

Business leadership and new structures of consciousness♦

Lorin Loverde*

Abstract

The proper scope of business includes a higher purpose for the corporate mission. Pursuing a beneficial transcendent purpose is becoming necessary to be competitive among world-class companies. New structures of consciousness can emerge in the new paradigm companies. Indirectly, these new structures of consciousness change what we expect and appreciate as we become more open and creative.

Keywords: business ethics, spiritual evolution, organizational development, transformational leadership, structures of consciousness.



Max Weber

INTRODUCTION

This article is written for business people who believe in Capitalism but who also assume that they do not have to make ethical choices about the structures of consciousness required by a successful business. A transcendent purpose was one of the foundations of early Capitalism. Now we need a new transcendent purpose through which business leaders will also have the opportunity to lead the social culture. The preferred performance option will support decentralized organizations that empower distributed leadership for creative and flexible response to dynamic markets. The key to this change is new structures of consciousness, which include personal identity and higher consciousness. It is the new structures of consciousness that will change what people appreciate and indirectly shape standards of art and beauty. Pursuing competitive advantage, we can benefit from such new structures of consciousness.

BUSINESS LEADERSHIP AND SPIRITUAL EVOLUTION

In addition to John Clancy's three basic purposes,¹ a fourth, transcendent, purpose for business must be articulated and understood. Where does this strange purpose begin? We will look to Max Weber for an early insight into the idea that transcendent religious purpose can support the spanning of a profound contradiction that had blocked the emergence of capitalism as a system. Also in a previous article, I argued that the origin of this transcendent purpose was in the evolutionary developments of capitalism: capitalism in civilization (like the personality level in individual growth) is a mixed blessing. On one hand, positive capitalism pulls together the resources of the society for profit-making purposes and has thereby given the world vast increases in wealth, goods and services. On the other hand, negative capitalism can seek only profit rather narrowly to the detriment of

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

* Business Consultant, Director, Express English Language and Express Business, e-mails: lorinloverde@att.net.mx, and lorinloverde@hotmail.com

the quality of life, ecological stability, and equitable distribution of wealth. In a word, capitalism also has a great potential for extreme selfishness on the planet.

Transcendent Purpose

So, capitalism as a system, (and each particular business leader who implements the system), has to pursue the larger purposes or risk the destructive side, such as ecological collapse, terrorism, or even political revolutions that will prevent it from functioning.

Is setting a transcendent purpose for business an irrelevant concept? While business skeptics may reject such a transcendent motive out of hand, they would do well to study again the celebrated work of the sociologist, Max Weber. In his book *The Protestant Ethic and the Spirit of Capitalism*,² Weber shows that early capitalism developed in Protestant settings: the religious underpinning was the spanning of a contradiction (gaining wealth but also saving it to have it available for capital reinvestment in business growth). The spanning of the contradiction was achieved by a transcendent purpose: we demonstrated on earth by our economic success that we were predestined to go to heaven after death; thus, our success was a sign of goodness, but we still had to avoid being extremely selfish with extravagant spending and conspicuous consumption so typical of non-Protestant cultures. For millennia societies struggled to establish greater wealth, but their “this-worldly” or material purposes simply did not have the same kind of power to span that vast contradiction of making money but not spending it on yourself. It took a transcendent purpose to achieve the combination of production of capital profit and preservation of capital for future investment.

In addition to the three purposes of wealth generation, satisfaction of material needs, and enduring corporate institutions, we can refer the fourth and new transcendent purpose for business as the purpose to lead the culture in spiritual evolution. There

are three candidates for this higher purpose,³ higher needs of individuals, the common good, and the highest good.

Is spiritual evolution a relevant purpose of business? When business was conceptualized as being only an economic function, the business of business was business. Now, we recognize that business is inevitably also a psychological, social, cultural, environmental and moral function. Thereby, business organizations already have cultural impacts and shape the individuals in them. The only question now is what kind of cultural leadership will business exert and toward what purpose. This tacitly spiritual directionality already has been taken. The function of the NPC is to make those megatrends intelligible so transformational leaders can more readily support that transcendent purpose and benefit from it.

