

# FAITH, HOPE, AND THE CORPORATION

WORKING ON OUTLOOK



*Daniel Lee Menken*

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*To those who bear scars  
from the corporate wars*

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## PREFACE

Outlook affects work.

A flawed outlook hinders work,  
and improving outlook improves work.

The closest controllable cause of success in the corporation is not an organizational structure or special program -- it is rather the mental environment (outlook) that spawns insight, innovation, commitment, excitement, and loyalty. This book identifies the optimum success-producing outlook and describes how to incorporate it in oneself and encourage it in one's colleagues. On a deeper level it includes one of the first true discussions of the "philosophy of business" (seeking the most insightful outlook), describing the nature of power, wealth, and change and how views on these subjects contribute to a mature, fulfilled life.

Discussion relates mostly to the work setting and will ring clearest to those familiar with organizations, though it has applications in many areas of life. Comments will also seem most

obvious to readers with more experience -- to those who are older  
and have entered a more reflective (post-Yuppie) stage of life.  
In some matters youth is a disadvantage.

Daniel L. Menken

St Paul, December 17, 1987

**A MESSAGE FOR MY GENERATION  
(& ITS FRIENDS)**

We Baby Boomers (born between 1946 and 1964) are just now entering the stage of life that values deeper insight. (And because there are so many of us, at-large society reflects our interests.) In the 1950s when we were kids family life was central, in the 1960s when we were adolescents there was protest and rebellion, when we entered our late 20s and 30s passions turned to building careers and demonstrating outward success. Each fad reflects normal progression in the life cycle.

Experts warn, however, that the most difficult of all life transitions occurs around age 40 -- there come "tumultuous struggles within the self and with the external world... Every aspect of [life] comes into question." (Levinson, The Seasons of a Man's Life, p. 199) It is a time of reassessment and mid-life crisis. People stop assuming the conventional goals of society (simple outward success; a good job, large income, fun toys, etc.) and begin either to establish their own standards (become reflective and cultivate inner wisdom) or collapse in a panicky

retreat back to adolescence (the familiar casualties of mid-life).

The vanguard of our generation turned 40 in 1986. Culturally, we expect a decline in the rampant materialism and status-flaunting of the early 1980s (thank goodness) and a migration towards more substantive concerns, including "What's the point of business and my life in it?"

One thoroughly reasoned position awaits in the pages that follow.

DLM

## Chapter I

### THE HUMAN INGREDIENT IN EXCELLENCE

#### Two Unhappy Cases

A young manager became excited by reading glowing accounts of Japanese worker quality circles and the success they produced. She decided that she too would institute weekly meetings and invited her whole department to join in discussing ways to improve output. But it didn't work. No improvement came -- somehow the magic was missing. And so, after two months the meetings were abandoned as a lost cause. Though there was a new structure for participation, there had been no change in how workers and management viewed each other. The manager held tightly to her power and workers saw the meetings not as an opportunity for input, but as just another vehicle for top-down manipulation, where anything one said could be held against him. (I was one of those workers.)

A few years later the company's officers, motivated by yet another popular theory on corporate excellence, decided to



increase productivity by reducing the layers of hierarchy in the organization. An edict went forth stripping one whole layer of managers of its authority. But again came unintended results. Within a few months several of the best of the former managers left the organization for companies where their skills were "more appreciated." Moreover, reassigning their duties led to a stricter division of labor and those at the bottom of the organization felt more alienated from their work and more distant from the top than ever. Morale plummeted.

The problem in both cases involved inadequate appreciation of the human ingredient in the formula for success. The focus was on external structures of the organization to the neglect of internal motivation and the sentiments of its members (reflecting an insufficient understanding of cause and effect in the characteristics of success).

The true source of all excellence, after all, is that human spark within us that provides innovation, insight, and inspiration. That spark is what must be cultivated and tended to -- the flicker of a new idea, the insight that creates innovation. This ingredient accounts for the heartfelt commitment we make to a cause and the loyalty we give an organization. It supplies the excitement that makes an activity seem worthwhile. It is mysterious and generative like life itself, a spark that sometimes grows into a bright flame. On the

other hand, the "excellent" corporate characteristics mentioned above, quality circles and reduced hierarchy, are merely structures (or incentives) designed to enhance growth of the special magic. If the human ingredient is a seed that sprouts innovation, commitment, and wealth, then structures of participatory and open management are at best fertile soil and warmth that encourage germination.

## LOOKING FOR EXCELLENCE

We look now at four areas where excellence and success are sought (and fortunately quite often achieved) to shed light on workings of the "human ingredient."

### 1. Corporations and Other Organizations

There is a large body of literature dealing with corporate productivity and how to enhance it. The stories that opened this chapter find their inspiration in this literature. Two books exemplifying this field are the best selling In Search of Excellence (1982), by Peters and Waterman, and The Change Masters (1983), by Rosabeth Moss Kanter of Yale University's School of Management. Peters and Waterman list eight principles that produce excellence (p. 13ff).

a bias for action	executives in touch
stay close to the customer	stick with your knowledge
autonomy and entrepreneurship	simple form, lean staff
productivity through people	dedication and tolerance

Their theory for why these principles produce excellence says, first, it is counterproductive to be too rational about the business of business. Don't completely abandon old-fashioned intimacy for modern "scientific" management. Second, anything that helps motivate the workforce is probably effective. People have an irrational need for meaning, recognition, and involvement which can be used to supply powerful motivation.

Kanter's observations are similar. She calls for implementation of five principles (p. 361).

- Encouragement of a culture of pride
- Enlarged access to power tools for innovative problem solving
- Improvement of lateral communication
- Reduction of unnecessary layers of hierarchy
- Increased and earlier information about company plans

Her reasons are also similar.

The issue is to create the conditions that enable companies to take advantage ... of the talents of their people ... by building an environment in which more people feel included, involved and empowered ... (p. 363)

The format of these books is similar. They hope to describe the path to success by identifying the characteristics of successful companies. They compare several prospering organizations to find the common ingredients, just as Plato tried

to identify the ideal form of "the good" or "the beautiful" by comparing several good or beautiful things. We should, however, be aware that this type of study leads to results that are not beyond question. Assuming that these characteristics are in fact held by successful organizations two significant doubts spring to mind. First, just because several successful companies have a certain characteristic does not mean that particular characteristic is associated only with success and not also with failure or mediocrity. For example, it would be foolish to say that just because all successful companies had a company logo that logo creation is a cause of success. The observations made by the researchers should be tested in new settings to see if they produce similar results most of the time. The two examples at the beginning of this chapter give cause to doubt whether these characteristics are associated only with success.

The second doubt concerns whether a particular characteristic of successful companies is in fact a cause of their success or merely the happy by-product of another deeper cause. For example, it is obviously ridiculous to say that a characteristic cause of success is a large profit. Profit is the result of success, not its cause. But what about something like the morale of employees? Is high morale the cause or result of success? Or how about being in "the business you know best," or having "a culture of pride"? These issues must also be tested. A possible explanation for the failure of the two techniques

described in the opening examples is that those characteristics are not the ultimate cause of success, but themselves are caused by a more fundamental ingredient.

Indeed, external characteristics are not the ultimate cause of a company's success but themselves are the product of a more fundamental common source -- the human contribution of its employees. The idea for a new product, the contagious enthusiasm and commitment of successful companies, new applications for an old product, or simpler ways of arranging the production line -- such do not come from structures or systems of organization but from within people, from that spark we have called the human ingredient. The system of communication or hierarchy within a company can at best help create a favorable climate for that spark or that seed. At best the externalities of an organization contribute ready kindling and fertile soil.

Though no mortal can explain the ultimate process of human inspiration, it is nevertheless possible to approach it closer than the structural suggestions of these books. The closer ground is the mental environment of the individual, which is the actual seedbed for creativity and enthusiasm. The suggestions of the two books are structural incentives designed to affect the mental environment which in turn provides opportunity for the sprouting of the human ingredient. (The string of influence can be described as: external structure → mental environment → human



spark → excellence.) The suggestions about structure can help, but we can be more effective and closer to the source if we focus our attention directly on the mental environment.

The proper mental environment is the ultimate incubator for appearance and growth of the potential genius that lies within us -- it is its "closest controllable cause" (though not the ultimate source). Anything that helps create the proper mental environment is consequently helpful. The proper mental environment is composed of attitudes and opinions about the world. Specifically, it includes a feeling of potency, of being where the action is, and of cooperative enfranchisement. Such feelings are likely to call forth the spark of genius and their absence is likely to stifle it.

The several principles of excellence listed in the two noteworthy books can contribute to this mental state for persons within organizations. But their effect of causation is removed by two steps from the spark of human inspiration. Having an organization with less hierarchy can indeed lead an individual to feel that he or she is a more potent and important contributor to that organization, but the stimulus is so distant from its intended result that other outcomes are possible as recounted in the above anecdotes.

Interestingly, in the string of influence it happens more

often that the proper mental environment creates the right organizational structures, than vice versa (mental environment → external structure). For example, quality circles are the natural result of realizing the value of cooperation and goal sharing rather than their cause. When people care about the same goals and respect one another, mechanisms such as quality circles are likely to spring to life naturally. If, on the other hand, quality circles are implemented without such a mental climate they will fail, as described in the example above.

Successful companies typically begin with the proper outlook, wanting to be progressive and to contribute to society, wanting to take on a significant role. Entrepreneurial successes are men and women who are committed to their business with a greater love than for profits alone. Commitment to their task and the role they imagine for themselves contributes to the proper mental attitude, which in turn causes them to design structures that conform to the principles listed by our authors. For example, the entrepreneur who is trying to deliver his envisioned product to market will call on all resources within the organization to help, and couldn't care less about the status or title of the contributor. This attitude leads directly to organizations with simpler structures, more communication, and open access to the tools of innovation. On the other hand, an attitude demonstrated by the owner of an organization who wants to make a lot of money without doing much work, or who wants

someone else to do all the work so he can be rich is likely to create structures with less communication, more hierarchy, and reduced access to tools.

## **2. Excellence in the Economy**

Excellence is also sought in national economies. We all want to be part of wealthy, prospering nations and many theories have been published for achieving such at-large prosperity. We look now at three leading economic schools; the Keynesians, the monetarists, and the supply-siders.

Keynesian economic theory observes that in every country there is a tradeoff between the rates of unemployment and inflation -- as one increases the other decreases (the so-called Phillips curve). The two great evils are high unemployment and high inflation, and the government by its spending and tax policies should keep these indexes balanced at their optimum point. In the United States it was believed that unemployment could be kept at about 4% with a corresponding rate of inflation. In the United Kingdom a similar inflation rate would accompany higher unemployment, while in Switzerland the unemployment rate with similar inflation would be lower. This system was followed and apparently worked for many years. But wait a minute. The really significant (and passed over) issue here is why the tradeoff between inflation and unemployment is different in different nations. Why is Great Britain's rate

of unemployment at a certain inflation rate higher than in the United States? And why is the Swiss rate lower? Why do inflation rate incentives need more force in one nation than in another? The answer is that established attitudes (such as faith in the efficacy of hard work and hope for the future) vary from culture to culture. One society needs less external stimulation (favorable governmental policy and low inflation) to ignite the spark of human productivity than another. (Economists are quantifiers and not psychologists so they concentrated on the mathematical tradeoffs between measurable factors, and the attitudinal ingredient was ignored.)

Monetarist economists such as Milton Friedman argue that healthy economic growth depends largely on the steady growth of a nation's money supply at a rate of 3 - 5% a year. They make a good case that contrary governmental policy aggravated the problems of the Great Depression after 1929, and imply that if this key policy is followed economic prosperity is the natural outcome.

Supply-siders argue that the beginning of economic prosperity lies in recognizing that some people within a nation have the potential to be the producers and entrepreneurs who create the wealth and ideas that will propel the entire economy. The key to prosperity then is to give these potential supply-producers the incentives they need in the form of tax

breaks to get them moving. If we feed the milk cows of the economy enough we will all benefit.

There is merit in the arguments of both the monetarists and the supply-siders, especially in the sense that harmful monetary policy or an oppressive tax structure can destroy economic prosperity. But it is overly optimistic to believe that monetary or tax policy alone can create an excellent economy.

In truth, many factors work together to create a healthy economy. If we were to write a formula for economic prosperity it might look like this:

$$\begin{aligned} & \text{(healthy monetary growth)} \\ & + \text{(favorable tax structure)} \\ & + \text{(sensible government spending)} \\ & + \text{(the human ingredient)} \\ \hline & = \text{economic prosperity} \end{aligned}$$

Much has been written about the first three factors, but they at most supply the incentive and fertile ground for the fourth. Considering just these first three factors we can write this equation:



- (healthy monetary growth)
- + (favorable tax structure)
- + (sensible government spending)

---

= incentives for the human ingredient to create economic prosperity

that is,

= proper structural environment for the human ingredient to create economic prosperity

The exclusively structural theories concerning economic prosperity, however, leave much to be explained. Why do their rules change from nation to nation? Why do identical monetary growth and tax policies produce such differing economic prosperity in different parts of the same country? Why do some cities flourish while others languish (compare Boston and Detroit)? Why do high tax states like Massachusetts, Minnesota, and California lead the nation in entrepreneurial activity? The answer is that there are other "non-economic" factors contributing to the system's environment that lead to economic inspiration -- namely, a people's internal attitude and outlook.

Economic incentives can affect attitude and outlook but they alone do not control them. Even in structures of economic oppression some human excellence can appear (some companies prospered during the Depression, and some shrewd native businessmen thrive in third world countries). On the other hand,

even ideal economic circumstances do not guarantee economic prosperity (compare recent histories of oil and mineral rich nations). Attitude and outlook (as part of the proper mental environment) are the missing ingredients and should be given more attention.

George Gilder in The Spirit of Enterprise (1984) points to this special ingredient.

Growth originates in the minds and wills of free men; it is determined only by their creativity and courage, persistence and faith. The key error of economics is to subordinate in its models this higher level of creative activity to a lower level of measurement and exchange ... to assume that the market for goods somehow precedes and controls the entrepreneur who creates it...

Bullheaded, defiant, tenacious, creative, entrepreneurs continued to solve the problems of the world even faster than the world could create them. The achievements of enterprise remained the highest testimony to the mysterious strength of the human spirit... His success is the triumph of the spirit of enterprise -- a thrust beyond the powers and principalities of the established world to the transcendent sources of creation and truth. (pp. 146, 258)

### **3. Excellence among World Cities**

A third area where excellence may be sought is among the cities of the world. There clearly is a great difference in the economic, cultural, and spiritual prosperity of cities (as analyzed by Jane Jacobs, Cities and the Wealth of Nations,

1984). Some cities rise to greatness and then slip from it, while others manage to rejuvenate themselves. Some cities though maintaining large populations have never generated that special essence that creates wealth and prosperity, and remain mere outposts of other more lively centers. Some generate culture and spawn start-up companies, while others languish. The determining factor is not geographic location or size. Even within the same nation or state, some cities clearly "have it" and others don't. Nor is nearness to natural resources the key, look at the cities of Japan. Rather there is some special generative power churning in the populace. Jacobs describes several factors that produce excellence in cities.

Development is a do-it-yourself process: for any economy it is either do it yourself or don't develop. All of today's highly developed economies were backward at one time, yet transcended that condition. Their accumulated experience demonstrates how the thing is actually done. Historically, we find two major patterns or motifs: reliance of backward cities upon one another, and economic improvisation... [In the United States after independence, northern cities] began copying their simpler imports from Europe and exporting these to one another and to other backward settlements, and replacing their imports from one another... As new cities like Cincinnati, Pittsburgh and Chicago formed, they entered the network of volatile trade... In the South cities behaved differently. Charleston, Savannah, Richmond, St. Augustine and Williamsburgh ... channeled out agricultural cash crops, received in return manufactured city goods, and did not use this trade as a springboard to launch themselves into

volatile trade with one another...

Backward cities that have actually developed have combined even their outright imitations of imported goods with their own improvised means of producing them... Apart from the direct practical advantages of improvisation, the practice itself fosters a state of mind essential to all economic development... The practice of improvising, in itself, fosters delight in pulling it off successfully and, most important, faith in the idea that if one improvisation doesn't work out, another likely can be found that will.  
(pp. 140, 145, 146, 148, 149-150)

Successful cities contain a special attitude and outlook on life among their citizens, they have developed a mental environment that fans the spark of the human ingredient. They possess the aggressiveness, creativity, and opportunistic inclinations that promote the welfare of their city.

#### **4. Excellence in Our Past**

A fourth and final area in which we examine the pursuit of excellence is in the golden ages of history. We see the same differentiation between examples of excellence and mediocrity as found among business organizations, economic systems, and world cities. Some times and places were more excellent than others. Some ages produced great prosperity, artistic insight, and human advancement while others saw only poverty and decline and became known as Dark Ages. What accounts for the peaks and valleys of history? There were wars and natural catastrophes, but these alone cannot explain the ups and

downs. They accompanied good times and bad. Simple accumulation of knowledge and growth of understanding cannot explain it either, or else the train of history would have improved steadily and not slipped periodically into darkness along its roller coaster ride.

Two of the greatest golden ages of all time were Athens in the fifth century B.C. and Florence in the fifteenth century A.D. Athens, a city of about 100,000 people (including its countryside), within just over 100 years produced the philosophers Socrates, Plato, and Aristotle, the playwrights Sophocles, Aeschylus, and Euripides, built the Parthenon, had great generals and the magnificent mayor Pericles, as well as vigorous economic prosperity. Not only did it include notable citizens, it invented philosophy, drama, and democracy. This is truly amazing. Florence, smaller than Athens, within the space of two generations gave birth to the Renaissance. It harbored Michelangelo and Leonardo da Vinci, the writers Dante and Boccaccio, created Renaissance architecture, rediscovered the lost classical tradition, and prospered under the leading businessmen of the Medici family.

When we list names of the great men and women of an age it's tempting to think that their genius created the age, which in a sense they did. But was it an accident of history, a simple coincidence, that such masters from a wide range of fields were



born at the same place and time? No. The science of statistics shows that the larger a population the more average is its distribution of randomly assigned characteristics (the central limit theorem). This means that genetically, a city the size of Athens or Florence was entirely average. They had the same genetic distribution of genius as modern Duluth or Dubuque (cities of the same size). The real question then becomes, if it wasn't heredity, what was special about the environment? What was it that brought out the genius of men and women in one age, but not in another?

Philosophers of history speculate on reasons. Athens together with other Greek cities had just defeated the mighty Persian army in a series of wars which opened new trade routes and economic opportunities. Florence had a flexibility in its social institutions that allowed a fruitful balance between tradition and innovation. But such opportune structures and favorable environments were not limited to Athens and Florence -- neighboring cities or nations in similar circumstances faced equal opportunity but did not blossom as did these two cities. Something extraordinary happened. Again, we must credit the special mental environment that fosters human inspiration. It was the attitude and outlook of the population that fanned the human spark into a flame, it was the excitement and optimism that was contagiously transmitted from person to person that supplied energy for the doing of the deed. Three characteristics

of the mental environment of the times were especially favorable for germination of the seed of creativity and inspiration, for growth of the human ingredient; self-confidence, a sense of destiny, and creative goal sharing.

From Thucydides' record of the funeral oration of Pericles, mayor of Athens:

I would have you day by day fix your eyes upon the greatness of Athens, until you become filled with the love of her; and when you are impressed by the spectacle of her glory, reflect that this empire has been acquired by men who knew their duty and had the courage to do it....

We are lovers of the beautiful, yet simple in our tastes, and we cultivate the mind without loss of manliness. Wealth we employ, not for talk and ostentation, but when there is a real use for it. To avow poverty with us is no disgrace, the true disgrace is doing nothing to avoid it... We alone regard a man who takes no interest in public affairs, not as harmless, but as a useless character... To sum up: I say that Athens is the school of Greece, and that the individual Athenian in his own person seems to have the power of adapting himself to the most varied forms of action with the utmost versatility and grace...

I have dwelt upon the greatness of Athens because I want to show you that we are contending for a higher prize than those who enjoy none of these privileges...

Shortly thereafter Isocrates noted how the spirit of Athens had transcended geography.

By so much has our city (Athens) surpassed all other peoples in understanding and reasoning that her students have become teachers of the rest of the world. [Because of Athens] even the label "Greek" ("Hellenistic") refers no longer to a race, but to a way of thinking; and "Greeks" are now those who share our learning rather than our heredity.

(Panegyricus ¶ 50)

By 380 B.C. Athens was already recognized as having founded Western civilization.

Concerning fifteenth century Florence we quote a leading citizen, Coluccio Salutati.

I cannot believe that ...[anyone] who has seen Florence can deny that it is the flower, the most beautiful part, of Italy -- unless he is utterly mad. What city, not merely in Italy, but in all the world, is more securely placed within its circle of walls, more proud in its palazzi, more bedecked with churches, more beautiful in its architecture, more imposing in its gates, richer in piazzas, happier in its wide streets, greater in its people, more glorious in its citizenry, more inexhaustible in wealth, more fertile in fields? What city has been more active in professions, more admirable, generally, in all things? What city without seaport ships out so much goods? Where is business a greater enterprise, or richer in variety of stuffs, or carried on with more astuteness and sagacity? Where are men more illustrious? And -- let me not be tiresome -- more distinguished in affairs, valiant in arms, strong in just rule, and renowned? (from Guicciardini, 1964, p. 1)

Life in these cities sounds truly exciting; the arts were lively, science inquisitive, mutual support abundant, and business entrepreneurial.

## **A COMMON ENVIRONMENT FOR EXCELLENCE**

We have looked for excellence in four areas and have seen it produced in each by the spark of human creativity that arises on occasion within each of us. Though the ultimate wellspring of this spark -- the source of inspiration, insight, and invention -- is a mystery beyond our present ken, we can nonetheless describe the circumstances that stimulate its appearance in hopes of recreating them and re-experiencing their success. Towards this end, organizational behaviorists have described the structures of excellence in corporations, economists the conditions of prosperity in national economies, cities have been investigated, and the golden ages in history examined. In each case there are circumstances familiar to the discipline of each researcher which he or she describes as accompanying excellence (e.g., organizational hierarchy, tax structure, import replacing, conquest of new markets).

The significant observation, however, is that each of the four sets of favorable structures helps create a common ideal mental environment, which we identify as the true incubator for the human ingredient (and ultimately excellence itself). The

quest for excellence has here found its "closest controllable cause," making the mental environment much more significant than the indirect incentives discussed above (such as, tax structures and organizational schemes). Therefore, our greatest chance for achieving excellence will come if we promote this proper mental environment directly rather than indirectly as most studies have suggested. This should increase our success rate, and avoid incentive "misfires" as recounted in the opening of this chapter.

Specifically, three factors together form the common mental environment which helps foster all varieties of excellence.

1. People feel capable. They have self-confidence that they can do almost anything if they try hard enough and smart enough. All progress begins with the opinion that something can be accomplished if I try.
2. People have a self-conscious awareness of the extra-special character of their place in the world and in history. They imagine themselves as being where the action is, in the mainstream of history, on the cutting edge of civilization. When there is the opinion, personal and communal, that something special is taking place people are likely to participate with enthusiasm. The mechanism is similar to that of the first factor, whatever induces one to "go for it" helps progress to be made.



3. Creative goal sharing. There is great power in cooperation and a sophisticated enterprise demands many participants working together for a common goal. When people view themselves in light of a shared goal or as part of a common body they can tap this power. On the other hand, rivalry and hostility (cooperation's antithesis) are roadblocks to advancement. Cooperation involves finding ways for all parties to commit to a common enterprise and to feel they will share in its intended benefits -- this requires intelligence and inventiveness.

There are further advantages in focusing upon this attitude. By dealing with the common seedbed of excellence we can with one fell swoop stimulate excellence in many arenas. For example, influencing the outlook of workers in an organization will stimulate the appearance of additional excellence in social settings outside the workplace. If the attitude becomes pervasive enough, it will promote prosperity in the economy (increased entrepreneurialism), general social progress (cultural evolution), and the rise of a lively metropolis.

## **STRUCTURALISM VERSUS INTERNAL MOTIVATION**

The optimal location for encouraging excellence has been moved from the structures of society to the minds of men and women. Attention has shifted from external impersonal factors to



the personal internal cause. People act in a certain fashion because they believe a certain way, not just because they are stimulated by the right piece of candy, or by someone pushing the right button. Belief and outlook are more important than external stimulation.

