

Business May Be Your Life – But – Life Is *Your* Business



James A. Cusumano, PhD

Part VII: Conscious Capitalism – Preventing Economic Chaos^{A,B,C}

Industrial Revolution in the 18th century, business slowly, but assuredly became *the* dominant global power. In many, if not most countries, corporations heavily influence and often control government actions and decisions. It was precisely this power, complemented by cooperative government support that was responsible for the global financial challenges currently underway.

BUSINESS IS THE FORCE

This means that if business, as the most powerful force on the planet, does not lead the way to addressing our global challenges, it is unlikely that anyone will, or could do so, effectively. Although far from a universally accepted conclusion, this responsibility of business for “the whole” is not incompatible with a fair return to all stakeholders – people, planet and profit – the so-called “Triple Bottom Line.” And in fact, if not addressed by business, these five challenges will lead to civil unrest, and even under the best of circumstances, to significantly diminished business productivity¹. Indeed, there are more than enough books that predict social upheaval, economic collapse and unsustainability to life as we know it^{2,3}. Proof that corporations can move us in the right direction is demonstrated by the success of companies such as Patagonia, Whole Foods, UPS, Starbucks, The Body Shop, Medtronics, Google, Herman Miller, Vestas, and others. But as we progress into the 21st century, much, much more will be required.

For the human race to survive and proceed along a path of productive evolution of body and consciousness, and continue developing the social structure that supports this evolution, the world must transition to what has been called Conscious Capitalism⁴. We have touched on some of the central aspects of Conscious Capitalism in prior articles in this series where we outlined how to unleash the power of purpose and passion⁵. Conscious Capitalism refers to the concept that profit and prosperity can and must embrace social justice and respect for our environment⁶. Perhaps more importantly, and to the surprise of many, **Conscious Capitalism almost always leads to a more successful enterprise regardless of the evaluation metric.**

TRANSITION TO CONSCIOUS CAPITALISM

Conscious businesses are built on three core principles⁷. **First**, a conscious business always seeks a higher purpose, which need not be incompatible with profit, and more often than not, leads to profit maximization. It doesn't matter whether it is a beer company or a biotech firm, conscious commerce is a practical and realistic goal. **Second**, Conscious Businesses deliver value to **ALL** stakeholders by aligning their interests; this encompasses customers, employees, partners, investors, community and the planet. And **third**, and most importantly, Conscious Businesses are led by Conscious Leaders who focus on the company's deeper purpose and on delivering value to all stakeholders by finding creative profitable means to harmonize and mesh their interests.

And therefore the central aspect of business and commerce that must be addressed is leadership. Since Adam Smith's treatise on “The Wealth of Nations,” written

in 1776 at the inception of the Industrial Revolution, we have primarily taught and practiced a single leadership style. It has often been called “Ego-based Leadership” and is driven mostly by the leader's personal needs and desires⁸. Such a leader is generally chosen based on past performance and he or she directs the organization to be coherent, cohesive, and effective. This form of leadership emanates from the ego and is generally driven by personal ambition, determination, goal attainment and sometimes, even aggressiveness.

CONSCIOUS LEADERSHIP IS THE WAY

In Ego-based Leadership, the leader does something to others. For example, he or she seeks to influence employees to achieve an objective. This leadership style has served companies and governments reasonably well for more than 200 years, but it will not succeed in addressing the five global challenges listed above. Why? Worldwide environmental consciousness is rapidly growing; public distrust of corporations with its current base of leadership is at an all-time high; many employees and customers are disengaged from the companies they respectively work for or buy from, suppliers feel alienated and squeezed on price; and often, communities organize to keep businesses out. A recent major study by world-renowned strategist, Gary Hamel concludes that 80 percent of employees are disengaged and unsatisfied with their job⁹. We desperately need a new kind of leadership, one that speaks to all of the stakeholders and is focused on the Triple Bottom Line. Such an approach has been developed by a number of forward looking thinkers. It is called “Conscious Leadership”^{10,11}.

Conscious Leadership is a serving relationship with others that inspires them to grow and reach their innate human potential and in doing so they not only exhibit

“Only a life lived for others is a life worthwhile”.