New Structures of Consciousness

To change structures of consciousness requires (1) balancing the inclusive mode with the exclusive mode, (2) understanding the seven types of personal identity, and shifting the center of personal identity to a higher level.⁴ To go beyond is “trans” and embodiment is “form.” Thus, the word implies going beyond the form. Indeed, most of what we are is not physical, is not visible. Most of what we are is based on our structures of consciousness.

1. The basic structure of consciousness is the formation of self-centeredness by which the child gains self-awareness in addition to bodily sensation.
2. Then the child develops conscience and becomes capable of feeling guilt, eventually resulting in the moral structure to judge right and wrong.
3. Another structure of consciousness is the ability to use logic to identify independent variables and dependent variables outside of the self (active mind skills).
4. The advanced adult develops the personality

structure of consciousness, which integrates the previous three: body, emotions, and mind, and the personality gains intense focus based on principles of exclusiveness: with strong self-esteem I hold to principles by which I reject what is not important to me and compete to gain what is important to me.

5. The more rare structures of consciousness are difficult but possible goals: strong transformation (i.e., irreversible transformations) by which the spiritual basis of the human being is recognized and developed through what Joel and Michelle Levey called quiet mind skills,⁵ where receptivity and inclusiveness become the new structures by which I expand what I am and cooperate to gain the common good.



Joel and Michelle Levey

Then a cooperative climate can be sought. A leader must change his or her own personality first in order to be able to see what must be done even though it cannot be proved. Alan Belasen was right to point out how Jack Welch, head of General Electric, emphasized the need to fire effective managers who obtained results through the Theory-X style of aggression, but they did not fit the new culture of cooperation.⁶ The goal is better human beings, but they must be congruent with the companies' needs.



Alan T. Belasen

As already argued by Michael Ray and others in relation to the new paradigm⁷ in business, these new interests of business gain benefit from these megatrends towards spiritual evolution:

- People are better (innovative, adaptive, creative, trustworthy, dedicated, committed, etc.).
- Customers are better (more intelligent, more refined, able to appreciate more products and services—although these customers will also be less in need of unnecessary material consumption and less tolerant of unsustainable growth impacts on the environment and on the society).

The spiritually aware people will be less materialistic and less tolerant of inauthentic structures of consciousness. They will be less willing to support businesses that have high social costs of workaholic dedication, such as deterioration of the family, divorce, addiction, decadence, suicide, and similar social problems.

Foundations of High Performance

What is the “spiritual evolution” that is the purpose of business? First, people have to begin to view the common good in terms of the planet as a whole. Only



Wayne W. Dyer

thus can evolution of humanity proceed. Evolution is considered in the advanced spiritual view to be the progressive improvement of the forms so they have more and more capacity to contain the highest spiritual energies. Spiritual growth, development, aspiration, and new structures of consciousness all mean some kind of expansion of the form which we call the human being. This kind of transformational leadership goes beyond just influencing the beliefs of followers to align with the leader's own. It requires the leader's own transformation, which as Wayne Dyer notes means going beyond the materialistic interpretation of the mind/body form⁸ and takes place in such ways that new structures of consciousness can gain access to and become better containers of higher spiritual energies. Traditional structures of consciousness include personal identity and ego development, while new structures of consciousness include integration of the unconscious, the collective unconscious and access to higher (transpersonal) consciousness.⁹

This spiritual evolution allows successive generations to be born with more capacities than previous generations. The role of business in this destiny is similar to that of other social-cultural

institutions: to provide worthwhile constructs that serve to expand consciousness. While that may not sound like the function of a business enterprise at first, innovative, adaptive, creative, trustworthy, and dedicated will also serve to expand consciousness. Ikujiro Nonaka went so far as to say many creative efforts probably will not work unless the people are personally committed,¹⁰ which paradoxically is also a prerequisite for achieving transpersonal structures of consciousness.

