we live. Though apparently economic on their face, these global economic changes are not solely derived from, nor do they solely affect, economic matters. These financial signals serve as a reminder of the high degree of interrelationship of all aspects of the global system. The economic climate serves as a barometer indicating the degree of turbulence or coherence in remote and diverse parts of the system.

We truly live, as the Canadian scholar Marshall McLuhan so aptly stated, in a global village. We are all each other’s immediate neighbors. This fundamental recognition of the interdependence of all social, political, and economic activity — indeed, of all human and nonhuman life — was one of the influencing factors in the establishment of the World Business Academy.

It seemed clear to many of the persons we spoke with that the traditional societal institutions, able as they may have been to lead societies when these were less complex and less interconnected, are not so fitted to handle the realities of global interdependence in these complex and highly volatile times. Nor are they well equipped to respond to the rapidity of change presented by the current world situation.

Business Strategies in a Changing Paradigm

Dr. Jagdish Parikh

Increasingly business people recognize that the accelerating rate of change is in fact part of a new operating paradigm in which the old rules no longer apply. This is a report on the conclusions of a seminar held in December, 1987 in Bombay, India which was designed to frame the business context of this new paradigm as well as provide practical guidelines for businesses.

The Taj Mahal Hotel in Bombay, India was the site of the World Business Academy’s seminar, Business Strategies in a Changing Paradigm. WBA collaborated with the Institute of Cultural Affairs, India which facilitated the event. Fourteen executives from eight Indian companies attended. Representations from each of these companies varied from a single participant to a team of three.

The intent of the program was to:

1. Frame the business context of the New Paradigm in which businesses find themselves operating.
2. Explore practical guidelines for company executives.

In style, the entire seminar was an orchestration of contextual images and provocative statements. Testing and objectifying through dialogue, we revealed participants’ experiences and sought to discover approaches by which new learnings continue on Page 2.
could be put to work. The group was small enough that very frank, open and spontaneous discussion was facilitated. The intimacy generated in the deep struggle with real current issues empowered individuals to push into arenas long buried in cynicism and despair. Hope surfaced as participants came to agree that the New Paradigm was not going to go away, and further that other individuals and companies across the world were struggling successfully to align themselves with the new realities.

**Powerful Images Raised in the Seminar**

- Moving from a power-driven to a vision-driven organization
- Acceptance of the concept of unlimited human potential
- Grounding of unparalleled rate and magnitude of change
- Unrelenting requirement to flex and adapt
- Agreement on an increased attention to customers needs.
- Ongoing analysis of marketing strategy and corporate culture match
- Exploration into levels of consciousness as applied to a company’s journey
- Systems changes needed to reflect paradigm realities
- Transformational managers
- Learning organization
- Sources of energy in a corporation
- Indian cultural roots must be considered in developing unique Indian management style, the how of it is the question.

Extensive analysis was done on discovering the strengths and weaknesses of their Corporate Cultures and how their business strategies align or misalign with their present cultures. Three Indian concepts were explored as part of the unique contribution Indian management can make to developing a culture that will be compatible to the style necessary to operate effectively in the new paradigm. A description of the qualities of the present business leadership style in India led to a thoughtful discussion of what is the necessary style today and what can be done to both encourage that style and develop it in young managers.

The New Paradigm was presented in the context of shifts occurring in a variety of disciplines including education, with its new understanding of the brain, creativity, intuition and learning modes, medicine, with its new awareness of “wellness” and the necessity of dealing with the “whole person”, and ecology, where analysis must be done by considering whole systems and the concept of morphogenesis.

In business there are four developments that are forcing a new operating paradigm.

1. The world is now a global marketplace that is affecting every business.
2. Change is happening at an ever-increasing rate giving rise to both complexity and ambiguity.
3. There is a necessity now for every business to focus on the “customer: throughout the operation.
4. There is a new awareness of the need to develop the human resources, especially in the area of applied creativity and intuition.

From these four new operating parameters there are four qualities of operation that corporations must develop to function effectively. They must become adaptive, capable of quickly responding to the rapid global change. They must become innovative at all levels to maintain a competitive edge. They must become a learning organization that is perpetually upgrading its human resources and incorporating its learnings into its culture.

And finally it must become a vision-led organization that is responding to a higher purpose that is being communicated on a regular basis to the whole organization. These universal qualities are made operational only when they are developed in the context of an operating culture and the desired corporate culture.