By changing the arena of concern from structuralism to internal motivation we come to an additional delightful discovery: significant improvement can be made without significant structural change. Output can be improved without changing structure. You don't necessarily have to reorganize your company, and the government does not need a revolution. A corporation can become more successful by affecting the outlook of its employees, without instituting new programs and reporting arrangements. An economy can be made more prosperous by reaching the minds of its citizens, without revising the tax structure or government policy. A city can become more vigorous by exciting the vision of its inhabitants, without legislating new tariffs or import quotas. (Of course, structural changes may follow the improved outlook.) Excellence can now be sought with greater certainty (by dealing with its closest controllable cause), and gained with less expense and pain. More bang for less buck. Not a bad deal.

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## Chapter II

### LOOKING FOR OUTLOOK

As a man thinketh in his heart,  
so is he. (Proverbs 23:7\*)

As the world is envisioned, so it is experienced.  
(What you see is what you get.)

Outlook leads to action.  
Belief spawns deed.

The little train who thought he could (choo choo choo)... did.

Feelings of potency, destiny, and goal sharing nurture excellence. Unfortunately, it's not enough just to spot the link between outlook and action. Somehow, people must actually be made to feel this way (potent, destined, and cooperative).

It's like the New Testament story of Jesus telling his disciples,

If ye have faith as a grain of mustard seed, ye shall say unto this mountain, Remove hence to yonder place; and it

shall remove; and nothing shall be impossible unto you.

(The Gospel According to St. Matthew 17:20)

The problem for the disciples wasn't believing that faith could move mountains (that was obvious to them); the trick was how to get the faith.

For us, once we recognize the link between the mental environment and the human spark our concern becomes how to convince ourselves to believe -- to believe that we are capable, that we stand in the main path of history, and that our best interests lie in cooperation; and then, how we can instill this belief in others. To do this we need first become more familiar with the workings of outlook and world view.

## A WORLD VIEW FOR EACH GENERATION

World view is another name (besides outlook) for the set of opinions and attitudes a person (or group of people) has about what is going on in the world. We develop personal world views as we grow up, and societies develop communal ones as time passes. Though we always have some world view, there is nothing to anchor a particular view other than the sense it happens to make to us at any given time. And indeed, world view and its constituent elements are continually changing and evolving. Each generation has its own best-guess explanation for life and the world in its age.

Human history can be seen as a succession of popular world views. One generation builds upon the understanding it inherits from another, augmenting it with new insight and accumulated experience. Better, more appealing explanations appear. New avenues are tested, fresh theories put forth. The good news is that there is an overall direction of progress in the development of world views. We are getting smarter as time passes, though progress is not evenly distributed in all areas, and sometimes we backslide a little (examples of this are easy to find).

One way of looking at this (accelerating) progress is to say that mankind is just beginning to understand the world and life. We have had only 6000 years of civilization in which to awaken and focus our consciousness, a mere drop in the ocean of time. Humanity was first learning to write 5000 years ago. Half the continents of the earth were unknown to each another 500 years ago. We split the atom in the last 40 years, and landed on the moon in the last 20. And yet, despite our remarkable progress the greater part of discovery still lies ahead. We are fresh inquisitive souls moving into an expanding world of rationality. Just imagine the next 6000 years.

In the meantime, two admonitions spring to mind. First, we should not be too harsh on those who offered earlier views which now seem silly or wrong-headed. Rather we should consider them our co-professionals in the attempt to make sense of existence

(scouts who went out before sunrise). This includes believers in other religions and other sciences: mystics, inquisitors, and alchemists. Nonetheless, once better views are encountered every rational creature has a duty to accept them in place of the old. Second, our current exercise in reasoning is at best a refinement in world views and in no sense should be considered the final truth. A day will come in which some of our notions will be revealed to be mistaken, or at least not the best available. In other words, even though we are dealing with issues that should be taken most seriously, none of our answers should be considered sacrosanct or beyond question.

To demonstrate just how powerful a force evolving world view can be in the playing out of our lives we now examine two examples. Be cautioned, however, that though both examples lead to interesting and far-reaching conclusions they are cited here only as evidence of the power and sometimes perversity of evolving world view.

**Example 1:**

**Duty and Happiness**

Some notion of the underlying purpose to life prevails in each age of history. Two main orientations have dominated: one imagining humankind as a supporting part of nature, filling a specific role in the grand scheme of the world (focusing on



duty); the other seeing individual men and women each as the center of their own world trying to live the most indulgent lives possible (focusing on happiness). The first may be called "a philosophical inclination" because the underlying concerns are for understanding the world and how to act in it. The second is "a psychological inclination" because the primary concerns are for responding to personal proclivities, and "getting in touch" with oneself.

The two versions of life purpose prevailed in historical sequence. Concerns for taking one's place in the cosmos (duty) dominated in the first and greater part of human history -- up until the last couple hundred years. More recently, the pursuit of happiness has taken center stage.

Through most of history when men and women contemplated the meaning of their existence they imagined their position as secondary to that of some deity or greater power, they saw themselves under obligations, constraints, and responsibility. The purpose of their lives was to serve their god, or to tend their responsibility. Causes were bigger than people, the community more important than the individual. Women even more than men were subordinated to supporting roles, learning deeply the nature of nurture and of sacrifice. So too, the laborers who built the great Pyramids of Egypt for their god-king. Men fought wars in loyalty to a homeland. Religious believers followed

divine decrees, while men without deities constructed principles to uphold, such as the Stoic ideal of justice or the Platonic conception of the philosopher.

Such views of role assumption are understandable in light of the times. Mankind's position in the universe was fragile, death and illness were always one step away. Large parts of the world were mysteries, and he imagined hidden powers. In truth, people had no option but to assume a hard lot in life; modern pursuits for self-actualization and fulfillment simply were not available.

People certainly felt the same drives and emotions we do today and there was occasion to tend to them. Some of the ancients, in fact, went to great lengths in describing happiness (or "blessedness") and how to attain it (within their system, of course). But always, the individual was subordinated to a grander purpose. Innate inclinations were considered obstacles to be overcome and emotions to be suppressed. Christianity in particular preached that natural human nature is evil and in need of salvation. But with the coming of the Enlightenment, men of science announced that psychological dispositions are not evil, but as universal human traits are just another part of ourselves to deal with. The insight was welcomed with great relief. At the same time many of the old religious ("philosophical") world views were being displaced by more modern scientific explanations

(in astronomy, evolutionary biology, and geology). New visions of the world arose. And simultaneously the means to satisfy many personal desires appeared, thanks to technology and modern industry. Merchants of new goods and services now advertised that individuals had a right, even an obligation, to pamper themselves with toys and services. While the call of duty and service declined, the summons to indulgence grew louder.

The age of the individual was born. Pursuing happiness replaced doing one's duty as the central concern of life, and still prevails today. "Rights" are important. "Obligation" and "responsibility" are not. "I'm for me, who are you for?"

A parallel development in formal philosophy has been described by Alasdair MacIntyre in his significant study, After Virtue (1984). MacIntyre focuses specifically on the history of moral philosophy (ethics), and recounts three stages in understanding human virtue and excellence (the first two based on duty, the last on tending to the self).

I. Virtues (different virtues for different people); the view of heroic societies:

Society had several distinct hereditary vocations (roles).

Each man and woman was evaluated by how well he or she exhibited the virtues or his or her received role.

In the Homeric account of the virtues -- and in the heroic societies more generally -- the exercise of a virtue

exhibits qualities which are required for sustaining a social role and for exhibiting excellence in some well-marked area of social practice: to excel is to excel at war or in the games, as Achilles does, in sustaining a household, as Penelope does, in giving counsel in the assembly, as Nestor does, in the telling of a tale, as Homer himself does. (p. 187)

II. Virtue (one set of virtues for everybody); the "Aristotelian" view, dominant in the classical period, and adopted by Christianity:

People come to share a common goal -- the good of the community. All prosper when the community prospers and virtue becomes those attributes that promote the common good.

On the traditional Aristotelian view ... education in the virtues teaches me that my good as a man is one and the same as the good of those others with whom I am bound up in human community. There is no way of my pursuing my good which is necessarily antagonistic to you pursuing yours because the good is neither mine peculiarly nor yours peculiarly ... the fundamental form of human relationship, is in terms of shared goods. (p. 229)

III. After Virtue (there no longer is a foundation for virtue); the "post-Enlightenment" view:

The Enlightenment (circa 1600 A.D.) turned loose a critical skepticism. Scientific and theological criticism raised doubts that there was a clear common goal for humanity (a common telos). People rather viewed themselves as individual agents acting to maximize their self-interest, but still needing moral

guidelines for its pursuit. Many of the greatest philosophical minds tried to set up the needed guidelines, but without a clear goal they could not successfully set up rules to attain it.

Pascal ... Hume ... Kant ... Diderot ... Smith  
... Kierkegaard ... All reject any teleological view of human nature, any view of man as having an essence which defines his true end. But to understand this is to understand why their project of finding a basis for morality had to fail... Since the whole point of ethics -- both as a theoretical and a practical discipline -- is to enable man to pass from his present state to his true end, the elimination of any notion of essential human nature and with it the abandonment of any notion of a telos leaves behind a moral scheme composed of two remaining elements whose relationship becomes quite unclear. (pp. 54-55)

What modern moral philosophy is left with is the existentialists' arbitrary leap of commitment: since there is no certainty, simply decide how to live; or more commonly, Nietzschean individualism: each individual exerting his own "Will to Power" in competition with all other individuals. Modern philosophers now debate social contracts and how to establish "justice" in a world of self-seeking individuals (cf., Rawls and Nozick), which MacIntyre argues is philosophically impossible.

So dominant is individualism and the pursuit of self-interest today that there is danger people may soon assume this is the only way they can behave (that they have no choice in the matter) -- and the old ways of duty and service to a common good may be totally forgotten. Barry Schwartz discusses this in



light of modern social science in The Battle for Human Nature (1986).

What characterizes the disciplines of economics, evolutionary biology, and behavior theory is that they are endeavoring to extend [the view that all people everywhere are and have always been, and must necessarily be selfish] to domains of human activity that are presently regarded as discretionary -- domains involving the pursuit and distribution of resources, patterns of mating and child care, patterns of aggression and cooperation, and patterns of social organization. (p. 52)

He argues convincingly that such claims of universal selfishness are false, and society need not suffer them as long as it can maintain a sense of communal balance.

... whether the conditions that promote this kind of human nature are present or not is a matter of discretion, of human decision and control. Whether we want them depends on what we think people should be, on how we think people should act. (p. 52)

As the self-centered view spreads it threatens not only to produce an ever more miserly populace, but may destroy the vestiges of community-mindedness which hold our free democratic society together.

One ironic consequence of this single-minded pursuit of economic interest [doing only what will benefit one's financial interest] will be that the market itself will cease to function effectively. For in order for the market to work, people must make moral commitments to agree on what can be bought or sold, to tell the truth, and to honor their



contracts. In the absence of these commitments, the market will grind to a halt. And as the market grinds to a halt, so will our system of political democracy. Unless people are willing to submerge their individual interests at least some of the time for the common good, we will not be able to afford democracy any longer. (p. 322)

Both MacIntyre and Schwartz are clear in their final recommendations, advising that we resist the sweeping current of individualism, that we return to finding common objectives all can share.

My own conclusion is very clear. It is that on the one hand we still, in spite of the efforts of three centuries of moral philosophy and one of sociology, lack any coherent rationally defensible statement of a liberal individualist point of view; and that, on the other hand, the Aristotelian tradition can be restated in a way that restores intelligibility and rationality to our moral and social attitudes and commitments. (MacIntyre, p. 259)

These developments can be reversed. We can choose to protect significant domains of social life from economic imperialism [making all decisions on financial grounds]. We can insist that institutions like the family, the church, the school, and the state be guided by goals that are not economic. (Schwartz, p. 322)

Finally, sociologist Robert Bellah's bestselling Habits of the Heart (1985), a "cultural history" of modern America, sounds a similar alarm at the spread of "ontological individualism,"

a belief that the individual has a primary reality whereas

society is a second-order, derived, or artificial construct. (p. 334)

and for the good of the nation urges a return to our republican tradition,

The tradition that originated in the cities of classical Greece and Rome... It presupposes that the citizens of a republic are motivated by civic virtue as well as self-interest... and sees its purpose as the attainment of justice and the public good... that which benefits society as a whole... the common good. (p. 335)

(Although the three works cited agree on the necessity of finding a common goal, none of them spells out what this goal should be. For one suggestion, see Chapter Five of this book.)

The point of all this is that popular world views, including notions about the underlying sense to life, have changed: duty to a common cause has yielded to pursuit of individual happiness. Simply assuming the notions of the age one lives in leads to conduct strikingly different on one occasion than on another. And in this case, despite overall progress in civilization, several writers think we have lost ground. We should therefore be cautious and critical when it comes to the power of world view (outlook) and not be blindly swept along with the (sometimes perverse) trends of history. There is great power for good and ill in world view, and if we're smart we will learn to use it to our advantage.

## Example 2:

### Feudal Fiefdoms and Liege Lords

A second example of the powerful (and not always beneficial) influence evolving world views exert on our lives can be seen by comparing the development of world view in the political and workplace arenas. If we look back a millennium or so to the height of Medieval Europe, we see a collection of feudal estates and kingdoms. The structure of political power and of the work force was coincidental. Economic and political power were fused. The enfranchised few (the nobility) had it all, while the vast majority were peasant farmers, serfs, and tradesmen with few rights and opportunities of any kind. The lord of the estate governed policy. He held the right to make all decisions on what to do, when to do it, and who was to do it. He faced no compulsion to be fair or considerate to anyone in his service, and it was nearly impossible to fight back because the lord could punish anyone any time he felt like it. He had no one to answer to, except possibly a superior removed from his immediate position, and as long as the lord was sufficiently subservient to the king (or whomever) he could treat his underlings as he pleased. The underlings may not have enjoyed their position but they learned to live with it.

The situation is similar to that of a playground bully, who because he happens to be bigger, tougher, and meaner than

other children lords it over them and plays by his own rules. Most of us remember such situations from our youth. Fortunately, we grow up and out of them, we get bigger and smarter and the bully loses his advantage. Moreover, as we mature we set up fair rules (cooperative behavior patterns) to eliminate unfair advantage and bullying.

Happily, just such advancement has occurred in the political arena. Indeed, modern western man takes great pride in his political progress. School children are regaled with the story of our political history, from the Holy Roman Empire to independent kingdoms, from the Magna Charta to the American constitution. It truly is amazing. We achieved democracy. People are equal in political power (theoretically). We elect our leaders and can replace them if they displease us. There is a clear notion that leaders are supposed to serve their constituency and, indeed, they try hard to demonstrate this. The majority rules, the minority has rights. There is freedom of speech, belief, and movement. The pride we take in our political progress seems justified.

On the economic scene, systems of production have undergone similar dramatic change, from agricultural estates to our modern wealth of industry. Here too we can be pleased with our progress.

But turning to the structure of the workplace the tale of history is quite different. We outgrew the playground bully and hereditary nobility, but anyone who works in an organization knows we have not outgrown feudalism in the work setting. Organizational behavior shows little change from Medieval patterns. The boss is still liege lord of his fiefdom. All organizational power is concentrated in him; the power to hire, to fire, to give raises, to distribute work assignments. Contemporary American law allows a boss to fire any subordinate any time for any reason (excluding race, religion, sex, or age). There is no division of power or checks and balances as in the political arena. Career success depends more on keeping the boss happy than on being a productive worker since the rewards of work come only if the boss decides to give them. This is bearable only because some bosses are benign and good leaders (but there are good dictators too).

While the head of an organization acts like a feudal lord, workers must learn to accept it. The only right modern workers have above their Medieval counterparts is the right to leave, to quit. But the right to quit is like the right to commit economic suicide. It's not always very helpful. So we learn to play the game, just as peasant farmers did, and just as children at the playground do.

Some workers decide the best defense is a good offense,



and set about to capture a boss-ship for themselves. The enfranchised few do admit a small number of gifted underlings into their group, not quickly or easily, but at great cost to the changeling -- after all, membership in the feudal elite is a prize of great value. Thus the power group co-opts the best talent of the herd to work for them, and to control the herd. The dynamics of this should be familiar to all of us.

Surprisingly, companies typically make little effort to conceal the feudal nature of their "corporate culture." The in-group in the organization, the managerial elite, spends much of its effort distinguishing itself (the superior few) from everyone else in the organization (the inferior many). The managerial elite lets the workers know in many subtle and not-so-subtle ways that the workers are not as worthy as the managers (via nicer offices, special dining rooms, parking privileges, discretion in working hours). They emphasize differences rather than similarities. Workers do not feel proud or potent at work, especially not in the presence of their bosses. They often feel more "outside" the organization than "inside." On the other hand, a few corporations have begun to realize the importance of world view (here = corporate culture) and have consciously set about to replace the feudal outlook with something more positive. The company that does build a positive corporate culture gains twice. First it can instill the positive characteristics it chooses in its employees (such as service,



innovation, and quality consciousness). Such characteristics can be transferred relatively easily. People naturally seek group identity and will adapt themselves to groups whose membership they value. This can be seen in a crowd at a football game and equally in the corporation. It is surprising that organizations do not more often take advantage of this willingness to assimilate group values in exchange for in-group membership. Second, it builds a positive team mentality, thus defeating the feudal mentality. A sense of unity in mission reduces the focus on rank and in-fighting that accompanies any hierarchy and instead taps the power of cooperation that facilitates contribution from all sources (for more on the power of cooperation see Chapter Seven).

Further inefficiencies caused by feudal structures go beyond the obvious blows to morale (and its effect on productivity) of underlings suffering pointless ingratiation. When decisions are consistently made by the boss, subordinates learn to be passive and the organization loses the insight and creativity of those closest to the work situation, the workers. A passive work force in turn requires more management (bosses) which further aggravates the condition (passive serfs need more bosses which makes the serfs even more passive) and adds to overhead (bosses are overhead), thus reducing corporate profitability.

Middle management has its own problems based on feudal

structure. This is because the middle manager typically has different goals than others in the organization (goals that are more feudal). Both the first line worker and upper management tend to understand the goal of their work as production of the best possible product and provision of the best possible service to the customer. Middle management, on the other hand, is often more concerned with its hierarchical status and opportunities (feudal advancement). It tries hard to present the image of running a smooth operation, which means ensuring that subordinates keep a low profile, controlling the flow of information ("don't let your subordinates talk to your superiors"), keeping expenses down at all costs, and looking better than the guy in the next office. These goals unfortunately do not contribute to better products or improved service.

In fact, the structure and atmosphere advocated by business "experts" for optimal productivity is just the opposite of feudalism. Recall Kanter's five principles for a productive organization (as reviewed in Chapter One).

- Encouragement of a culture of pride
- Enlarged access to power tools for innovative problem solving
- Improvement of lateral communication
- Reduction of unnecessary layers of hierarchy
- Increased and earlier information about company plans

(The Change Masters, p. 361)

This sounds like creation of a workplace structure analogous to what has developed in the political arena.

Following up on this analogy, we can ask: if Medieval politics evolved into modern democracy, what might we imagine as the analogous evolution of the feudal work setting? That is,

Medieval politics      →    modern democracy

Medieval work place   →   ??   (the post-feudal work place)

perhaps                = "the Enlightened Corporation" ?

Whatever this workplace analog to democracy might be, it will certainly involve greater employee enfranchisement -- more participation in running the corporation and in sharing its rewards. We can expect a variety of forms. Just as each living democracy of the world has developed its own constitution and forms of government, presumably each "enlightened corporation" will similarly develop its own expression of full worker involvement as it moves to tap the full potential of its work force.

Increased enfranchisement of employees (in power and profit), however, must be matched by increased employee commitment. Worker restraint and vigilance must rise to the level of company enfranchisement. The situation is exactly analogous to the political arena -- democracies are extremely

difficult to maintain. Citizens must be ever vigilant and willing to place the commonwealth before their own immediate interests for the nation to survive. Many third world countries gained independence in the last 30 years and began nationhood as democracies with impeccable constitutions, but almost every one has lapsed into dictatorship of some sort. Similarly, Eastern Block citizens who migrate to the West often find the transition to freedom and responsibility quite difficult. This means, the post-feudal workplace must find people with a special vision. Responsible, committed men and women will be needed to populate the enlightened corporation.

Recognizing the difficulty in establishing and maintaining a democracy we should feel extremely grateful to Thomas Jefferson and company for the remarkable service they have done us. To understand just how difficult it is to establish a free and autonomous entity (a free nation, or a company with enfranchised employees) ask yourself how you would act if you suddenly inherited a feudal estate. Could you manage to share?

The point of all this is that world views concerning the political and workplace arenas have not changed equally. Social development in the political arena has not been matched in the workplace. Politically we became democratic, egalitarian, and laden with rights, while at work we remain feudal and subservient to the whims of our lords (a condition that hinders

the most important goals of a corporation). This is significant for the individual because so important an expression of one's life could be more rewarding. It is significant for business because the full potential of employees is not being tapped. And it is significant for society because it interferes with overall prosperity and excellence of our age.

Again, the historical currents of world view powerfully influence the structures of our world, but their flow and evolution have not benefited us equally in all areas. We should be careful in our assumptions, not everything need be as it is.

Realizing the disequilibrium between modern work and politics it is natural to wish to bring the workplace up to the same level of sophistication as the political arena. One's first inclination might be to design corporate rules that run along democratic principles. Unfortunately, this approach could easily fail because of the simple truth: you can't legislate democracy into existence (remember the failed democracies of the third world). Democracy and its workplace equivalent must be and can only be founded on the internal character of its citizenry (or its employees). You need people with a certain outlook (feeling potent, destined, and cooperative) in order to build an excellent enterprise; whether political, corporate, economic, or historical (see Chapter One). It is the creation of the proper internal



outlook and world view that then lead to the proper external structures. Indeed, in the American experience it was enlightened Americans who created the United States of America, not vice versa. The best policy therefore is to concentrate on building the proper character and outlook in the selected population, to harness proactively the powerful force of world view towards our constructive ends.

### **BUILDING THE INCUBATOR**

Feelings of potency, destiny, and goal sharing act as an incubator for the human spark that produces excellence. They encourage insight, innovation, and inspiration. But how can people be made to feel this way? It is not the nature of these sentiments to be taken on and believed all by themselves. They need a foundation, a basis. It is difficult, for example, to convince a person to believe he is capable without some supporting evidence. Fortunately, there are supporting views that can easily be maintained on their own merit. We shall argue for four such elements of world view that make the desired outlook an entirely obvious and believable conclusion.

Specifically, if a person understands the subjects of time, power, wealth, and maturity in certain ways the desired outlook will be the natural result. Towards that end it will be shown that



Time behaves in a specific manner. It is not steady, static, or repetitive, but is moving along in a particular direction at a quickening pace (but with no guarantees). History is the story of time and we are the players who can participate in unfolding its drama.

Power (social power) is accomplishing things with people. One can exert power by coercion, force, and dominance or by cooperation and goal sharing. There is far more power among modern men and women in the latter.

Wealth is what makes us rich, and is what we desire. Wealth used to be exclusive and competitive, but today new kinds of far greater wealth are attainable, and more so when they are shared.

Maturity. There is such a thing as personal growth continuing on into adulthood. Moving along in the process produces wisdom, insight, serenity, and the ability to do what one knows is right.

Separate chapters expound each view fully.

The important steps are quite easily taken. A person can be led to the proper mental environment without having to understand just how these views eventually produce excellence, or, for that matter, even knowing he is the target of excellence production. It also is the case that the effect of accepting these opinions is so direct that they would produce the desired mental environment even if they were not true in themselves

(though they, in fact, seem quite correct). Consequently, we can get the ball rolling by simply analyzing the views and convincing others of them. This makes implementation of the incubator for excellence quite attainable.

### Chapter III

**NOTE:** Discussion of the success-producing views begins in Chapter Four. Readers who are interested strictly in exploiting these outlooks in pursuit of success should move directly to that chapter (p. 65).

The present chapter relates these same views to the history of philosophy and civilization's intellectual tradition. It is significant for readers who care about understanding the nature of the world and knowing the labels of its various descriptions.

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## A PRAGMATIC PHILOSOPHY OF BUSINESS

### Shifting Gears:

#### The "Role of Outlook" and "Philosophy" as Objects of Study

Up to now we've seen how a person's outlook is the "closest controllable cause" of his or her success. Such examination of cause and effect between outlook and outcome is a straightforward empirical study. Whatever is found causing success can be recommended in its future pursuit, though a success-producing view is not necessarily an accurate view -- children who believe in Santa Claus might be the best behaved, but there still is no Santa.

When we talk about building a philosophy we are interested instead in constructing the most accurate outlook possible. Curiosity is the motive rather than a simple appetite for success. It is the difference between a theoretician's sense of the underlying and a practitioner's rules of thumb. And perhaps most important, we not only seek success but also

question what real success might be.

