

# 1

## THE BOOM-BUST BIPOLARITY OF THE BUSINESS WORLD

**T**he presumption that work is separate from the rest of life, and therefore operates under different rules, has been widely taken for granted since the dawn of the modern economy. It's so ingrained in our work practices, that we don't normally question it. We assume it's just "how things are," as if the way businesses operate was akin to natural laws like gravity.

At the root of our economic mindset is the axiom "business is business." This statement assumes that the purpose of business is to make money, and whatever it takes to do so is okay—as long as it's legal, at least quasi-legal, or can be gotten away with. While few would admit this publicly, it's tacitly assumed by most people, both inside and outside the business world. This statement also assumes that how things have been is the only way they can be. Yet, few today would argue that "business as usual" is working well.

The financial crisis of 2007 through 2009, in which in the United States alone 8.8 million jobs were lost and \$19.2 trillion in household wealth vanished,<sup>1</sup> has given the lie to the deeply entrenched belief that "business is just business," separate from the rest of life—as did the Enron scandal

before it, along with the subsequent financial improprieties of the likes of JPMorgan Chase and Goldman Sachs. Beyond the ethical issues these situations raise, the values that precipitated these scandals are rapidly undermining, and in some cases destroying, the very economic system in which they are operating.

This book draws on solid data to challenge the idea that business can be conducted separately from the rest of life and achieve sustained success. This data points in a diametrically opposite direction from many of the common assumptions and principles by which businesses function and on which economies are founded.

For instance, the thrill of rapid growth and expansion into wider markets, especially international markets, drives many modern businesses. On the way up, seeing the sky as the limit, few in these businesses question what's being sacrificed in the pursuit of relentless growth driven by a "profit is everything" mentality. On the way down, employees experience increasing stress as they realize the job they counted on to fund their home purchase, new car, medical insurance, and college tuition for their kids is threatened—and, in many cases, their retirement. As the company loses its direction and profit margins tank, they watch helplessly while management close ranks trying to protect their own positions and wealth. No one is ready when the floor gives way and layoffs follow, not to mention the devastating effect such collapses have on local economies.

Why do we assume that to increase shareholder value is of utmost importance to businesses, when the reality is that increasing shareholder value benefits the few, not the majority? In contrast, innovation in the marketplace, improving the

wellbeing of the community in which the business functions, and making decisions for the longevity of the company and its team are much more relevant. Setting the context for awakening involves allowing others to own their giftedness and step into their strengths, whereas presently the focus of companies is primarily on “hiring” a “workforce” for growth. We are talking about the entire team functioning in a context in which each member of the team “comes into their own” in a fulfilling, creative life that blends harmoniously with the whole of individuals’ lives. In those companies that have already shifted into this mode of operation, the financial rewards for the leadership, the team, and the shareholders have been substantial—not to forget the value to the community.

It’s crucial to understand that the fact there are financial rewards isn’t the reason to make such a change. They are merely the spinoff. A team I have been working with the last few years has seen their revenues increase over 80%. But what’s ultimately meaningful is that their enjoyment of the work and the relationships involved has become truly satisfying.

The boom-bust bipolarity of the modern marketplace has consequences not only for the economy as a whole, but also for those who are at the helm of businesses that are experiencing this roller coaster. In too many cases, it has led to disaster and destruction for the firm itself, as well as for most who were associated with it. Levels of dissatisfaction, and in many cases downright depression, have risen right along with the drop in profitability.<sup>2</sup> Parallel with this, the middle class—the basis of every healthy economy—has been shrinking rapidly in many developed countries. The factors leading up to this were in evidence well before the crash of 2008, and the malaise of that crash still lingers.

The global economic situation is at an impasse. Everyone recognizes that “business as usual” not only isn’t cutting it, but is becoming increasingly difficult to sustain. Too many businesses are focused on individual wealth, mostly for upper management, along with the generation of profit for stockholders. Little thought is put into the long-term consequences for employees, let alone society as a whole.

This boom-bust bipolarity has particularly eroded public confidence in the corporate sector. When a corporation’s instinct is to activate a massive PR campaign instead of showing deep remorse and making true amends for their violations, a sense of disgust grows among the population. Given the disastrous effects wreaked on society by some companies—and the near silence of the rest of the business community, which amounts to tacit support for such behavior—it isn’t difficult to understand the public’s anger and lack of trust in the current business model. People from diverse walks of life have come to the conclusion that many corporations are evil and need to be fought and stopped. At the very least, it has become obvious to almost everyone that the historic notions of doing business are rapidly unraveling on nearly all levels.

