

## &lt;CN&gt;Chapter 1

## &lt;CT&gt;A New Consciousness in Business

What is it that drives people to care for the well-being of others? What motivates them to invest in their communities and to be good stewards for future generations? How do we get more of this kind of leadership in for-profit enterprises?

We are often asked these questions at a time when business is increasingly expected to solve all kinds of social and global problems. Fifty years ago a Nobel Prize–winning economist wrote that the only social responsibility of business was to make a profit, and, it was assumed, from profits would flow jobs and consumer satisfaction.<sup>1</sup> Back then, the public looked mainly to government and nonprofit organizations for social welfare and national security. Legislation was only beginning to protect citizens from the smokestacks that spewed airborne chemicals and from the industrial effluents that blackened rivers and lakes.<sup>2</sup>

Now business is expected to play a much bigger role. “Legitimacy [of business] has fallen in tandem with rising expectations,” say leading management scholars Thomas Donaldson and James Walsh. “Society expects more from business these days than simply creating wealth. . . . Entirely new legal entities have recently emerged to serve this kind of ambition. The low-profit limited liability corporation and the benefit corporation, for example, are innovative attempts to create companies that pursue profit and social good simultaneously. . . . Change is in the air.”<sup>3</sup>

Today business is on the hook for everything from climate change and income equality to education and personal well-being. These are just a few of the startling -Global Goals by 2030 engaging the business community.<sup>4</sup> Rising demands from consumers, employees, and investors

are forcing chief executives into unknown territory. Corporate social responsibility (CSR) was once focused on doing less harm (a.k.a. footprint reduction). A company was free to pursue profit as long as it obeyed the laws and, where possible, minimized environmental damage and social injustice.

Leading companies are increasingly expected to provide *solutions* of public interest (a.k.a. a positive handprint) by creating disruptive innovations that not only are profitable but also benefit society and the environment: for example, Patagonia's business strategy to give back to nature more than it takes, Unilever's "Sustainable Living Plan," IKEA's "People and Planet Positive Strategy," Greyston's "Open Hiring" employment practices, Warby Parker's "Buy a Pair Give a Pair," and Natura's "Well-Being and Being-Well."

But is it realistic to expect business to be a force for good? Other than a few specialty companies, can for-profit enterprise ever really become an agent of world benefit? Some may believe that business, as an institution, can never act as a responsible custodian for future generations, given its single-minded pursuit of financial gain.

Business leaders have gradually warmed to the idea that they are tasked with greater social responsibility. However, their efforts have almost always been framed in terms of financial calculation. What is the return on investment of converting to renewable energy? How can investing in the local community enhance a company's reputation? Will sustainable packaging increase a retailer's shelf-space utilization? No matter how noble and inspired the CEO or founder's vision, the central operating question eventually devolved to whether such efforts increased the bottom line.<sup>5</sup>

Periodic surveys of business, starting in 2010,<sup>6</sup> showed a steady increase in the percentage of CEOs who said that environmental and social sustainability is critical to

competitive advantage, rising to an astonishing 80 percent a few years later.<sup>7</sup> The same surveys showed that as soon as the business case for sustainability proved difficult to make, interest began to wane among business executives.<sup>8</sup> By 2018, survey reports were documenting a decline in the number of companies engaging employees in sustainability strategies.<sup>9</sup>

Perhaps more troubling, when you look at the sum total of economic activity across all business sectors, you see that corporate sustainability efforts are only *decelerating* the growth of many social and global problems.<sup>10</sup> Stress and disengagement at work,<sup>11</sup> income inequality, chronic hunger, climate change, and biodiversity loss (species extinction) are getting worse, not better.<sup>12</sup> CSR and corporate sustainability are at best mitigating these trends but not reversing their direction.

The conclusion of any objective observer has to be that the business-case approach to sustainability is not enough—and never will be enough as it is currently practiced—to create prosperity and flourishing. Nor is it sufficient to teach people ethical behavior or to disseminate moral injunctions against irresponsible conduct,<sup>13</sup> even when using sophisticated corporate training programs employing shared vision and values processes.<sup>14</sup> Even the best-intentioned leaders are struggling to engage their organizations in making consistently positive impacts that materially contribute to stakeholder well-being.

## <H1>A Fresh Approach to Flourishing Enterprise

Our contention is that we need to change leaders at their most fundamental level of being—at the level of their consciousness. *Transforming consciousness changes us at the deepest level of our self-identity.* It must always be built on a foundation of principled leadership accompanied by a credible and compelling business case for social responsibility. When business leaders have

strong guiding values and are able to articulate a persuasive business case for social responsibility, they have the groundwork for a new awareness of how their actions impact others and future generations.

## <H2>So What Is Consciousness Anyway?

*Consciousness* is the awareness by the mind of itself and the world. This awareness is not only of the Cartesian “I think, therefore I am” variety. It also includes subjective experience, the raw feelings and emotions immediately present when we taste chocolate, smell coffee, or feel love for someone. Beyond this simple definition, a debate currently rages about the very nature of such awareness. We explore this in greater depth later in the book, but, put simply, one camp sees consciousness as the product of the brain and explains selfhood in purely physical terms; the opposing camp argues that consciousness is not reducible to physical phenomena: no reductive physical explanation can ever account for the *feelings* that accompany sensory experience.

In Chapter 6, we provide growing evidence for the idea that consciousness might in fact exist *outside* the brain rather than be generated *by* it. While still hotly debated, this paradigm-shifting view is based on recent developments in quantum physics and consciousness research that suggest that quantum-level vibrational fields lie behind (and are the source of) all reality as we know it.