## **Pragmatism and pragmatism (big P, little P)**

### **The Philosophical and the Expedient**

The word "pragmatism" has two meanings: by a strange coincidence it 1) can be applied to the empirical side of our discussion ("if it works, do it") and 2) is the formal label for the intellectual movement in which we shall locate our philosophical foundation.

Ordinary pragmatism describes "a practical approach to problems, often to the exclusion of idealistic concerns." A pragmatic proposal is a no-nonsense, just get-the-job-done proposal. Exploiting advantageous outlooks in pursuit of success is, in this sense, a true pragmatic concern. We call this pragmatism, with a little P.

"Pragmatism" is also the name of the American school of philosophy championed by William James and John Dewey in the early twentieth century. We call this Pragmatism, with a big P. It is usually distinguished by its understanding of "truth" (see below), but for us its real contribution is its re-aligned attitude towards the use and purpose of intelligence in life.



## The Function of Intelligence

I knew a boy long ago whose father, when he became angry with him, would say: "Why don't you use your head for something besides a hatrack?" The poor kid hated the comment. But what is the proper use of our heads? What should we think about? What is the purpose of intelligence, anyway? This subtle subject has a huge effect on how we live our lives.

Different men and different times supplied differing patterns for applying intelligence, as reflected in the history of philosophy. The first of several schools regarding function arose with the founding of formal philosophy in Classical Greece. We call this the Platonist view (following Rorty, 1982). The premise of Platonism is that only "Truth" is worth thinking about, and since Truth must be perfect and eternal, and since the physical world is flawed and continually changing, Truth cannot be about it or found in it. It exists rather in the unchanging, invisible, and transcendent world of the soul (mind, spirit). The everyday physical world is less real and less important. The goal for the philosopher (and philosophy in general) then is to track down and decipher the elusive Truth. Its rules are to shun over-involvement in worldly, temporal affairs while growing wise in abstract, "other-worldly" wisdom. The motivation is to learn about Truth in order to come into alignment with it, and perhaps, contemplating Truth is itself the sole worthy activity.

Christianity picked up on this "other-worldly" tradition. The spiritual world was considered more real than the physical world, which was simply a corrupted "veil of tears" to be endured. Meditation, prayer, and withdrawal were encouraged; worldly involvement was not. Unfortunately, this view does not lead to much progress, and for well over a thousand years the world barely changed.

The next approach to philosophy, called Positivism or Empiricism, arose with the Enlightenment (around 1600 A.D.), with the birth of science and rapid growth in learning. The heirs of Galileo began to discover how to describe physical events with elegant mathematical and scientific laws. The material world didn't seem so flawed after all. Eventually, a school of philosophy appeared insisting that observable events are the only true reality, that the "other world" of Platonism is, in fact, the unreal world. Truth is still encapsulated in some (as yet unknown) unified principles -- only it is to be found in "this world" instead of in a higher world. Truth is still the goal of intelligence. Platonists seek it by logic and speculation, Positivists by scientific investigation. The motivation for seeking Truth also remains the same: understand Truth in order to know how to act, or simply seek Truth for Truth's sake (Truth is its own reward). Science became religion.

Positivists (like Platonists) are spectators. They gaze

upon the world, seeking true reality by observation and contemplation.

Pragmatism, a third approach to philosophy, appeared in America around 1900. It sees a quite different function for human intelligence, beginning with a different premise. Instead of assuming a grand Truth "out there" waiting to be discovered (all the previous centuries of thought and research haven't found it out -- maybe it's time for more modest and useful pursuits), it takes the world as we experience it, as a plurality of conflicting forces and events. It says, here is the world and here we are; now let's make the best of the situation as best we can. There is more humility in its approach and in its claims. And so, a Pragmatist calls a statement "true" when it works (hydrogen and oxygen produce water, democracy is an effective form of government) rather than when it corresponds to a transcendental Truth or underlying principle.

The goal of Pragmatic philosophy is to learn as best as possible how all the things of our experience hang together, and the motivation is simply to live the best lives we possibly can. That is, we try to make sense of the world (we do philosophy) in order to discover how to live the best possible lives.

[Pragmatism's] categorical imperative is to inquire, to reason together, to seek in every crisis the creative devises and inventions that will not only make life fuller and richer but tragedy bearable.

(Hook, Pragmatism and the Tragic Sense of Life, 1974, p. 19)

While Platonism and Positivism assume the world is eternally established and that we (the few philosophers or scientists) are observers seeking its hidden meaning, Pragmatism sees the world as unfolding. And rather than mere spectators, we (all the people) are also participants in its unfolding -- we help create new reality by our efforts, a view confirmed by history. Progress is a genuine possibility, and any worthwhile philosophy must take account of it, and encourage it.

... for rationalism [the tendency of Platonism and Positivism] reality is ready-made and complete from all eternity, while for pragmatism it is still in the making, and awaits part of its complexion from the future.

(William James, Pragmatism, 1907, p. 123)

It is as if

the world's author put the case to you before creation, saying: "I am going to make a world not certain to be saved, a world the perfection of which shall be conditional merely, the condition being that each several agent does its own 'level best.' I offer you the chance of taking part in such a world. Its safety, you see, is unwarranted. It is a real adventure, yet it may win through. It is a social scheme of co-operative work genuinely to be done. Will you join the procession? Will you trust yourself and trust the other agents enough to face the risk?"

(James, p. 139)

Finally, Pragmatists insist that using intelligence to make life good should include making life fun (pleasant and

rewarding).

Why then should it be thought that one must take his choice between sacrificing himself to doing useful things for others, or sacrificing them to pursuit of his own exclusive ends ...?

... it is the particular task of education at the present time to struggle in behalf of an aim in which social efficiency and personal culture are synonyms instead of antagonists.

(John Dewey, Education and Democracy, 1916, p. 122f)

Platonists use their heads (their intelligence) to think about higher, transcendental matters: Positivists exercise their brains searching for Truth in observable events; while Pragmatists reason things out to make people's lives as full, and as rich, and as enjoyable as possible.

### **Pragmatism in the Real World**

When Pragmatism became popular in the early part of this century it had a major impact not only on academic circles, but on all of American life. Moral philosophy (the study of how people ought to act) was no longer the interpretation of divine commands, nor the search for general principles to serve as surrogates for such commands, but the "application of intelligence to social problems." (Rorty, p. 63) A whole generation was taught that its effort could help improve the nation's well-being. The social sciences were created to improve the lives of all citizens, and so our universities



incorporated a half dozen new departments. William James and John Dewey had a tremendous effect on the development of schools of psychology and education, from which we still benefit today. Intellectuals and academics used their brain power actively for the betterment of us all. This is a big distinction to the present role of the philosopher as a non-participant in society, the effete wise man who observes from afar.

The critical use of intelligence extended to many areas of life, including political commentary. In the 1930s when most intellectuals and liberals were Soviet sympathizers because of socialism's "noble intentions," it was Pragmatists who preserved political morality by speaking up and denouncing Stalinism. (See Sidney Hook's autobiography, Out of Step, 1987.)

After World War II American academic philosophy unfortunately took a different turn. The fad of logical positivism (a form of Positivism) swept through our universities, suggesting that philosophy could at last be made into a science with hard and fast rules and uncontestable findings, like physics and chemistry. A limited number of "philosophical problems" were identified and new analytical techniques proposed to settle them once and for all. The more humanistic and immediate concerns of Dewey and James were set aside. Philosophy's attempt to become a science eventually faltered and by the mid-1960s was pretty well



abandoned. At present, American academic philosophy maintains its capability for sophisticated analytic argument, but is without a consensus agenda or direction. Some are advocating the re-examination of Pragmatism.

### **Pragmatism Fits Business**

Pragmatism is a good approach for building a philosophy of business. 1) Business activity is real and immediate -- it is definitely not "other-worldly." 2) Business conditions and practice are changing all the time. They are part of the evolving world our actions help create. 3) The goals of business are congenial to Pragmatism: arrange things so we can have rich, full lives.

Indeed, Pragmatists, believing a philosophy of life should integrate all life's interests and activities, argue that business activity be given a central position. Dewey supports this concern when he asks (facetiously)

What does one expect from business save that it should furnish money ...? How unreasonable to expect that the pursuit of business should be itself a culture of the imagination, in breadth and refinement; that it should directly, and not through the money it supplies, have social service for its animating principle and be conducted as an enterprise in behalf of social organization!

(Dewey, p. 247f)

This is a call for intelligent men and women to express their

concern for humanity and aspiration for meaning through the world of business -- an exciting challenge.

**Summation: It's in the Attitude**

Every philosophy contains an attitude towards the purpose of intelligence in life. Such attitudes affect how we live our lives (whether we are professional philosophers or not), and can lead to drastically different conduct.

The history of philosophy shows two contrasting attitudes.

I. The first is shared by Platonists, Positivists, and much of the general population. Its main tenets are:

- we are spectators looking on the world
- the world is eternal and unchanging
- discovering the "Truth" about the world is what's important
- real philosophical inquiry can be done only by an elite corps of wise men
- business is not an important area for concern: it merely supplies sustenance for life

II. The second attitude is shared by Pragmatists and most progressive-minded men and women of today (even if they aren't formally trained in philosophy).

- we are participants living in the world
- we help create the unfolding reality of the world by our efforts (our intelligent direction)
- living the best and most fulfilled lives is what's important
- everyone can and should be involved in this pursuit (up to his or her level of ability)
- business is an extremely important area of concern: it is important for improving our lives in the products and services it produces and in shaping our experiences "on the job"

The Pragmatists' attitude conforms most closely to actual events and undoubtedly offers the best hope for building a better tomorrow. The Pragmatists' attitude is to be preferred.

#### **A Framework for the Philosophy of Business:**

##### **The Constellation of Issues**

Several issues arise in making sense of the business world. Moving from the more individual to the more social we identify five levels of concern.

←--- more individual / more social ----→

SPIRITUAL - PERSONAL - \*BUSINESS - ECONOMIC - POLITICAL

Spiritual: spiritual in the broadest sense (not necessarily religious), referring to one's underlying sense of existence, one's sense of the point to life.

The chapter "Making Sense of Life (& Business)" is on this level.

Personal: our notions of how an individual life functions.

Life has a beginning, a middle, and an end -- it is important to have a sense of the human condition as we pass through it.

The chapter "On Maturity" discusses this in light of recent research.

Business: how corporations and various enterprises work -- the obvious heart of any philosophy of business.

The chapters "On Wealth" (how wealth is created) and "On Power" (how people work together to accomplish things) discuss the two key ingredients in a business enterprise. The subject of the chapter "On Time" (understanding the rhythm of the world) is so pervasive that its message applies to all levels of this philosophical construction.

Economic: the system of businesses operating as a whole.

The chapter "Debating the American Way of Business" discusses this level of our philosophy.

Political: referring to the total human system. This is mentioned as an upper bound to our inquiry and is not discussed separately.

This framework for a Pragmatic philosophy of business is filled out in the following chapters. Happily, it shares the advantages of all Pragmatic philosophies, providing a means to understand the world and also to improve it -- both worthy goals.

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## Chapter IV

### ON MATURITY

A little boy asked his dad,  
"When will I be really grown up?"

Maturity concerns human fulfillment and the nature of the life cycle we all share. What does it mean to have the fullest life possible? -- to get the most out of life? And, how does this fulfillment relate to one's input on the job? --and one's job to fulfillment?

The dictionary defines maturity as being ripe or complete. A piece of fruit is mature when its seeds are fully developed, a chicken when it lays eggs regularly, and an industry when it produces steady profits. But completeness or ripeness in men and women is not so clearly understood (it certainly is more than sexual maturity). Contemporary culture tends to focus rather on pursuit of the "good life," which in the Western world means

having lots of money and little obligation, and is defined by adolescent desires for external goods (fun toys, sexy partners, and exotic vacations) rather than internal substance. Higher callings, deeper meanings, and opinions about anything more to life remain on the fringes of popular consciousness.

Yet, we do have the word "maturity" and some notion about what it means. Everybody knows that self-restraint is more mature than throwing a tantrum. Some people use synonyms like "sensitivity" (being sensitive to oneself and to other people) or "a together person" (there is a sense of pulling together the various parts of life and making sense of them). Another good word is "poise." We all probably know people who are sensitive, together, and poised. If we think of them we can perhaps imagine additional descriptions and begin to focus on maturity itself.

### **Two Approaches to Maturity**

Human maturity can be defined in two ways. First, since it implies fulfillment (ripeness in fruit, egg-laying in chickens, stable profits in industry) one could simply identify the fulfilled condition of personhood as maturity (say, being in tune with the cosmic purpose). A person then becomes mature as he or she grows into this fulfilled condition.

The second way to define maturity is to describe actions and attributes that go along with it. A person then becomes mature

as he or she acquires these attributes and demonstrates these actions (say, controls his emotions and succeeds in tough situations). Of course, the two approaches to maturity are compatible and can be two sides to the same coin: one representing the internal state, the other its external evidence.

### **A Fulfilled Condition of Personhood?**

Clearly, a life can be more (or less) filled out, it can achieve more (or less) of its potential. When death comes to a child, for example, it tragically is stopped short of reaching its full potential. Even adults who survive into the normal years of old age may differ in the degree of their potential they realize. Poverty, handicap, or even their own choices may prevent their full development.

Obviously, maturity (completeness) is better than immaturity (incompleteness). If a bird is born with wings it makes sense that it should fly. You don't buy a car to store it in a garage. There is a natural inclination (philosophically and emotionally) to seek one's fullest potentials, to be as mature as possible. The first step is to understand what fulfillment or the goal of life might be.

## The Question of a Goal to Life

A goal can be understood in several ways. It can be something that can be achieved once and for all like reading a book, traveling to some destination ("Oregon or bust"), or earning a college degree. Once the book is read, the destination reached, or degree received the goal is accomplished and possessed. Second, a goal can be something achievable but easily lost, such as being in top physical condition, or a sports champion (every game brings a new test). The effort that attained such goals must be continued unremittingly. A third type of goal is an objective which is aimed for but never reached. An artist may try to paint the perfect picture or write the ultimate masterpiece, and a gymnast tries for the perfect routine. Such perfection is pursued even though it is never attainable. Part of the joy in art is the quest for ultimate achievement. A fourth type of goal focuses simply on doing better. Racers try to go faster. Architects design taller buildings. Science expands its frontiers. One can always do better.

A fifth and final type of goal sees an objective grander than personal fulfillment. The purpose of the individual then is to become aligned with and support that objective. For example, if one's grand objective is to serve God, raise a family, or be a good citizen, he becomes mature by arranging his life to support that purpose. Anyone who identifies interests

more important than a single person needs a concept like maturity to represent the state of being in tune with it.

Happily, it is possible that some or even several of these types of goals coincide. Maturity could both be achieved once and for all (one stage at a time) and yet always offer a higher stage to be accomplished, thus being never completely attainable. It could be in line with a grand purpose and simultaneously be the fullest and most enjoyable individual state.

(Though it is necessary to settle on an opinion about the meaning and purpose of life in order to define maturity fully, we will not pursue the matter further until we investigate maturity from other angles. See Chapter Five, "Making Sense of Life (& Business)," for a suggested perspective.)

### **The Many Attributes of Maturity**

The second approach to defining maturity is to describe the actions and attributes that reflect it. This is always clearest on the low end of the spectrum -- that is, among children.

There are at least three criteria for judging maturity in children; 1) how much has the child learned about how the world works? 2) how well has it learned to control its passions? and 3) how big a picture does it consider when deciding on actions?

Expertise in these areas produces maturity. A child begins life with innate motivations to eat, be comfortable, and attended to. At first these are its only concerns, but as it grows (matures) it learns greater joys in play, imagination, independence, and interaction. It learns how to take on (to grow into) its role as a fuller human being. It learns how to be a part of society, to contribute, and to take joy in higher rewards (appreciating friends and family, love and giving, and the satisfaction in a job well done). As one hurdle is passed a new dimension of life presents itself. The struggle moves from physical mastery to emotional mastery, to philosophical direction. Each presupposes success at the preceding level and each must be mastered in turn. In other words, self-direction evolves into quite new and more sophisticated issues as a person matures.

Though various aspects of maturity may be individually distinguished they are not entirely distinct. They interrelate and support one another. For example, emotional maturity will make a place for discipline and learning. Being learned and intelligent in turn will lead a person to value emotional control and construct a healthy philosophy of life. A healthy philosophy of life will balance the interests of self, family, and others.

### **Emotional Maturity**

The first thing a conception of maturity is likely to bring to mind is emotional stability. The person who seems in control



of him or herself, and who is not overly dismayed by the unexpected appears mature. Such people seem to have one eye on the big picture of life and how they fit into it, and this knowledge calms their emotions.

Similarly, most conceptions of maturity include not being overly selfish or self-centered. Indeed, principles of mature conduct often call for action far in excess of what is fair or what anyone could demand of another. Mature people are charitable and giving, they go the second mile. They do more than is required of them, they give more than they receive. Somewhere along the path to maturity comes the realization that it really is more blessed to give than it is to receive.

Parents, for example, often give more to their children than society demands, and many people give extensively of their time and talents to churches, civic groups, schools and other institutions. Even employees often work harder and longer than required because of their commitment to a job well done. Our civilization owes a great deal to such people.

### **The Importance of Intelligence**

Reflective thought is both part of our potential (we are homo sapiens, "thinking" man, after all) and the primary tool for identifying and pursuing our full potential. That is, maturity is only attained with the help of the mind.

As might be expected, the greatest hindrance to effective thinking about the mature life is simple neglect of the subject. There are so many voices calling in the world that one couldn't possibly listen to them all. The danger is that we might miss the important issues altogether while becoming an expert in some trivial corner of life (missing the forest for the trees). It is therefore important to decide (to think about) the important issues of life before allocating our limited supply of time and attention among them. Certainly, the form of the best possible life and maturity are among these priority subjects. To an extent everyone must be somewhat of a philosopher (that is, develop powers of reasoning and judgment, the savvy to know where to look for information, and who to trust).

### **The Ineffable Side of Maturity/The Crown of Life**

There is an additional element of maturity that is difficult to describe. This is the feeling of satisfaction that comes with growing maturity, the feeling of rightness, the sense of being in tune. Although it is clearly a by-product of fulfillment rather than its objective, it makes attainment of maturity its own reward.

There are several possible sources for this sentiment. It could be the natural endpoint of our innate dispositions. Feelings of rightness and attraction that we sense at various times could be just our instincts at work, it might be the way we

are programmed, as with the drives and satisfactions of parenting. Or it could have something to do with learning to coordinate the left and right hemispheres of the brain, the calculative and the intuitive parts of our being. Or it could be the result of a transcendental force (God, the oversoul, or whatever) that is having some effect upon us. The force may be calling to us, it may be influencing us to work out its divine destiny, or we may be struggling to join it. Many religions and philosophies postulate just such a cosmic force that draws us towards itself and into conformity with its principles.

As these positive sentiments appear their opposite diminishes -- feelings of rootlessness, of franticness, feelings of missing the point to life, of being adrift, worrying for what may happen tomorrow, a lack of peace of mind. In fact, the calmness and sense of security are themselves often taken to represent maturity. Even a child who is secure in itself and not troubled by whatever may occur is counted as mature.

#### **VARIOUS PROPOSALS ON MATURITY**

Despite its general neglect, there are several existing views on maturity. One familiar pattern is the guru. A guru is an expert, a master, someone of high achievement and insight. A person could be a guru in a particular field (such as a guru of technology) but most often is someone with broad expertise, an

expert on life and living. Guruship implies a certain disposition. A guru has achieved a sublime state, has gained insight into the self and the nature of life to the point where he or she is at peace with self and the world. Gurus are kindly, they suffer the naivete of the less insightful, but are stern with improper motivations. Gurus are teachers and mentors. They take learners under wing and guide their progress. They are role models and patterns for learning. People are attracted to them, they want to learn from them, to be like them. They quiet the unpleasant emotions of strife, contention, jealousy, and insecurity.

A similar pattern is the oriental master demonstrated by schools of martial art. A person progresses through stages (brown belt, yellow belt, black belt) until he reaches the highest level, after which he may become a master, someone who is revered and sought out for instruction. These masters are honored for more than their mastery of the martial arts, their wisdom is seen as extending to all areas of life. Indeed, some of the martial arts are more a philosophy of life and way of living than a form of combat. The master guides his pupils along the path towards his own wisdom.

Concerning more academic treatments, Erik Erikson (The Life Cycle Completed, 1982) notes how recently the stages of life have come under study.

... a look back on this century's last few decades makes it clear that old age was "discovered" only in recent years -- and this both for theoretical and historical reasons -- for it certainly demanded some redefinition when an ever-increasing number of old people were found (and found themselves) to represent a mass of elderlies rather than an elite of elders. Before that, however, we had come at last to acknowledge adulthood as a developmental and conflictual phase in its own right, rather than merely the mature end of all development ... Before that (and then only in the sixties, a period of national identity crisis dramatically reflected in the public behavior of some of our youth), we had learned to pay full attention to the adolescent identity crisis as central to the developmental dynamics of the life cycle ... And as pointed out, it had not been before the midcentury that the child's "healthy personality" and all the infantile stages discovered only in this century really became the center of systematic national attention. (p. 9)

In other words, psychological appreciation of the life cycle, especially its more mature stages, is quite new. For his part Erikson sees the life cycle as a fixed sequence of stages (the same for everybody), each with specific tasks and issues. Though the sequence of stages is constant the actual ages (in years) of people at each stage varies widely. (p. 67)

VIII	Old Age	IV	School Age
VII	Adulthood	III	Play Age
VI	Young Adulthood	II	Early Childhood
V	Adolescence	I	Infancy



The main challenge of adulthood is "generativity (procreativity, productivity, and creativity) versus self-absorption and stagnation." For old age it is "wisdom versus despair."

Daniel Levinson's The Seasons of a Man's Life (1978) takes up the study of adulthood, focusing on when life changes occur and which subjects are addressed during each period. Levinson sees an alternating pattern of stability and change in men's lives (women were not studied). At specific ages (the same for all men in his scheme) men must deal with definite psychological issues (such as, acceptance of personal mortality) and settle on opinions and patterns of conduct for use in the next period of stability. Although Levinson distinguishes his scheme of universal periods of transformation and stability from "psychological maturity [which] find considerable variability in the ages at which particular changes occur" (p. 318) he points out

that the periods occur in a fixed sequence... there are no short cuts or alternative routes... In the present, if [a person] is to find some satisfaction and create a basis for life in the next period, he must deal with the current developmental tasks. (p. 319)

This means that though the periods are universal people do not pass through them equally. Some men fail to make progress, while others move on with ease. How well one handles the "developmental tasks" of each life stage affects his level of



maturity.

Harvard psychologist Lawrence Kohlberg has proposed one of the most thoughtful theories on development of the human psyche (Essays on Moral Development, Vol. I: The Philosophy of Moral Development, 1981), focusing specifically on moral reasoning -- how a person decides the right thing to do (a subject quite close to maturity itself). He identifies six stages of moral reasoning, depending not on what a person decides but rather on how he or she analyzes the problem.

A. Preconventional Level

Stage 1. Punishment and Obedience Orientation

The physical consequences of action determine its goodness or badness.

Stage 2. Instrumental Relativist Orientation

Right action is what satisfies one's own needs.

B. Conventional Level

Stage 3. "Good Boy-Nice Girl" Orientation

Good behavior is that which pleases or helps others.

Stage 4. "Law and Order" Orientation

Right behavior consists of doing one's duty, respecting authority, and maintaining social order.

C. Postconventional Principled Level

Stage 5. Social Contract/Human Justice Orientation

Right action consists in individual rights and socially agreed upon standards.

Stage 6. Universal Ethical Principles Orientation

Right is defined by conscience and self-chosen ethical principles. (p. 379ff)

As with earlier schemes, his stages come in a fixed and unalterable sequence. The attainment of one level allows one to begin to understand the next. It is not possible to understand decision making at two or more stages ahead of one's status. Moreover, most people, even as adults, never move past Stages 3 or 4. Kohlberg estimates that as few as 5% of all adults ever reach Stage 6. He quotes one sympathizer who argues that the absolute minimum age for attaining Stage 5 (in his parallel scheme) is 30 years old, and for Stage 6 is 40 years old -- and that's only for the precocious. (p. 330ff) One advances through the stages by gaining experience, associating with more thoughtful people, and primarily by deepening one's level of reflectivity: "a given type of moral theory requires a given level of reflectivity." (p. 223)

The philosopher's justification of a higher stage of moral reasoning maps into the psychologist's explanation of movement to that stage, and vice versa... the developing human being and the moral philosopher are engaged in fundamentally the same moral task. (p. 195)

Turning to the classical tradition, Confucius says:

At 15 I set my heart upon learning.

