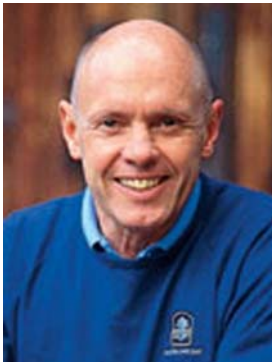




An inquiry into the nature, activities and results of leading from a spiritual basis

Full transcript of an
interview with:

**STEPHEN R.
COVEY
USA**



Interview conducted 27 June 2006

Specific information related to interview:

Organisation: FranklinCovey Co.
Location: Utah, USA
Industry: Global professional services
Position: Co-founder and Vice Chairman
Years in Position: 9
Gender: Male
Age: 73

Current information (as of 2006):

Current Organisation: Same
Current Location:
Current Industry:
Current Position:

General information:

Total Years in All Leadership Positions: 45

Previous Positions/Organisations: Professor, Organisational Behavior and Business Management, Brigham Young University, USA

University Degrees: MBA from Harvard University, USA; Ph.D. from Brigham Young University, USA and seven honorary doctorate degrees

How to refer to Stephen Covey:

“Vice Chairman of FranklinCovey, a global professional services firm based in the USA”

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CAREER

Career History

Early in my career I was professor of Organisational Behaviour and Business Management at Brigham Young University¹ in Salt Lake City, Utah, USA, where I also served as director of university relations and assistant to the president. At present I am Vice Chairman of the global services company, FranklinCovey which focuses on leadership, executive effectiveness, empowerment, organisational change, time management, work/life balance, communication and sales performance².

The company was consolidated in 1997 as a merger of Franklin Quest and the Covey Leadership Centre. Our clients include 90% of the Fortune 100, more than 75% of the Fortune 500, as well as thousands of small and medium sized businesses, governmental bodies and educational institutions. We have global operations in 129 countries, run more than 140 retail stores, and have more than 2,000 associates worldwide who provide professional services, products and materials in 38 languages. We train several hundred thousand people each year in effectiveness, leadership and productivity programmes. We also sell more than 1.5 million books a year and our FranklinCovey Planning System is used by more than 15 million people world-wide. Sales in 2005 were roughly \$300 million.

Current Responsibilities

The merger between the Franklin Quest, which had focused primarily on time management, and the Covey Leadership Centre, where we had focused more on the personal, inter-personal, and the leadership aspects of an organisation, brought together two different sets of curricula.

I provide strategic direction to the board and to the company itself – and I attempt to get us to practice what we preach. But my main interest is in writing and teaching. I find that the administrative work is like the pounding surf; it beats you up and casts you in all directions. So I pretty much have empowered other people to do all of the business activities, and I just focus mostly on trying to write meaningful books. I am working on six of them right now. They are all co-authored, and I think they

¹ BYU, although open to the public at large, is heavily steeped in the religious beliefs of the “Church of Jesus Christ of Latter-day Saints” which is unofficially but generally referred to as the Mormon Church.

² Editor’s notes:

Stephen Covey is an internationally respected leadership authority, family expert, and author who has dedicated his life to teaching principle-centred living and leadership to build both healthy and successful families and organisations. Dr. Covey is also the author of several highly acclaimed books, including the international bestseller, *The 7 Habits of Highly Effective People*, which has been called the #1 Most Influential Business Book of the Twentieth Century and one of the top-ten most influential management books ever. It has sold more than 15 million copies in 38 languages throughout the world. Other bestsellers include *First Things First*, *Principle-Centred leadership*, *The 7 Habits of Highly Effective Families*, and, most recently, *The 8th Habit: From Effectiveness to Greatness*, published in 2004. He is currently (summer 2006) co-authoring six books.