Albert Einstein

KEY CONCEPTS:

- **Five challenges threaten human sustainability via economic and social collapse.**
- **Addressing one of them – Non-transparent Political and Corporate Governance – can mitigate all five.**
- **Business has evolved to the most powerful force on the planet, and must take responsibility for “the whole.” In doing so, it can enhance its performance and long-term viability.**
- **We must transition to Conscious Capitalism, in which conventional Ego-based Leaders become Conscious Leaders.**
- **The power of Conscious Leadership to serve ALL stakeholders is beyond anything we have ever seen with conventional leadership.**

GLOBAL THREATS

The world has changed. We stand at a critical tipping point in the history of the human race. Not long ago, developed and developing countries decided for better or for worse to become a single global economy, a natural extension of our capitalist's creed. This decision brought opportunities for many, but it also created the most significant challenges in human history. For me, the five most challenging global threats in declining order of priority are:

- (1.) Non-Transparent Political and Corporate Governance
- (2.) Energy-Climate Insecurity
- (3.) Nuclear Terrorism and War
- (4.) Global Pollution
- (5.) Overpopulation.

All five either directly or indirectly promote poverty, civil unrest, and environmental unsustainability.

Some might disagree with these choices and especially with the first one. But think for a moment about the evolution of global power during the last millennium. For centuries, religion ruled the world, but with time that power was usurped by government, and then, beginning with the

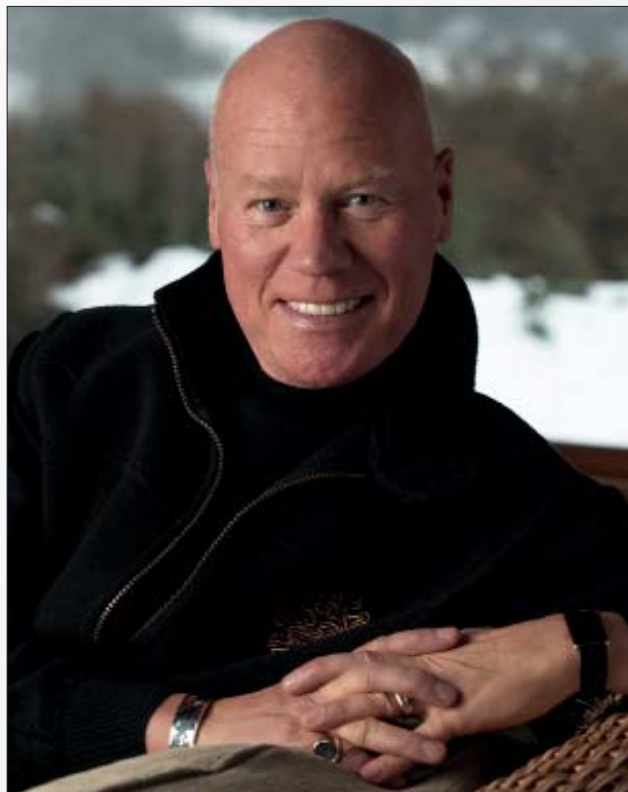
^{A)} EDITOR'S NOTE – This is Part VII in a series of articles based on the author's experience as an entrepreneur, having founded several successful businesses, including Catalytica Pharmaceuticals, Inc., a billion-dollar public company. His business experience base spans “5 lives” – A multimillion record sales recording artist; R&D Director for Exxon; Chairman & founder of 2 public companies; CEO, founder and Executive Producer for Chateau Wally Films; Chairman & Owner of Chateau Mcely, an international award-winning luxury hotel & SPA. This article is extracted from his latest book, presently in preparation and entitled, “My Little Book of Business – Tales of Purpose, Passion & Enterprise.” Parts I-V of this series deal with “Creating A Fulfilling Life.” Part VI addresses “Building A Successful Business,” and the current series focuses on Conscious Capitalism and Conscious Leadership as a means to lasting fulfillment in life and success in business.