Also in Chapter 6 we suggest that such findings have huge implications for leadership practices. Spending more time in silent retreat, practicing mindfulness meditation, or immersing oneself in nature can lead to an experience of wholeness and of greater oneness with the world. Such practices may allow us to process information at the quantum level,<sup>15</sup> information that is normally inaccessible when we engage the brain’s neocortex in the dominantly analytic-

cognitive mode of the workplace. In other words, we feel more centered after moments of silence, or more upbeat after spending time in nature, because we are tapping into a source of evolutionary coherence and interconnectedness (what quantum physicists call “entanglement”), not only in a metaphoric or conceptual sense but also in terms of actual energy and information flows at the quantum level.<sup>16</sup> The title of this book reflects this interconnected quantum reality and the benefits of the practices that tap into it.

To accept that the fundamental nature of reality is other than we have been led to believe is potentially destabilizing. It also presents an unprecedented opportunity. The consciousness of the Western mind that has served us so well in business since the beginning of the Industrial Revolution is no longer serving us in the twenty-first century. To progress as a species and to be a force for positive change, we have a choice before us of whether to embark on a path of transforming the way we see the world around us, informed and supported by new empirical insights into the nature of reality. The proposed path of transformation has the potential to bring out intrinsic care and compassion and inspire us to do good because that is who we are. The good that we do will come from a more authentic place and is not just the by-product of a financial calculation.

Such a transformation toward care and compassion is often presented in spiritual terms as a journey toward awakening or enlightenment, a human development dynamic that science is now affirming.<sup>17</sup> The lower stages are centered on the ego and are the sources of our human suffering. As we evolve, we move through an awareness of the self as not absolute reality. We experience life as something more than our self. We have an increased experience of nonattachment, which leads to less suffering and greater freedom and peace. Ultimately, we move toward the experience “oneness,” where we are able to be “fully awake,” a state that

encompasses empathy and caring of others. While many people have an intuitive understanding of this spiritual journey, what is exciting now is that science is converging on and validating perennial insights into our ability to experience it.

In our journey toward awakening, we each have a story about what it means to be human and the nature of reality. We might see ourselves as spiritless biophysical entities, existentially alone, selfish and competitive, born into a cold mechanical universe composed of clumps of matter subject to forces immutably driving us toward meaningless extinction. Or we might see ourselves as spirit-infused beings living in a world that is alive with meaning, demonstrably interconnected through energy and information flows, with human natures that are essentially compassionate and longing for mutualism and cooperation. These alternative stories of what it means to be human are no longer only a matter of belief; as we show in later chapters, they reflect competing paradigms in the natural and social sciences.

## <H2>**The Role of Transforming Consciousness**

To understand the power of transforming consciousness, we turn to systems scientist Donella Meadows. Sustainability pioneer Ray Anderson, the founder and former chairman of Interface Inc., often said that her article “Places to Intervene in a System,” written in 1997,<sup>18</sup> was the most insightful treatise ever written on business transformation.<sup>19</sup> In it, Meadows observes that the highest leverage point at which to intervene in a system is in “the mindset or paradigm out of which the system arises”:

<EXT>The shared idea in the minds of society, the great big unstated assumptions—unstated because unnecessary to state; everyone already knows them—constitute that society’s paradigm, or deepest set of beliefs about how the world works. . . . Growth is

good. Nature is a stock of resources to be converted to human purposes. Evolution stopped with the emergence of *Homo sapiens*. One can “own” land. Those are just a few of the paradigmatic assumptions of our current culture, all of which have utterly dumbfounded other cultures, who thought them not the least bit obvious.<sup>21</sup>

<http://donellameadows.org/archives/leverage-points-places-to-intervene-in-a-system/>

In reflecting on how to change mind-sets or paradigms, she points to Thomas Kuhn’s seminal work *The Structure of Scientific Revolutions*,<sup>22</sup> saying that “you keep pointing at the anomalies and failures in the old paradigm . . . [and] you insert people with the new paradigm in places of public visibility and power. You don’t waste time with reactionaries; rather you work with active change agents and with the vast middle ground of people who are open-minded.” That is what we are doing: pointing to failures of an old paradigm based on separateness and selfishness while proposing a new paradigm of connectedness and wholeness. Living the new paradigm requires a *transformation in the consciousness* of who we are and the nature of the world we live in. It invites what Peter Senge and others have referred to as systems leadership aimed at flourishing for all.

Though they differ widely in personality and style, genuine system leaders have a remarkably similar impact. Over time, their profound commitment to the health of the whole radiates to nurture similar commitment in others. Their ability to see reality through the eyes of people very different from themselves encourages others to be more open as well. They build relationships based on deep listening, and networks of trust and collaboration start to flourish.<sup>23</sup>

## <H2>Consciousness and Purpose in Business

Quantum leadership is a learning journey to elevate a person's consciousness as the most powerful lever for unlocking his or her leadership potential to drive creativity and innovation. It changes people at a deep intuitive level, combining embodied experience with analytic-cognitive skill development. The culmination is *flourishing enterprise* with significant business benefits to any organization. These benefits include greater authenticity and collaboration along with an increased capability to inspire people and produce lasting change in turbulent environments. Along this journey people learn how to authentically cultivate personal well-being and a deep connection to others for shared prosperity and genuine flourishing. Figure 1.1 shows the Quantum Leadership Model (QLM). (The underlying research conducted between 2015 and 2018 is described in more detail in Chapter 5.)

\*\*\*INSERT FIGURE 1.1 ABOUT HERE\*\*\*

To read the QLM, begin at the far right of Figure 1.1. The goal of quantum leadership is to generate positive economic outcomes, defined as above-industry-average profits along with prosperity in the communities in which the business operates. The goal is also simultaneously, and without trade-offs,<sup>24</sup> to generate positive social and environmental outcomes, by which we mean contributing to a healthy natural environment and improving human well-being. The leadership to pursue these outcomes requires not only technical skills but also emotional and social ones, exemplified by shared vision, compassion, and relational energy.<sup>25</sup> Such leadership generates intrinsically greater insight and creativity.