At 30 I had planted my feet firm upon the ground.

At 40 I no longer suffered from perplexities.

At 50 I knew what were the biddings of heaven.

At 60 I heard them with a docile ear.

At 70 I could follow the dictates of my own heart; for what I desired no longer overstepped the boundaries of right.

Solon the Athenian lawgiver divided life into seven year stages,

- 0-7 A boy at first is the man; unripe; then he casts his teeth; milk-teeth befitting the child he sheds in his seventh year.
- 7-14 Then to his seven years God adding another seven, signs of approaching manhood show in the bud.
- 14-21 Still, in the third of the sevens his limbs are growing; his chin touched with a fleecy down, the bloom of the cheek gone.
- 21-28 Now, in the fourth of the sevens ripen to greatest completeness the powers of the man, and his worth becomes plain to see.
- 28-35 In the fifth he bethinks him that this is the season for courting, bethinks him that sons will preserve and continue his line.
- 35-42 Now in the sixth his mind, ever open to virtue, broadens, and never inspires him to profitless deeds.
- 42-56 Seven times seven, and eight; the tongue and the mind for fourteen years together are now at their best.
- 56-63 Still in the ninth he is able, but never so nimble in speech and in wit as he was in the days of his prime.
- 63-70 Who to the tenth has attained, and has lived to complete it, has come to the time to depart on the ebb-tide of Death.

Plato published a plan for developing the best citizens into "guardians of the state" in Book VII of The Republic. It too proceeds in stages according to years of age but differs in that each stage is more exclusive and includes a smaller number of people. Successive stages apply only to those selected to advance, all others are left behind.

0-20 years old: General education in athletics, numbers, music, sciences, and military for all children.

20-30 The most able are selected and promoted to a higher order of education where the same subjects are studied, but at a deeper level. Interrelationships and critical evaluation are stressed.

30-35 The most able from the previous level are selected to study philosophy (the big questions in life) exclusively for five years. The emphasis is upon seeking truth, and not philosophizing for amusement or simply to confound another's argument as those with less character (maturity) and equal critical ability are likely to do. The study of life's big questions has been postponed to this relatively late age because it requires "greater moderation of character" found only in older students.

35-50 All are sent back to the common vocations of life (military, civil, and commercial positions) together with the rest of the population. "In this way they will get their experience of life, and there will be an opportunity of trying whether, when they are drawn all manner of ways by temptation, they will stand firm or flinch."

50 and upwards. Those few are selected who "have distinguished themselves in every action of their lives and in every branch of knowledge ... the time has now arrived at which they must raise the eye of the soul to the universal light which lightens all things, and behold the absolute good."

By this point in their lives they should have developed special insight into life (maturity). Using this insight they are to make "philosophy their chief pursuit, but, when their turn comes, toiling also at politics and ruling for the public good, not as though they were performing some heroic action, but simply as a matter of duty." These select few are to become "philosopher kings" guiding the public good out of their special insight. These men and women take control of their city not as a privilege but rather as a duty and responsibility, for by this time they know more serene pleasures than being kings. Finally, "when they have brought up in each generation others like themselves and left them in their place to be governors of the State, then they will depart to the Islands of the Blest."

Earlier in Book VII Plato describes the process of enlightenment (maturation) in the Parable of the Cave. In this famous allegory mankind is imagined as living in an underground cave, bound hand and foot. All that can be seen are shadows on the wall and all that is heard are echoes. Through education, enlightenment, and reflective thought a person is able to break his bonds and gradually venture out of the cave and into full daylight. The process is slow, perplexing, and painful, but eventually the person can see the world as it really is.



You will not misapprehend me if you interpret the journey upwards to be the ascent of the soul into the intellectual world... my opinion is that in the world of knowledge the idea of good appears last of all, and is seen only with an effort.

The insight of the ultimate good is

the universal author of all things beautiful and right... and the immediate source of reason and truth... this is the power upon which he who would act rationally either in public or private life must have his eye fixed.

Those who have attained this greater insight are not likely to want to return to the cave and deal with the petty interests of unenlightened men and women. But because of duty and obligation

they must be made to descend again among the prisoners in the den, and partake of their labors and honors whether they are worth having or not.

Though the enlightened few delight most in their newly discovered higher life they understand the need for service to their city and fellow citizens. It sounds like the life of the guru or oriental master.

Aristotle in his Ethics describes the best life and the source of ultimate "happiness" (or "blessedness") as acquiring all the virtues in their proper amount (prudence, generosity, kindness, etc.) which culminates in the perfection of our

highest virtue, and this will be the virtue of the best



part of us. Whether this is the intellect or something else that we regard as naturally ruling and guiding us, and possessing insight into things noble and divine... it is the activity of this part, in accordance with the virtue proper to it, that will be perfect happiness. (Book X.vii)

He argues that these issues are best approached in mid-life.

... a young man is not a fit person to attend lectures on political science [or on the ultimate objective to life] because he is not versed in the practical business of life... It makes no difference whether he is young in age or youthful in character; the defect is due not to lack of years but to [lack of] living... (Book I.iii)

He goes on to say that those who strive for perfection retain responsibility to their fellow citizens to partake in daily activities and promote the welfare of all.

Finally, Janet Hagberg (Real Power: Stages of Personal Power in Organizations, 1984) presents an intriguing analysis of maturity with an eye towards organizational management. She lists six stages of personal power (maturity) which must be passed in sequential order. She too claims that very few people ever reach the top of the six step ladder; most of us end our personal journey somewhere in the middle.

Stage One: Powerlessness (lacking all maturity)

This stage holds people, including adults, who have no power in their lives, not even over themselves.

Stage Two: Power by Association (learning the ropes)

Here people associate with and benefit from groups who have power (maturity), whether it be bosses, schools, cliques, or whatever. They derive their substance from the group.

Stage Three: Power by Symbols (tasting external success)

Here people enjoy worldly success. They earn academic degrees, get professional positions, earn salaries, buy cars and houses. This stage represents fullest human attainment (maturity) as it is most commonly (though falsely) understood.

Stage Four: Power by Reflection

Here people begin really to think about things, to question what they readily accepted before, to ask why they do what they do and what the point of it all is. If stage three is worldly success, then this is the reassessment after the success. Why do I want these toys? What is the point of living my life as I do? Often a mid-life crisis will induce stage four.

Stage Five: Power by Purpose

As a result of sufficient life experience and reflective effort people by this stage have formed an opinion on the meaning and purpose of their lives. This purpose is seen as transcending their own limited existence and having some broader significance. Because the goal is larger than their individual lives they have a firm criterion for deciding what is worthwhile and what is not. The by-products are a personal calmness and self-acceptance that are gratifying in themselves.

Stage Six: Power by Gestalt (guru status)

This stage is somewhat vague because it is so rarely reached and so far beyond the experiences of most of us. People at this level are sages, they have wisdom. Somehow

they have their lives together to the point where it all clicks. Other descriptions include "unafraid of death, quiet in service, on the universal plane."

The major shift in this scheme is between the first three stages and the last three. The focus moves from external considerations (becoming a productive and successful member of society) to internal development (becoming a fully developed and wise person). Of course, the two aspects are related. One has to be able to feed himself before he can indulge his mind, and an internally wise person can contribute more to society because of his or her greater insight. The key ingredient (besides an inquisitive mind) is often a major life crisis which shakes a person's accepted outlook to the core and causes him or her to reevaluate all assumptions. The author goes so far as to suggest that if a person wishes to mature he or she may consider inducing some sort of crisis.

#### A PREFERRED NOTION OF MATURITY

The first and most important observation on maturity is that there is such a thing. A person can grow in maturity (realize more human potential, or become more in tune with the cosmic purpose). This is significant. It means not all actions and sentiments are equal -- some are more mature (= better) than others. It means not all people who act differently are equal -- some are more mature than others, which of course is preferable.

We therefore reject the popular (and contrary) sentiment which says it doesn't really matter what you do, that whatever you do is okay as long as you're happy. The possibility of maturity means it does matter.

It seems reasonable to agree with the writers cited in the previous section that maturity is achieved step by step in a sequential process and is not something one either has completely or is without completely. It is something we grow into, a potential we gradually fill out. For example, the growing insight involved in recognizing maturity is itself an important ingredient in attaining the real thing (a close precursor and good leading indicator). A corollary of this is that one cannot understand a level of maturity much beyond one's present status. Again according to the experts, the sequence of stages is rigid, there are no shortcuts or alternate routes. Everyone must pass the same checkpoints. This is clearest in the development of children on the low end of the maturity spectrum. Children must learn to control themselves physically and then emotionally before tackling the challenges of school, and then adolescence, etc. Moreover, there is no guarantee that a person will pass all stages or even rise to a specific level. One gets as far as he or she does, and that's all there is to it. Considering the current state of the world it unfortunately seems that most people have not progressed very far. Most of us are living a less fulfilled life than is possible.

The ingredients that lead to maturity are time or years of living (it would be startling to find someone in their twenties with advanced maturity), experience (a variety of life experience including ups and downs, successes and failures), outward success (it helps to have tasted worldly success in order to appreciate its real value and keep it in perspective), intelligence (one must be able to recognize a lesson when it comes), and being reflective and thoughtful (growing maturity is largely a mental process).

The stages and sequence of maturity offered by Hagberg (above) are as good as any at this point in our understanding. Most insightful is her identification of two major phases on the route to maturity. The first includes her first three stages and involves becoming a responsible adult and taking one's place in society. One goes to school, finds a career, starts a family, and gains outward success as it is commonly understood. The business of the first phase is learning to survive and become a contributing member of society -- one obviously must survive in order to become mature. But this is only halfway there, and is certainly the dullest half. Unfortunately, many people never consider that there is more to life than outward success and become stuck at this stage as a sort of mega-adolescent.

The second half of the development turns to internal development, to the business that is strictly and truly human --



that of gaining wisdom. The beginning of this is reflection. A person learns to think about his or her life and the nature of the world. He or she rethinks old assumptions in light of a widening perspective and tests the limits of knowledge. He or she learns about personal weakness as well as strength. This internal state is accompanied by certain personality traits such as greater tolerance of others, less dogmatism, and more kindness. Sometimes personal trauma or a mid-life crisis is the catalyst leading to this stage. Imagine your own reaction if someone near to you died suddenly or if you unexpectedly faced a major hardship. Would it induce you to grow in internal maturity? Fortunately, it's also possible to move to reflective re-evaluation by less painful natural inquisitiveness.

Reflection leads eventually to meaning and purpose. With enough experience, intelligence, and thought a person can begin to make some sense out of his or her life, to form conclusions about what is important and what is not. Values and their priorities can be worked out, till at last one is able either to detect an underlying purpose or establish an overall meaning. This does not mean you necessarily know the true meaning or purpose to life (or indeed that there is such a thing), but it is nonetheless possible to organize life into a coherent pattern and center it on a well thought out principle. Such a principle gives focus to life and has a calming and stabilizing effect on personality. The sense of purpose and subordination of ego to a



valued principle is in itself gratifying. This partly supplies the mysterious satisfaction that accompanies maturity, the purpose and calm carry over into all aspects of life.

Different people may determine different purposes (devotion to God, service to mankind, promotion of an ultimate ideal) but it remains likely that the formulations of all people at this level will have much in common. When the Apostle Paul describes the Christian ideal of love in 1 Corinthians 13, all mature men and women find themselves nodding in agreement.

Love is patient; love is kind and envies no one. Love is never boastful, nor conceited, nor rude; never selfish, not quick to take offense. Love keeps no score of wrongs; does not gloat over other men's sins, but delights in the truth. There is nothing love cannot face; there is no limit to its faith, its hope, and its endurance.

To be valid a meaning or purpose must extend beyond (transcend) a person's individual life and touch something outside of him or her, the grander the better (such as an ultimate ideal, God, or the ongoing community; compare Robert Nozick, "Philosophy and the Meaning of Life," Philosophical Explanations, 1981). Life has no meaning if its sole function relates strictly to itself. An automobile, or a painting, for example, have no meaning if they exist just for themselves, they have meaning only in relation to something else. This means that a purpose such as "to be happy" or "to be rich" is

philosophically unacceptable as an ultimate purpose, though they can be part of a larger purpose. A philosopher can reason this out, but a mature person already knows it. Plato and Aristotle, for example, considered the ultimate good to be contemplation of eternal truths. Other examples of meaning and purpose are to become one with God (Hindu), to live out God's purpose in one's life (Christian, Moslem), or to promote the goal of ultimate good for mankind (humanist).

Recognizing a purpose or meaning higher than personal aggrandizement draws out other aspects of maturity. It breeds selflessness; the purpose is more important than the self and some willing sacrifice may be in order. In light of an overall purpose and meaning some of life's paradoxes become clearer, such as the greater blessing found in giving than in receiving, or the greater power and wealth achieved through empowering and enfranchising than in hoarding. Mentoring is another beneficial by-product of a higher purpose. One is naturally inclined to help younger seekers of truth and good living to gain insight, and it is natural to do this in a gentle way, to take the attitude of the fellow traveler, the senior and junior partner.

Beyond this level there may be higher orders of maturity. Hagberg, for example, postulates a guru status (power by Gestalt). Though the present author does not really understand this he is quite prepared to acknowledge that there likely is

more to human life than that described thus far. It seems reasonable that the journey continue on to greater achievement, insight, and status. Though we still do not know our ultimate potential, the more we learn the more it appears that we are progressing towards something, both as individuals and as a civilization. Though our ignorance is huge, we push onwards in hope and anticipation.

### **WHAT THIS MEANS ON THE JOB**

Of the two halves to maturity, one enters the workforce while still in the first. Part of taking one's place in society means finding a place in the economic world. If a person cannot support himself he will have little chance of reaching his full potential. But once the battles of the first half have been fought and won, attention should move on to new challenges. There are new heights to be scaled and greater depths to be plumbed. Unfortunately, most people in the working world remain in the latter stages of this first half where they continue to pursue only worldly (external) success, where they try simply to become more prosperous. They struggle to be ever more important, to gain more wealth and power, to get more academic degrees and bigger job titles. Or they fight to enjoy more fruits of external success; bigger houses, fancier cars, and more exotic vacations. Now it is entirely appropriate to devote full attention to each stage of development while still growing into

it. A child focuses completely on learning to walk or tie its shoes for the first time. School work should be taken seriously, and when beginning a career one should devote full energies to its mastery. But once a stage is mastered a person should be ready to move on to the next. This identification of new goals is most difficult when moving from the pursuit of external success to internal maturity; this very point is perhaps the most difficult move in the entire pursuit of maturity.

For those who make it to the second, internal realm there is an increasingly holistic sense to life -- distinct parts of life (work, family, leisure, purpose) become more interconnected and less compartmentalized. Maturity, after all, relates to the whole of life. A mature worker integrates his or her newly found sense of purpose and meaning in all of his or her endeavors, including work.

A career can relate to a person's life purpose in three ways. First, a career may have little connection to one's ultimate purpose other than supplying financial support. In this manner, one works to live, and then lives to fulfill his or her purpose. The great philosopher Spinoza, for example, earned his living as a lens grinder which enabled him to carry on his true vocation and love, which was philosophy. If a person decides his or her meaning in life is tied up in non-career endeavors such as family, volunteer work, or whatever, he or she

could select a job whose only purpose is to provide income. As that person matures from the pursuit of external success to internal wisdom there may be little observable change in work life. Spinoza's approach to lens grinding, for example, may have been difficult to distinguish from that of a less mature person.

The second way a career can relate to one's life purpose is to relate it directly to the goal, that is, to become employed directly in promoting the desired purpose. For example, someone with a religious purpose could become a priest, missionary, or mullah. Those who see their meaning tied more to humane concerns (the communal prosperity of mankind, for example) or to promotion of abstract ideals (such as progress, or the search for ultimate meaning) could dedicate their life work to this as a promoter, organizer, or civil servant. One thinks of Albert Schweitzer, Florence Nightingale, Gandhi, or Mother Teresa. It must be very gratifying to be able to contribute daily and directly to what one believes is most worthwhile. Unfortunately, the nature of biological and physical life will not permit us all to be professional aesthetes, most of us must labor in the economic structure that supports society (someone has to grow the food and drive the trucks).

The third and most common way to relate one's career to his or her life purpose is incidentally. Though a person's



profession appears targeted at one of the straightforward products mentioned in the first category of careers above (lens grinding, carpentry, or truck driving), the incidental by-products of the career directly promote the life goal. These people use the power they possess as members of the economic network to influence events towards their goal. For example, if one's goal included communal prosperity and progress (many distinct ultimate goals include this) and that person were a manager in a manufacturing company or a bookstore or wherever, she could use her power to create a social environment that induces progress and prosperity (encourage full development of abilities, cooperation, communication, goal sharing -- develop the ideal mental environment) and thus accelerate progress and prosperity. In this way the by-product of the job is the most important product. The particular industry one is employed in is less important than how one interacts with others on the job. One could promote the same worthy goal while working in the bio-technology industry today as if he were in plastics in the 1950s, or steam engines in the nineteenth century. Most jobs have a large social component and significant effects on society beyond their primary products. By managing these incidental products and interpersonal aspects a person can effectively use his or her career to promote his or her life goals and purpose. This is undoubtedly the way most internally mature people approach their careers.



What then is evidence of maturity on the job? Part of the definition of external success (reaching the first half of personal maturity) after all is the ability to be a contributing member of society. Is the internally mature person any better on the job? As might be suspected the person who reaches the second half of personal maturity is qualitatively different from the employee with only external success, and yes, he or she is better on the job.

The difference may or may not be apparent in the direct content of the work, depending upon the nature of the work. If the work is strictly accounting or performance on an assembly line there may be no evidence of internal development because the work has no relation to internal insight. A robot could do as well. Internal insights, however, concern human fulfillment and the more the job deals with people, with managing them and interacting with them, the more the results of maturity will appear. The first distinction is the priority of goals in the worker's life and decision process. A person who has recently achieved status as a successful adult with a job and a place in society (but not yet internally mature) will still be using second-hand values adopted from society, parents, and the education system. This is reasonable and appropriate in its place. In fact, a major purpose of a young person's education is to supply pre-fabricated values and rules of conduct which are to be used until he or she is old (and smart) enough to form private

values and opinions (this process takes many years, remember, Plato said a person is not ready to address the big issues of life until 30 years old). The top priority for a young worker is his success in the job at hand. The mature worker, on the other hand, as the outcome of reflection and the attempt to make sense of life will have determined a grander purpose to existence than the mere serving of self or corporation (though he or she obviously remains mindful of the importance of immediate goals, such as corporate profits and happy customers).

The mature worker has passed the stage of needing to prove him or herself to the world, focusing instead on the grander goal. Relative standing and what other people think are less important than enlisting their cooperation. The mature person views other people more as fellow travelers and less as rivals. Cooperation is stressed more than competition, and mentoring (the gentle guiding of the less initiated) is natural. The lessons on power and wealth discussed in the following chapters will seem obvious. The mature worker is less plagued by the negative emotions of jealousy, envy, and self-centeredness and instead promotes his or her life's purpose through positive leadership and even sacrifice. Obviously, the work environment with mature workers is likely to be more pleasant for both reasons (think of someone you know who is mature and imagine what working with him or her would be like) and productivity will be higher thanks to the sharing of information and power, the mutual support and

common goals (as explained in later chapters).

Since the corporation itself is part of society working towards society's overall goals it is desirable to have workers with an eye on higher principles. A totally dedicated employee can be dangerous, as Richard Nixon's Watergate Plumbers demonstrated. Moreover, the internally mature worker's experience in reflection, in establishing the big picture, and in deciding what is really worthwhile is a valuable asset for any progressing corporation. If one has some success in figuring out the big picture in life, that person is more likely to be able to figure out the big picture for the corporation. Entrepreneurism (the attitude of identifying what is economically worth achieving, discovering a way of getting there, and then going for it) is clearly connected to maturity (discovering and achieving what's important in life), as is leadership (the ability to identify worthy goals and guide the group towards them). Mature people are likely to be the best workers. Mature people are likely to be the best businessmen and businesswomen.

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## Chapter V

**NOTE:** The following chapter is about the Big Picture, about finding some sense in life and work. It offers a reason to seek success in business to those who don't already have one, and more importantly, formulates a proposal about the purpose and meaning to life, which the preceding chapter argues is a necessary ingredient in a fulfilled (mature) life.

**Frank & Ernest** by Bob Thaves



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## MAKING SENSE OF LIFE (& BUSINESS)

Imagine yourself where you work some afternoon, when you're caught up on whatever it is you do, and you're a bit worn out from having gotten caught up. Imagine too that your boss isn't around or at least his steely gaze is focused elsewhere. (A boss is often like an automatic guilty conscience, taking the fun out of things even when you're innocent.) It strikes you that this is a good time to appraise your status. Your nose has been to the grindstone for a long time to the neglect of broader issues of career and life, and it is at last appropriate to lift your head, survey the landscape, and reassess your direction.

Stepping back from your latest project, your concern turns to larger issues. Am I becoming a success in my career? Have I chosen the right career? Am I getting out of life what I should get out of it? Is there any grand meaning or purpose in all this effort? How am I to make sense of life?

These are real issues, much more than just stimulating fodder for contemplation. They can be evaluated on a day of calm reflection like today, or later when some trauma forces their consideration, such as an illness, the death of someone close, losing a job, or going to war. Or, the gradual realization could build up over time, but hit just as hard, that the structure of your life is just somehow wrong -- you're unhappy, the life you're living has come to seem pointless and trivial. I have seen work colleagues discover their professional lives to be unsatisfying and quit work to pursue other dreams. I have known people who decided their spouse didn't fit in to the life they wanted and abandoned their marriages. I had a friend at work who one day fell into a deep depression, went home, and killed herself. Somewhere in each of our lives it behooves us to formulate our rationale for living.

Shaking yourself momentarily out of the thought world you notice the late afternoon sun streaming across your desk. It feels warm and the office is quiet in the fat part of the work day. You look at the clock and realize there is still plenty of time till you go home. Remembering the chunk of work you have just finished you smile with the satisfaction of a master craftsman. Success feels good. Today you have both opportunity and inclination to tackle the Big Questions, which, after all, are the most interesting.

Identifying the Big Questions of life is quite straightforward. How should I live and what should I do? Who or what am I? What's really going on? There are no questions more ultimate than these.

What is most surprising about these issues is not the lack of contention over their importance, but how much they are ignored. The topic just doesn't come up much. The advertising and entertainment industries bombard our minds with seductive messages telling us what to value, and how to enjoy ourselves, focusing on anything but the big issues of life. Many of us simply become too timid to question the fundamentals of our very being; after all, what right do we have to ask such BIG questions?

But what about the professional thinkers, the academic philosophers? Where are they? They certainly are one of the least obtrusive groups in modern society. Being guardians of mankind's intellectual questioning tradition you'd think they would boldly shout out their message on the grand issues of life. Unfortunately, they have little noticeable effect upon the modern world. The sub-discipline of ethics comes closest to addressing the issues of how one should live his or her life. But pick up a textbook on ethics and it is weighted down with all sorts of intellectual fly-paper that would hinder the most sincere seeker of life's sense. The immediate debate is over

rules for living: act to maximize the greatest good for the greatest number, treat people only as ends and not as means, obey only those rules that you could apply to everyone, act justly and here's what justice means. Arghhh! But why should I maximize the greatest good? Why should I treat people only as ends, and what's the point of acting justly? (Life still wouldn't be explained even if there were perfect justice, maximum good, or whatever.) For these answers I am referred to the never-never land of meta-ethics, which still only offers non-justifications for rules (such as, follow your intuition, obey God) rather than a scheme for making sense of life.

It is not surprising then that existing sensibilities about life's purpose are independent of the formal intellectual tradition. Let's review these schools of thought.

Agnostics have wondered about the fundamental issues but have found no solution to the problem. For them the meaning of life is hidden, and so they make the best of the situation any way they can. This is a perfectly defensible position, until a better explanation comes along.

Nihilists believe there is no point to life, that everything is just an accident, that existence is senseless and useless. It doesn't matter what you do, since we'll all be dead in a hundred years anyway.

The dominant modern view of life centers on the pursuit of self-interest. There are several versions, but all share the doctrine of individualism: namely, all moral agents are individuals with private goals. Simpler forms say the point of life is to be happy, that you should do what it takes to be happy. More sophisticated versions have a mystical belief that as every being pursues its own self-interest an almost divine principle called "the invisible hand" will ensure the working out of the ultimate destiny of all things. The pursuit of self-interest guarantees the success of the world-system. Adam Smith applied this to economics. Biological evolution is seen following similar principles (competition and survival of the fittest).