^{B)} The concepts of Conscious Leadership, Conscious Business and Conscious Capitalism have emerged over the past few years. A detailed discussion can be found in references at the end of this article, especially those by Lance Secretan and those presented at the website <http://www.ConsciousCapitalism.Com/>.

^{C)} The author may be reached at Jim@ChateauMcely.Com.



Figure 1: Lance Secretan: Developed the concept of Conscious Leadership; As former CEO, built Manpower, Inc. into a Fortune 100 company; Voted one of the "Top 5 Speakers on Leadership" and one of the "Top 21 Speakers for the 21st Century" by Successful Meetings Magazine (References 10, 11, 14).



outstanding performance and thereby contribute much more to their company, but they also make the world a better place. Conscious Leadership is not a model, or a formula, or a system, or a process. Instead of **doing** something to someone, Conscious Leadership is a way of **being** and it comes from within. You choose to be this way, you don't have to be promoted or anointed. **Its two central hallmarks are awareness of your true self within and the world around you, and responsibility for "the whole."** Conscious Leadership is very powerful and it inspires greatness from one person to others (see **Figure 1**). It can change the world. Success in Ego-based Leadership focuses on power and profit. Suppose you were to ask a college business major, "Who has been more successful in life, Steve Jobs or Nelson Mandela?" What do you think the answer would be?

NOT THE ECONOMY, STUPID - IT'S INSPIRATION

"When you are inspired by some great purpose, some extraordinary project, all your thoughts break their bonds; your mind transcends limitations, your consciousness expands in every direction, and you find yourself in a new great wonderful world. Dormant forces, faculties and talents become alive, and you discover yourself to be a greater person than you ever dreamed yourself to be."

Patanjali, author of the Yoga Sutras, 150 B.C.

Conscious Leaders take full responsibility for all relationships, from employees, family and friends to the well-being of the planet and our species. Being conscious means being fully aware, totally engaged, and personally responsible for the impact you have on the world, as well as the impact the world has on you. So the very first thing a Conscious Leader does is to gain deep insight into his or her life and the inspiring role that he or she can play in both the personal and business arenas.

How to do this has been discussed previously in detail in Parts III and IV of this series^{12,13}. The essence of it all is to

understand your true purpose in life. What sets you apart from others around you that would allow you to contribute to the greater good? This **knowledge of purpose** always leads to **passion** for action, which ignites **inspiration** that generates **creativity**, which in turn results in **innovation**. Isn't that what makes companies "great" and the world a better place? To be sure, Conscious Leadership is not just a charitable undertaking. Pursued and practiced with integrity, it results in substantial returns to all stakeholders.

By a commitment to this process of introspection and change, it is possible to understand the role that you can play in transforming the organization you lead - or work within - into one that truly inspires you and those around you. The core force of this transformation process is inspiration. History teaches us that it is inspiration that gets things done, creates ideas, grows people - it can change the world.

One Dream

Once you understand your personal sense of purpose in the business world, and your passion is ignited, it is a natural next step to create "One Dream," the vision and mission that underpin your organization. It is this "One Dream" that attracts and motivates others to your path, and you will get things done through others and at the same time this will help them to grow well beyond their expectations. The power of "One Dream" can be seen in the example of U.S. President John F. Kennedy's commitment for the U.S. to go to the moon. His dream was created on October 4, 1957, when the Soviets launched Sputnik 1, the first earth-orbiting artificial satellite. Feuding Republicans and Democrats alike stood behind Kennedy. Dreams are like that - they transcend differences and disagreements - they join people at a higher level of consciousness, engage them in a higher purpose - as ONE!¹⁴ Dreams have the power to change the world, and have done so, many times before.

IT'S ALL ABOUT TRUST

Conscious Leaders are intimately aware of the single most reliable predictor of employee productivity and satisfaction - **TRUST!** And they understand the four ways to cultivate trust in their organization.

1. Excite their stakeholders with "One Dream."
2. Employees must understand the company's strategy.
3. Employees must know how their role can contribute to achieving the company's goals.
4. Share with employees, the company's progress and how their team is doing relative to corporate goals.