So far so good. But what are the antecedents to such leadership? Based on our research, they are mindfulness-type practices—defined broadly as “practices of connectedness” that encompass both Eastern and Western forms—which elevate our consciousness of connectedness

and increase our sense of purpose. Such practices are the independent variables on the far left of Figure 1.1. They are the drivers of the adaptive and direct-intuitive skills needed to succeed in today's turbulent market environments and are essential to entrepreneurial creativity.<sup>26</sup>

## <H1>Practices of Connectedness

Our business experience and multiyear research into leadership as a force for good led us to explore the primary value of practices that elevate our consciousness of connectedness and increase our sense of purpose. The gateway to these practices is mindfulness, but our contention is that they are not limited to popular techniques such as meditation, yoga, and other contemplative schools of practice that most people think about when they hear the word “mindfulness.” Changing who we are can start with any of thousands of possible practices that can reconnect us to what is important and make us whole again. They range from music, gardening, and physical exercise to Hakomi therapy and appreciative inquiry, along with a host of other activities that help quiet our five senses and slow the analytic cognition of the brain. Jeremy Hunter, an expert on mindfulness in business, notes that such practices can include everyday activities from mindful eating to how we sit or walk.<sup>27</sup>

Such practices have three characteristics in common.<sup>28</sup> First, they are part of a well-documented upward spiral in positive emotions that increase our sense of well-being and build consequential resources to handle life's challenges. Second, they expand our awareness of being one with the world, helping us get in a state of “flow” where creativity and productivity emerge effortlessly. Third, they engage the whole person rather than only the analytic rational self.

The practices are a healing antidote to today's fragmented multitasking behaviors in which we self-interrupt our attention every few seconds, often as a result of jumping from one

phone screen to another electronic device, in urban environments largely devoid of nature. The practices help cultivate broader perception and greater awareness of our life purpose in relation to our community and the natural environment. They offer an experiential path—not one of words or concepts—that leads us to a more meaningful life in which we pursue legacies of lasting positive impact.

## <H1>**The Role of Practices of Connectedness for Business Leaders**

Why are such practices vital to the development of business leaders capable of exhibiting relational intelligence and creativity in the pursuit of flourishing enterprise? Because they are an action-oriented pathway to changing the mind-set or paradigm out of which we fashion the world. In reviewing Daniel Wahl's book *Designing Regenerative Cultures*, Jonathan Porritt writes that "no serious attempt is made to explain how this demonstrably preferable worldview [of caring for life as a whole] is ever going to gain traction in the world as it is today."<sup>29</sup>

According to Porritt, calls for a new narrative are frustratingly lacking in a theory of change. This criticism is often leveled at individuals and organizations trying to change the world for the better: they are better at diagnosing problems than offering solutions and more effective at describing the desired future of flourishing than proposing meaningful pathways to achieve it. *We believe that it is time to change the narrative about change itself by turning to embodied practice rather than only analytic-cognitive approaches to learning.*

There is a growing body of clinical neurophysiological evidence that demonstrates the power of practices of connectedness for business leaders.<sup>30</sup> The evidence suggests that such practices strengthen a leader's ability to deal with situational complexity and increase empathy and a sense of human connectedness.<sup>31</sup>

Practices of connectedness help leaders develop critical skills: to be present and aware of themselves and the world around them, allowing them to recognize in real time their own perceptions and feelings so that they can take immediate action to address complex realities more effectively.<sup>32</sup>

While transforming business can be facilitated by tinkering with government subsidies and taxes, revising corporate incentives, or overhauling strategic objectives, *it is the power of the practices of connectedness to change our consciousness that is likely to have the greatest and most enduring impact on business leadership.* The literature on leadership tends to emphasize emotional, technical, and cognitive skills.<sup>33</sup> Quantum leadership focuses on adaptive skills that change who the leader is *being* rather than only what the leader is *doing*. The practices change who we are at a deep intuitive level, combining technical skill development with an embodied learning of what it means to be deeply connected to others and future generations.

A final introductory observation: When we say that consciousness is the ultimate form of business capital, we mean it in the Donella Meadows sense of the highest point of leverage. Although rarely considered in this context, consciousness is a unique resource for business leaders. Individuals and organizations that master the shift in consciousness are accessing a difficult-to-imitate form of business advantage. It also requires “right motive.” A person cannot manipulate his or her consciousness or that of others for instrumental reasons alone, such as for power or money. It must be done for its own sake, as an end in itself.

To illustrate the different types of consciousness existing in the business world today, we now present two stories, featuring lead characters based on composites of actual people we have worked with. We feel certain that readers will recognize in these characters someone that they have known or experienced at work. As you read these two profiles, ask yourself what aspects of

them ring true for you, as well as for the colleagues you work with.

## <H2>Dieter's Story

Dieter woke early, roused by the buzz of his alarm clock. He felt a familiar and sickening pain behind his eyes. He had been out late again with clients. It had been well past midnight, and he had had one too many vodka gimlets. He was surprised to notice Anne-Marie lying next to him, her arm resting lightly across his midriff. He sat up heavily, shook his head twice, and lumbered into his home office. He turned both computers on at the same time, closing his eyes until the night's e-mails had downloaded. He checked the markets in Asia before looking at anything else. Despite thirst and a headache, he spent an hour in front of the two screens: When a file took too long to download, he scanned the CNN headlines; when his financial spreadsheets failed to tell him what he wanted to know, he browsed YouTube videos of fine art auctions. He finally stumbled half-awake into the kitchen. A quick scrabble around in the fridge, a fumble at the espresso machine, and he was back in his office again, chasing down leftover sausage and potato spätzli with two cups of bitter coffee, his eyes never leaving the screens.

By 6:30, he was showered and shaved. He picked his way down the stairs to avoid waking Anne-Marie; he had no desire to talk to her right now. Outside, he paused, took a deep breath of the cold Düsseldorf air of late October to ready himself for the day, and allowed himself a satisfied backward glance at his glass-fronted townhouse. Across elegant and exclusive Königstrasse was an equally elegant and exclusive red Italian sports car. Nestling into its firm leather seat, he felt his headache beginning to dissipate. It was a thirty-minute drive to his office in Ratingen, an industrial zone on the outskirts of the city, and while driving, he checked his voice mail and put through several energetic calls to his company's Warsaw and Belgrade

offices.