Stephen Covey has received many awards dealing with contributions to peace in the world, entrepreneurial leadership and service to humanity. He says that the most meaningful award he has received is the 2003 Fatherhood Award from the National Fatherhood Initiative – as a father of nine and grandfather of forty-three. Dr. Covey has been recognised as one of *Time* magazine’s 25 Most Influential Americans.

will all have wide general appeal because they deal with universal pain. The leitmotif underlying all of them is the role of principles as the timeless and universal basis for lasting effectiveness at the individual and the collective level.

Such principles are fundamental to my thinking and leading, and to the way we organise our company and our work. It is my experience that to know something and not to do it is really not to know it. To be able to leave a legacy that is sustainable over time requires institutionalisation of principles.

I also focus on teaching. I try to get meaningful teaching opportunities so I can really teach rather than just speak – I like to interact, walk around, hear my student's stories and the issues they deal with. My students have been a most highly heterogeneous group, including not only college students, but also business professionals, family therapists, and governmental leaders.

SPIRITUALITY

Spiritual View of Life

To me spirituality is three things: First of all, you are dealing with the whole person. That includes the person's spirit or soul. You cannot separate their body or their mind or their heart from their spirit, because they are all so inter-related, and there is a synergistic relationship between all these four dimensions of our nature. Any attempt to compartmentalise will reduce that synergistic effect and it will have negative repercussions on your body, your mind, your heart, your emotions, your thinking and so forth.

Another dimension would be that you are dealing with those principles that are universal and timeless.

Thirdly, spirituality deals with peace of conscience. Obeying or following your conscience, means that you are true to that which you have internalised as being right and this gives you tremendous tranquillity and courage.

When I am in India I always use the "Namaste" greeting, saluting the God within you. I really do believe that we are all children of God, and I often acknowledge that God is the source of the principles and the emperor of all the credit and glory. I say to those who are not of this belief, "That's fine, I respect you as well, I just want you to know that personally I believe that the source of all the principles that give your life its integrity, and its power and it's meaning, all of them link up to the Divine."

Spiritual Theme

One of my mottoes serves as a powerful spiritual theme for me: "Live life in crescendo." In other words, the most important work you'll ever do is still ahead of you.

Another such spiritual theme for me would be: "Educate and obey your conscience." Educating as I speak of it here involves getting into the sacred literature of all the great traditions that have had enduring value and then consciously living true to what you have learned. The more you live true to it, the stronger your conscience becomes. A constant effort is required to stay on track with such stewardship.

Distinction Between Spirituality and Religion

I make a real conscientious effort in my leadership, writing, and speaking not to refer to any one particular religion, but only to deal with that which is universal. Although I am an active member of the Mormon Church I don't get any Mormon theology snuck into it in some secret way. I have no hidden agenda. I am often asked the question, "How much has your Mormonism influenced your view", and I say, "It has influenced me tremendously, but all that we are dealing with here are principles that are universal and timeless." And then I would say, "If you disagree with me, just tell me which principles you believe in – and do you live them?"

Spiritual Purpose, Principles, and Values

I think that our work was born with us, and that it is a sacred stewardship to find and fulfill our work, our duties.

I know through my own direct work with different organisations that in many cases I have inspired and influenced people to change the cultures they live in. People without any formal authority at all and who only have moral authority, which means that they are spiritually minded and live by principles, have been inspired and enabled to change their cultures.

My basic approach to helping people to develop awareness as to spiritual principles is to get them to think in terms of their mission and vision and the values that they want to put into their life, and then how to set up an information and accountability system to get them institutionalised. This applies to both individuals and to organisations.

Over the years I have discovered that when you take a family approach, it instantly helps people to develop that awareness. Everyone loves a family and even if they have had a bad family in their upbringing, they still care about the family as an institution, and, in particular, most care about their own family.

Consciously Growing Spiritually

The practice of reading scriptures every day helps me to become more integrated in my thinking, to be more inclusive and expansive.

Spiritual Influences/Evolution

I strive to be a model of the principles and practices we teach in the FranklinCovey organisation. The mission statement of FranklinCovey is: "We enable greatness in people and organisations everywhere."