Conversely, expanding consciousness also serves to instill in people those same qualities that are beneficial to business and other organizations. In sum, value-added enterprises can benefit from these spiritual and psychological traits. They are generally higher-order traits, so over the first few centuries of business activities, managers tended to assume that workers were somewhat like machines: mere resources to apply to production. However, as the market became more complex, competitive, and rapidly changing, it became obvious that "workers" were not machines, that high performance meant everyone solving problems, and rapid change meant that people needed stronger integrity. If traditional, charismatic leadership and rigid centralism change into transformational and distributed leadership, then the psychological and spiritual integrity of each worker will become much more important. Laurence Prusak has recognized trust as one of the most important fundamentals in organizational integrity and performance.¹¹ Larry Reynolds has linked high trust to a strong demand for responsibility.¹² The psychologies of self-actualization, transpersonal psychologies, and now advanced spiritual disclosures of the path of spiritual evolution with their new structures of consciousness are all becoming necessary to remain competitive¹³ because they result in the following characteristics:

1. Better workers, capable of total quality management.
2. Better managers, capable of distributing leadership

throughout the organization.

3. Better leaders, capable of stepping forward with knowledge-based leadership with situational impact as needed for short-term projects and anticipation of emergent opportunities needed for long-term commitment.
4. Better team players, capable of overcoming tunnel-vision and narrow self-interest.
5. More competitive companies, capable of responding to rapid changes in competition and market conditions.

In our era, each person in the organization has to become like the first four characteristics, supported by new structures of consciousness that allow the characteristics to emerge from the inside. On the other hand, the old morality tried to impose obligations from the outside. Regarding the fifth characteristic, companies certainly have to become better to sustain competitive advantage and improve faster than their competitors. In the past that meant massive size, like the multinational corporations. Now it means world-class competitiveness in present markets and the ability to anticipate new markets, as Claus Otto Scharmer stated: “The challenge is to develop the capacity for ‘precognition’, the ability to sense and actualize emerging potentials... before they become manifest in the marketplace.”¹⁴

The New Business Role

Why are businesses taking on this role of cultural evolution now? Before, business was a minor aspect of society—in those eras the driving institutions were political, military, religious, and artistic. In past eras the regions expanded into empires through military conquest. Likewise, the political leaders in the form of despots or monarchs had such vast power that they could drive the society in the direction they desired. Also in the past, religious leaders could exert powerful influence because they could rely upon the faith people had in certain religious tenants. But empires collapse,

monarchies are overthrown, and religions wane. Most world leaders of previous eras made the mistake of trying to impose one principle to reshape the horizon of social reality.¹⁵ This attempt to move the world from one point is still a risk as business leaders influence world horizons, but the emphasis has shifted to constant improvement rather than one, eternal solution that is better left to religion.

In the current era, for developed nations and newly emerging markets business employs the vast majority of the population, so most of people’s time, attention, sources and purposes of money are involved with business organizations.

These purposes are most of people’s worldly satisfactions in the form of products, services, entertainment, leisure, tourism, and continued education that are either produced by or provided by business organizations. Business organizations have taken a leading role in research, so even the old distinction has been softened between pure research in the universities and applied research in companies. Individual companies have become corporate cultures. Corporations embody values that shape the members of that culture hour after hour, day after day, year after year, decade after decade. Finally, other social institutions are failing in the USA and leaving it to business organizations to take the social responsibility for a wider variety of functions, for example:

- Supplementing for parents the daycare for children.
- Supplementing for parents and government the re-education for high school “graduates” who did not learn in school.
- Supplementing for social clubs and churches the provision of friendship and fellowship in company-based teams, clubs, and associations.
- Supplementing for religions the task of providing meaning in life and a basis for self-esteem.
- Supplementing for churches and charitable

organizations the task of helping the community.

- Supplementing for government the responsibility for cleaning up pollution, maintaining social order, and promoting the state of international peace needed to allow business to be conducted in a normal fashion.

Businesses have not taken on these externalities as a self-appointed task; most business people tried to avoid these as unwanted expenses. But businesses simply cannot function well if the children of their employees are in danger home alone, if the new employees cannot perform basic skills (like reading, writing, mathematics, and thinking), if employees are depressed from sitting home alone, if employees are alienated because their society ignores them, if the surrounding community is so dangerous and disruptive that people cannot get to work and company plants are at risk. A key question is how to link personal happiness to the value dimensions of work? We must recognize the social deficits of money-based values in the ecology of the human species, such as dysfunctional families, many types of neurosis, and decadence.