As the elevator doors swished behind him, he cast his eyes over his already industrious staff. “Where’s the final agenda for tomorrow’s *Vorstand*?” was his cold greeting to Marcus, a research assistant who was helping him prepare for the upcoming management board meeting. He ran down his list of appointments for the morning, issuing clipped instructions to his secretary, Jana, then called down the hallway: “Why are our inventory numbers up again this week?” It was loud enough to make the whole office pause and look at him. Dieter had a habit of pulling at his left eyebrow when he was about to blow up at a subordinate, a cue for trepidation for those in his sights. It was Frank’s turn today, and it landed especially badly: Frank had put in a lot of overtime to move the company’s flagship product, in spite of having recently lost his father. He had said nothing about it to his boss.

Lunch for Dieter consisted of a club sandwich and a cold Weiss beer—and the relaxation of scouring websites for bespoke shoes. Could he find time to fly to Milan next weekend to get measured up at that amazing boutique store on Via Montenapoleone? He already had a dozen pairs of fine leather shoes in his wardrobe, but buying them gave him a real buzz. A daydream about tasseled loafers in crocodile leather was jolted by a knock on his office door. “Our bank auditors are expected next Wednesday at five,” said the assured face leaning in at the door. Heidi was head of treasury and in line for divisional president. That job was rightfully his. To make matters worse, her smile always infuriated him. “Have we resolved the debt restructuring with our Brazilian suppliers?” he shot back icily, aiming to throw her off balance. “Yes,” she replied coolly, “as a matter of fact, I sealed it last night. The Brazilians signed off on it.” Dieter nodded, trying not to look disappointed.

At 2:00 that afternoon he was in planning mode. The next quarter needed a sense of crisis

in the company that he would artificially create by hiring a management consulting firm to justify firing the bottom-performing 10 percent of employees. That would immediately lower costs and boost productivity, burnishing his reputation as a hard-driving manager who got results fast.

He grabbed his antacid tablets from the desk drawer. With a little push from the markets, his stock options would rise another tenth of a percent, and then, time to say hello to that solid-gold Rolex he had his eye on. Some obstacles remained. Not least the hippie activists. To get the Naturschutzbund off his back, he would have to find unbudgeted funds to hire an aggressive Zürich PR firm he had used previously on the case. The furniture division had been doing well but only with the help of cheap lumber, some of which came from old-growth forests in Indonesia. Now several nongovernmental organizations had got wind of it. A serious massaging of the company's public image would be required.

On his way home Dieter lit a last cigarette, then threw the carton out his car window. For him it was a small act of rebellion, though he always looked around anxiously before doing so: he didn't want to get fined. He'd never been moved by nature; he actually got a sense of satisfaction seeing green spaces making way for industrial development. He had no time for parks and trees. He was a busy and successful man: the steady march of economic progress was what made him tick.

He pulled into his personal parking space, looking forward to another evening of business entertainment—another postdinner meeting with clients at a posh downtown bar. First, he would need to get the argument with Anne-Marie over with. But instead of Anne-Marie, he found a note, written in black lipstick and propped up on a chair against the inner door of his townhouse: “We are over.” Dieter sighed. She had always been unreasonable. He carefully moved the chair

back to its proper place. It didn't matter. He would succeed no matter what, through determination and hard work. And he could do without anyone standing in his way.

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Dieter's life is accessible to only a small percentage of people—perhaps less than one in a hundred worldwide—yet it remains an aspiration for many. Parents of pre-school-age children are already pushing them to excel so that they can be fast-tracked to top universities with a chance of securing Dieter's kind of job. High school graduates dream about Dieter's salary and what it could bring. MBAs imagine themselves in his executive office, directing others and influencing markets around the world.

Dieter's kind of hard-driving, manipulative, and materially excessive lifestyle was celebrated in *The Wolf of Wall Street*, starring Leonardo DiCaprio. The movie became a cult favorite among young professionals, earning more than \$392 million worldwide and having the dubious honor of being the most illegally downloaded film of the year, shared more than thirty million times<sup>34</sup>—one indicator of its appeal to the tech-savvy younger generation. In the real world, we are engrossed by the rise of a figure like Donald Trump with its story of manipulative power and glitzy excess. While such wealth chronicles may fascinate us, they rarely lead to more than a transitory feeling of reward. A growing number of aspiring businesspeople know this to be intuitively true. They are searching for greater meaning at work, in purpose-driven careers that offer the potential for enduring happiness and well-being, without compromising their professional success.

## <H2>Lihua's Story

As Dieter was throwing back his third vodka gimlet of the evening, halfway across the world

Lihua opened her eyes. She was the first of her household to awake. Rising from her simple mat of reeds covered with worn cotton swathing, she went straight to the garden and picked her way carefully through meticulously tended flower beds. Among the plum blossoms, a red hibiscus—the “rose of China”—was getting ready to bloom, bloodshot petals unfurling in the receding darkness. A smile lit her face. A new day was beginning. Lihua gratefully breathed in the smell of the sparse, dusty plot of land. In the faint morning light she pulled some weeds, inspected her pale green shoots, and readjusted their slim bamboo stakes.

She stretched and straightened her back, working out the kinks from her long hours of sleep. As she methodically swept the footpath that led outward to the main road, the back-and-forth undulations, coaxing the broom along the pebbly trail in first one hand and then the other, helped her see the day’s circumstances more clearly, without scrutiny or anxiety. As she swept, she observed each pebble, each root and fallen twig, letting the visual frames wash over her and slowly enrich her sense of being. The edges of the path became suddenly more visible, the chirping of rose finches more acute, the scent of plant decay sharper. She paused only to give thanks for all that was good. She walked back to her thatched roof dwelling to wash her face and make her first cup of tea.