Our vision is to literally influence billions of people in the way they live and work and achieve their own worthy purposes. That means that we have to have projects that will have great media appeal so that the model can be communicated throughout the entire world.

Our values statement embodies that everything is based on principles which are timeless and universal and also self-evident. In the long run, our success comes only with the success of our clients.

STORIES OF SPIRITUAL-BASED LEADERSHIP

First Story – Practicing universal principles

I just finished going through four countries in Africa, three countries in the Middle East, India, and Sri Lanka, with the effort to bring together principles that are universal and timeless. I taught from Hinduism, I taught from Islam, I taught from Christianity. I just did a satellite interview to China explaining what this material can do for a Confucian³ nation. I teach the exact same principles no matter where I am and show that there is a universal character to these principles. They are metaphysical, they transcend the outside physical world, and they guide all behaviour, all thinking, and many of them are built into assumptions that people make about nature and life.

If controversies arise or if people start feeling that I am being too religious, I say, “Let’s just stick with those principles that we all agree on. Let’s see if we can follow the principles of fairness, kindness, respect, the development and use of peoples’ talents, having meaningful work, and living with integrity. Let’s see if we can agree upon these, let’s go to our hearts and our souls and live with integrity.” That’s what I am teaching.

Certainly principles have a moral and spiritual foundation, but no religion has a patent on them. They are not unique to any religion. They are universal and timeless. I have seen in organisations throughout the world that when there is a spirit of openness and synergy, all the values an individual organisation works with are essentially identical to those of other organisations. Yes, there are different practices, and the labels – the words used to define and describe the particular values may be different – but what is being said is essentially the same. It all deals with meaning and integrity.

The easiest way to see this is to look at the mission statements that have been produced. Although the organisations, including the leadership that developed the statements, may not at a given moment be living up to what these statements say, the statements themselves are basically saying the same things.

So if people have certain cultural definitions of what these universal principles are, and of what their values are, I say to them, “I’ll just go with yours.” The key is to live the values and to be true to the principles that underlie them, to have total integrity – to be integrated around principles – not around people or organisations. Integrity is the highest form of loyalty – and over time it produces loyalty. It’s far better to be trusted than to be liked.

To be a spiritual-based leader is to have these universal principles integrated in your inner life and to be true to them in your actions, even when it’s dark – when you have power over people and can do things and not be found out. When you have that integrity, then you have peace of conscience.

Second Story – Peace of conscience

Peace of conscience is much greater than peace of mind. Peace of mind is wonderful, too, but that’s more a function of events, like you’ve paid your bills, you made the plane on time, and so forth. Conscience means that you are truly true to that which you have internalised as being right and that

³ Confucius (551-479 BCE) was a leading thinker, political figure, educator, and founder of the *Ru* School of Chinese thought. His philosophical, ethical and religious ideas provide the basis of a universal moral system that has survived even Chairman Mao’s Cultural Revolution (1966-76) and to this day plays a fundamental, though often implicit, role in the mind-set of the Chinese people.

gives you tremendous courage. Because then you can be strong with a loving spirit. You don't have the ability to be courageous without deep respect and compassion for others. Neither do you experience the opposite – feeling compassionate and kind, and then capitulate on being courageous. Following your conscience is a long term approach to win-win; even though all your decisions may not be popular, you don't ever violate the relationship of win-win towards people.

I think peace of conscience also recognises such a thing as evil. You would go for “no deal” with evil; you would have no real partnership with it. On the other hand, I find that most people see evil in others because they have not truly listened to them. I recently had the opportunity to have a good visit with Nelson Mandela. He was talking about how he saw the goodness in his guards when he was in the Robin Island Prison for six years. He had glimpses of this goodness, and he kept that awareness with him all the time he was in prison. It added to his moral authority which enabled him eventually to leverage towards formal authority as the first president of the new South Africa.