Of course, businesses should take on the responsibility for curbing their own pollution, and soon they will have to take more responsibility for not exhausting environmental resources. However, businesses are also banding together to attack the larger problems of pollution and clean up in general since an uninhabitable planet will hardly make a good place to do business. In a word, many social institutions are failing in the advanced economies of developed countries like the USA. In many developing countries, they lack the material benefits but they still maintain the traditional values of family and community. Part of our world challenge is to reaffirm, on one hand, the foundations of humanity in the family with social cohesion while promoting, on the other hand, the prosperity that has typically come from specialization in advanced industrialization and an unfortunate breakdown of the family unit. We are already seeing



James O'Toole

the beginnings of this bridging in the rising importance of teamwork, cooperation, trust and social capital. We cannot achieve business success at the price of family breakdown and personal dysfunction such as addiction, decadence, aggressiveness, or suicide. As Patricia Laurent accurately summed up, we must also preserve the ecology of the human species.¹⁶

Business is an institution that is thriving and has the wealth and resources, has the time and attention of the people, so businesses are having to take over more and more social functions simply because in some countries there are not sufficient alternatives. James O'Toole has shown how the vanguard business leaders embrace this challenge to serve the common good:

Says Levi's Walter A. Hass, Jr.:

'Business legitimacy is being questioned on two broad fronts—its conduct, structure, and attitude as an institution, and its performance as a supplier of goods and services to the public. In both areas...what the public hears and sees has created an atmosphere among them that can be described only as one of substantial and growing mistrust...Any American corporation—or American corporations collectively—can reach the end of the trail by failing to respond to the pressures of the

sociopolitical world just as surely and just as fatally as by failing to respond to the pressures of the marketplace.⁷

...In general, polls show that Americans feel corporations operate almost exclusively for the benefit of managers and stockholders. When asked who these corporations *should* serve, the vast majority of Americans say business should *also* operate for the benefit of customers, employees, and society as a whole.¹⁷

This is a view which leaders in world-class corporations recognize, as noted in the above quote about the need for a corporate *raison d'être*.

Performance Options

All of the business functions as well as the new social responsibilities of companies can be performed with at least two options as shown in Table I.

All of the option-one items in the pairs described above are promoted by the new paradigm in business, what Belasen identified as leadership in the learning organization,¹⁸ and TQM; and they also serve the path of spiritual evolution.¹⁹ Belasen has also given us an extremely important insight into the balancing required since an organization sometimes requires flexibility and other times more control, equally sometimes it requires internal improvements and other times external market focus. All of Option Two, Minimum

Option One, High Performance	Option Two, Minimum Performance
Promote the higher purpose of spiritual evolution	Ignore higher purposes and concentrate on business goals
Encourage a sense of service to others	Demand that each merely "look out for number one" and strive for self-interest in centralized authority
Enhance creativity through education and empowerment individually and the learning organization collectively	Ignore creativity by imposing rules, regulations, encrusted laws, traditions, and restrictions
Infuse life with meaning through challenges to improve, grow, and transform	Concentrate on the rote, routine, and repetitive mechanical procedures
Empower people to change and grow, providing the necessary preparation and support, including an environment of trust and responsibility	Constrain people to continue to perform the same tasks even if they become crystallized in routine, predictable, functionary work
Promote teamwork and cooperation through horizontal integration	Isolate people in specialized and vertically segmented functions and departments
Expand information, distributing it through better knowledge management systems and communicating with authentic dialogue , increasing the basis for trust and open exchange	Hide information, reduce communication to a need-to-know basis, leaving people isolated, decreasing the basis for trust but preventing people from exploiting any company secrets
Contribute philanthropically with time, money, and expertise to the common good for a sustainable environment and harmonious planetary community	Retain profits for self-interested purposes or narrowly conceived profit making, such as only shareholder interests
Strengthen integrity and quality, listen to criticism, use fair processes to involve all concerned in tough decisions	Strengthen mass and economies of scale, view quality as a difficult expense, look for shortcuts, suppress criticism, make the tough decisions and impose them

Performance, retard spiritual evolution even though they may temporarily promote individual welfare and impose organizational control. Option One, High Performance, can serve the common good, but an exclusive emphasis on economic growth in Option One might doom humanity to destruction of society, destruction of the life-sustaining environment, and destruction of the human spirit.