Examples of recent Conscious Leaders include Nelson Mandela, Martin Luther King, Ray Anderson (founder of Interface, Inc. - sales of \$1 billion/year), Robert Swanson (founder of Genentech - \$10 billion/year), George Rathmann (founder of Amgen - \$4 billion/year). Take the example of Ray Anderson, founder and recently retired CEO of the world's largest manufacturer of modular carpets. Carpet manufacturing is notorious for pollution. Since 1995, under Anderson's leadership and supported by employees as part of their "One Dream," Interface has reduced its waste by one third and is on target to reach its goal of making the company environmentally sustainable by 2020. Anderson's company is consistently the most profitable carpet company in the developed

world, proof that the Triple Bottom Line - People, Planet, Profit - works!

Can We Do It?

The big question is, "At a time that is arguably the most critical tipping point in the history of mankind, will we slip into economic and social chaos, or can we make the transition to a higher state of consciousness in the way we do business?" I think we can, perhaps not without a few false starts and minor "catastrophes," but global human spirit will eventually triumph. History has often gifted us with the right leaders at the right time to catalyze a necessary quantum change in human consciousness - Thomas Jefferson, Abraham Lincoln, Franklin Delano Roosevelt, Winston Churchill, Mahatma Gandhi, Václav Havel, and Nelson Mandela, to name a few. But I think this time things are different. If we are to create a sustainable future for us, for our children, and for all our descendants thereafter, it will mean more than a "chosen few" to make the transition we need to make. It will require broad participation in Conscious Leadership in much of what we do - an immediate commitment by you, by me, and many more like us. For as once well said, "If not you, who? If not here, where? If not now, when?"

James A. Cusumano, PhD ■

¹ The World Business Academy, established in 1986 is a great resource for the role of business in addressing the whole.

² Jared Diamond, "Collapse - How Societies Choose to Fail," Penguin, New York, NY, 2005.

³ Sir Martin Rees, "Our Final Hour - A Scientist's Warning," Basic Books, London, 2004.

⁴ www.ConsciousCapitalism.Com/and references therein.

⁵ James A. Cusumano, "Business May Be Your Life - But - Life is Your Business: Part III Finding Your Passion And Purpose," Leaders Magazine, Volume II, 2010, pp. 142-143.

⁶ Rajendra S. Sisodia, David B. Wolfe, and Jagdish N. Sheth, "Firms of Endearment," Wharton School Publishing, Philadelphia, 2007.

⁷ Op. cit., reference 4.

⁸ See for example, http://www.leadershape.biz/transpersonal_journey.aspx.

⁹ Gary Hamel, European Wall Street Journal, December 16, 2009.

¹⁰ Lance Secretan, "ONE - The Art And Practice of Conscious Leadership," The Secretan Center Inc., 2006.

¹¹ Lance Secretan, "INSPIRE! - What Great Leaders Do," John Wiley & Sons, Inc., New York, NY, 2004.

¹² Op. cit. reference 5.

¹³ James A. Cusumano, "Business May Be Your Life - But - Life is Your Business: Part IV Listen To The Omens - A Letter To Julia," Leaders Magazine, Volume III, 2010, pp. 104-105.

¹⁴ Lance Secretan, "The Spark, The Flame and The Torch," The Secretan Center Inc., 2010.

About the Author: James A. Cusumano is Chairman and Owner of Chateau Mcely (www.ChateauMcely.Com), chosen in 2007 by the European Union as the only "Green" 5-star luxury hotel in Central and Eastern Europe and in 2008 by the World Travel Awards as the Leading Green Hotel in the World. He is a former Research Director for Exxon, and subsequently founded two public companies in Silicon Valley, one in clean power generation, the other in pharmaceuticals manufacture via environmentally-benign, low-cost, catalytic technologies. While he was Chairman and CEO, the latter - Catalytica Pharmaceuticals, Inc. - grew in less than 5 years, to a \$1 billion enterprise with 2,000 employees. He is co-author of "Freedom from Mid-East Oil," recently released by World Business Academy Press (www.WorldBusiness.Org) and can be reached at Jim@ChateauMcely.Com.