Third Story – Partnerships and principles that prevent crime and build schools

I am spending time now working with leadership problems in crime prevention. One of the books I am working on now is called *Partnering to Prevent Crime and Terror*. Basically it's about a new paradigm of not just catching and punishing criminals, which is a traditional approach to policing, but on how to create a partnership with the community, including the youth and in particular the marginalised youth, and with the parents, and with the schools, so as to be able to create the mores and norms *inside* the culture that enable and encourage acting to serve a shared purpose, in this case to prevent crime.

We have films on my work with crime-prevention. Recently I was with the sheriff of greater Los Angeles County. I asked him, “What is your goal?” and he said, “For Los Angeles to be the best and the safest large city in the world”. I said, “It's way too small of a goal, you have to think in terms of a mega-goal, an extraordinary goal, one that allows your city to be a model for other large cities throughout the entire world, and to send ambassadors out to mentor these cities, so that they can better deal with their crime issues.” Such goals require the creation of the kind of partnerships that I am promoting in my leadership activities. Such partnering definitely is a spiritual approach; it integrates the temporal and the spiritual based on a whole different approach to preventing crime. And crime is going down. Where this approach has been used, the rate of crime is falling and is now reduced between two thirds and up to 90 pct.

The same basic ideas of partnering based on principles are being successfully applied in schools. In the schools I have worked with to introduce principle-based character into the curriculum, the results are measurable and very dramatic. The school principal I have worked with and written about in my recent book, *The 8th Habit*, Mrs. Muriel Thomas Summers, is now totally dedicated to this paradigm of principles and partnership. She is not leading a typical American school, if one exists. It has students from 56 different nationalities, and English is not even the primary language for a lot of these kids. They are mainly from five to 10 years old. Mrs. Summers' vision was to introduce principle-based character education into the curriculum, and to do this by involving her administrators, the faculty and the families in preparing and implementing the new educational processes. Their mission – the school's mission, the students' mission, the parents' mission is to produce the future leaders of the world, one child at a time.

It's working. There is a clear connection between learning and principles, between academic performance and character. In a matter of a year and a half the impact of introducing principle-centred character training was significant, an increase of over 40% in the percentage of students performing at or above grade level in national academic standards. Since then the school, A.B. Combs, has received a number of prestigious awards at the national and state level.

Other schools are duplicating this school's situation. I just ran into a school in Johannesburg, South Africa, where they have done the same thing for a secondary school. The impact on those kids' lives and the impact those kids have on their parents is amazing. A lot of them don't come out of strong homes, so they become transition-figures for their own homes. They go upstream against cultural forces that are pushing against them. They are getting these surrogate parents and this new culture that is building on their spiritual DNA and going right through the cultural DNA of their upbringing.

Fourth Story – Spiritual intention in leadership

I find that spiritual intention drives perception, which drives behaviour, which then drives results. If you actually get a person to think in terms of their legacy, what they are trying to really do in the long run to bless people's lives, it gets them immediately into a spiritual frame of mind. I use this approach all the time in my leadership – and in training people to think in terms of supra-ordinate goals.

Let me give you an example. I was working with a large college in Ontario, Canada. They really had a terrible culture; it was characterised by turfism and fighting and interdepartmental resistances, with everyone looking out for themselves, protecting their own situation, silo thinking, and all that kind of stuff. I worked with them over a period of a year to develop a mission statement that would be supra-ordinate. By this I mean larger than one's self, larger than one's own institution. It took them about two years before there was broad agreement, and eventually what happened was that they developed a mission statement to become the yardstick educational institution for all of the state of Ontario – the institution others could measure themselves against. When they really bought into that intention to leave a legacy, the littleness of their souls completely submerged, and the magnanimity of soul exploded inside them.

I have these eye-opening experiences almost on a daily basis, both in my own leadership work at FranklinCovey and in my work helping leaders of other organisations.