CAPITALISM AT THE CROSSROADS

Capitalism as a system is at a crossroads. In the past, it did give great solace to the forces of extreme selfishness on the planet by emphasizing the options of unrestrained growth and has as a result brought us today to a world crisis with high risks and much misery along with its not-too-well distributed material benefits. Capitalism as a system (and business enterprises functioning in it) has not yet by the 21st Century changed to pursue the Option One in mass. The vast majority of the enterprises still pursue the Minimum Performance Option Two, and humanity on a planetary scale suffers the consequences of businesses remaining selfish, centralized, and irresponsible.

The vanguard business people are recognizing that the old order has too many risks in itself, especially risks of ecological collapse and/or world revolution, terrorism or paranoia about the dark side of globalization that can reject and attack the worst aspects of the capitalist system. Therefore, the vanguard business people are searching for ways to support necessary personal growth, the common good, and spiritual evolution.

The Vanguard

Performance Option One is already being pursued by an important number of businesses. These are vanguard enterprises that lead the way to a very different kind of capitalism—if they become the new standard. Again, a major reason for the future

expansion of the Performance Option One will not depend upon romantic altruism but on the competitive advantage gained in world markets. There already exists a basis in current (vanguard) practices for business to promote their competitive advantage and in that process also promote ecological security²⁰ and spiritual evolution. But it is at a crossroads and capitalism as a system could, by the choices made by its business leaders, pursue either option.

Gradually, business leaders will learn new and better ways to articulate this fourth purpose of the company. The idea of serving spiritual evolution is indeed too large, too abstract a concept for most of the people in society to understand as an idea.

Embodiment of Purpose

Everyone can understand the specific positive options which businesses can take by using the new paradigm. Instead of wrestling with abstractions, these kinds of concrete actions promote a tangible and attractive version of the more abstract idea of spiritual evolution. Religion can be a powerful vehicle for transcendent purposes as long as it does not become fanatical or a cult-like denial of free will. Here is what I call the opportunity for another era: the Catholic spirit and the ethics of Capitalism. A local exemplar in Monterrey, Mexico, is Juan Guadalupe Marcos Giacomani, founder of Lambi, S.A. de C.V. An international example with an Eastern approach is Konosuke Matsushita, founder of the world-wide company Matsushita Electric, Ltd.²¹ In this fashion, spiritual aspirants in businesses can seize the moral high ground and offer a transcendent purpose to people in very concrete ways: through enhancement of creativity, innovation, personal growth, learning, flexibility, cooperation, trust, and the many other qualities developed in the new paradigm for business. Business does not lead culture directly by imposing a functional style or a marketplace standard of value; business will lead culture indirectly by supporting the new structures of consciousness. Art and beauty will



Konosuke Matsushita.

change when the people of the culture appreciate spiritual growth. This will help the appreciation and support for the arts, which is needed as Gabriel Zaid pointed out: on one hand it is not fair for society to expect the artists to support their work only through personal sacrifice, but on the other hand the current marketplace is too tied to tradition to be able to appreciate leading-edge art.²² New structures of consciousness will value and purchase new types of art.

Moral Choice

The new paradigm for business supports a global consciousness. Part of the question is whether these global companies give people an illusion of an achievable standard of living that the planet cannot support if extended outside highly developed countries to the rest of the world. Surely, sustainability will not allow all nations to have the same standard of living as the USA if we are limited to the resources of the planet. There are too many people. Thus, responsible growth includes alternative technologies (with alternative sources of energy), material resources

obtained off the planet (e.g., asteroid mining, etc.), off-planet cities (e.g., space stations and other planets), as well as new technologies to optimize other materials (e.g., nanotechnology and materials research).

If all of these alternatives fail, the direction of spiritual evolution has to be prepared to make the moral choice of reducing consumption by the privileged few in order to share with the underprivileged many. On the basis of materialism and self-interest, this option seems impossible; however, the key to the NPC is that our directionality is away from mere self-interest towards the common good. If we do not even believe in the possibility of spiritual evolution, then individual paranoia can overcome the progressive desire to serve human welfare and reassert the regressive desire that each of us falls back to “looking out for number one,” drawing us back to the triumph of the terrorist, the devotion of the fanatic, the will of the despot and the war of all against all. Businesses will improve their operations by promoting spiritual evolution and will gain competitive advantage because spiritual evolution also supports decentralized organizations that empower distributed leadership for flexible response to dynamic markets. In the process of improving their operations, business leaders can also find more creative options to lead us towards the common good, support new structures of consciousness and go even further to envision the highest good.