Of course, saying that the world works best when each individual looks out for its own interests does not at all explain what the purpose of the world is. Even so, if natural selection and biological evolution were working to produce more evolved creatures, couldn't this be accomplished more efficiently and quicker if we put our minds to it? And if the purpose of the economy is to produce prosperity, wouldn't it still make sense to interfere with the market to guarantee prosperity or the survival of those who cannot care for themselves (as we have, in fact, done)? In other words, simple advocacy of self-interest not only fails to identify the ultimate aims of a system, it fails to assure that the ultimate aim, whatever it is, could not better be

attained by rational reflection and planning rather than by uncoordinated individual pursuit.

Most schools of modern ethics assume the same centrality of the individual and his happiness, and then quibble over rules designed to guarantee maximum happiness or the greatest freedom in the pursuit of happiness; thus utilitarianism, Kantianism, and the various positions on justice. But they equally fail to explain how happiness or freedom supplies a sense to life or justifies existence.

Traditional religion claims that God has some purpose in the world and the sense in a person's life is to fulfill his or her role by obeying God. This does not tell us what that grand purpose is, but merely asserts that God (a new factor in the equation -- with philosophical difficulties of its own) has one. As our understanding matures, such traditional positions need to be augmented in the truly human and truly religious quest of seeking out our destiny. We feel the need to go beyond and refine the perspectives of our ancestors as our reasoning becomes more sophisticated (that's why theology is a continuing, evolving discipline).

Marxists believe history forms a series of stages in which capitalism comes shortly before communism, which represents the culmination of history. The purpose of an individual life can



therefore be defined by its participation in bringing into fruition the final stage of history. This would tell a person how to act, but even if we all became communists it still supplies no sense to our lives or the universe.

This survey of sensibilities about life makes it clear that there is neither a consensus opinion on what existence is about, nor is there one leading view that is obviously correct though yet unrealized by most people. But just because the answer is not posted on billboards doesn't mean it is out of reach. After all, you just successfully finished a work project, you yourself have some competence to offer. Indeed, we today know more about the world than any of our ancestors. More data is available than ever. Whole new sciences have been established and expanded. Within just the last couple hundred years we have discovered the earth's place in the universe and how it evolved. We know of the physical beginning of the world and of life, and we know what history is. The great philosophers of the past knew little of this. Therefore, we should not be intimidated away from trying to make sense of the world. Self-confidence and perseverance are our best hope of finding the answer.

Although, we, both as individuals and as representatives of modern society, are not currently in possession of an obvious answer we have made significant progress. It is clearly of great importance to have identified the important issues, and to

acknowledge our ignorance of their explanation. As Socrates showed long ago, knowledge begins with learning the extent of ignorance.

Identifying the important issues (becoming aware of the desire to make sense of life) represents an awakening to a significant level of consciousness, it is almost like coming out of a sleep. All of a sudden you begin to recognize things you could never see or imagine before. It is like being on an airplane that gains altitude and finally breaks through the clouds.

Discovering history is a similar type of awakening for society. This is the realization that the universe has taken shape, life evolved, and human civilization developed. Although this has been in progress since the beginning of time (the Big Bang occurred 12 billion years ago), we human beings (the only intelligent life in the universe we know) became aware of it only in the last hundred years or so. In other words, the universe (represented by us) has just in the last instant of astronomical time gained self-consciousness to the extent of recognizing it has a history. In a sense, the universe has just recently awakened from slumber, and we are its brain cells. We are rubbing our groggy eyes and trying to focus on whatever is there.

A child learns to run and play till one day it understands enough to ask, "Mommy, where did I come from?" Perhaps that's where we are on the cosmic scale.

A primary ingredient for our eventual enlightenment is determining a likely direction for the hope of a solution. Where does one start looking for the meaning of life? What accessible contribution can be made in this quest? We are fortunate to be living in the late twentieth century as we search for the scent of our trail, having magnitudes more information than our co-wonderers of earlier times. And presumably, we are at a corresponding disadvantage to men and women of the future -- but only if we, at our link in the chain of history, push onward and expand the frontiers of human understanding. On the other hand, if we develop a tradition of apathy and don't make the present effort, our heirs could be worse off than we are.

Eureka! Here is the key. The appreciation of our advantage over earlier generations tells us what we can do to aid the effort to make sense of life. Broadened understanding and general progress are the likely building blocks of an eventual understanding (and perhaps fulfillment) of the essence of existence. Therefore, if we want to do our part today to make sense of life we should do what we can to contribute to and participate in progress toward greater understanding. There may be something wonderful and absolutely satisfying in the sense we

hope eventually to decipher.

Two obstacles to this position come immediately to mind. First, there is no guarantee of success. A satisfying sense to the world may not exist, and even if it does, we possibly may never figure it out. Life could be a pointless accident, and we may be hopelessly weak in intellect. But what guarantees are there in life anyway? Not many. We can either give up or give it our best shot. And we are certainly more likely to achieve something if we try than if we don't. Therefore, we must act with faith, believing our best reasoning is better than none.

Second, even if it is agreed that the most sensible action is promotion of progress (in hope and anticipation of eventual fulfillment) on what basis can we demand that we or anybody else act accordingly?

Happily, there is sufficient justification. Our discussion began with a need to make sense of life in order to decide how to act. This need is the first cause of motivation for action, and comes with one's ascension into rational self-awareness. Once you realize you control your actions and ask yourself "What shall I do?" you must answer. Choosing an action, postponing the decision, or even running away from the choice are all choices in themselves. They can be judged by how sensible they

are. In other words, once you realize you control your actions, you are forced to make a decision, and some decisions are better than others. It is best to do your best.

What about other people? Can we ask them to conform to this principle? Do we have a right to interfere in the affairs of others, who apparently are in a position roughly like our own? Well, why not? We have the choice of doing what seems ultimately important (promoting progress) or of giving up. We have already decided that it is a better policy to do what seems right than not. Consequently, we choose to do what we can among men and women to promote progress.

We notice immediately that there is progress in the world as it already exists, which seems to indicate that progress is occurring naturally. Perhaps we need not worry about progress because it is happening all by itself, it's just the nature of things. By all accounts mankind has only been around for a couple million years at most, yet long ago the galaxies and solar system took shape and life developed on earth. Even human civilization has grown in size, longevity, and sophistication while we pursued goals other than progress. Maybe our concern isn't necessary.

Two objections to the "Don't worry about it, it'll all work out anyway" attitude come to mind. First, we notice that



progress has not been on a smooth continual path. There have been times of backsliding along the way; the dinosaurs (who were around a lot longer than us mammals) went extinct, the Dark Ages followed the great classical period, and many other tragedies occurred. I have no desire to let the vagaries of fate submit me to possible extinction or Dark Age decline. Second, it is clear that the pace of progress even when moving forward has not been consistent. Some times have seen more improvement than other times. Some ages have been golden and others black. In some centuries the world barely changed between a man's birth and his death, in others the change was phenomenal. If progress is good, then more and faster progress is better. There is sufficient motivation for enlightened intervention.

We are now at the point where we can begin to lay specific plans for what specific individuals should do. A person should begin by checking his or her talents. If one finds a special talent, then the answer is easy. Develop and exploit that talent. If you are a musician, a physicist, or an inventor, be the best you can be. Society needs many vocations. Obviously we're better off when talented individuals find roles that use their talent. If, on the other hand, you are someone with no single overriding ability you can assume any positive role that is part of a progressing society. Civilization needs workers, builders, entertainers, and all sorts of professions to move forward.



More important than the exact profession one enters is the way he or she performs the profession. This centers on the attitude that all progress-minded men and women should share. Specifically, progress (or excellence) as observed in its various settings (the golden ages of history, prospering economies, productive companies) has a common foundation, with identifiable and controllable factors. These factors are reducible to a mental environment with three salient characteristics. 1) People feel potent and capable of making an impact. 2) People imagine themselves as being where the action is, in the mainstream of history, on the cutting edge of civilization. 3) People are creatively cooperative. A sophisticated enterprise demands many participants working together for a common goal, pursued with inventiveness and intelligence. (See Chapter One.)

By fostering this attitude in ourselves and in others we create opportunity for progress to occur. Moreover, as generally talented people hoping to maximize progress, we can take production of the hospitable environment as our primary task (that is, maximize progress by maximizing its environment), and use performance of our profession as the vehicle for this primary task.

The most effective way of fostering the desired mental environment among the general population depends on the social

situation, and may vary from setting to setting. In the modern western world, and especially in America, the primary social setting is easily identifiable -- it is the workplace. It qualifies in almost every regard. We spend most of our waking time at work, eight hours a day, plus lunch, plus commuting time. No other aspect of waking life consumes even half as much time. Moreover, work absorbs the most productive efforts of our lives. We must be at peak performance on the job, but not while at home or at leisure. Often time away from work (evenings, weekends, and vacations) is understood as recuperation so we can return to work at maximum efficiency. People today express their identities through their careers and demonstrate their worth through work, their involvement and commitment extend far beyond bread-winning. Work has captured the popular imagination, work is what we think about. This means we have the greatest influence upon people when we influence them via the workplace.

There is a further appropriateness to exerting influence here. Of all settings in modern life the job setting is the most amenable to positive influence (as well as more negative types of control, manipulation, and coercion). Contemporary work settings are like independent states, each unique to itself. Each can function as it wishes, with much room for diversity and social innovation. These "states" typically exert strong pressure upon their minions to conform. The penalty for nonconformance is economic death (getting fired) or being miserable for most of

each day, so most employees go along with what is happening most of the time. This means that influence in the workplace is a powerful and ready tool for affecting men and women.

This meditation may now come to a conclusion. The goal of the generally talented person should be to instill a certain positive mental environment (belief in ability, opportunity, and creative cooperation) in the general population, because this environment is the best seedbed for progress, which in turn will lead to a resolution of the Big Questions of life (we hope). The best vehicle for instilling a mental environment is the workplace. Therefore we should take the opportunity we have on the job to encourage people (fellow workers, subordinates, bosses, clients) to envision the world in conformity with our principles. All of us have some influence, no matter where we find ourselves. We should use this influence directly, as well as attempt to expand our influence. You are a productive worker as your recently completed project demonstrates, certainly you can do your part.

In this we make a double contribution to progress. We work in the business of producing progress with our company's direct products, such as technical devices and medical innovations, and more importantly we help create the overall environment for progress, which eventually will produce much more.

The productive company and successful economy are not the goal, but the means to a greater end. They are accomplished by enabling all the people (the ultimate source of all wealth and success) to be in the best possible position to contribute to its success, which means having the indicated mental environment (a sense of enfranchisement, power, and goal sharing). These people will undoubtedly also apply their improved mental attitude in areas outside the workplace, which will equally contribute to progress. The enlightened manager who developed this attitude in the workers could count this among her successes. Such a manager is likely to get more from her workers than one who tries to manipulate them into working hard so the company can get rich. It's like happiness; if you go out and just try to be happy you often fail, but if you pursue another goal you can find happiness in it.

Finally, note that this view does not demand fanaticism. Since it is unlikely that ultimate resolution of the Big Questions will happen in the near future we should adapt ourselves for the long haul, and not rush desperately after narrowly productive activities. We must maintain ourselves as well-adjusted mechanisms, recognizing the need for music, laughter, and celebration. We should enjoy ourselves as we take our place in the Big Picture. There's room for many things in life once we have a sense of overall direction.

You hear some noise that attracts you back from your thoughts. People are packing up and moving out of the office. You look at the clock. Oops! It's time to go home. Well, that's fine. You can come back to your meditation some other time -- you've already established a sense of coherence. It's time now to go focus on a little non-rational activity that accompanies your special version of personhood. You've accomplished a lot today.

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## Chapter VI

### ON TIME

The old ballerina said, "In order to dance best  
you have to understand the rhythm of your story."

History is the story  
and we are the dancers.

Time is usually considered the fourth dimension after length, width, and depth, and is certainly the most mysterious of the four. As might be expected, there is considerable variety in its understanding leading to strikingly different lifestyles. It is one of the most influential elements in all of world view.

As an extreme example, the writer knows of a person who believes time passes most slowly when he is bored and faster when life is exciting. Since this person also believes time is a precious commodity not to be squandered, he volunteered to work

at a remote satellite relay station in the barren mountains of Turkey, where for sheer lack of stimulation time was guaranteed to pass excruciatingly slowly and he could savor each moment as it passed, thus getting the most out of his life. Boredom made his life seem fullest. Fortunately, this opinion is as rare as it is useless.

Present discussion focuses on how best to handle time in order to live the most successful life, and is not scientifically technical or philosophically arcane.

## THE RANGE OF CONCEPTIONS

The main views on time held by men and women fit into a scheme of intellectual evolution. One view builds off another.

It so happens that this sequence corresponds roughly, in its early stages, to development of opinions on time within a person's growth from infancy into adolescence. As a child matures and learns about life it traces this development within its own life. In other words, a certain level of understanding within personal (or cultural) development is likely to produce a specific view on time. It also happens that variations of these views persist in the workplace despite their often debilitating effects.

The first and most simple view of time imagines an ever-extending present, a world in which there is only "now." A person with this view lives for the moment. He sees the world in three dimensions instead of four. There is some attraction to such a view since the present does seem more real than other times: the past can only be remembered and the future only hypothesized.

Young children hold the "present-only" view for a while soon after they awake to the world of consciousness. When something is removed from their sight it ceases to exist as far as they are concerned. Similarly in early human history it is likely that primitive men once held the present-only view. Somewhere in the rise of homo sapiens our ancestors must have emerged from this view. It is interesting to note the "different" understandings of time existing among some of the non-western peoples still found in the world today (cf. Whorf on the Hopi Indians, 1957). Moreover, the first language ever to be written, Sumerian at around 3 - 4000 B.C., contains no tense -- no verbal distinction of past, present, and future. Instead verbs contain the "aspect" of representing either punctual or continuing action. The same is true of the earliest Semitic languages.

Sadly, however, even some present-day adults live with continuing disregard for the past or for their future. The result is the opposite of success.

The second view allows more room for change by imagining the world as a (static) system. The world and nature now are in movement. The sun rises and sets, grass grows in the field, deer eat the grass, men hunt the deer -- there is action, but still no real change.

Children move to this stage when they become aware of their daily routine, and innocently assume it will go on forever. Mommy and Daddy will always be there to care for them.

A variant of this view sees time as cyclical, as running in a loop, a circle, as repeating itself. The main cycle is the agricultural year: though there are many separate events (planting, weeding, harvesting, etc.) the cycle remains uniform and does not change. Another cycle is that of human generation. Son replaces father, daughter replaces mother, and they all act exactly the same. A tribal culture may see the whole purpose of life as raising up the next generation to replace the current one. Economists talk about business cycles, and others the cycles of civilizations and nations as if they ran on a predetermined course. Whatever the duration of the cycle, anyone who believes the main drama of life is constant and only the players change holds a cyclical view of time.

Vanities of vanity, says the Preacher, vanities of vanity!  
All is vanity. What does man gain by all the toil at which he toils under the sun? A generation goes and a generation

comes, but the earth remains forever. The sun rises and the sun goes down... All streams run into the sea, but the sea is not full; to the place where the streams flow, there they flow again... What has been is what will be, and what has been done is what will be done; and there is nothing new under the sun. (Ecclesiastes 1:1-9)

**The third stage of time consciousness** builds off the second. All of stage two remains; time is still an unchanging system. The difference is that a second, distinct period is added -- a prologue period which established the present state. There is now an explanation for why life came to be as it is. Early cultures invented cosmologies and etiologies -- stories of how the world arose and achieved its present standing. "First there were the waters, then the waters divided and formed heaven and earth, then heaven and earth mated and produced the mountains and the sea," and so on, until the form of the present world is established (compare the Babylonian Enuma Elish and Hesiod's Greek Theogony). The motivation for this invention was natural curiosity, as evidenced by children who must know a reason for everything. Pioneer cultures accumulated charming stories about the prologue state, they told their listeners that because of certain cataclysmic events and dynamic deeds the present had been achieved and now should continue forever as it is.

In some business settings there are formal, established patterns of conduct. The system was established long ago by "the founder" and the employee's job now is simply to follow the

rules. The view thus maintains a strong affection for stability. Ambition and progress are inappropriate and unimagined. Unfortunately, its holders often get what they want -- no progress.

The prologue represents creation of a time-"past" distinct from time-present. The past, however, is limited to events of the prologue, of world creation; it does not include yesterday. Yesterday and all the other yesterdays still belong to the present state just as in the second stage of time consciousness.

**The fourth stage of time consciousness** is a slight advance from the third. The third saw two distinct states, a large continuing present and a short dramatic prologue. The fourth similarly sees two states, but changes their definition. Now the two states are "the world in-balance" and "the world out-of-balance." The present is in-balance and the prologue was out-of-balance (creation or the company's founding was establishment of order out of chaos).

Several innovations accompany this outlook. In the third view the prologue was shorter than the present state (for example, the "six days of creation"), while now any relative duration between the in-balance and the out-of-balance seems reasonable. Moreover, the opinion that the world can be in- or out-of-balance is less reassuring than believing the present is



simply the fixed order of nature. The in-balance state requires maintenance. In fact, the position of guarantor and its incumbent obligations falls upon mankind. Men and women are now more than just part of the scenery -- their actions are needed to maintain the stability of the world in-balance. They must perform sacrifice and maintain the gods' temples. The wolves of bankruptcy must perpetually be fought off. If the rites of spring are not followed, the crops will fail and the world will slip back into chaos. Humanity becomes a leading character in the world.

**The fifth stage of time consciousness** maintains the two states of time (in-balance and out-of-balance) from the fourth stage but alters their sequence. The world was in-balance but now is out-of-balance. Fifth stagers imagine that somehow things are not as they should be. The obligation that was felt in the fourth stage to maintain (present) balance is now an obligation to bring about a change, a return to balance.

Holders of this view say "the world (or, the company) would be just fine, if only (such and such) would be done." They put forward any number of agendas to bring the world (or, the company) back into balance. Many religions demonstrate this yearning for a return to the in-balance condition. Man fell from grace and now must atone for his sins. The Old Testament Israelites who were carried into exile longed to return to

Zion where all would once again be back in harmony. Later came Romanticism's call for a return to nature. Of course, once the in-balance condition is recaptured it should continue, forever, and without change.

A modern day reflection of this view is seen in those individuals who imagine there is an ultimate state of living the good life, a way life was meant to be, or an ideal corporate structure. They believe that life can be fully enjoyed only in a specific condition, whether it be as a millionaire, a thin person, or married to "Mr./Miss Right." If they could only achieve that condition their life would thereafter be wonderful. They work hard for their fulfillment, the struggle gives them purpose and motivation. Though if they happen to achieve their goal it may not be as fulfilling as they had hoped.

**The sixth stage of time consciousness** formalizes the distinction between the out-of-balance present and the coming in-balance state. Just as stage three identified the prologue as the "past," stage six formally identifies the ultimate in-balance state as the "future," lying somewhere in the distance ahead of us. The future is that ultimate state we all are waiting for. It does not begin tomorrow (tomorrow is most likely still part of the present out-of-balance state). Specific cataclysmic events will inaugurate the future, just as were contained in the prologue's establishment of the present. Because of the formal

distinction between present and future, mankind cannot bring about the future by his own efforts. That is the option of some grander power (God). Man's role rather becomes proving his worth and fitness for the superior world-to-come and rejecting the evil of the present age.

This view too is recognized in many religions. (Religions and people often vacillate between views, assuming different outlooks on different occasions.) The ultimate age is the Millennium (Paradise on earth) and will be inaugurated by the Second Coming of Christ. Or, it is heaven or Nirvana, and the purpose of life on earth is to demonstrate worthiness for the afterlife, to earn one's eternal reward.

Time, as in the previous views, does not flow evenly, but is made up of a series of distinct eras or dispensations (states), where separate sets of rules govern. High walls rise between its sections. The "now" moves between past, present, and future at singularly cataclysmic moments. An individual cannot alter the nature of the time state he is in. He is constrained by powers greater than himself and can only play by the rules of his age.

It is interesting to note that this "three state" view (good past, bad present, good future) has a natural inclination to locate "now" in the middle out-of-balance state. This inclination is associated with the natural psychology of guilt,

despair, and hope. The type of person and outlook that imagines a three state view of time (good-bad-good) will always picture himself (itself) in the middle out-of-balance state. Conversely, a person who thinks the present is "OK" or offers real opportunity for improvement, will most likely imagine something different than the stage six view of time.

The seventh stage of time consciousness is the modern popular view that arose during the scientific revolution. Scientific rigor demanded that everything be measured and quantifiable. Time came to be understood as linear and uniform -- a line with regular units, each punctual and discreet. Gone are the static states and their cataclysmic, other-worldly transitions. The present is the punctual "now" moving steadily towards the future (all units lineally ahead of now) and away from the past (all units behind).

Part of the reason for the improved modern view was the increasing experience of change. Time is understood by observing change. Residents of times past observed less change and had a poorer position from which to decipher time because 1) the pace of change was so much slower than it is today, 2) life was shorter, and 3) there was a much poorer record of history. They could not make nearly as many or as varied observations as a modern person.

### **Older than Methuselah**

Recognizing the increased pace of change brings to light the possibility of measuring time by different standards. Time is typically measured in days and years, but for a person it could also be measured in terms of events experienced, in terms of the quantity and variety of experiences sensed. That is, the fullness of life could be measured either by the number of years a person lives, or by the number and variety of experiences he or she has. If we choose to measure time by the latter, then we in the modern world with all our improvements (such as fast transportation, instant communication, and engine driven power) are leading ever fuller and longer lives. In fact, in these terms the average modern person outlives the ancient and aged Methuselah (who lived 969 years according to the book of Genesis).

### **Opportunities for Change Mean Opportunities for Progress**

With the increased pace of change, people began to understand that time has linear direction -- they saw progress, a development in the type of event occurring at each point in time. This insight evolved out of stage six which saw a progression of time states (past → present → future), but with no direction internal to each state. Now continual progress was recognized -- there was evolution and development in history. There was forward movement. People knew their lives were different from their parents'. They sensed improvement and



expected the lives of their children to be better still. The direction they saw was from less sophistication to more, from simplicity to grandness, from ignorance to understanding, from poverty to richness. Instead of the earlier emphasis upon stability within static states the emphasis shifted to the process of "becoming" along the line of time.

## TIME AND THE INTELLECTUALS

Stephen Toulmin (The Discovery of Time, 1965) reports that until a hundred years ago all philosophical positions on time followed four prototypes.

- 1) Plato described the world as a permanent, unchanging system established by a Craftsman Creator (our stage three).
- 2) Aristotle presented a "Steady-State" theory, with the world in timeless dependence on the First Cause or Prime Mover (our stage two).
- 3) The Stoics imagined a "Cyclical Cosmos," with the world continually repeating a grand cycle (our stage two, variant).
- 4) Anaximander and some Ionians saw a developmental pattern, and the Epicureans imagined worldly events as a random One-Way Process (somewhat like our stage seven). (pp. 50, 258)

Platonic and Aristotelian views dominated and were adopted by Christian theologians who equated Divine Providence with the Craftsman Creator and Prime Mover.

The major breakthrough (the "discovery of time") occurred



only in the nineteenth century when civilization at last learned to recognize historical development.

Whether we consider geology, zoology, political philosophy or the study of ancient civilizations, the nineteenth century was in every case the Century of History -- a period marked by the growth of a new, dynamic world-picture... Origin of Species [published by Darwin in 1859] may have been the book which (in R.G. Collingwood's word's) 'first informed everybody that the old idea of Nature as a static system had been abandoned', and whose effect was 'vastly to increase the prestige of historical thought'... This change took place simultaneously in a number of disciplines, scattered across the whole spectrum of science and scholarship... (p. 232)

Philosophers began to see "historical development" as a single directed process creating more highly-developed organisms and societies in progressive sequence.

The mainspring of this historical dynamic was located in different places by different philosophers. What Herder saw as the realization of the purposes of Mother Nature, Hegel interpreted as the self-development of Geist or Spirit... Comte found the fundamental mechanism of social development in cultural advance through which mythological habits of thought were successively displaced by philosophical and scientific ones; while Marx looked rather to the changing economic relationships within society. (p. 233-4)

Intellectuals started to spot progress (the opportunities of time) everywhere, and, if anything, saw "the purpose of history" in too many narrow avenues (such as Social Darwinism, Prussian bureaucracy, and Marxist economics). The correct view, in

Toulmin's opinion, accepts "the progressive character of temporal change" but rejects the notion of any specific objective in historical movement.