Fifth Story – Practicing empathetic listening

I had an interesting experience recently in India. I had just read the book, *The Argumentative Indian*. Essentially it's a very well written cultural history of India and how the argumentative tendency is part of their cultural DNA. When I got into that, I could see how under developed their country was with respect to teamwork and how over developed their democracy was. They have so many parties and so much fighting and contention. I spoke to an audience of a thousand people about the spiritual principle of *seeking first to understand before seeking to be understood*. I then opened things up to the audience and said, "Let us see if we right now can listen to each other and re-make the other person's point before we make our own." They were unable to do it. So I said, "Let me see if you could ask a question on what we have covered to this point without making an oratorical statement." They were unable to do it. So I had one half of the audience just observe to see if the other half could practice this principle. They could not do it. And they could see that they could not do it.

Then I said, "Look at what has happened to your infrastructure here in India, look at the bureaucracy, the extent of rules and regulations that have taken the place of human creativity – which is really interesting when you consider that you have more knowledge workers in this country than any other country in the world." I said, "Just look at this! You are capable of transcending your cultural DNA, because deeper than that is your spiritual DNA, it is deep in your natures, you really are capable of doing it." They were so intrigued with this approach, and I became intrigued with their awareness. Awareness, the space between stimulus and response, is a huge thing to me. They were aware of their cultural DNA. Rather than looking at life *through* it, they now chose to look *at* it. They could then see that true leaders don't work through systems rather that they work on the systems, and they do

this through a principle-centred approach that rests on universal spiritual principles. This was a fascinating learning experience for all of us.

The more I get to know the Indian culture, the more I use this approach, and my audiences and the leaders I speak to know that it is authentic. That it is real. They know I am not some American over there trying to Americanise them. They know that I respect the development over more than 5,000 years of their magnificent spiritual and cultural tradition. I ask them to look at what has happened to this cultural DNA, and I ask them if they can practice a couple of principles. They become amazed and then they become very humble and open to learn empathetic listening – and how to re-make the other person's point before making your own point, which is a spiritual principle.

Sixth Story – Designing win-win solutions

I am working now with a federal judge in producing another book to be called *Blessed are the Peacemakers*. It's for attorneys, for those who hire attorneys, for those who train attorneys, and for those who don't want to hire attorneys. Now this judge is getting so good at designing win-win solutions that he hardly ever goes to court. He gets the plaintiffs and defendants to settle in chambers, not through compromise but through synergy. This approach simply changes the relationship between the parties. Now that he is getting known for this competence he is being used by other judges to train them. And his trial docket (the list of cases to be tried) is several times larger than the dockets of his colleagues because he knows how to do this design work; his competency and his fine character make him trustworthy, and this in turn helps him to establish the trust that is a precondition for win-win settlements. A book I am working on about this for children in elementary school is going to be called *And the Little Child Shall Lead Them*.

Speaking of win-win arrangements in legal matters reminds me of a powerful experience I had some years ago. I worked with a land developer, who was in big trouble. His bank wanted to foreclose as he was not living up to the terms of the mortgage. At the same time as he desperately sought to avoid the foreclosure, he was seeking additional funding to finish and market the land so he could repay the bank – but neither the bank nor other financial institutions would provide such additional funding before he made the overdue payments. All the while, there was lots of legal fighting going on. The legal costs grew and grew while the property deteriorated and was becoming an eyesore for the people who already lived there and for the city. I worked with the developer and he agreed to establish a meeting with the bank officials. The atmosphere was very unpleasant, there was a palpable tension and lack of trust, and the bank officials were extremely reluctant – in fact their attorney had committed them to say absolutely nothing. He feared that any statements they might make could compromise the bank's position.

I spoke to the group for a long time about principles-centred leadership. Then I went to the blackboard and did the best I could to convey to them our understanding of the bank's concerns. At first the bank officials and their attorney were quiet, but gradually as we communicated our win-win intentions, based on the principle of seeking first to understand their position before we would try to have them understand our position, they began to open up. Once they began to feel understood, the whole atmosphere changed. There was excitement, optimism that a peaceful settlement could be arrived at.