The group worked at the practical ways these values might be recovered and noted the difficulty in instituting these in the light of the presently dominant western materialistic/competitive value system. However, it was agreed that unless some shift occurred there would be a continuing deterioration in the quality of life for Indian business leaders.

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The Quick Buck Becomes Quicker

Heinz R. Pagels, Ph.D.

The industrial banking industry already reeling from the speed with which information travels by satellite, will have to make further adjustments as fiber optic systems are completed across the Atlantic and Pacific Oceans.

A few decades ago the placement of the first satellites in orbit created a technological curiosity and a symbol of national accomplishment. Many argued about their cost. However, satellites provided a highly reliable transcontinental and intercontinental communications link, and financial institutions quickly took advantage of them. Banks in London could release credit to banks in New York as the sun set in England and New Yorkers were still at work. Likewise, New York banks were able to communicate credits to the West Coast and thence to Asia. While people slept, their money worked.

The satellite system enabled a “bulge” of credit to rotate with the daylight zone around the planet. Some estimate that satellites increased the world credit supply by five percent—billions of dollars—much more than the cost of the satellites themselves. When optic fibers are deployed across the Atlantic and Pacific Oceans by the end of this decade, many functions of the satellites will become obsolete. The increased bandwidth afforded by photonic systems will enable supercomputers on different continents to talk to each other. No one can foretell the implications of this development.

The real movers of the world economy are large international banks linked to each other electronically by a network that, seen as a whole, comprises the world’s first global computer. Last year, 64 trillion dollars were exchanged on this system and that volume is still growing.

Banks can no longer rely on vendors to supply data processing equipment. They must develop their own in-house staffs of computer scientists and applied mathematicians to specify hardware needs and design software, in order to keep a leg up on the competition. The future of many financial services institutions is going to depend on “hackers in three-piece suits.”

I recently spoke to a mathematician, newly employed at a New York bank, who was developing sophisticated algorithms to determine buy-sell options. Why? So that his institution could get their orders in a millisecond ahead of their competitors.

A decade ago the investment banking industry was hit by a technological revolution in the form of new electronic trading systems for the transfer of stocks and bonds. Though suffering from an avalanche of paper work, the New York Stock Exchange delayed installation of this innovative technology, while the exchanges in Tokyo and London, which were not as concerned about short-term profits and orders losses, became electronic markets. By their understanding of where the industry was headed, they got a bigger piece of the future action. Even today there are managers in the financial services industry who do not grasp the implications of this technology.

A few months ago I met with a group of bankers and businesspeople. I told them I knew of a “computer nest” operating in Luxembourg or Switzerland that was using a new, massive, parallel computer built by hackers in collaboration with a group of bright, young traders for the express purpose of recognizing patterns in the commodities market. They were pulling in between two and three million dollars a day and wreaking havoc on the European commodities market. My audience was stunned. “Who are they? What are they doing?” they asked. Now on the edge of their seats, I told them the news was both good and bad. The good news was that the story isn’t true. The bad news was that it could easily become true in the near future. The kind of “technical breakthrough” by an opponent, which is so often feared by military strategists, could also happen in the financial world.

Now supercomputers are being used to model the international financial system, a development watched closely by some bankers. What I as a scientist find intriguing about these developments is that financial systems, frequently the domain of murky thinking, are becoming better defined as they become subject to mathematical analysis. And, someday, even rational computer models may become a factor in this analysis. But that will require yet another kind of revolution.

Heinz R. Pagels, Ph.D.
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Suggestions from a Corporate Strategic Planner

Roy R. Anderson

A major stumbling block to international understanding is reaching a mutual definition of "reality." The author challenges us all, particularly Western industrial society, to "awaken" from the "cultural trance" we accepted by virtue of our place of birth.

I was requested by friends at the WORLD BUSINESS ACADEMY to summarize my "most important learnings" from about 14 years spent in corporate strategic planning. I choose to put my response in the form of five suggestions to the ACADEMY:

1. Attempt to reach a consensus on the "realities of the present;" that is, on an interpretation of what is going on today, and where we are in history. This is harder than it may seem.

2. Recognize that the major crises confronting us are rooted in an underlying crisis in meaning and values.

3. Understand that humankind is an integral part of Nature — and that She is not ours to subdue and to manipulate for our ephemeral purposes.

4. Respect and be sensitive to the other cultures of this world, and be aware that there is much we can learn from them.

5. Realize that there will be no ultimate solution to the troubles that beset this planet until the members of the human species have found a common sense of spirituality.