Her three sisters were still asleep. Chun Jiao, her oldest niece, had managed to push a back door open, as independent, curious two-year-olds will do, and was navigating the eight wooden steps to the garden, sliding backward on her stomach from one slat to the next. “Good morning, Chun Jiao,” Lihua said, greeting her usually chipper morning helper, before noticing the dirty cloth diaper hanging perilously on chubby infant legs. At the sound of Lihua’s voice the child turned and fell the rest of the way down, screaming and tearing her diaper on the lowest step. Lihua scooped her up and carefully dislodged the soiled cloth, all the while whispering

reassuring words that soon turned wracking sobs into noiseless whimpers. The soft black curls tickled Lihua's face and made her giggle. Soon they were both in fits of laughter. They headed to the garden spigot to wash up. Feeling playful in the cool spray, they turned their cleanup chore into a few moments of noisy delight.

Yu-Ren, Lihua's middle sister, appeared in her crimped cotton shift and slammed the screen door. She was angry about being woken up. "Why do you always do this to me?" she yelled, storming off. Lihua dried Chun Jiao and took her by the hand. Making a pot of tea was a ritual they liked to share: Lihua poured the boiled water into delicate teacups layered thinly with green leaves carefully chosen by Chun Jiao's little hands.

"Here's your tea," smiled Lihua at Yu-Ren; "please forgive me for not being quieter." Lihua ambled off to find fresh clothes for the two-year-old, leaving Yu-Ren to sigh as she gratefully drank the steaming cup and wondered how Lihua always seemed so unruffled. She was different from the others: calm, steady, impervious to unkindness or defeat, and always ready to smile at friend or stranger.

Lihua worked eight kilometers away in Suzhou. One hundred kilometers west of Shanghai, this burgeoning industrial city stretches from the lower Yangtze River to Lake Taihu. Visitors might come to look at its historic Song-dynasty gardens and eat the squirrel-shaped Mandarin fish called *song shu gui yu*, but today's reality was one of huge steel structures, expressways, traffic, and overcrowding, with industrial parks springing up like weeds. On winter weekdays, commuters wore face masks to escape the foul air: armies of surgeons prepped to operate beneath the sulfur and nitrogen oxide blankets hanging thick with industrial soot. But economic development meant jobs—lots of them. And Lihua and her siblings were thankful. Their parents had scraped by on farming rice and vegetables on a meager half hectare. That

would not be their destiny.

New manufacturing and construction companies offered jobs that paid cash at the end of the week. The work was hard and repetitive, quickly tiring body and spirit. Lihua's first year at a local electronics supply company had consisted of tedious ten-hour shifts soldering connectors onto miniature circuit boards. Somehow she found a way to stay engaged, making the most of her short breaks, stretching her limbs and clearing her mind, encouraging others—and always meeting her daily quotas in a game of speed and accuracy. Her employers soon noticed. They saw her attentiveness and positive energy as a source of organizational resilience, as she spurred those around her to do better.

Lihua was promoted to team leader. And she hadn't served quite three years at the company before she was hired away by a Singaporean family-owned business that had recently branched into China. This was a new world. There were flexible working hours. There were mandatory fifteen-minute Tai-Chi sessions every day at 10:00 a.m., signaled by the boom of traditional bronze gongs. She was given technical training in precision machining and, after a nine-month apprenticeship, given responsibility for a giant lathe and metal stamping tool that produced car parts destined for export. Her precision work and productivity were exemplary, as they always had been, and acknowledged throughout the company. Being humble, she was quite often embarrassed about it.

Her reputation wasn't earned just because of her meticulous attention to quality and quota fulfillment: She was also judged to be a model team leader, always seeking to help others and bringing a sense of personal care to each personal interaction, whether with the latrine cleaner or the CEO. Before long, her bosses were fighting over who could have her on their team. Lihua was promoted to machine shop production supervisor and, eighteen months later, to chief

manufacturing executive. She was now part of the senior leadership team: a C-suite executive and officer of the company. She was dumbfounded. How had this happened so quickly?

Lihua received special recognition for an after-hours project in which she worked with an engineering team to redesign an injection-molding machine capable of using fully compostable bioplastics—modified starch formulations—instead of oil-based polymers. Her team's efforts led to new business contracts in the highly competitive, but increasingly environmentally conscious, automobile parts industry. She enjoyed the recognition, but she got more satisfaction knowing that she was contributing, in some small way, to reducing the drifting piles of plastic garbage she saw every day on her way to work.

Lihua felt an innate inclination to protect and restore the natural environment. She had become entranced by the beautiful forests that lay outside the industrial city. As she walked by her favorite pear blossoms and sakura trees, she felt as if she were soaking up their ancient energy. Sometimes she would turn her hands outward, palms facing the trees, imagining an unseen force connecting them to her, giving her renewed strength to face the challenges of each day. Such regular connections with nature inspired her to seek out opportunities at work to care for the environment, but, more than that, they helped her maintain her sense of well-being. They made her feel more comfortable in her own skin.

She ate simply and mindfully, rejecting processed meats in favor of mostly vegetarian fare. She rarely spent more money than she needed for her daily existence. When buying durable products, she sought ones made of steel, bamboo, or other natural materials, avoiding plastics made from synthetic oil-based polymers. On Sundays, she would meet with a group of neighborhood volunteers who picked up trash and trimmed the trees and bushes along the local roads.

At work, Lihua served on a human resources team to offer employee perks such as English lessons, table tennis, and yoga classes. She was terrible at table tennis but went to all the tournaments anyway to cheer on her coworkers as if each game were an Olympics final. In team meetings and on the factory floor, she motivated and encouraged her coworkers, always with her trademark bright smile.