... after the establishment of modern historical criticism and Darwinian theory, it would be naive to suppose any longer that history represents ... a single process... If there is a key to the understanding of all history, it consists in recognizing not its single-directedness, but rather its multiple opportunism. (p. 233)

#### A PREFERRED NOTION OF TIME

It is now possible to identify an improved view of time (an eighth stage) considering all that has been learned in recent years. The new view is similar to stage seven in many ways. Time is still linear and granularly punctual. The punctual now still moves from the past towards the future, putting more and more territory behind as it moves along.

What is new is that the horizons of time have changed in two important ways. First, they are more expansive, they extend out further in both directions from now. Stage seven contemplated the drama of life only a small distance on either side of the present. But today the sciences of physics and astronomy discuss large units of time -- millions and even billions of years, and in ways that have meaning. Modern consciousness now talks intelligibly about the further reaches of time. The second (and more important) distinction in time horizons is that instead of

being infinite in both directions as before, time is now known to be finite in the direction of the past. We have learned when time started! We know that everything in the universe, all matter and all energy, began with the Big Bang some 12 billion years ago. (The Big Bang, of course, may still depend on some unknown, but more fundamental cause.) This discovery is important for how we imagine ourselves in the world. For the first time we have a firm point to fix and mark time from.

Various sciences have sketched in the past from the beginning of time to the present. The universe is 12 billion years old. The earth and our solar system is 4.5 billion years old. Life began on earth about 3 billion years ago. There were many stages in geology and biological evolution. Mountains rose and eroded, continents moved. New forms of life developed and vanished. Mankind as homo sapiens has been around for a million years or so (depending on how it is defined), mostly as savages. The first city was founded about 10,000 years ago and historical civilization, as marked by the use of writing, began 6000 years ago.

This means that instead of imagining time as a line extending infinitely off in two directions from the present, we should picture it as an arrow, starting at a point 12 billion years ago and extending through the past to the present and on into the future (which remains infinite, as before).

The question of immediate interest is: where along the arrow of time do we locate our present, our today? We know we are 12 billion years distant from the start, but where do we stand relative to all of time? In the previous view (the seventh stage) which imagined an infinite distance on either side of our present now, it was natural to position ourselves right in the middle, in the very center of the time line. But with the arrow, should we be in the middle or off to one side? A moment of reflection is sufficient to realize that there is only one possible answer -- we are nearer the beginning. Science offers three possible scenarios: 1) time will continue to go on, and 12 billion years is much less than infinity (a lot less), 2) the universe may collapse and return to the Big Bang, or 3) entropy may set in -- the universe may just slow down and run out of gas. In either of the last two cases the time required is much greater than 12 billion years. We remain close to the starting point.

Turning to the span of human history the proximity of our start is even more shocking. We have just recently discovered our history. The veil of ignorance has lifted, the murky past has been illuminated -- but there really isn't much to see. A million years of humanity and six thousand years of civilization are but a few moments. We are still pioneers, mere babes in history. If we refrain from blowing ourselves up, civilization's future will be much longer than its past (now standing at 6000

years). Many things are yet to be. Future generations will look back and smile at our quaintness.

Stage seven contained a sense of direction, sensing movement into the future and progress. This view should be strengthened. Not only is there progress, but its pace is increasing.

Improvement is being made at an accelerating rate. If we plot the major events in time (at least from our perspective) on its arrow-line, we see them occurring with dramatically increasing frequency: the Big Bang, formation of sun-systems, evolution of creatures, development of civilization, exploiting scientific discovery, traveling beyond one's planet of origin (etc.). Indeed, we have learned more about the world in the last 30 years than our ancestors did in 3000 years.

This does not, however, mean that the pace of progress is regular or unstoppable. The big picture shows movement from less to more sophistication, but there are many examples of no progress or even retreat from it -- the dinosaurs became extinct, the Dark Ages followed the great classical period, criminals sometimes prosper. There is no guarantee that our success will continue indefinitely. Mankind could falter, we could destroy ourselves, and (perhaps worst of all) we could grow complacent and settle for a merely tolerable existence. The best course of action, all things considered, is to interpret the pattern of progress as grounds for hope -- hope that there is more and



better than we have today; and to take the rocky road of time as a challenge -- that continued success may be lost, or, with some care, amplified.

The preferred notion of time gives less emphasis to the present than does the prevailing view, which ignores much of the past and future in deference to immediate wants. Appreciating the past led to our understanding the course of time, while the future offers hope for the positive aspirations of humanity and a rule against which to judge our actions by evaluating their consequences.

The preferred notion locates the present in the continuum of time (past-present-future) with some humility. The present is less significant because it is punctual, while the past and future are large sets of time points. Certainly in all of existence there is a broader perspective than caring only for the here-and-now. The life of some person of long ago affected the world in ways beyond its own self-gratification.

### **Time and One Person's Life**

If time (or history) is the big journey we all pass through together (humanity and the universe), then an individual life is a smaller journey each passes through on his or her own. The study of the best course in this journey from birth to death is the study of acquiring personal maturity, as discussed in Chapter



Four. Happily, a person can feel responsibility both to him or herself and to the larger common good, and though one's allotment of years is limited, it is individual men and women that lay down the course of history.

#### WHAT THIS MEANS ON THE JOB

To be most successful in work we should dance to time as we best understand it and avoid slipping into earlier (and less fruitful) conceptions. Since time (and history) is dynamic rather than static we should be careful about considering anything to be really stable. An organization's structure, for example, is often thought to be fixed and movement is imagined only as moving up the ladder or between units. The truth, however, is that organizational structures are themselves fluid; departments are created and abolished, reporting chains are changed. One should not be lulled into a false sense of security or despair simply because of the current structure. Rather, we should be ever on the lookout for opportunities to create progress (= greater success, opportunities recognized and exploited).

Nor is time made of two states -- being either in-balance or out-of-balance. This means there is no ideal corporate form, existing either in the past or somewhere out in the future, we should not spend our effort trying to (re)capture such a fixed

ideal. We should rather press ever on to adapt and advance, to move with the times.

Nor do business conditions follow an unchanging cycle -- changes are often novel and unexpected. Nor do they depend solely upon events beyond human control -- we can make a difference if we apply ourselves. Nor will perfection (paradise) be ushered in upon us all of a sudden -- progress is something we work for step by step.

### **The Evolving Corporate Form**

Alfred Chandler of the Harvard Business School has chronicled the corporation as an historical organism changing through its life cycle (The Visible Hand, 1977). The corporate form was born sometime after 1840, before which there was only the traditional single unit enterprise.

In such an enterprise an individual or a small number of owners operated a shop, factory, bank, or transportation line out of a single office. Normally this type of firm handled only a single economic function, dealt in a single product line, and operated in one geographical area. (p. 3)

But with advances in technology, communication, transportation, and increased population, a new form of enterprise began to develop -- the multiunit managerial firm (big business) with multiple operating units and a hierarchy of salaried executives.

By World War I this type of firm had become the dominant business institution in many sectors of the American

economy. (p. 3)

... by the 1950s the managerial firm had become the standard form of modern business enterprise... (p. 493)

The relationship between ownership and control in this evolution is especially interesting. "Before the appearance of the multiunit firm, owners managed, and managers owned." (p. 9) At first, in the new firms, ownership and control similarly remained with the man who built the corporation, as it had been in earlier arrangements. These were the great men of business, industrial founders and empire builders. But as they passed from the scene, ownership in the form of stock passed to their children.

... the management of the enterprise became separated from its ownership... (p. 9)

... members of the entrepreneurial family rarely became active in top management unless they themselves were trained as professional managers. Since the profits of the family enterprise usually assured them a large personal income, they had little financial incentive to spend years working up the managerial ladder. Therefore, in only a few of the larger American business enterprises did family members continue to participate for more than two generations in the management of companies they owned. (p. 492)

Eventually

Ownership became widely scattered. The stockholders did not have the influence, knowledge, experience, or commitment to take part in the high command. Salaried managers determined long-term policy as well as managing short-term operating activities... (p. 10)

Ownership was divorced from management and their goals diverged with them -- owners wanted profit, managers sought growth. Ownership diffused to a growing number of stockholders who displayed decreasing loyalty to the firm, while management became the domain of professional executives hired from the ranks of non-owners.

Recent decades are adding new episodes to this story. The disparity between ownership and operation has grown to where companies are being bought, sold, merged, and twisted all around, often putting the producers (employees) and the owners at odds with one another. At first, a few ambitious men spotted opportunity in the structural incongruities. Low stock value and heavy borrowing made corporations vulnerable (though unwilling) targets. "Conglomerates" formed through acquisition. In the 1970s mergers and acquisitions spread as the gap between the goals and standing of owners and managers was recognized as an arena for huge financial gain and was exploited. In the 1980s the corporate form is literally hemorrhaging with the appearance of specialized corporate raiders, hostile takeovers, greenmail, and golden parachutes, all of which exist exclusively because of disequilibrium in the evolution of ownership and control, all of which sap the lifeblood of the firm without recompense.

The fates of the affected parties are today radically divergent. 1) One group of people (heirs of the original great

men of business) receive a lot of money without working, 2) managers struggle to retain control of their enterprises creating poison pills and golden parachutes in the event of failure, 3) corporate raiders exploit the greed of stockholders and fear of managers to make millions in a matter of months, and 4) workers face the buffeting of downsizing, pay decreases, and new owners (step-mothers of the corporate world). Needless to say, every one of these forces has a negative impact on corporate productivity. Losers include the managers (whose companies are swept out from under their feet), the general economy (composed of more and more hobbled corporations), and most of all the employees. Those who simply want to do an honest day's work for honest wages are left standing in the cold as the others scramble to save themselves.

The point is, the work setting (and the corporation in particular) is not stable but is changing, and changing quite rapidly. The way things are is not how they have to be, and is certainly not the best they can be. The wise corporate citizen will track this evolution, on the one hand, to defend himself from the backhand of fate, and, on the other, to discover how he might best steer its ongoing development. What will be the next step in the life cycle of the corporation? Can we protect ourselves and contribute to the overall good at the same time? Can ownership and control be somehow reintegrated advantageously for all? -- perhaps in an "enlightened

corporation" (see Chapter Two)?

Change will happen, but its speed and specific direction depend upon us -- we are the players in the drama of history. We need to be inventive, to move on and make things happen. We're ever on the brink, the threshold of new wonders if we can only see them. We must take up the challenge to make our history become something remarkable.



## Chapter VII

### ON POWER

Once upon a time there were two brothers...

Cain and Abel had the whole earth to share, yet in jealousy Cain slew Abel.

Zeus and Poseidon in similar circumstances went their separate ways; Zeus taking the sky and dry land, Poseidon the sea and the deep.

More recently, but just as celebrated, Wilbur and Orville Wright together conquered sky travel for us mortals by inventing the airplane.

These stories show the three basic patterns of human interaction; competition, independence, and cooperation.

Imagine next a group of people -- an army, a football team, or a corporation. When the group is alone it tends to focus on formalizing distinctions within itself (internal competition); officers drill recruits, coaches discipline players, managers

boss subordinates. But when the group comes against an external force it emphasizes unity instead of differentiation; the army becomes countrymen fighting for a common cause, the team pulls together for the glory of the school, the company puts productivity ahead of executive privilege. These are examples of the two modes of interaction for groups; competition (enforcing dominance within the group) and cooperation (working towards common goals).

These examples all belong to the genre of social power (how people accomplish things with other people). As we shall see, not all forms of power are equal.

## THE PREVAILING VIEW OF POWER

The dictionary defines power as "possession of authority or influence over others." Bertrand Russell (Power, 1938) calls it "control over men's lives... the production of intended effects" (p. 15, 35) and finds three types of power.

- A. By direct physical power over his body ...
- B. By rewards and punishments as inducements ...
- C. By influence on opinion ... (p. 36)

John Kenneth Galbraith (The Anatomy of Power, 1983) agrees, listing essentially the same three types of power. (p. 4,5)  
Michael Korda (Power! How to Get It, How to Use It, 1975) similarly links power exclusively with getting one's way (that is, with dominance and competition).

No matter who you are, the basic truth is that your interests are nobody else's concern, your gain is inevitably someone else's loss, your failure someone else's victory.

(p. 4)

Commonly, then, power is understood as the way to make people do what you want them to do. Each person asks, "How can I manipulate the world and my fellow men and women into behaving as I wish them to?" Such a view, however, is too narrow. A superior world view (one that enables greater success) expands the definition of "Power" to include all forms appearing in our examples, to "Ways people use to accomplish things socially." The three types of ego-coordinated power listed by Russell and Galbraith are included in it. The important distinction, of course, is that the new definition also includes the "power of cooperation" which the others do not.

## DEFINITIONS

Power (social power) is the means to accomplish things with people. It takes two forms: competition and cooperation.

Competition (or exerting dominance) means working towards individual, exclusive goals; getting people to do what you want them to do. (This includes Russell's three categories of payment, persuasion, and physical coercion.)

Cooperation means working towards common, shared goals; discovering and implementing goals together.

## LEADER OF THE PACK

Although world view is by and large the unique possession of mankind, social interaction finds a recognizable counterpart in the animal world. Many species understand and follow established rules of group behavior, forming flocks of birds, schools of fish, herds of cattle, packs of wolves, etc.

Most higher animals live in a competitive social environment. They compete for food, territory, and dominance. The dominant party is typically the biggest, toughest guy around, enjoying first crack at the food supply, preferred mating opportunities, and general deference. Wolf packs have a dominant pair, bull elk fight for harems, silver back gorillas lord it over the troop. The important point about competition is that positions of power are understood as fixed and unchanging in the minds of the participants. Players compete for a place in the pecking order, and then fight to suppress all challengers. There is no creativity in designing or exercising the positions, only the impulse to dominate.

Cooperation also appears in animal social interaction. Many species thrive by working together. There is both active

and passive cooperation. Passive cooperation means following the leader, submitting to the power of dominance (competition). In an elk harem, females are herded by the dominant male. Active cooperation, on the other hand, is more equal. A pair of hunting lions cooperate when one waits in ambush while the other chases game in its direction. A herd of gazelle cooperate by each being alert for danger and signalling when it is spotted. Bird parents cooperate in feeding their young. Passive cooperation maintains the order of the group, while active cooperation achieves its success.

Passive cooperation is really just the downside of competition, while active cooperation presents a real alternative. Therefore beginning here, the term "cooperation" refers exclusively to active cooperation, while passive cooperation shall be included in "competition."

#### A CLUSTER OF IDEAS

Cooperation and competition each conjure up a cluster of associated ideas, producing two distinct sets of characteristics. Each characteristic is associated solely with one form of power.

First of all, competition goes with dominance. Competition means competition for dominance. One competes in order to win,

and what is won is dominance. In the animal kingdom, dominance is sought in feeding and breeding privileges. Among people there is dominance of rank, command, income, and social standing. So closely tied are these two ideas that the "pursuit of dominance" can be used interchangeably with "competition."

Cooperation has shared goals, and for goals to be shared they must be selected and accepted by a group of people. This means they are usually stated in an open-ended fashion, such as "Let's be as well fed as possible," or "as safe as possible," or "Let's have the most efficient manufacturing process." This leaves room for invention and innovation. The goals of competition, on the other hand, tend to be specific, closed, and exclusionary, such as "I want to win this race," or "I want to be president." They focus on machismo and limiting the possibilities of others. Open-ended goals are more conducive to progress.

Competition means striving to be better than others, it emphasizes relative merit. It is a struggle to dominate and control rather than to grow and improve. Competition does not seek riches, it seeks to be richer. Cooperation looks instead to the absolute standing of all participants. It wants everyone to be rich, rather than one person richest.

Since the goals of cooperation are oriented towards a common



good, it is open to goal-fulfillment from any possible source. This means any person can propose a solution, or any new process can be considered. It doesn't matter who turns the trick or where the solution comes from. With competition, the dominant party alone wins the contest by his own force of strength.

Competition accepts and reinforces the existing structure through the tacit approval of its competitors. If a person becomes "king of the hill," he will want others to continue playing the game that puts him on top. He will do what he can to keep the rules and the game the same (that means no progress).

Competition for fixed, predetermined positions fits the steady-state view of time, where the structure of the world is permanent and only the players change. This is not the preferred view (as discussed in the previous chapter). Cooperation, on the other hand, is more ongoing, its openness to new sources and new means of goal resolution, even new statements of what the goals are, fits better with a view of time as an ongoing process (a more correct view). Cooperation is a process while competition imagines a steady system.

Dominance creates structure and one can "have" authority within a structure. The power of cooperation is not "owned" in this sense. Cooperation is exercised, while dominance is possessed.

The process of cooperation progresses through history. Each generation begins its activity with the status achieved by the preceding generation and builds onto it. Over time even the average person in a cooperative environment will be more prosperous than the dominant person in a highly competitive arena. This is seen in the course of history and is recognizable in the contemporary distinctions between free and totalitarian nations. Competition and dominance face the same struggle over and over again, generation after generation. Every day begins a new contest, every day one must prove himself again and defeat his rivals one more time. If society had focused exclusively on competition we would still be living in caves with the biggest and baddest bully among us jealously guarding his position of privilege.

Power affects a community's mental/emotional atmosphere. Competition, rivalry, and dominance create attitudes of suspicion, mistrust, isolation, insecurity, cynicism, and the need ever to be on guard. The person who has captured a position of power for himself devotes energy preemptively to fending off potential rivals, and grows jealous of others. The saying "Power corrupts and absolute power corrupts absolutely" refers to this effect of competitive power. Cooperation and goal sharing, on the other hand, create the opposite attitudes; trust, helpfulness, a sense of community, of belonging and being needed, security, and optimism. The latter is definitely more

pleasant.

Cooperation sees the purpose and meaning to life as something grander than individual gratification, while competition promotes the good of the individual, and just one individual at that. Cooperation seeks common wealth, competition seeks disparity. Cooperation encourages commitment from others, competition prefers apathy (easier to dominate). Cooperation provides others with access to the tools of power, competition restricts access. Cooperation promotes education and knowledge, competition prefers ignorance in others (knowledge, after all, is power, and should be hoarded). Cooperation is thus the source of tomorrow's greatness, while competition creates mere replicas of yesterday (though perhaps with a new top banana).

### **Freedom**

Cooperation, being open to any possible source that might achieve its goals, promotes equality of opportunity and freedom. Freedom means everyone can contribute, not just the Great Men or the aristocrats, but every one of us. In our age this is expressed in the motif of "the entrepreneur," a man or woman, who with vision and determination, though facing numerous obstacles (lack of education, deprived background, limited funding, and expert nay sayers), succeeds in bringing about new wonders that benefit us all. More than just offering opportunity for freedom,

however, cooperation encourages participation. Indeed, cooperation demands it; needing sophisticated, committed and dynamic people to manage cooperative goal seeking. Sluggards can't do it. This is why the level of cooperation attained in the modern Western nations (including democracy itself, which needs constant vigilance and maintenance) is so precious.

### **Effectiveness**

Cooperation is more effective (more powerful) in achieving prosperity. This includes all the good things in life -- happiness, security, a nice home, family, friends, pleasant leisure activities, and a fulfilling career. The reasons are clear. When two parties fight against one another, part of the abilities of each is neutralized by the abilities of the other, but when they cooperate the effectiveness of their abilities is combined. For example, if two men are competing and one has ten units of power ability (however these might be measured) and the other eight units, then the man with ten units will win, but he wins with only a two units net force. The other guy loses completely. If two powerful people were equally matched in a struggle neither would win and nothing would be accomplished. Indeed, there are cases where men or animals fight to the death and it seems rather pointless (and consequently has been outlawed). In the distant arctic of North America, dominant male caribou and musk oxen that compete for mating privileges during the fall rut often freeze to death the following winter, having

consumed their energy reserves in combat. But when two rivals become allies their power is magnified. If the men with ten and eight units of power work together they exert nearly twice the force of each. The previous winner is better off, and the loser drastically so. Moreover, some things simply cannot be accomplished alone. The distinct skills of many people are needed for sophisticated projects (and today almost all projects are sophisticated).

The lesson has often been appreciated. Instead of competing for an existing food supply we have learned through cooperation to produce more than enough food for everyone. Instead of fighting over the nicest cave dwelling we have cooperated to design and build better shelters in ample supply for all. Instead of each trying to dominate his neighbor we have learned the sweeter joys and benefits of living in harmony (at least, most of the time).

### **Inertia**

Each form of power tends to build upon itself. Competition leads to stronger competition, cooperation to stronger cooperation. Cooperation takes the achievement of one goal as inspiration for the next (the process is better understood and the co-conspirators build goodwill). Accomplishment leads to accomplishment as people grow more adept at working together. More experience with competition, however, makes for tougher



competition; a competitor tends to become wiser the more he is challenged, and the struggle grows more difficult. Hostility breeds hostility, friendship breeds friendship.

#### **WHEN COMPETITION IS GOOD**

Though cooperative accomplishment is almost always preferable to a competitive struggle, there are some instances when competition is appropriate; specifically when competition becomes a mechanism for cooperation. Good competition then is competition in pursuit of the common good (for cooperative goals), while bad competition is competition for dominance (in pursuit of individual, exclusive goals).

An obvious example of good competition is the competition among ideas in the search for a best solution to a problem. A variety of views makes discovery of a best view more likely. So it is in politics, science, and art. In the search for a best solution, an enlightened community will encourage debate (the competition of ideas) and advocacy. The presumption is that all parties want the best possible solution and some sort of agreement or consensus can be reached. For example, a city needing a new bridge will ask for competitive bids from architects and contractors. The same is true of economic competition, where the goal is providing the best possible product for the client. However, when the struggle focuses



purely on supremacy and domination it is negative. Cartel building and the formation of monopolies are examples of negative competition (the pursuit of individual goals at the expense of the community) and have been legislated against. Similarly, the activities of organized crime and drug traffickers, though examples of free enterprise, are harmful, because they do not submit to overriding cooperative goals (the good of the community) as do law-abiding enterprises.

Rival political parties and businesses each share larger goals within which their competition takes place -- the good of the country and the economy, or the promotion of their industry and a good business environment. Good competition encourages participation by others (vigorous political debate, a healthy competitive economy, closely matched athletic teams), while bad competition caring only about domination prefers apathy and submission from others.

And, of course, we must not forget to mention "friendly competition" such as sporting matches, where truly it is not most important whether you win or lose, but how you play the game. Competition is restrained by the overriding cooperative goals of exercising and having a good time.

It remains true in all cases, however, that the pursuit of common goals is always preferable to individual domination. It

just so happens that limited competition is sometimes an effective mechanism for production of cooperative goals.

## EVOLUTION OF POWER

The historical trend concerning competition shows creation of more and more distinct arenas of power, invention of ever more games to play and to win, thus reducing the dominance of any single position.

In earliest history (in Egypt and Mesopotamia) there was just one main domain of power instead of the many we see today. In Egypt the pharaoh was God and king combined. He had ultimate say over everything. In Mesopotamia the Temple ruled society. But soon separate spheres of dominance appeared. Religion and medicine became distinct (the poor king no longer got to be God). Separate business classes emerged. Craftsmen, traders, and entrepreneurs became more powerful, until eventually the king could no longer control them either. Society became more sophisticated as new domains of social power were created. There was education, law, the arts, and the sciences. Today there is any number of distinct disciplines in which to compete for excellence and priority.

Nevertheless, the nature of competition itself has not changed, it remains rivalrous, jealous, and insecure. An athlete

may not compete against a business executive or senator, but each competes in basically the same way within his or her own discipline, and this is the same way a gorilla competes for power (dominance) in a gorilla troop. They imagine a fixed structure with a limited number of desirable positions. To win means others must lose. Somebody will be on top and it might as well be them. The competitive person does not seek to change or improve the system, he seeks rather to move up the ladder within it. He is a social climber rather than an inventor or revolutionary.

The history of power through cooperation is more optimistic. Cooperation increased its range of activities and envisioned ever grander goals (such as the new democratic ideals). Early cooperation by necessity focused on food production and communal defense. Later it improved our quality of life by creating all sorts of new goods and services. Because its goals are typically open-ended and a challenge to creativity, it inspired the inventing of new things and creation of new possibilities. Walls were built around cities, irrigation ditches dug, and professional specialization begun. Cooperation through commercial trade and the exchange of new ideas benefited everybody. New industries arose and knowledge disciplines were created as people progressively explored the nature of the world they (we) live in. Specialization strengthened cooperation. People more and more needed other people (doctors, plumbers,

farmers), mutual dependence tied us all together.

(Interestingly, the new institutions born of common concern often became sites for the familiar struggle for dominance as positions of service were transformed in people's minds into positions of authority. Cooperation created the institutions that became new arenas of competition.)