After about three hours, although they were still convinced of the correctness of their standpoint, they felt understood. With this, their defensiveness melted away and they were open to listen to the developer's concerns. We wrote these concerns on the other side of the blackboard. All of this led to a deeper understanding around the table as to how poor the communication had been earlier, and as to how many misunderstandings and suspicions had resulted. So now there was an awareness both of chronic pain and the progress being made towards synergy. The atmosphere became positive and creative. At this point the developer made his first recommendations, and all present could see that it

was an attempt at finding a win-win solution. Further discussion led to the recommendation being reworked so that at the end of the meeting the developer and the bank's representatives could leave the meeting with a plan that could be jointly presented to both the city and the Home Owners Association. In spite of a number of continuing difficulties, the legal fighting ended and the project was successfully completed.

Developing win-win performance agreements is a central activity of a leader. With processes that create and support such agreements, problems with external stakeholders be transformed into manageable, interactive, interdependent realities where synergies can develop. And also internally such performance agreements can lead to synergistic processes that work – employees can manage themselves within such an agreement's framework, something that is now of vital importance in this knowledge-worker age.

Seventh Story – Institutionalising win-win agreements

One time in the USA I was working with a man whose insurance company was suffering under internal competition. I had attended their annual celebration where about 20 to 30 people received big awards. I asked, "Did you hire the other people as losers?" He said, "Oh, no, they will have their chance next year." I said, "Nevertheless you have got about 800 losers out there and only 30 winners. Everyone can be a winner; you have just got to change your mind-set from scarcity to abundance." He had a fine character and said, "I would like that, but how do we do it?" He didn't know how, it was not a character issue, it was a competence issue.

I said, "Turfism in your company is a result of the way you have designed your reward system; it nurtures cutthroat internal competition." He asked, "What can one do?" I said, "Set up win-win agreements. These are agreements where those you want to inspire participate in designing the agreement – the reward system – where if some achieve their goals, all the rest benefit, this is a win-win system where everyone can win. Get off this internal competition." He had an abundance mentality and immediately responded to the need. Now that he was aware of the challenge, he had to develop the competence for designing and institutionalising participative win-win agreements. He became so inspired that he and his employees designed the new system – and within one year 80 percent of his organisation was producing per person what 3 percent, 30 people, had produced the year before. The pie got so large. Unfortunately, a lot of people operate from the paradigm of scarcity, where the pie is only so large.

Eighth Story – Leading with character and leaving a legacy

The other day I was in Kenya. In my recent book on *The 8th Habit*, I told the story of a man from Uganda named Stone, who was a professional soccer-player. He was well on his way to a career as a professional in Europe, where the big money is, the dream of all the youth there. During a game, someone hit him, on purpose, in a way that severely damaged his knee and ended his career dreams. Instead of becoming bitter or vindictive or losing himself in self-pity, he has used himself to empower underprivileged young Ugandan boys who would otherwise be lost in life, without marketable skills and with no role-models to follow.

Stone came over from Uganda to Kenya for my presentation. It was a very interesting venue. There was a big building with five different balconies, like a theatre in the round, and he was in the fifth one. In my presentation I tried to get people to see themselves as trim-tabbers, (a trim-tab on a boat is the small rudder that turns the big rudder that turns the entire ship), so they can be change agents no matter what their formal or moral authority is, and take the responsibility to leave a legacy. So during my presentation I showed the film on Stone which is included in the companion DVD to my book, and the audience became totally caught up in that film. They have the kind of poverty and the kind of

problems that Stone had. The earlier regimes had literally devastated the institutions of the whole country, and children were often growing up without parents because of the AIDS-epidemics. There were so many orphans, and their living conditions and dreams were not very positive, to put it mildly. As a result, many in the audience were able to identify with Stone.

At the end of the film I said, “Stone, come on down here,” and they were blown away. He came down, and then I interviewed him in front of the whole audience about what he has been doing to leave a legacy and how he has influenced tens of thousands of young men. One feminist woke up and said “Why don’t you work with the young women?” and Stone just gave a sharp answer: “They don’t have the problems that men have.” He immediately made sense to her.