Lihua's behavior was not a "lifestyle" choice; she was not interested in being seen as "green" or "socially responsible." She was guided instinctively by a desire for wholeness. Those choices of simplicity and social awareness increased her sense of well-being—in a private and personal way. In practicing acts of kindness and care for others and the natural environment, she grew more fulfilled and at peace with herself. What others thought of her became less and less important as time went on.

A year later Lihua found her life partner, Zhi Ming. He was outgoing and hardworking and had recently been hired at an engineering company across town. Zhi Ming came from a poor farming family in the inner part of the country. Through sheer grit and determination he had excelled at school in a village where education was not encouraged. Soon after earning his technical degree, he got a highly coveted job at a software company in Zhangjiang Hi-Tech Park, the so-called Silicon Valley of China, before transferring to Suzhou. Lihua and he met through mutual friends at a favorite karaoke bar where they both let loose after work. His party piece was Joe Cocker's version of "The Letter," which he sang in perfect English. She put her heart and soul into "New Endless Love" (新不了情). When Zhi Ming sang Jay Chou's "Cute Girl" and Richie Ren's "Hey Girl Look Over Here" (對面的女孩看過來) without once taking his eyes off her, they both knew they had fallen in love.

After two years of seeing each other, mostly on weekends, they became engaged. They

saved what they could, planning to marry as soon as they could afford an apartment with a terraced garden inside the city walls. Like the new generation of upwardly mobile professionals of which they were a part, they would manage to balance work and personal life while earning enough to live well. Although their combined income was relatively high among young people, if they ever wanted to move to Shanghai, it would look like chickenfeed against the inflated city prices. But they refused to yield to the real estate panic that was overwhelming many of their friends.

Lihua remained untouched by much of the fast-paced life of urban China. She cycled the hour-long trek to and from work. She smiled at strangers and spoke to them only when she had something kind to say. She was compassionate to herself and to others, following a way of life exemplified by her Tao and Confucian ancestors. She practiced the ever-popular Hatha yoga at home and on weekends, using its breathing exercises throughout the day to reduce the inevitable pressures. Colleagues followed her example and took up yoga not only for the physical exercise but for what they saw as a source of social harmony and moral rightness.

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Lihua's story, unlike Dieter's, is one that a majority of the world's population could pursue. If every person in the world were to emulate Lihua, we would have a lifestyle for humanity that would be sustainable for generations. Yet many cannot aspire to lead even such a simple life. A billion people—more than one in seven alive today—have a daily struggle for their most basic human needs.<sup>35</sup> They face chronic hunger, lack of access to clean water and sanitation, and threats to their physical security. To expect them to attend to inner fulfillment is perhaps unrealistic. Or is it?

No matter what our circumstances, we are mostly free to choose the rituals of daily

existence that create order in our lives, to engage in the moments of silence when we feel deeply connected to something greater than ourselves, to be compassionate to others, to perform unsolicited acts of kindness, and to care for our little corner of nature. There is little personal cost in making these choices, and the benefits to our happiness and well-being are enormous. Such benefits are being increasingly well documented by psychologists and neurophysiologists,<sup>36</sup> though generally they remain little known in the business world.

The stories of Dieter and Lihua are, of course, more than a little exaggerated. A happy existence and sustainable lifestyle are not necessarily dependent on saintly behavior or a materially deprived life, just as professional success is not automatically an indicator of unkindness to others, excessive material consumption, or antipathy to environmental causes. But the two opposing ways of being do present an interesting paradox: Dieter is materially more successful, and his life appears more desirable by the monetized standards of many people the world over; yet Lihua is the happier person and lives more sustainably. Does one have to choose between Lihua's way of being and Dieter's? Can one be hard driving and focused on wealth creating while tending to one's health and others' well-being?

In the next chapter you learn of a "third way of being" told in the first-person voice of Fred Tsao. His life story offers insight into a way of life and enduring set of practices that are a powerful guide to flourishing enterprise,<sup>37</sup> no matter where you live or work. As money manager Joseph H. Bragdon concludes in his study of companies that mimic life, "When people work with their hearts as well as their minds, they engage the powerful heart-brain neurology that is the source of their highest (spiritual) intelligence. . . . [Those] that use it effectively achieve higher returns on equity in spite of using less mechanistic debt leverage than their industry peers."<sup>38</sup> It is, in brief, about doing well by doing good.

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<sup>1</sup> Milton Friedman, “The Social Responsibility of Business Is to Increase Its Profits,” *New York Times Magazine*, September 13, 1970, <http://umich.edu/~thecore/doc/Friedman.pdf>.

<sup>2</sup> In the United States, the Environmental Protection Agency was founded in 1970, the same year that the Clean Air Act was passed. The Clean Water Act was passed in 1971.

<sup>3</sup> Thomas Donaldson and James P. Walsh, “Toward a Theory of Business,” *Research in Organizational Behavior* 35 (2015): 183,

<http://www.jamespwalsh.com/Resources/Donaldson%20and%20Walsh%20-%202015%20-%20Toward%20a%20Theory%20of%20Business-1.pdf>.

<sup>4</sup> For a more complete list, see the UN Global Goals for Sustainable Development, at <http://www.globalgoals.org>. In late 2016, Pope Francis met with select global Fortune 500 CEOs to address the need for a global economic system that both encourages growth and spreads its benefits more broadly. A *Business Wire* headline announced, “Prominent Business and Thought Leaders Present Solutions to the Pope on How the Private Sector Can Be a Driving Force in Ending Poverty and Creating a More Sustainable World.” This event was one of a growing number of similar efforts in recent years to promote business for good. See “His Holiness Pope Francis Addresses Time Inc.’s 2016 Fortune/Time Global Forum at the Vatican,” *Business Wire*, December 3, 2016, <http://www.businesswire.com/news/home/20161203005054/en/Holiness-Pope-Francis-Addresses-Time-Inc.%E2%80%99s-2016>.