Even the old main domains of power were redesigned to increase cooperation. Political authority, once belonging solely to the king was adjusted to accommodate the formerly lesser beings. As society became more sophisticated more people were politically enfranchised until today's government grants equal political rights to all and we (in the West) vote on decisions.

Religion too spread its power among more people. There was a time when religious mysteries were kept secret; priests and shamans told people only what they wanted them to know, ceremonies were for the elite, documents were restricted, and everything was conducted in obscure languages. People could not pray directly to the gods, gain forgiveness, or achieve any status (e.g., marriage) without the aid of priests. But as people gained more control over their lives with the advance of civilization they demanded similar treatment from religion. More were admitted into the temples until all were welcome. The mysteries were explained and justified. Holy books were

published. Eventually people were allowed to pray directly to God without an intermediary, and in most religions work out their own salvation. Religion became personalized to such a degree that professional clergy are today consultants and advisors instead of the divine spokesmen they once were.

The same movement from domination to cooperation is seen in the arena of sexual power and the family. For most of history (going all the way back to our descent from the trees) men and women related to one another solely in terms of fixed roles. Men were husbands and fathers, women were wives and mothers, and most often men were dominant. As typical of the primitive stages of power, men sought to extend this dominance to all areas of life, and largely succeeded. The current rise of equality among the sexes is one of the most dramatic revolutions in history and is still in progress. Within very recent times women have been given the right to vote, granted admittance to higher education and entry into all professions. Women at last are being allowed to contribute fully to the growth of civilization. Within the family we see the same shift, as men and women share the burden of financial support, household chores, and childcare. Men and women are at last seeing one another as equals sharing common aspirations.

The last of the major domains of social power, economics, is also moving from a structure based primarily on domination to



more equality and cooperation. There was a time when one's economic role was defined strictly by one's family of birth -- and almost everybody was a peasant. Fortunately, the powers of production, finance, and service have diversified with the growing complexity of civilization creating numerous professions and many distinct industries. Specialization and differentiation grow with cooperation. Economies of scale and the advantages of cooperative enterprise have made most of us part of large corporate teams (some numbering in the hundreds of thousands). No longer is it the lone craftsman or merchant competing against the rest of the world. On the other hand, the power to dominate (to form trusts, monopolies, and exclude competition) has been limited by law. The government, by common assent, encourages freedom and equality of opportunity.

Nevertheless, when one thinks of business one is apt to think first of competition rather than cooperation. There is competition between companies for clients and within companies as men and women vie for the top of the corporate pyramid. Open competition between firms is a recent historical phenomenon and reflects the limitation of domination (lifting of restrictions on trade and royal monopolies) and the elevation of concern for the rights of all citizens. This is the good type of competition (the primary goals of the participants are common prosperity). Intra-organizational competition, however, is much less positive, and has seen less change from the old patterns of dominance than



any of the aspects of western society we have examined. Too often the competition is for dominance, rather than for finding the best solution. Too often the power is coercive and not open to question. Such a degree of competition, of course, is hardly beneficial, and many business experts today are advocating a switch to greater cooperation as a means to greater productivity.

Communist bloc nations have an economic system which, contrary to its self-description, has hierarchies of dominance even more rigid and more restrictive than that of their Western counterparts. Marxism fuses the economic and political worlds, centralizing power rather than distributing it. The dominant in such a system are more dominant, competition is narrower and more intense. As a rule, centralization of power is socially more primitive, more susceptible to competition, and less likely to promote progress and general well-being, no matter what it is called. In this case, the totalitarian nature of government and lack of freedom are more important reflections of cooperation (the socially more advanced state) than the name of the economic system.

Looking at the big picture it is clear that progress in history is paralleled by the trend towards more cooperation. Progress grows with cooperation. This is seen in the ever increasing quantity of distinct avenues of human conduct and in

the increased direct cooperation within each specific avenue, as represented by the modern democratic ideals of liberty, equality, and fraternity. As cooperation increases, progress and the good things in life increase with it.

There are, however, some who have seen the trend moving in the opposite direction, towards increasing centralization of power. Bertrand Russell (Power, 1938) agrees with the first part of our history, seeing early civilization imbued with competition for dominance.

After anarchy, the first natural step is despotism, because this is facilitated by the instinctive mechanisms of domination and submission: this has been illustrated in the family, in the State, and in business. Equal cooperation is much more difficult than despotism, and much less in line with instinct. (p. 24)

Writing on the very brink of World War II he continued his history of power more pessimistically.

A system in which economic and political power have coalesced is at a later stage of development than one in which they are separate...

It is obvious that the same causes which are leading to a coalescence of military and economic power are also tending towards a unification of both with propaganda power. There is, in fact, a general tendency towards the combination of all forms of power in a single organization, which must necessarily be the State. Unless counteracting forces come into play, the distinction between different kinds of power will soon be only of historical interest. (p. 129, 132)

To our good fortune, a counteracting force did come into play (namely, western democracy with the military might of America) and the totalitarian threat was defeated. The fearful tendencies witnessed by Russell were dissipated, at least in our part of the world. With the advantage of hindsight we see that centralization of power does not foster progress or prosperity to nearly the extent that do freedom and division of powers (including political checks and balances). We reject the Third Reich and Stalinist Russia as models for imitation. Progress grows with cooperation, not the coalescence of power (totalitarianism).

#### **A PREFERRED NOTION OF POWER**

Of the two forms of social power, cooperation is by far the most effective and should be used in place of competition wherever possible. Success comes from managing relationships in a way that includes the most cooperation and the least competition.

#### **Creativity**

One of the most important ingredients in cooperation is a creative imagination. It takes much more creativity and inventive intelligence to find a way to prosper together than it does to try to dominate someone (whether as a playground bully, political faction, or departmental manager). Life's options

are not always black and white, most often there are many alternatives, each situation is new with new people and fresh facts to be considered. The smart person will choose the best alternative or invent something new to fit her case. Thus are new forms of enterprise and progress created.

### **Empowerment**

Empowerment is a corollary of cooperation; it is natural to want to help those who share your goals. While competition insists on dominance and ego-exclusive possession of power, empowerment transfers power to other people. While competition hoards power, cooperation seeks a powerful and effective community.

The paradox of empowerment is that the more you empower someone else (the more you help him or her become powerful) the more powerful you yourself become. As you empower another person, you both become more powerful. As you transfer power from your reserves to another, both reserves grow.

By doing someone a favor, sharing knowledge, or delegating authority, you do not lose anything. You can still do what you could before, plus you can expect improved input from your new partner. When a group selects and empowers a representative to conduct some activity (political, bureaucratic, or whatever) the recipient becomes more powerful than before, the original group

still has the power they began with (they could replace or remove their representative), and the group has the additional power of expecting fast and efficient action from their representative.

In a business situation, when a manager delegates authority the subordinate becomes more powerful, while the manager keeps the power she had before, and can expect improved response from the subordinate now that she has rewarded him with greater power. Everybody wins. It's the same mechanism that enables friends by helping one another to prosper together much more than they would singly. By sharing power and empowering others, we each become more able to accomplish our goals and produce the life we all would like.

### **Ambition**

Power is sometimes pursued for reasons beyond material well-being. It sometimes becomes an end in itself: power for power's sake. For some, the game of life is simply the struggle for dominance (rather than for happiness, fulfillment, or service). Bertrand Russell, for example, believed man's fundamental desire is for power and glory, and not simple economic self-interest as most economists assume.

When a moderate degree of comfort is assured, both individuals and communities will pursue power rather than wealth. (p. 12)

Whether or not the lust for power is always primary, there certainly are people who appear driven in its quest beyond all

other considerations. Lucifer, the Prince of Darkness in Milton's Paradise Lost, chooses rather to rule in Hell than to serve in Heaven. Julius Caesar's ambition for dominance was so impassioned (according to Shakespeare) that even his friend Brutus felt compelled to join in his assassination.

Ambition, however, can be associated with both forms of power. Though an appetite for dominance is dangerous, a hunger for the common good is beneficial. Though we do not want indomitable men and women struggling to force their wills upon one another and upon the rest of us, anyone able to excel in promoting common welfare is a valuable resource to society. Therefore, the important factor is not whether a person feels a compulsion to exert power (to be ambitious), it is whether he channels his energy into cooperation or competition, into the common good or domination, into shared goals or his own self-interest. Enlightened ambition realizes there is greater power and benefit in cooperation, and that greatest power is expressed through the paradox of empowerment, rather than through subjugation. As Jesus said to his disciples:

You know that in the world the recognized rulers lord it over their subjects, and their great men make them feel the weight of authority. That is not the way with you; among you, whoever wants to be great must be your servant, and whoever wants to be first must be the willing slave of all. For even the Son of Man did not come to be served but to serve, and to give his life as a ransom for many.  
(The Gospel According to St. Mark 10:42-45)



In this sense, those who feel ambition and properly direct it become treasures of society, benefactors of progress, facilitators of common prosperity. Their satisfaction comes not from a suspicious gaze downward upon underlings, but from forward movement in history. Such are the great men and women of history; their legacy is truly our good fortune.

#### **WHAT THIS MEANS ON THE JOB**

An organization and its members become most successful by tapping the most effective and beneficial form of power: cooperation. This is accomplished 1) by establishing common goals and 2) by sharing power (the paradox of empowerment).

An organization should construct its goals in a way that makes them attractive to all employees and likely to be shared in common. The more that goals are understood as reasonable and rewards as appropriate, the more likely it is that employees will buy into the common desire to accomplish them. Second, the power for accomplishing these goals should be made as widely available as possible, it should not be the exclusive guarded property of one boss (the competitive power of domination). Company leaders should consciously attempt to spread power, to delegate responsibilities, to empower the less powerful. A flexible structure that encourages initiative is preferable to a rigid many-layered hierarchy. Remember the corporate culture advocated

by "business experts" discussed in Chapter One:

- productivity through people
- autonomy and entrepreneurship
- encouragement of a culture of pride
- enlarged access to power tools for innovative problem solving
- reduction of unnecessary layers of hierarchy, etc.

Individuals and organizations should exploit the great power of friendships and mentoring. These relationships comprise some of the purest examples of goal sharing and active cooperation, which means they induce great power towards goal fulfillment. All parties to such positive interdependence benefit (including the host organization). Unfortunately, our society tends to undervalue mutual dependence and instead advances the myth of the independent, self-made man (or woman). It is, of course, nonsense to think that independent achievement is preferable, let alone even possible. Humanity prospers through interdependence, and progress grows with the complexity of society. Instead of idolizing the lone hero, we should exploit the power of cooperative effort by forming alliances. Instead of pretending we can make it on our own, we should acknowledge the dynamics of interaction and creatively cooperate to our best advantage.

As living members of society we each have control over our own piece of the action, and as we administer our piece we should do so by "managing" the rules in pursuit of our common welfare. In fact, it is this very use of discretion and

creativity that distinguishes a good leader from a bad one, and an effective citizen from an ineffective one.

Jesus said, "The sabbath was made for man, and not man for the sabbath" meaning the rules of the sabbath should be interpreted to benefit man rather than to disable him.

Similarly, the corporate enterprise was created to assist men and women, not to enslave them or be an arena for gladiatorial combat. Indeed, the ultimate purpose of the economic world is to create a good life for ourselves, so why should we make it difficult? Why introduce dominance, rivalry, and hierarchical differentiation when it isn't necessary? It is much more effective and pleasant to pursue success (for employees, management, as well as the host organization) by simply recognizing the advantages of cooperation and applying it creatively.

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ON WEALTH

Oh, the joys of the well-endowed life  
and of the wealth that makes us rich.

Wealth is all those things that help us survive, that make our lives enjoyable, rewarding, and full. It can be material possessed, or something intangible like learning, leisure, and free choice. It can be private to a particular person, or public and belong to all. How it is envisioned determines how it is pursued, and to understand it better is to gain it easier.

OLD-FASHIONED WEALTH

For most of history wealth was imagined solely as exclusive wealth. When an object belonged to one person it could not also belong to another. All the foremost genres were exclusive (farmland, territory, gold), and people assumed all wealth

behaved (gave off benefit and was acquired) only so.

To be sure, there were other forms of wealth, such as knowledge and technical skill, but these were not commonly known to be wealth. And though wealth increased as civilization grew more sophisticated (pottery, farm equipment, and architecture improved), the pace was so slow that it was not recognized -- its total quantity was thought to be finite and stable. Common wisdom taught that one could increase his wealth only by enlarging his personal share in direct competition with the rest of the world. For one piece of the pie to get bigger others must get proportionately smaller, for one person to enlarge her share someone else must lose (so it is with land and gold).

Those who possessed wealth wanted to preserve it. They arranged social structures to keep the masses down and working for them. Theirs was the age of kings and barons, of peasants and serfs. Their sentiments fit perfectly the notion of power associated with competition and dominance (discussed in the previous chapter). Everyone competed for his piece of the pie. It also fit the static, steady-state view of time; where the world is a permanent system and only the players change, where the wealth of the world is constant and only its shares are redistributed. Neither of these are preferred views.

"Old-fashioned (exclusive) wealth," then, represents both



the prevailing nature of wealth in early history, and the coinciding notion of wealth.

## MODERN WEALTH

In the modern era wealth has a completely different nature. Most obvious: we're all a lot richer (at least those of us who live in the West). There is today more wealth of all sorts, public and private, physical and mental. Just the improvement made in the last generation is amazing -- the expanded economy, the ease with which we travel the world, the quality of our homes; we have better education, better understanding of the universe, new medical procedures that extend our lives, and more sophisticated and accessible leisure activities. We are individually much richer than our ancestors even though there are more of us today with whom we must share the wealth. If wealth were still measured in land and precious metal, modern man (all five billion of us) would be mostly starving and destitute. Instead, we are amazingly rich.

Perhaps most remarkable, wealth is now defined in terms of things that are easily reproducible. It is possible for the entire population to enjoy the new wealth of knowledge, education, entertainment, and leisure time. A large percentage of modern professions now deal exclusively with such non-material things (the service sector): accountants, teachers,

entertainers, computer programmers, psychologists, consultants. These fields help create our high quality life, and don't lose their value when shared by more people. Education keeps its value after the first students are taught, there is no limit to how many people can learn and benefit from a given subject. A television broadcast does not become weaker or less entertaining when more people happen to tune in, there is simply more benefit experienced (assuming it has some value in the first place). Here, wealth is multiplied instead of divided. To share means to increase wealth rather than decrease it.

Physical wealth has similarly expanded and become more democratic. Items are today produced in large quantities, in fact, the larger the quantity the cheaper the average cost of production. This means the more that wealth is shared, the cheaper it is to produce -- again, the exact opposite of the old notion of exclusive wealth. Modern appliances are affordable because design and development costs are spread among many units. Mass manufacturing creates more prosperity for today's average citizens than even the elite of the past once possessed.

Indeed, certain types of public and private wealth can only exist with a large and sophisticated population. It takes a large base of relatively rich citizens to maintain highway systems, television networks, universities, and retail businesses. If most of the population were too poor to buy cars

then even the rich couldn't drive wherever they pleased because roads wouldn't be available. If most people were too poor to buy television sets then the huge entertainment and news industries could not exist and even the upper class wouldn't enjoy the entertainment or speed of information that exists today. Other industries like the post office can only function efficiently and cheaply when thousands of employees coordinate their activities. Value and utility now belong to things that can be shared by many people, which in fact are more useful and valuable when shared.

The price for this high standard of living is a commitment to interdependence and abandonment of self-sufficiency. We trade the independent life for greater wealth as our lives become more interrelated. Fortunately, this interdependence is itself positive. The fact that society is complex and interrelated makes life fun. The family unit, for example, is necessary for the nurture and rearing of children, but it also is intrinsically enjoyable -- belonging to a family is good in itself. Similarly, people enjoy many aspects of work other than the financial support it offers; they value the camaraderie and sense of contribution. Mutual dependence has value on its own merits.

The only dark cloud over modern wealth is the fears of some that the earth's resources are being consumed too fast by too few, that there is simply not enough to go around, at least

not for long. Such pessimism, however, is misfounded; modern forms of wealth are actually becoming more easily producible through raw materials that are ever more commonplace. Old-fashioned wealth in land and gold was limited and hard to come by. The later industrial revolution required easier acquired cotton and wool. The early modern world consumed lumber, oil, and steel. And today we live in the electronic age with an increasing share of our wealth built on the microprocessor and other electronic devices. Computer chips and electronic components are made from silicon which basically is sand. TVs, radios, telephone systems, calculators, stereos, and computers are made from sand! These are the devices that are dominating our leisure, education, knowledge, and communication environments, and even work itself. Even the energy consumed is minimal. Imagine a 60 watt light bulb and all the places in the world that use electric light. By comparison, a 12 inch television uses just 28 watts (less than half the power of a 60 watt light bulb), a radio alarm clock 10 watts, a MacIntosh personal computer 60 watts, and a telephone line about one watt (none when it is hung up). And the costs for power are expected to drop dramatically as superconductivity becomes commonplace. There is phenomenal potential here for extraordinary democratic wealth, extraordinary wealth for each and every citizen of the world. The potential exists for every person in the world to have his or her own TV, radio, telephone, and home computer. And all of this could be accomplished without damaging or exhausting

the earth's resources. Every person could access all known information, be educated in any and all subjects he or she chooses, keep informed of events occurring throughout the world, access an incredible library of entertainment, communicate with any other person in the world instantly, and every person could use the extraordinary power of computers to calculate, compose, and create. The potential is enormous and we are just beginning to tap it.

### **INNOVATING "NEW WEALTH"**

Most of what we have today is "new"; our cars, homes, appliances, entertainment, transportation, communication, education, medicine, science -- all have been created or invented by men and women. Utility was made out of non-utility. Invention is the source of the great increase in wealth available today and is the hope for even greater riches tomorrow. It is the real key to prosperity.

Civilization has gradually grown richer by this process. Enormous lengths of time were consumed in prehistory to learn to grow grain, domesticate animals, and build cities. Later, after writing and rationality were invented, progress accelerated. People found new possibilities and did new things. Consciousness expanded, science learned about nature, and technology developed. More goods of more kinds appeared. There was more

wealth to share, more people were richer than ever. Thanks to innovation wealth became reproducible, democratic, and the opposite of exclusive.

New wealth fits in with the power of cooperation and goal sharing (exclusive wealth, on the other hand, fits in with competition and dominance.) New wealth both supports and requires a large, sophisticated citizen base to function and common, open-ended goals encourage the invention of new creative solutions. The more that wealth and power are shared (when more people are educated, given opportunities to contribute, and drafted into the general social and economic system) the more new wealth will be created. Settlement of the American and other frontiers and creation of new industries (railroad, electricity, automobile) are examples of this.

The appearance of new wealth also conforms to the (preferred) notion of time as ongoing and offering ever greater opportunities (exclusive wealth matches instead the steady-state view of time). As time passes, new wealth takes advantage of improving opportunities and invents new wonders. It is reasonable to expect this trend to continue. Our civilization is young, and though we have made considerable progress in our first few thousand years, going to the moon and back within 6000 years of first learning to write, within 66 years of first learning to fly, who knows what will be possible in the time that



still lies ahead. What more wonderful things are there that have not yet even been fantasized? If our goal is maximum prosperity, we should exploit and amplify the trends of history. We should realize that our best hope for increasing the welfare of one and all comes in the creation of "new wealth" through common enterprise.

In the final analysis, we recognize that all wealth is really "new wealth." The utility and value of things are only what we can make of them. Things are only what we "invent" them to be, they are defined by us, and have no value without us. Wealth is measured in terms of human utility ("Wealth is what makes us rich"), it cannot exist without people. Even what was once thought to be exclusive wealth follows the rules of new wealth -- the value of an acre of farmland is proportionate to what we can make of it, its utility a thousand years ago is different than its utility today. Therefore, the way to be rich is to find as much value and utility as possible, which means maximizing creation of new wealth and is accomplished through creative cooperation. We get rich together. (It should not be surprising that our set of preferred notions go together -- ongoing time, cooperative power, and expanding new wealth).

## DISTRIBUTING WEALTH

Wealth can be distributed among people in several ways.

### **Hoarding Wealth**

The commonest approach is to compete to build up private piles (hoards), to emphasize self-aggrandizement and individual holdings. As in any competition, some people will be more successful than others; these become the rich, the losers are the poor. The chief characteristic of such competition is disparity. The rich are rich, the poor are poor, and there are many more poor than rich.

Hoarding was the dominant practice in the pre-modern world, and fit in with the notion of old-fashioned wealth. Nations and individuals struggled to stockpile gold and territory, and like some mythical dragon guarding its treasure they suffered the limitations of competitive power and static notions of time. It is partly why the ancient world developed so slowly. Disparities in wealth fostered institutionalization of dominance as those on top took steps to maintain their advantage and keep the disenfranchised down, which in turn bred bad feelings and restricted the full utilization of men and women's talents.

The situation has improved least in the poorest nations

of the world, where today disparities in wealth and opportunity are still monumental. Sadly, even the elite in such settings are not as advantaged as average men and women in wealthy nations. Though their wealth may be striking (having thousands of shoes, for example), they miss the public wealth of more uniformly prosperous nations -- their roads are poor, their universities inferior, public utilities are not dependable, shopping opportunities and the media are limited. Excessive disparity is simply not conducive to sophisticated wealth. The ultra rich in poor countries buy all their goods from the developed countries, import Western engineers and professionals to staff their infrastructure, and send their children to the West to be educated. Of course, the average citizen in the West must work to maintain his or her lifestyle rather than speak indolent commands to a nation of serfs. But the opportunity to make a contribution is itself an item of wealth, there are indeed additional rewards inherent in communal enterprise.

Wide disparity in wealth is undesirable because of its moral difficulties (it hardly seems fair to the disadvantaged) and because it hampers creative innovation and inhibits growth of "new wealth," which in modern times is the leading source of all wealth. Maximum wealth arises instead through cooperation and freedom, and appears from an enfranchised people.

## Forcing Equality of Wealth?

Some believe the only justifiable distribution of wealth is to give equal shares to all people. These egalitarians fall into two camps. The first assumes there is only a limited supply of wealth in the world, and therefore sees equal sharing as the only acceptable alternative. They worry for themselves and for future generations, fearing the earth's resources are being exhausted by the rich to the detriment of today's underprivileged and all peoples of tomorrow. Their basic (and faulty) assumption is that this planet is currently near its peak possible productivity, and that if we maintain this rate of consumption for long the world will soon run out of resources forever. The optimum solution for them lies in being conservative and equitable, in pacing exploitation of limited resources and establishing an equitable system of distribution, which by necessity means re-allocating from the rich to the poor.

Although well-intentioned, this perspective is overly pessimistic and suffers the same misconception that plagues the hoarders of wealth, clinging to the old notion that wealth forms a finite sized pie. It does not recognize "new wealth," that we become richer by encouraging creation of new wealth rather than by enforcing some strict distribution. Civilization broke free from the limited wealth of Medieval fiefdoms as people invented new solutions to their dilemmas. Instead of competing for a tract of farmland they invented ways to improve

productivity, so one farmer could grow enough food for several and those in turn could produce other value to improve the farmer's (and their own) lives. If the moralists of the time had insisted on equitable sharing of farmland we might still all be peasant farmers scratching our subsistence plots.

The second group of egalitarians is more doctrinaire, seeing equality as the primary objective to all of life. Their call is: fairness first, equality before everything (including wealth, freedom, and progress). The phenomenon of new wealth is irrelevant to their scruples, it doesn't matter that forced equality limits society's riches. They would prefer a xenophobic, anti-progressive Amish community to modern America, or a tribal society that shares its hunt to the modern competitive economy. Such moralists, however, willingly sacrifice too much. Their morality is overly narrow, for equality alone is not the sole objective of life -- especially when we understand that more is possible. The nature of the world (as we have been discussing) is that man can seek prosperity and morality if he is creative. By balancing the pursuit of his goals, more good things in life can be attained. Progress and creativity reinforce one another to open up ever greater possibilities, making it possible to forge a culture that is at once prosperous and fair.

## **Maximizing Enfranchisement**

The best distribution scheme (both morally and in terms of maximizing wealth) is not competing to accumulate private piles, nor legislating forced equality, but rather is encouraging the maximum enfranchisement of one and all -- in other words, trying to make everyone as rich as possible, in all varieties of wealth. Its justification springs, first of all, from the realization that wealth is a communal enterprise. Modern wealth is democratic and in need of a large, sophisticated, enfranchised (rich, powerful) population in order to function. Similarly, new wealth, which accounts for most of what we have today and is our hope for a richer tomorrow, is innovated by men and women who possess the tools of enfranchisement (education, physical resources, and opportunity). Greater enfranchisement leads directly to greater wealth. The more people in a position to contribute to the creation of wealth, the more wealth will be created. (Wealth maximization is discussed in more detail below.)