## **The Travesty of Meaningless Work**

Public awareness of the widespread corruption leading up to the financial crash of 2008 helped to speed up this change of attitude towards the world of work. The colossal global problems this crash created exposed many of the old assumptions about business that are long overdue for revision. The events of recent years have especially caused many members of the workforce to seriously reflect on their employment—and

indeed their lives in general. They are realizing that a large slice of their daily existence is committed to something that doesn't fulfill them. Not only do they not enjoy what they are doing, but it takes them away from loved ones and denies them pursuit of their passion.

A growing number are asking, "Is there a connection between a stressful, unfulfilling work environment and the financial struggle I experience from pay check to pay check? What is the work I do all day really about? What's the point of it all? Does the company on which I rely for my livelihood really have to engage in high risk behavior, potentially sweeping away my pension and perhaps even my job? What's stopping us from building a fulfilling work environment that's rewarding for everyone?"

Rather than simply being angry at the system and going to work in a disgruntled state each day, I propose that the current discontent is an invitation to find a solution. By "solution," I'm referring not only to the plight of multitudes in the labor force, but also the stress suffered by many business owners who are more than ever feeling the weight of the world on their shoulders as they wrestle with issues such as health care, while being blamed for the economic, environmental, and social problems of today. Both owners and people who work with them need to feel that what they do is serving real needs, not hyped needs—needs that are purpose and value driven. All involved then feel they are contributing something meaningful instead of simply earning a pay packet.

In the midst of all this turmoil, something profound is happening. In the wake of the wreckage of businesses, communities, and families—all of which are suffering from the effects of the current economic paradigm—a number of

prominent companies are beginning to see how expediency and short-sightedness, which for some time have been the norm, are failing us. There is a growing realization that, with every decline, the boom-bust cycle weakens the foundations of our economy and thereby militates against our ability to build a prosperous future for all.

With this realization, these companies are discovering a different way of doing business, and in the process providing us with solid evidence that there really *is* another—a better—way of structuring the world of work.

## **Business Is Community**

There was a time not so long ago when it was natural for companies to grow out of families and partnerships among people with similar skills and interests. They were an organic part of our society's sacred economic trinity: family, community, and business. Businesses were explicitly part of communities and recognized their reciprocal relationship with the people they served.

Being part of the community meant companies felt more responsible for their employees' wellbeing, since these employees were also neighbors. Employees were recipients of an apprenticeship model that passed on the skills, values, and vision of this economic community within the wider community. Such an environment encouraged both individual confidence and a spirit of collaboration.

As corporations expanded beyond local communities, the sense of being neighbors working together for the good of the community was increasingly sacrificed to a business model based on profit for shareholders who had no investment in

the communities from which labor was drawn. Consequently, instead of being answerable to the community, companies today are primarily answerable to a CEO whose chief concern is to meet the expectations of those with a financial investment at stake.

Dr. Harish Hande,<sup>3</sup> founder and managing director of Selco Solar, a social enterprise developed to eradicate poverty through sustainable technologies in rural India, believes that the current understanding of who a company's stakeholders are is far too limited and that it goes far beyond the shareholders. He sees a need for a paradigm shift in terms of leadership—a shift away from the competitive model that currently drives commerce. He confesses, “I want a really different model of leadership today.”

While there is much we can learn from these former ways of doing business, we also recognize we are in a different situation now. We may well rediscover some of the values that drove those earlier forms of community-based businesses. However, we also need to include the many variables that the modern global economy brings into the picture. Restoring balance to the global economy will require both business students and leaders to rethink the present corporate culture because the roots of the present system are dying. It's time to plant the seeds for a new forest that yields much healthier, higher quality, long-term growth that benefits everyone. This means thinking *holistically*, as well as in terms of *interactive systems*.

What this implies is outlined by Dr. Hande, who explains, “One always hears from the business world—‘to increase the value for shareholders.’ This is a lopsided statement. What businesses should really work towards is ‘to increase the value for *all* stakeholders, which includes end-users, employees,

management and shareholders.’”<sup>4</sup> We incorrectly assume that “maximizing shareholder value” is the key business mantra. The facts show that nothing could be further from the truth. This mantra causes share buy-backs, offshoring of manufacturing, and the destruction of communities.

Mac Van Wielingen,<sup>5</sup> co-chair of ARC Financial, chairman of ARC Resources, and president of Viewpoint Capital, defines corporate culture as how we treat one another, which includes how we relate to the multitude of stakeholders. Do we treat our true stakeholders with respect?

Van Wielingen’s understanding of “stakeholders” includes our employees, customers, suppliers, competitors, the communities and countries in which we operate, the earth and its creatures, as well as those who invest in our company financially.