In sum, my thesis is that strong transformations of structures of consciousness will benefit future world-class competitiveness. Inherent in this level of competition is a strong orientation to the good.

REFERENCES

1. Loverde, Lorin, «Business Leadership and Higher Purpose.» *Ingenierías: Revista de Divulgación de la Facultad de Ingeniería Mecánica y Eléctrica de la Universidad Autónoma de Nuevo León*, México, Vol. 5, No. 14.

2. Weber, Max, *The Protestant Ethic and the Sprit of Capitalism*, Charles Scribner's Sons, New York: 1958.
3. Op. cit., Loverde, *Ingenierias*, Vol. V, No. 14.
4. Loverde, , Lorin, "Psychological and Moral Foundations of Organizational Development," *Ingenierías*, UANL, Vol. III, No. 7, April, 2000 (<http://www.uanl.mx/publicaciones/ingenierias>)
5. Levey, Joel and Michelle Levey, "Wisdom at Work: An Inquiry Into the Diumensions of Higher Order Learning," in *The Learning Organization: Developing Cultures for Tomorrow's Workplace*, edited by Chawla, S., and Renesch, Jorh, Productivity Press: Portland, Oregon, 1995.
6. Belasen, Alan T., *Leading the Learning Organization, Communication and Competencies for Managing Change*, State University of New York Press, Albany: 2000, p. 405.
7. Ray, Michael and Alan Rinzler, eds, *The New Paradigm in Business: Emerging Strategies for Leaders and Organizational Change*, Jeremy P. Tarcher Books, Putnam Publishing Group, New York: 1993.
8. Dyer, Wayne W., *You'll See it When You Believe It*, William Marrow and Company, Inc., New York: 1989.
9. Op. cit., Loverde, *Ingenierias*, Vol. III, No. 7
10. Nonaka, Ikujiro, "The Knowledge Creating Company," *Harvard Business Review*, Nov-Dec 1991.
11. Prusak, Laurence, and Don Cohen, "How To Invest in Social Capital," *Harvard Business Review*, June, 2001. Note, I have found Mexican companies have well developed social capital, implying that developed nations have gone too far with the "scientific management" of Theory X that preferred control over relationships. We need the head and the heart.
12. Reynolds, Larry, *The Trust Effect: Creating the High Trust High Performance Organization*, Nicholas Brealey Publishing, London: 1997.
13. Op. cit., Loverde, Lorin, "Psychological and Moral Foundations" *Ingenierias*, Vol III, No 7. of Organizational Development," *Ingenierias*, UANL, Vol. III, No. 7, April, 2000 (<http://www.uanl.mx/publicaciones/ingenierias>)
14. Scharmer, Claus Otto, "Self-transcending Knowledge: Sensing and Organizing Around Emergent Opportunities," *Journal of Knowledge Management*, Vol. 5, No. 2 (www.emerald-library.com)
15. Loverde, Lorin, "Western Civilization on Trial," *Main Currents in Modern Thought*, 29:2, December, 1972, reprint of presentation to the American Association for the Advancement of Science.
16. Laurent Kullick, Patricia, "La separación familiar," *El Norte*, 1 Feb 2001, p. 7A. (www.elnorte.com)
17. O'Toole, James, *Vanguard Management: Redesigning the Corporate Future*, Double Day & Co., Garden City, NY: 1985, p. 340-341.
18. Op. cit, Belasen, p. 34ff.
19. Op. cit., Loverde, *Ingenierias*, Vol. 3, No. 7
20. Zey, Michael G., *Seizing the Future: How the Coming Revolution in Science, Technology, and Industry Will Expand the Frontiers of Human Potential and Reshape the Planet*, Simon & Schuster, New York: 1994.
21. Matushita, Konosuke, *Not for bread Alone: A Business Ethos, a Management Ethic*, PHP Institute, Inc., Kyoto, Tokyo, Japan: 1984
22. Zaid, Gabriel, "Dinero Para La Cultura," *Letras Libres*, Jan 2002, No. 37, p. 12 (www.letraslibres.com)