The Realities of the Present

For example, we would seem to have a basis for common concern in our many global problems — the population explosion; threat of nuclear war; Third World debts; the myriad forms of pollution; acid rain and deforestation; the steady loss of species. But typically these crises are perceived separately, and the urgency with which each is seen varies from individual to individual. The appropriate response to the question, "What should we do?" depends on the answer to the prior, usually unspoken, question: "What's going on now?"

I have three friends who are strategic planners with three of the world's largest multinational companies (located in three different continents). During the past six months I have discussed with each of them their current activities. They have all been using "alternative scenarios," based on different assumptions, as a means of portraying various projections of the future. All three have come to the same conclusion, namely that the best use of alternative scenarios is not to project the future, but to compare different interpretations of the present. Furthermore, two of the three have come to a conviction, which I share, that the trends that are likely to have the most impact in determining the future are those in the area of personal values.

... the trends that are likely to have the most impact in determining the future are those in the area of personal values.

Crisis in Meaning and Values

The origins of the global problems are in the ways societies make choices—that is to say, in the underlying values that guide social decisions. The values that seem to underlie the most vexing global problems are those inherent in Western culture. They are so deeply ingrained in our every thought and act that we are reluctant to recognize the extent to which our global crises cannot have a lasting solution until those values are re-examined, and modified or replaced.

The challenge of examining values and ethics can be especially difficult for a group of business people. We are strongly conditioned to view almost any subject from an economic perspective. One of the great myths of our culture is that we (not only business persons, but politicians, academicians, professionals, and the general public) believe that economics provides an adequate metaphor for the workings of our entire society. Economic thinking and expressions permeate our society — witness the common use of expressions like "the bottom line" and "consumer."

I'll offer just two examples where our economic perspectives lead us to make choices that are unwise by other criteria. Scientists have developed serious concern that the fluorocarbons used in aerosol cans may be damaging the ozone layer. A group of nations met recently on the question and decided, not to ban the offending aerosol cans, but to limit production and to allocate quotas.
among the participating nations. More ubiquitous in its effects is the practice of discounting the future. Whereas the Iroquois tradition dictated making decisions based on the well-being of those who would live seven generations hence, modern decision makers discount the future (at something like the prevailing loan interest rate), which in effect formalizes the attitude that future generations don’t count.

Our values are an integral part of our “cultural paradigm”—i.e. what we understand as “reality,” our tacit assumptions, the basic ways in which we think and act, etc. From infancy, every individual (according to psychologist Charles Tart) becomes mesmerized into accepting a “consensus cultural trance.” In our case, this is (for most of us at any rate) the cultural trance of Western industrial society. If these values need changing (as they do), it will require “awakening” from the Western trance and recognizing that other value commitments are possible. Hence the importance of appreciating other cultures—with alternate forms of “trance.”

Relating to Nature and Other Cultures

About 500 years ago, with the Renaissance, European man began to leave the Dark Ages and the domination of the Church. Then roughly 300 years ago, a group of remarkable scholars and philosophers began to offer ideas that ultimately established the means and bounds of what became our present Western industrial culture. René Descartes set forth ideas about the nature of “facts,” and how to think, from which emerged the “scientific method.” Isaac Newton set forth his laws of motion, including the concept of time as a separate entity which ticks evenly from the past to the present, and on into the future. Newton sold us on the idea of a mechanical world—a world that works “like a clock.” Adam Smith set the foundation for economics—and left us with that self-serving thought of a “hidden hand.” Smith laid the foundation for a competitive marketplace; and Charles Darwin assuaged our conscience about the plight of the losers, with his assurance that survival of the fittest is a law of nature.

If I had to try to identify the philosopher who has had the greatest influence in determining where it is we find ourselves today, I would say neither Descartes, nor Newton, nor Smith, nor Darwin. Rather, I would say it was Sir Francis Bacon. It was Bacon who said: “The purpose of science is to wrest nature to the ground, and to extort from her secrets for the material benefit of man.” In putting forth this sentiment Bacon received no little help from the translation of Genesis 1 which empowered man “to have dominion over every living thing” and to “subdue the earth” for his benefit. Concepts such as these set Western man off on a pilgrimage of the Earth and its creatures, including the human beings of other cultures, that continues to this day.

The concept that we are separate from nature, and that we can bend her to our will, is perhaps the most insidious ever devised by the mind of man. This misapprehension we owe largely to Bacon. His destructive thoughts remain largely unchecked today, despite the efforts of environmentalists and other similar activists.