Van Wielingen believes that when we discover *everyone* is a stakeholder in our business, we will all prosper.

Otto Scharmer,<sup>6</sup> Senior Lecturer at MIT and Founding Chair of the Presencing Institute, sums up, “It’s basically a journey from ‘me to we’ or a journey from ‘ego to eco,’ a mindset that’s focusing on not only my own wellbeing but the wellbeing of the whole, the wellbeing of all others.”

Craig Kielburger,<sup>7</sup> cofounder of Me To We, echoes this. “It sounds idealistic,” he admits, “but success is shifting the world—and we even say shifting consciousness—from me to we.”

Echoing and expanding on this, internationally renowned author and academic Henry Mintzberg<sup>8</sup> believes that business leaders need to modify their understanding of leadership to set the stage for the emergence of what he calls “communityship.”

It’s important to grasp how fundamentally different the concept of communityship is from what leadership in the



business world has come to mean for most of us. A shift from our current understanding of leadership, which tends to reside in an individual such as the CEO of a company, to businesses based on communityship involves *recapturing the sense we are all neighbors sharing the planet*.

Articulating this difference, Mintzberg explains, “The mindset has become so obsessively leadership oriented that every time anybody uses the word ‘leadership,’ they mean an individual. Company efforts aren’t about individuals. They are about people working together. So we need an understanding of leadership as something that caters to communityship. It’s perhaps different in entrepreneurial companies, where one person is really setting the tone and getting things started. But once the company is established, it’s a matter of managing it as a community.”

What might a business built on communityship look like? SELCO’s Dr. Harish Hande explains, “You don’t feel you have to win and the other person has to lose. Instead, you work collaboratively toward a shared vision around values stakeholders care about. For instance, we all need to care about the planet we live on, which requires cleaning up our act personally and as a company. It’s a matter of being conscious.”

The term “conscious” is an interesting one, in that at first glance it might appear we are all already conscious. Yet when we look more closely, it becomes apparent that much of what we do is either rote or only partially informed by facts. A great deal of the time, we operate with only partial awareness of all the factors required to make truly intelligent decisions. Governed more by habit and the status quo than by a thorough grasp of the realities of a situation, we tend to do much of what we do on autopilot. The field of Social

Psychology is using the latest brain research showing that what G. I. Gurdjieff<sup>9</sup> said is true—almost all of our so-called decisions are not conscious at all, but are more in the line of automatic impulses from past conditioning in the brain.

How it's possible to be a conscious human being, while at the same time largely unaware, can be seen from the way that, perhaps even daily, many of us drive to and from work in a rote manner, with little awareness of where we actually are on our journey. When a greater degree of awareness kicks in, we suddenly find ourselves noticing this and asking, “Oh, did I pass the gas station yet?” or, “Did I miss my turn?” Instead of being fully aware—truly present in the act of driving—we realize we were lost in thought.

Thankfully, we can learn to be more awake—to notice such distractions more often and more quickly, and to return our attention to the matter at hand. We can do this as individuals, and we can also create relationships and groups in which focusing our attention becomes more the norm.

## **Toward Awakened Companies**

Often we refer to a company as if it's a distinct entity from the people in it, when, in fact, its very existence is dependent entirely on us as human beings. Without people, there *is* no company.

A corporation that thinks of itself as an entity is really working more with legal and mental concepts than reality. Oddly, this has become the normal way of thinking of companies. Our society creates corporations, which we then protect as legal entities, leading us to forget that it's simply humans who create, develop, and support all businesses. Without us,

the corporation cannot act, feel, or think. On its own, devoid of humans, it's just a concept.

Companies are nothing more than human beings who have agreed to function together, and no organization exists but for the actions and choices of the human beings of which it's comprised. For this reason, the degree of awareness of the individuals in the company, as well as the quality of their relationships, is critical for the intelligent functioning of that company. Whether such companies are what we refer to in this book as “awakened” is the question at hand. One indicator of an awakened company is whether it operates for the good of all, or whether what it does has side effects that are harmful to its workers, its clients, the wider community, and the environment.

Said differently, companies are human communities. If we once begin to think of our places of work not as something divorced from the rest of life, but as communities that are a vital dimension of our existence as people, and in fact at the heart of a meaningful life, a fundamentally different idea of how a company should operate enters the picture.

The knowledge that it is *people* who create economic success, and also people who are responsible for economic crises, implies that these same individuals might be capable of imagining and creating other kinds of business models that don't swing between boom and bust. As a number of powerful and successful companies are already demonstrating, we need not be “passive victims” to structures that no longer serve our purposes.