<sup>5</sup> Marc J. Epstein, Adriana Rejc Buhovac, and Kristi Yuthas, “Managing Social, Environmental and Financial Performance Simultaneously,” *Journal of Long Range Planning* 48 (2015): 35–45.

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This empirical study finds that managers “always think about the business case first. But at the same time, when the details of any specific decisions are discussed, the importance of social and environmental goals comes through. These decisions tend to be related to boundary conditions such as bribery or a supplier’s use of child labor, where it might be more expensive to comply than to pay a fine but where the implied unethical behaviors are considered unacceptable to management. The study also shows empirically that innovation is how middle- and upper-level managers break through the apparent trade-offs between financial performance and social and environmental outcomes.

<sup>6</sup> Surveys include those by the Sloan Management Review with the Boston Consulting Group, Accenture, Deloitte, and McKinsey.

<sup>7</sup> The 2016 UN Global Compact/Accenture CEO study says that “80 percent of CEOs say that demonstrating a purpose-driven commitment to sustainability is already a differentiator in their industry.” UN Global Compact and Accenture Strategy, “Agenda 2030: A Window of Opportunity,” 2016, [https://www.accenture.com/t20161216T041642Z\\_\\_w\\_\\_/us-en/\\_acnmedia/Accenture/next-gen-2/insight-ungc-ceo-study-page/Accenture-UN-Global-Compact-Accenture-Strategy-CEO-Study-2016.pdf](https://www.accenture.com/t20161216T041642Z__w__/us-en/_acnmedia/Accenture/next-gen-2/insight-ungc-ceo-study-page/Accenture-UN-Global-Compact-Accenture-Strategy-CEO-Study-2016.pdf).

<sup>8</sup> Accenture and UN Global Compact, “The UN Global Compact–Accenture CEO Study on Sustainability, 2013: Architects of a Better World,” September 2013, [http://www.unglobalcompact.org/docs/news\\_events/8.1/UNGC\\_Accenture\\_CEO\\_Study\\_2013.pdf](http://www.unglobalcompact.org/docs/news_events/8.1/UNGC_Accenture_CEO_Study_2013.pdf).

<sup>9</sup> WeSpire, “The State of Employee Engagement Report, 2018,” 2018, <http://www.wespire.com/resource/the-state-of-employee->

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engagement\_qs\_whitepaperqs\_resource\_name2018report-2.

<sup>10</sup> Johan Rockström, W. Steffen, Kevin J. Noone, Åsa Persson, F. Stuart Chapin III, E. F. Lambin, T. M. Lenton, M. Scheffer, Carl Folke, Hans Joachim Schellnhuber, B. Nykvist, Cynthia A. de Wit, Terence Patrick Hughes, Sander Van der Leeuw, H. Rodhe, Sverker Sörlin, P. K. Snyder, Robert Costanza, Uno Svedin, Malin Falkenmark, Louise Karlberg, Robert W. Corell, V. J. Fabry, J. Hansen, Brian Walker, Diana Liverman, Katherine Richardson, Paul Jozef Crutzen, and J. A. Foley, “A Safe Operating Space for Humanity,” *Nature* 461, no. 1 (2009): 472–475.

<sup>11</sup> Simon L. Albrecht, “Work Engagement and the Positive Power of Meaningful Work,” in *Advances in Positive Organizational Psychology*, ed. Arnold B. Bakker (Bingley, UK: Emerald Group, 2013), 237–260.

<sup>12</sup> John R. Ehrenfeld and Andrew J. Hoffman, *Flourishing: A Frank Conversation About Sustainability* (Stanford, CA: Stanford University Press, 2013).

<sup>13</sup> See Michael Pirson, *Humanistic Management: Protecting Dignity and Promoting Well-Being* (Cambridge: Cambridge University Press, 2017).

<sup>14</sup> See, for example, the Barrett shared vision and values approach. Barrett Values Centre, “Culture and Vision/Mission,” <https://www.valuescentre.com/mapping-values/culture/culture-vision> (accessed November 16, 2018).

<sup>15</sup> Stuart Hameroff and Roger Penrose, “Consciousness in the Universe: A Review of the Orch OR Theory,” *Physics of Life Reviews* 11, no. 1 (2014): 39–78.

<sup>16</sup> Dirk K. F. Meijer and Hans J. H. Geesink, “Consciousness in the Universe Is Scale Invariant and Implies an Event Horizon of the Human Brain,” *NeuroQuantology* 15, no. 3 (2017): 41–79.

<sup>17</sup> A useful practical definition of transformation that points to an expansion in consciousness is

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given in Judi Neal, “Overview of the Field of Transformation,” in *The Handbook of Personal and Organizational Transformation*, ed. Judi Neal (New York: SpringerNature, 2018), chap. 1. Neal cites a contributing author’s definition: “Transformation is the evolution or revolution of an operating paradigm to one that is more encompassing of realities not allowed, considered, accounted for, or contained in the previous frame of reference. It generally occurs when we bump up against the limitations of our current frame of reference. Things are happening that we can’t explain, or we see that we are consistently re-creating events and situations that we don’t like because of the decisions we make.”

<sup>18</sup> Donella H. Meadows, “Places to Intervene in a System,” *Whole Earth*, Winter 1997, <http://www.wholeearth.com/issue/2091/article/27/places.to.intervene.in.a.system>. A second version of the article appears as Donella Meadows, “Leverage Points: Places to Intervene in a System,” Donella Meadows Project, <http://donellameadows.org/archives/leverage-points-places-to-intervene-in-a-system> (accessed November 16, 2018).

<sup>19</sup> Ray Anderson, personal communication, 2006.

<sup>21</sup> Meadows, “Places to Intervene in a System.” In her 1999 version of the article, Meadows also argues that there is one leverage point that is even higher than changing a paradigm. This is “the power to transcend paradigms.” For her, this means letting go into not knowing, into what the Buddhists call enlightenment and Chinese traditional wisdom has long espoused as the path to right living. “It is in this space of mastery over paradigms,” she writes, “that people throw off addictions, live in constant joy, bring down empires, get locked up or burned at the stake or crucified or shot, and have impacts that last for millennia.” In Part II we discuss this power to transcend paradigms and its implication for business leadership.