The foundation stones of Western industrial society are currently being reassessed. The idea that we can arrive at adequate truth through reductionistic science has been strongly challenged. The discoveries of quantum physics are showing that even at the level of subatomic particles, everything is connected to everything. The emphasis placed on competition by the followers of Darwin is being re-evaluated by scientists who see a greater role of cooperation in evolution. The kind of economics based on a mechanistic view of the universe is challenged by Peter Schumpeter’s concept of the economy as a natural and evolving system entwined with all the other systems that make up a society.

The possibility of working ourselves out of the current mess must begin with a new (or very old) appreciation, understanding and reverence for Nature and all her creatures.

In “Nature’s creatures” we should include the peoples of all other cultures—from the primitive “Native peoples” to the apparently more sophisticated cultures such as the Muslims and Chinese. We have much to learn from all of them. To cite just one area, Western medicine is belatedly realizing it has much to learn from the healing arts of the Chinese, the ayurvedic medicine of India, the herbal medicine of the American Indians and the Chinese, and others.

Spirituality

I don’t think it is possible for a person to study the myriad troubles of the world without being led to ask questions of a spiritual nature: What is the nature of God and the Cosmos? What is the purpose of life, including our own lives? What is the nature of the mind, the spirit and the soul—and of time and eternity? I have just finished reading a very sobering report of the World Resources Institute, their June 1987 issue, “Not Far Afield: U.S. Interests and the Global Environment.” The report deals with many of the global problems mentioned continued on Page 7
Organizational Cultures in Transition

Roger Harrison, Ph.D.

A major transition is under way in business from an Achievement culture to a Support culture. Recognizing it is easier than describing it. By offsetting the drive for high performance with nurturing, an organization creates a new kind of success for its products, its employees and ultimately for the planet.

Observing the business organizations I work with as a consultant, I have slowly become convinced that the missing force in business is the power of love. I also find that leaders and managers display a growing readiness to acknowledge this need, and even to act upon it.

It is not yet easy to carry on a dialogue about love in organizations. In my work with organization culture, organizations can be classified according to their balance among four basic cultural types: Power, Role, Achievement and Support. Traditional hierarchical organizations are blends of Power and Role. Control is exercised from the top, either personally by the boss, or bureaucratically through structures and systems.

While it is difficult to accomplish a shift from the traditional business culture to the Achievement culture, it is easy for managers to embrace the values of the Achievement culture and at least talk about moving in that direction. When leaders pursue excellence for their organizations, their visions usually typify what I call the Achievement culture, with its values of growth, impact, innovation and competition.

... business in the Achievement mode may be the moral equivalent of war.

In its pure form, the Achievement-oriented organization is like a warrior band: committed and aggressive, demanding that its members give their all in the service of a common vision of success. The masculine values which dominate business foster identification with the ideal of the warrior; business in the Achievement mode may be the moral equivalent of war. It is exciting, energizing, single-focused and all consuming. Like war, it can be wasteful of human and natural resources in its passion for winning at whatever cost.

In contrast to the Achievement culture, the Support culture is characterized by caring, receptivity, cooperation and a sense of community. Pure examples are not often found in business, though "pockets" of caring and mutual support may exist in small work groups. Support cultures are rarely created by design, but "just grow" when conditions are favorable.

In my experience, those organizations which sustain high performance over a long period of time usually manifest a balance between the Achievement and Support cultures. The driving thrust for ever higher performance of the one is offset by the nurturing, healing influence of the other, so that the organization continually renews and enhances its "organic" qualities: connection, communication, caring and community.

For example, I recently visited one of the so-called "new plants," an older one which has been breaking production records for 19 years. The organization is designed around semi-autonomous work groups taking responsibility for their own supervision, training and standard setting. The climate combines an intense focus on meeting and exceeding targets, with an almost palpable feeling of love and affection. People not only look after the task, but they take care of one another and of the organization. They are free to give of their best, because they trust that when they need it, they will receive relief and support from others.

In contrast to the balance between "hard" and "soft" which I experienced in this plant, the current emphasis on "high performance" with its single pointed focus on success has its dark side. When I ask managers to describe their experience of Achievement oriented work groups, they say that it was exciting, energizing and inspiring. They also often say their Achievement oriented work groups burned people out, engaged in destructive competition with other groups, were intolerant of dissent, and viewed themselves as "above the law."

When I ask organization members to fill out questionnaires comparing their actual organization culture with their ideal, most say they want to move from the traditional Role and Power oriented cultures towards a balance of Achievement and Support. Managers find it easier to put forward ideas for removing the barriers to achievement, but they are less certain what to do about support.