By paying attention to companies that are thriving, along with learning from past mistakes of companies such as Enron, or the “dot com bust,” and the financial crisis of 2007-2009, we will see that we already possess the ability to transform

our businesses into communities that bring sustained prosperity to growing numbers of people in a manner that harms no one, including the planet itself. This becomes possible as such businesses essentially regard the entire human race as their extended family, which would constitute a return to the more personal and community based business model that was originally rooted in families, albeit with an expanded awareness of global participation and impact.

The paradigm shift we are talking about is, from one vantage point, huge. Yet, from another perspective, it's an extremely small shift. The reality is, it doesn't take as much as we might think to make a vast difference in the quality of people's lives. Indeed, quite small decisions and changes in behavior can greatly affect our businesses and society as a whole for the better—far more so than is generally acknowledged.

In many companies, executives and employees alike are taking a hard look at themselves, and in the process finding a truer calling. Changing their metrics for “success,” they are discovering that it's not the flashiness of our cars, the size of our homes, or the fatness of our wallets that are the real barometer of “the good life.” While none of these things are bad in and of themselves, more and more intelligent people are realizing that these traditional signifiers of success generally don't lead to a sense of meaning or purpose, let alone fulfillment. Rather, what many are discovering, and what some of the studies you will see in this book readily back up, is that what really makes for a rich life is the degree of our awareness, the depth of our relatedness, the wellness of our communities, and the overall quality of life enjoyed by *all* who dwell on our planet.

## **A Different Business Model**

While the majority of companies are asleep at the switch and operating largely in a state of oblivion with regard to the real situation of our world today, a growing number of companies are in different stages of waking up. This awakening isn't some kind of fringe movement. On the contrary, it may come as a surprise to learn which well-known successful companies are undergoing deep transformation that reverses the “business is business” mantra. We will be introducing you to several of them whose executives we have personally interviewed.

A company engaging in this process of transformation is what I call an “awakened” company. Why “awakened”? To be awake is to possess awareness, whether as a company or as an individual—or what we earlier referred to as “consciousness.” To be awake is to be explicitly aware of what's going on around us and within us. Like anything worthwhile in life, this awareness is a capacity that develops and improves as we practice using it. We are in the process of awakening.

To be awake as a company means to behave in a manner that reflects our understanding that no individual or entity exists in isolation from anyone or anything else. Everything that exists is interrelated and interactive. Thus, an awakened company is aware of the reality of its dependence upon and connection with the context in which it functions—a context that includes its employees, the wider human community that supports it, and the natural environment from which it draws its resources.

Companies are awake to the extent that they recognize they are nested within other structures as part of a richly interconnected matrix, and make their policy and operational decisions based on that awareness. In contrast, much like an

individual ego, companies have their eyes shut to the extent they think and behave as if they were independent of larger contexts and relationships.

As executives and as companies, we can be more or less awake, which means that, even with good intentions, we may or may not notice when we are taking a path that's going to ultimately prove self-destructive. One could say that our capacity to make intelligent decisions is directly related to our level of awareness. This applies to groups as well as to individuals. Further, our degree of awareness isn't fixed, but can fluctuate countless times, even in a single day. The trick is to learn to be sufficiently awake to notice these fluctuations. There could be a group working together, an entire organization, or simply two people relating to each other, all with different levels of awareness.

Once we *really* wake up—really grasp the interdependent nature of life—we realize that a company must exist to serve our interconnectedness as much as it exists to make a profit. This is a fundamentally different understanding of business than the traditional view of such organizations as primarily profit-generating machines. Awakening businesses are no longer aligned with the limiting belief that “business is business.” Instead, they are increasingly integrating their business life into the rest of life.

In line with this, Jeffrey Pfeffer and Robert Sutton in *Hard Facts, Dangerous Half Truths & Total Nonsense* comment, “The bad news is that the presumption that work is separate and operates under different rules than the rest of life is widely taken for granted. It is so ingrained in so many work practices that it does massive and widespread damage.” These authors go on to say, “By challenging this half-truth with solid data

and logic and then borrowing, inventing, and experimenting with practices that weave together rather than segregate and tear apart our different roles, there are bright prospects for both progress and performance.”<sup>10</sup>

No matter how large and internationally based any business may become, its ability to function depends on the communities in which it operates, from which it draws its resources and labor, and that are its clients. When a business recognizes its utter dependence on community, and in line with this fosters community within its own interior structure, it sets itself apart from the bipolar boom-and-bust economy. It prepares itself to become not only profitable, but beneficial, sustainable, and enduring. The multidimensional health of people—mental, physical, emotional, relational, financial—and ongoing corporate wellbeing are balanced.