## **The Morality of Distribution**

Maximizing enfranchisement is the best moral alternative because it supplies optimum balance and achievement of all of society's goals. Moral (ethical) discussion typically identifies four primary goals:

- freedom
- equality
- progress



wealth (quality of life)

Most moral schemes go on to demand absolute allegiance to just one of these basic goods; one goal is put above the others, one goal becomes primary and the others are sacrificed for it. Either freedom is most important, or equality, or progress, or wealth. Our improved understanding of worldly mechanisms, however, shows that the preferred paths to the various goals can, in fact, be the same. 1) Wealth is maximized by emphasizing modern (democratic) wealth and the creation of new wealth (made by enfranchised men and women), both are mechanisms that promote equality. 2) Progress is a synonym of new wealth, and is accomplished by spreading enfranchisement (equality of opportunity). 3) And although freedom of anti-social behavior is not encouraged, anyone with normal desires for a good quality life will benefit from maximum enfranchisement (freedom of opportunity), and will find his best interests served by enfranchising others as well.

This approach does not force us to choose between our goals; we can have them all. Indeed, choosing absolute allegiance to one of the virtues is like asking parents to debate which of their children they love the most; it is a needless dilemma.

Another way of saying that everyone should be made as wealthy as possible is saying there should be a large middle class -- so large in fact that it absorbs the relatively richer and poorer. Indeed, the prosperity and progress of modern

Western nations is reflected in growth of the largest middle class in history. We become rich when we grow rich together.

### Other Views

Other views on how wealth should be divided range mostly between the extremes of forced equality and unrestricted acquisition. This is reflected in the lively debate over the meaning of "justice" between two professors of philosophy at Harvard, John Rawls (The Theory of Justice, 1971) and Robert Nozick (Anarchy, State, and Utopia, 1974). For Rawls, justice means distributing wealth equally, except when inequality benefits the least advantaged party most (it's OK for physicians to earn larger incomes if the sick get better healthcare). Nozick, on the other hand, argues that justice means entitlement to wealth, and one is only entitled to what he earns or inherits (if your daddy's rich and you work hard, then you deserve more than the poor slug down the street). Rawls inclines towards equality, Nozick towards freedom. The first problem with this debate is that it does not take advantage of what we have learned about the workings of worldly mechanisms (such as time and new wealth). Deciding a best course of action in the real world does not necessitate a total ideological commitment to either freedom or equality (or to "progress," or "quality of life" for that matter). Rather, a creative approach, such as maximizing enfranchisement, produces more of all the goods than does the narrow-minded pursuit of any single moral virtue. In other

words, you are likely to be better off (richer) in a society that maximizes enfranchisement than in either a totally free or totally equal society. The second problem is that both parties uncritically assume that the ultimate good is the good of the individual (rather than that of some larger entity); one protects the individual by legislating equality, the other by guaranteeing his freedom. In Chapters Two, Four, and Five we suggested that individual gratification is not, in fact, the ultimate objective of the universe, that the final good lies rather in something grander. If we assume an objective like the common prosperity of the community, then Rawls and Nozick's debate over individual justice simply loses its relevance. The quest for a prosperous community leads instead to conclusions much like the present recommendation.

Some economists, being a little more "this world"-ly, have proposed "supply side economics," observing that the exceptional abilities of a few men and women are responsible for industries that employ thousands, or even millions. Some people create the wealth that the rest of us enjoy. (They have identified the phenomenon of "new wealth.") They particularly value the rich, who invest their money. They argue that if indeed some people can carry the ball for the collective good of the team (or nation), we should give them the ball and let them run with it, without restrictions. We should harness the greed of the gifted to propel collective prosperity. Who cares if they become

obscenely rich, as long as some of their new wealth trickles down to the rest of us? They propose incentives for potential supply producers in the form of a low tax structure and other financial advantages. Although there is some merit to supply side theory, it has its problems. 1) The few producers it chooses to bless still act out of self-interest to accumulate their private piles, with all the incumbent disadvantages of wealth hoarding. They still seek to promote their own good above that of everybody else (there is no call for sacrifice, only free reign to greed). Do the economists really imagine they can control the avarice of the mighty to promote the common good? It seems doubtful. Moreover, the resulting disparities create their own problems (ill will between classes and resistance to further change from the "haves"). 2) The current rich may use supply side theory just as an excuse to protect their own large holdings, instead of risking them for true progress, as its critics already suspect. It does argue, after all, that the rich are more important than everybody else because they have money to invest. Are the arguments being used to produce real progress or only to supply tax loopholes, government concessions, and excuses for other abuses such as union busting and downsizing? 3) As far as positive stimulation for the creation of new wealth, offering greater enfranchisement to the "already-rich" is simply less effective than acting to maximize the enfranchisement of everybody in a community. We become richer when more people (everybody) are in a position to contribute to new wealth, rather than just the already rich.

Supply theory simply offers less potential than does "maximizing enfranchisement."

**MAXIMIZING WEALTH** or,

**YOU CAN'T BE RICH ALONE**

To be as rich as we can be, we must realize that  
personal wealth parallels communal wealth, and  
communal wealth parallels personal wealth.

The two go together, and grow together -- even more so as wealth becomes more sophisticated. A rich community means rich individuals, and needs rich individuals. The mechanism for maximizing wealth is analogous to the "paradox of empowerment": just as one becomes more powerful by empowering others, one becomes wealthier by building up the wealth of the community -- both by enfranchising individual members and by promoting the public commonwealth. In a sense, our civilization is a ship sailing through the waters of time -- the prosperity of the entire population at any moment is linked together. The well-being of one is tied to the well-being of all.

This is exemplified first of all in the nature of modern wealth. It is reproducible, expandible, interrelated, and dependent upon the ongoing contribution of a sophisticated, enfranchised population. It is weakest in settings of antagonism, rivalry, and social isolation and strongest where



communal goals are acknowledged and effected. As might be expected, the strongest form of power, cooperation, gains the greatest wealth.

Wealth is also maximized by encouraging creation of new wealth, the sole mechanism for increasing total available wealth. This is accomplished by putting as many people as possible on the cutting edge of civilization, where they have the opportunity to exercise the innovative process that creates something new. This means they should be made as wealthy as possible in terms of education, opportunities, and familiarity with existing wealth. The more chances for the creation of new wealth, the more new wealth will be created. On the other hand, when people are kept ignorant of modern utilities and denied existing opportunities they cannot contribute to humanity's ongoing advancement; they lose, and we all lose.

The best plan then is to encourage everyone to participate as fully as possible in economic and other entrepreneurial arenas, and to foster a climate where everyone can make a contribution. Opportunities should be created and made maximally available, and rewards should be designed to encourage creative goal sharing. Yet even more powerful than external structure is internal outlook. So finally, our greatest prospects for prosperity lie in creation of a supportive community of men and women who understand deep within themselves that civilization



is a communal enterprise, and that we each are richest when we grow rich together.

#### **WHAT THIS MEANS ON THE JOB**

A company and its employees prosper through creation of wealth (new wealth and modern wealth), which is best accomplished by sharing enfranchisement -- by making the resources of the organization as widely available as possible within the organization. Resources include information, training, the conception of the company's identity, as well as the physical tools of the trade. The more that members share an appreciation of the company's business, its goals, strategies, and problems the more they will be able to contribute to bettering its situation. The idea is to build a rich community, a company full of enlightened, enfranchised employees. Where this seems impossible because of factors beyond one's control, it still should be possible to build a "mini-community" with colleagues within one's span of influence. Even on a limited scale there is great opportunity (you, your friends, and the company will benefit).

Enfranchisement also means sharing the wealth created by the organization (yes, we're talking about money). The power of enfranchisement springs from the attitude that people can become rich together, and to work, employees must believe it; they must

see the opportunity to share in the wealth they are expected to create. Therefore, the well-being of employees must be made an important long term objective along with a corporation's other goals. Take care of your employees, enfranchise them, and you can prosper together. This is just the opposite of always trying to hire the cheapest labor, of moving plants to low-wage locales, and laying off workers for short term savings. Managers in too many companies, by making themselves into lords, have made their employees into serfs, with a serf's downcast mentality (pessimism, apathy, and acquiescence). Serfs do not create great wealth or stunning progress -- rather it is free men and women who move forward together. The analogy between the workplace and the political arena is again apt; democracy and a free society (like a successful business) don't work with a backward people, they only work with a sophisticated, vigilant citizenry. And when they work, they work wonders.

Lincoln Electric Company of Cleveland, Ohio, demonstrating this principle, long ago developed a formula for sharing its profit with employees: the higher the profit, the higher the employee bonuses. (They also have a no-layoff policy.) Things are working out well. Employees have developed a tradition of hard work, high productivity, and rampant innovation leading to consistently strong profits. LEC has become the leading firm in its industry (arc welding equipment) with an income scheme approximately twice the industry average (by 1981 the average

production worker earned over \$44,000 a year). Most remarkable is the effect this has had upon employees. Not only do they work hard and innovate high, but they have developed themselves into forces beyond simple workers (corporate serfs): their night school attendance is higher than any other firm in the area regardless of its size (LEC has 2,400 employees), and during the early 1980s recession when inventory dangerously exceeded sales plant workers were able to transform themselves into sales representatives, which simultaneously relieved oversupply and increased sales (and it worked!!). What other company could turn production workers into salesmen of a sophisticated product in the middle of a recession? It was possible only because enfranchisement and mutual commitment had made employees into enlightened and ennobled corporate citizens. They became something more than clock-punching wage earners. This company and its employees are simply functioning at a higher (superior, more effective) plane in the business of making each other rich -- a condition that can be pursued by more winning companies in the future.

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## Chapter IX

### DEBATING THE AMERICAN WAY OF BUSINESS

Questions about American (modern Western) business practice arise frequently: is it ethical? --is it efficient? --how can it be improved?

To debate such issues we must first settle on a statement of what this way of business is. And here the trouble begins. Several labels are used interchangeably: it is called capitalism or free enterprise, entrepreneurism or the market system, independent business or corporate America. But do these labels all refer to the same thing? And if not, which represents the real "American way"?

In fact, modern business practice is not adequately captured in any of these single descriptions, but rather is composed of several distinguishable features -- features separable to the extent that the removal of one would not necessarily eliminate

the functioning of the others.

We identify five distinct features of American business: free enterprise, capitalism, big business, small business, and entrepreneurialism. The labels are drawn from common economic vocabulary, though the use of each is narrowed somewhat to eliminate any overlap of meaning. The new skinny definitions are only slightly more restrictive than those already used by some present-day groups.

### **Free Enterprise**

Formal identification of this aspect of the economy came earliest of all the features we are discussing. Adam Smith, founding father of economics, identified the workings of the market in the late eighteenth century (The Wealth of Nations, 1776) and advocated a "system of perfect liberty" in which it would best flourish. Natural market mechanisms were seen guiding the economy forward as if by "an invisible hand," as long as each individual was allowed to pursue his own self-interest. Smith called the England of his day "a nation of shopkeepers" (see small business, below), where perfect competition flourished among a myriad of equally powerful (and equally weak) economic units.

Of course, freedom of enterprise is never total. Society always has some restrictions. It is illegal to buy, or sell



certain drugs, or to hire people to do contract killings. Nuclear weapons can only be made for and sold to the government. There is also anti-trust legislation, regulation of monopolies, and laws regarding pollution control and workers' rights. Nonetheless, "free" is an apt name for our system compared to the "unfree" control of state socialism on the left and dictatorship on the right.

### **Capitalism**

"Capitalism" is commonly viewed as the opposite of communism (a state controlled economy), which is too broad and vague a definition for our purposes.

We narrow its reference towards that used by the man who popularized the term, Karl Marx. Capitalism for Marx referred to private control of the means of production ("capital") in a two class system: capitalists owned the means of production (such as the giant cloth mills) and the proletariat masses slaved away in them for subsistence wages. Workers created wealth, capitalists accumulated it. An employee was not a capitalist.

Applying this to modern America, we restrict the reference of "capitalism" to those aspects of business distinguished by the separation of owners and workers. People owning stock in companies in which they do not work are capitalists. Those without stock are not. An enterprise owned by its operator

(such as a local gas station) is not capitalistic (although it could represent free enterprise, small business, and entrepreneurialism). The stock market and Wall Street are primary institutions of capitalism in America. Corporate raiders, hostile takeovers, and greenmail are all capitalistic phenomena, as is the raising of funds through stock offerings and venture capitalism. (The common practice for Japanese firms is to raise funds by borrowing from banks and is not capitalistic.)

Varying degrees of owner/worker separation are possible. For example, there is more functional difference (capitalistic separation) between an absentee owner and his employee, than between an owner-manager and his employee. Marx in the early nineteenth century saw only the first step in this separation when he witnessed the emergence of the capitalist class from the earlier feudal nobility -- they managed their mills the same way the feudal lords managed their estates, as owner-directors. Complete separation of production and ownership appeared primarily after the rise of large corporations (see big business, below) and the subsequent dispersal of stock ownership in the twentieth century (it coincided with no-strings-attached absentee stock ownership).

### **Big Business**

Big business refers to the aspect of our economy represented by "Corporate America." Some of the bigger firms, such as IBM or

AT&T, have over 100,000 employees. They are as large as countries or city-states used to be, with annual budgets exceeding those of many small nations. The force of this phenomenon (bigness) is distinct from owner/worker separation and freedom of enterprise.

A big business is powerful because of its size. It enjoys economies of scale in production and purchasing, and draws on deep reserves of cash, talent, and experience that help win any competition and weather any hardship.

Big business is historically new. Alfred Chandler of the Harvard Business School chronicled the rise of the modern large corporation (The Visible Hand, 1977), which he defines as 1) having many distinct operating units, and 2) managed by a hierarchy of salaried managers. No such corporations existed before 1840. Their appearance was possible only after development of new technologies of production, transportation, communication, and a sufficiently large population. They were created by empire builders, aggressive men who took advantage of new, "modern" opportunities, often ruthlessly. At first, such corporations were not viewed favorably.

At least until the 1940s, modern business enterprise [big business] grew in spite of public and government opposition. Many Americans--probably a majority--looked on large-scale enterprise with suspicion. The concentrated economic power such enterprises wielded violated basic democratic values. (p. 497)

But by 1956 when William Whyte published The Organization Man the mood had shifted completely. People grew accustomed to the new economic landscape. Young men (and women?) wanted most of all to work for one of these large corporations and simply blend in.

Some thinkers see big business leading to the realization of socialist ideals (John Kenneth Galbraith 1983, Bertrand Russell 1938). They imagine that big business, because of its inherent advantages, can only get bigger until eventually a small number of "really big" corporations employ everybody and produce everything. Instead of state socialism, they predict "corporate socialism," with the corporation planning and caring for all aspects of our lives.

By an interesting turn of events the evolution of the modern corporation generated a major portion of the capitalistic aspect of our economy. Children of the great men who built the great corporations almost always shunned working in their fathers' firms and opted instead for the "high life," financed by inherited stock. They saw no reason to work when they were already rich. Hired hands (executives) ran the corporation while the second generation owners clipped coupons and traded stock. Thus was the divorce of ownership and production made complete.

The downside of big business is that it does not fit well with the unregulated free market described by Adam Smith. There

cannot be perfect competition or perfect price adjustment when a small number of firms dominate a market. This has led to the necessity of government regulation, such as restrictions on competition-eliminating mergers and the forced breakup of AT&T. Moreover, because of its size big business tends to be ponderous and conservative. As in Medieval feudal empires, the people in charge tend to run the system for their own benefit and expressly limit opportunities for others (both inside and outside the corporation).

#### **Small Business/Independent Businessperson**

Small business is distinct from big business. Examples include the corner grocery store, and the self-employed plumber and carpenter. When you "go into business for yourself" it is generally understood that you intend to become a small businessman or businesswoman.

Of course, before the rise of big business (multiple levels of managerial hierarchy and multiple operating units) all business was small business. When Adam Smith described England as "a nation of shopkeepers," it was composed exclusively of small businesses. Even an undertaking like the Hudson Bay Company, having a monopoly on an area larger than the Holy Roman Empire, had only 500 employees in 1800.

The advantage of small business is the opportunity it gives



individual men and women to work for themselves and to control their own destiny. Furthermore, perfect competition and perfect market conditions necessary for a self-regulating economy are available only in a world of many equally powerful economic units. On the other hand, small business by definition lacks the resources and economies of scale of larger firms -- it is more vulnerable to disruption. And sadly, many individuals lack the self-sufficiency to compete on their own in a sophisticated, technical world.

### **Entrepreneurialism**

Entrepreneurialism, the last of our business features, was first identified by Joseph Schumpeter (Capitalism, Socialism, and Democracy, 1942). To denote the new feature he took an old word ("entrepreneur," a synonym for "businessman/businesswoman") and gave it a new, specialized meaning.

Schumpeter's entrepreneur is an innovator, an economic inventor, someone who comes up with a better (new) solution to an existing problem, thus creating more wealth for the same expenditure. In this sense, entrepreneurialism is the source of all "new wealth" appearing in our world (not simple labor as Marx said, see Chapter VIII "On Wealth"). The entrepreneur is the engine that powers our system.

... the function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological



possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply materials or a new outlet for products, by reorganizing an industry and so on. (p. 132)

Schumpeter faults Marx for failing to distinguish the entrepreneur from the capitalist. Most capitalists are not entrepreneurs, and most entrepreneurs are not capitalists.

To act with confidence beyond the range of familiar beacons and to overcome that resistance requires aptitudes that are present in only a small fraction of the population and that define the entrepreneurial type as well as the entrepreneurial function. (p. 132)

He further distinguishes entrepreneurialism from big business, which he argues tends to limit the unfamiliar -- that is, innovation (even though entrepreneurs created big business in the first place). Big business and its absentee ownership breeds conservatism and complacency which stifles entrepreneurialism.

... the capitalist order not only rests on props made of extra-capitalist material [that is, entrepreneurialism] but also derives its energy from extra-capitalist patterns of behavior [entrepreneurialism again] which at the same time it is bound to destroy. (p. 162)

Entrepreneurial activities occur more frequently in some environments than in others, preferring those open with possibilities and pregnant with rewards.

## MUTUAL INDEPENDENCE OF FEATURES

Though these five features of American business interact to produce our composite system, they remain sufficiently independent for us to imagine the economy going on with any one of them removed (that is, they are in theory functionally distinct).

Big business didn't exist a hundred and fifty years ago, we know America functioned without it.

Small business is already being squeezed to the fringes of the economy. It is possible to imagine it being swallowed up completely by big business, as the corporate socialists predict.

Capitalism (owner/worker separation) could also be eliminated, at least in its extreme form (absentee ownership). Production wouldn't change -- only the sharing of its rewards would be different. Entrepreneurs could still build and own enterprises, the difference would be that their heirs could not own the enterprise without working in it, as they can today. Investments could be made in bonds and banks, instead of in stocks. Financing of businesses could be done by borrowing rather than by selling equity (firms could stay "private"). Of course, this means we would also forfeit any possibilities for hostile takeovers and greenmail (corporate extortion).

Some successful companies, like West Publishing (America's largest legal publisher), already prohibit absentee ownership. West is completely controlled by employee stock ownership, and to keep it that way all employees upon separation from the company must sell their accumulated stock to other employees. Any number of additional arrangements of resident ownership can be invented.

Free enterprise is more difficult to imagine as totally banished from America. This is partly because freedom is always a relative thing -- no one has total freedom and only a cadaver has none. Perhaps we should ask, Is it possible to imagine our economic freedoms as more constricted or as more relaxed? The answer is yes. Laws limiting the freedom of big business could be expanded. Laws and bureaucratic red tape could similarly be made to hamper small firms relative to large firms (e.g., so only those with full time lawyers could survive). On the other hand, more freedom could be allowed, as the Reagan administration did when it relaxed application of earlier "liberal" legislation. Anti-trust statutes could be repealed, encouraging the survival of the biggest enterprises rather than the most efficient. Worker protection regulations could be dropped. We could return to the days of the no-holds-barred robber barons. In sum, our freedom of enterprise could indeed be changed.

Entrepreneurialism could similarly fade from the scene (as

in fact Schumpeter predicts it will) if business becomes less flexible and more conservative. Our economy could just stagnate. Innovation and entrepreneurialism have been severely limited for most of the history of civilization anyway.

## **BEGINNING THE DEBATE OVER AMERICAN BUSINESS**

We seek the ideal position regarding each of the several business features in order to determine preferred corporate and economic forms, that is, the type of organizations we choose to join and the systems we hope to create.

Our business goals are first of all productivity, leading to prosperity and profit. Beyond finances are the historical goals of participating in a progressing community, and the psychic goals regarding a sense of accomplishment and fulfillment (see Chapter V, "Making Sense of Life (& Business)).

Each of the five business features can be evaluated in terms of its functional value regarding these goals. Some are functionally neutral for goal-fulfillment (their disposition has no impact on achievement of our goals), while others are functionally positive (leading naturally to their fulfillment) or negative (tending to inhibit our goals).

Big business and small business have a net neutral value

regarding our goals. There are advantages and disadvantages to each, as discussed above. The ideal mixture of features does not advocate the dominance or exclusion of either. Big business suits some enterprises best (say, automobile manufacturing) while small independent business is best suited to others (dental practices and law offices). An individual can opt for big or small business depending upon the industry he chooses to enter and upon his preference for security and community (big b.) versus self-reliance and independence (small b.). It is good that both options exist.

Freedom of enterprise is functionally positive for our goal fulfillment. The obvious alternative to free enterprise, state control, is simply less efficient, as confirmed by the history of contemporary economies. Of course, freedom is always in balance -- it is never totally granted or totally limited. America is in the right ball park regarding freedom, and the continuing national debate focuses on fine-tuning.

Of all the features, entrepreneurialism is most clearly and without question positive. Entrepreneurialism creates new wealth and makes the economy grow. It is how we become richer. It is our hope for a better tomorrow. In order to criticize the search for better solutions one would have to argue that improvement is not necessarily a good thing, that innovation and invention are dangerous to more important values (as do the Amish). In



fact, entrepreneurialism is almost universally respected. Improvement and progress are watchwords of the American economy.

This brings us to capitalism, or rather "capitalistic separation of owner and worker." This feature is functionally negative, it tends to inhibit achievement of an efficient, profitable, and personally rewarding enterprise. As the functions of owners (those who control a firm's big decisions and receive its profit) and the workers (those who follow decisions and produce profit) lose touch with one another productivity and its consequences can only weaken. 1) Decisions made further from the work of an enterprise tend to be poorer informed decisions. 2) The motivation of an absentee owner's decision-making tends to center around immediate and personal financial gain, while the enterprise-participant centers his decisions on the long-term good of the enterprise. (For example, questions of whether or not to sell out to a larger competitor and whether or not to invest in long-term capital improvement are often answered differently by these parties.) 3) Finally and most important, the path to greatest productivity demands involvement of the workers -- the more that workers are involved and committed to their work and the more they psychically enjoy their work, the higher their productivity. Involvement means participating in the decisions and rewards of an enterprise, it means sharing the prerogatives of ownership.



As a rule:

The closer CONTROL, EFFORT, and REWARD are linked,  
the greater the productivity.

The lessons of the chapters "On Power" and "On Wealth" agree: we grow most powerful and most rich when we do so together -- when we find ways to share common goals and maximize the enfranchisement of all.

## CONCLUSION

The most favorable economic system contains a mixture of large and small companies in an atmosphere that freely encourages entrepreneurialism while discouraging the separation of ownership and employment.

There are many ways and many degrees to which this can be done. The only limit is our imagination.

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## ABOUT THE AUTHOR

**Daniel L. Menken, Ph.D.**

Mr. Menken graduated from the University of Minnesota in 1974 (summa cum laude, Phi Beta Kappa), spent a year as a Fulbright Fellow (D.A.A.D.) at the University of Munich, West Germany, and went on to earn a Ph.D. at Harvard University in History in 1981.

He then made a deliberate decision to set aside an academic career in hopes of becoming more directly involved in today's world and creation of tomorrow's. He opted for the sphere of industrial corporations, the primary arena of social impact in modern America (that's where the bulk of the population, power, and action is), serving six years with NCR Corp. in several capacities, including manager of the Marketing Research Dept. and product manager in both Marketing and Development. During this time he diagnosed the role of outlook as a neglected area open to significant improvement.

172 East Sixth Street, #1101  
Galtier Plaza  
St Paul, Minnesota 55101-1911  
(612) 290-2194

### COVER ILLUSTRATION

This city sidewalk scene appears in relief sculpture over the north entrance to the St Paul City Hall and Ramsey County Court House. It was sculpted by Lee Lawrie of New York in 1932. Pen drawing is by the author.

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