<sup>22</sup> Thomas S. Kuhn, *The Structure of Scientific Revolutions*, 3rd ed. (Chicago: University of

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Chicago Press, 1996).

<sup>23</sup> Peter Senge, Hal Hamilton, and John Kania, “The Dawn of System Leadership,” *Stanford Social Innovation Review*, Winter 2015,

[https://ssir.org/articles/entry/the\\_dawn\\_of\\_system\\_leadership](https://ssir.org/articles/entry/the_dawn_of_system_leadership).

<sup>24</sup> Chris Laszlo and Nadya Zhexembayeva, *Embedded Sustainability: The Next Big Competitive Advantage* (Stanford, CA: Stanford University Press, 2011), 42–54.

<sup>25</sup> Richard E. Boyatzis, Kylie Rochford, and Scott N. Taylor, “The Role of the Positive Emotional Attractor in Vision and Shared Vision: Toward Effective Leadership, Relationships, and Engagement,” *Frontiers in Psychology*, May 21, 2016,

<http://journal.frontiersin.org/article/10.3389/fpsyg.2015.00670/abstract>.

<sup>26</sup> Management thought leader and author Dana Zohar observes that such creative thinking “originates crucially in the spiritual level of the self [and] issues from a brain dynamic that functions very much like the processes and systems described by quantum physics and complexity science.” Dana Zohar (2016). *The Quantum Leader: A Revolution in Business Thinking and Practice*. New York: Prometheus Books p. 47.

<sup>27</sup> Jeremy Hunter and Michael Chaskalson, “Making the Mindful Leader: Cultivating Skills for Facing Adaptive Challenges,” in *The Wiley-Blackwell Handbook of the Psychology of Leadership, Change, and Organizational Development*, ed. H. Skipton Leonard, Rachel Lewis, Arthur M. Freeman, and Jonathan Passmore (Chichester, UK: Wiley-Blackwell, 2013), 195–220.

<sup>28</sup> See Chapters 6 and 7 for the social and natural science defining the practices.

<sup>29</sup> Jonathan Porritt, “Jonathan Porritt Reviews *Designing Regenerative Cultures*,” *Age of Awareness*, June 24, 2017, <https://medium.com/@designforsustainability/jonathon-porritt-reviews-designing-regenerative-cultures-6baa2177340c>.

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<sup>30</sup> See the evidence presented in Chapter 6.

<sup>31</sup> For example, a study by N. A. Farb and colleagues shows that after eight weeks of mindfulness training, subjects had higher levels of insula activation, which is central to our sense of human connectedness, by helping mediate empathy in a more visceral way. See Norman A. S. Farb, Zindel V. Segal, Helen Mayberg, Jim Bean, Deborah McKeon, Zainab Fatima, and Adam K. Anderson, “Attending to the Present: Mindfulness Meditation Reveals Distinct Neural Modes of Self-Reference,” *Social Cognitive and Affective Neuroscience* 2 (2007): 313–322. Additional clinical neuroscientific studies covering a variety of practices are presented in Chapter 6.

<sup>32</sup> See also Sandra Waddock, “Integrity and Mindfulness: Foundations of Corporate Citizenship,” *Journal of Corporate Citizenship* 1 (Spring 2001): 25–37.

<sup>33</sup> See Peter Guy Northouse, *Leadership: Theory and Practice* (London: Sage, 2009). James MacGregor Burns founded the field of leadership studies with the publication of his book *Leadership* in 1978. Two of his major contributions were (1) a shift away from studying the traits and actions of great leaders toward the study of the interaction between leaders and their constituencies and (2) delineating two forms of leadership: transactional leadership and transformational leadership. Cited in Neal, “Overview of the Field of Transformation.”

<sup>34</sup> Todd Spangler, “Top 20 Most Pirated Movies of 2014 Led by ‘Wolf of Wall Street,’ ‘Frozen,’ ‘Gravity,’” *Variety*, December 28, 2014, <http://variety.com/2014/digital/news/top-20-most-pirated-movies-of-2014-led-by-wolf-of-wall-street-frozen-gravity-1201388403>.

<sup>35</sup> “We Can End Poverty 2015,” UN MDG Factsheet, September 20–22, 2010.

[http://www.un.org/en/mdg/summit2010/pdf/MDG\\_FS\\_1\\_EN.pdf](http://www.un.org/en/mdg/summit2010/pdf/MDG_FS_1_EN.pdf) Counted as living in “extreme poverty” were originally those living on less than \$1.00 a day, adjusted by the World Bank to \$1.25 in 2008. “Extreme poverty” was originally defined by the United Nations in 1995 as “a

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condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information.” United Nations, “Report of the World Summit for Social Development,” April 19, 1995, <http://www.un.org/documents/ga/conf166/aconf166-9.htm>.

<sup>36</sup> See the works of Richard Boyatzis, Martin Seligman, Barbara Frederickson, and Shinzen Young.

<sup>37</sup> Michael Puett and Christine Gross-Loh, *The Path: What Chinese Philosophers Can Teach Us About the Good Life* (New York: Simon and Schuster, 2016). This book is based on a course taught at Harvard University. It has become the third most popular undergraduate course with more than seven hundred students registered at any given time. The popularity of the course and of the book reflects a renewed interest in reimagining ancient Chinese wisdom based on the writings of Lao Tzu, Confucius, Mencius, Zhungzi, Xunzi, Mozi, and others who offer fresh insights into the secrets of living a prosperous and flourishing life.

<sup>38</sup> Jay H. Bragdon, *Companies That Mimic Nature: Leaders of the Corporate Renaissance* (Sheffield, UK: Greenleaf, 2016), 12–13.