There are few guidelines for releasing love in the workplace, and our discomfort in even talking about love in the organization is a significant and understandable barrier. We have all experienced the pain of love in our personal lives, and we are far from sure that we want to let it into our work. The idea of love may evoke the spectre of sex. We know love is powerful; we are unclear how to control it, once we have accessed its power.
Love is in fact present in every organization, but it is underground. It surfaces when we appreciate another’s uniquely human qualities; when we listen deeply to one another’s needs and concerns; when we support, teach and encourage others; when we trust enough to make ourselves vulnerable; when we give beyond what is expected. We do these things out of our humanity, but often in a random and unfocused way, almost without intent.

It is not that we do not know how to love, it is that we have forgotten, and we are afraid to remember. In the masculine world of business, we feel our caring and our vulnerability are not safe, and we suppress them. Thus we lose the power to heal and to strengthen one another which love can give us.

Organizations which manifest love take care of their customers and treat their suppliers with fairness and compassion.

As within, so without. As we do not remember how to heal one another, so we do not remember how to heal the planet. People and organizations who are consumed with their thrust for achievement can hardly be expected to take better care of the environment than they do of themselves. Organizations which manifest love take care of their customers and treat their suppliers with fairness and compassion.

The knowledge is not lost; we can recover it. It requires that we open ourselves to our inner longings and to our inner knowing. This prescription is simple to give and difficult to follow, because of our fears. If we are concerned to love and care for the planet, we can best begin by taking care of one another in the workplace. We can only do it together. It is the most important thing we can do for the earth, our home.

Roger Harrison, Ph.D.
Harrison Associates Inc.

Dr. Harrison consults with top management teams on organization culture, purpose and mission, and on the development of responsive service systems. He began his consulting career with Procter & Gamble; then taught organizational behavior at Yale University for a number of years before locating in Europe where he spent eight years as an independent management consultant. Returning to the US in 1976, he continues his practice from Berkeley, California, working for the most part with Fortune 500 companies.

Dr. Harrison’s recent articles include: “Strategies for a New Age” (1983); Organization Culture and Quality of Service: a Strategy for Releasing Love in the Workplace” (1986); and “Harnessing Personal Energy: How Companies Can Inspire Employees” (in press, 1987).

It is my conviction that mankind alone will not solve the world’s crises. We will do this only through tapping the inner, spiritual resources. Each of us will be led to discovery of these resources in our own ways. (My own discoveries came largely through A Course in Miracles and exposure to the spirituality of the American Indian; it was the latter that sharpened my appreciation of the need to respect Nature and Mother Earth).

I have had to describe each of these “suggestions” with utmost brevity. Yet there are distilled in them lessons that for me came hard, and were many years in the learning.

Roy R. Anderson

Mr. Anderson spent most of his career as an actuary. The last 26 years of that career were with Allstate Insurance Company; during the last 12, he was Vice-president of Strategic Planning. Sincereirement from Allstate (at the mandatory age of 65) he has spent the last several years consulting on strategic planning with a number of major corporations. For many years he served on the Board of the U.S. Association for the Club of Rome, involved with many of the same issues that concern the World Business Academy.

Symbiosis

“The earth does not belong to man; man belongs to the earth.
This we know.
All things are connected like the blood which unites one family.
All things are connected.
Whatever befalls the earth befalls the sons of the earth.
Man did not weave the web of life; he is merely a strand in it.
Whatever he does to the web, he does to himself.”

Chief Seattle
The Many Are One

“U ntil recently, the planet was a large world in which human activities and their effects were neatly compartmentalized within nations, within sectors (energy, agriculture, trade), and within broad areas of concern (environmental, economic, social). These compartments have begun to dissolve. This applies in particular to the various global ‘crises’ that have seized public concern, particularly over the past decade. These are not separate crises: an environmental crisis, a development crisis, an energy crisis. They are all one.”

Our Common Future
World Commission on Environment and Development
Oxford University Press, 1987

Faster and Faster

“The present collapse differs from earlier crashes or panics.

“A key difference is the speed at which the system operates. Computer driven trading programs respond instantaneously in minute variations and amplify their effects. Billions blitz past national boundaries at electronic speeds.

“This speed-up of financial flows, however, reflects (and furthers) a more general acceleration. History is running faster. Money is running faster to keep up – which makes history run ever faster.”


See related story page 3.

About Perspectives.

Members are encouraged to submit their comments.

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