This guy is like a Mother Teresa in Uganda, and he is totally dedicated to helping these young men, not just with soccer, but as a life-coach so they can be responsible parents. And now they are coming back to him, showing him their families and the contributions they are making. He is immersed in his spiritual endeavour – serving the people and their communities. What a handsome guy, what a wonderful guy, what character and competence and quality.

Even there, on a stage and not on a soccer field, he was very, very pithy and very to the point in his communication. He said, “I am trying to get these kids to realise that they may lose a match, but they don’t need to lose in life.” He told the audience how he demonstrates for the young men in Uganda how they can follow their conscience and govern their lives – how they can start by learning to become good soccer players, then how important it is for them to become economically self-reliant, then responsible fathers and citizens. Stone explained how he is helping them transform themselves into trim-tabbers, into young men who have the will and discipline and character necessary to transform their society and to win in life.

Ninth Story – Creating a long-term vision

I worked with two heads of state; one was Fox, President of Mexico. I worked with him when he was governor, and when he became president he asked me to come and spend two full days with him and with all of his people, all of his advisors, and with his entire cabinet, only a couple of days before his inauguration. They had had 72 years of one party in control, and corruption was just the name of the game, so integrated in everything. I remember the first morning he said, “What do you think is the best approach to start with?” I said, “Start with the vision for the year 2025 before you even begin to look at your mission statement for the next six years.” That got him so excited that literally we spent at least one of those two days working on a mission statement for the year 2025 for Mexico, and then inside that context, which obviously is a spiritual context, they began to work on the mission statement. They all went to different locations around Mexico to put their arm to the square and declare their assets now so that after six years they would be able to declare them again to show that they did not benefit from governmental service.

I remember once when I was working with the President of Colombia and his cabinet. I asked the president, “What’s your goal?” and he said, “To make the country safe.” I replied, “That’s too small a goal, you’ve got to institutionalise yourself, and you can do so because you are popular.” I said, “What you’ve got to do is to institutionalise your principles so that the mores and norms of the culture can last and take your place when you step down. Even though you are popular, it’s not your charismatic quality that you want to institutionalise, it’s the culture.” And he did that. As soon as you talk this way to people, immediately it taps into their spiritual nature. They even gave him another four years in office and changed the constitution to enable this.

LEADING A BUSINESS FROM A SPIRITUAL BASIS

Purpose of Business

Spiritual-based leaders respect others and are guided by the fundamental ethic: service to others comes before serving one's self. From an existential perspective, the *raison d'être* of organisations is to serve human needs. Really, there is no other reason for their existence. Individuals and organisations grow when they give themselves to others. Relationships improve when there is a focus on serving the other, be it at the level of the individual, the family, the organisation, the community, the society, or all of humanity. The phrase so eloquently developed by Greenleaf sums this up: servant leadership.⁴

In short: The purpose of business organisations is to serve human needs. Period!

Defining and Measuring Success – for Career and for Organisation

There are two kinds of success. Primary success has to do with strength of character and contribution to others. Secondary success has to do with formal authority and with being rich, famous, popular, and positioned. So moral authority, which is the only real basis on which formal authority can ever work over time and be sustainable, is primary success.

Such moral authority is gained via serving and contributing. It's a paradox that power emerges from humility, while if you borrow strength from formal position you lose power and moral authority; the quality of relationships deteriorates since authentic openness and trust cannot develop if formal authority is not co-existent with moral authority.

Those with high moral authority, people who have character, organisational competence, initiative, positive energy, and respect, have been given formal authority as a result of their living their principles and serving others. The leader's strength of character leads those he or she serves, both within and external to the organisation, to create emotional identification with the leader, as well as with the principles and values the leader embraces. Thus, when such a leader uses formal authority, people follow out of commitment, not out of fear.

What I am saying may sound academic. But I truly know this from my personal experience, from my work with business leaders throughout the world. Time and again I have seen that if there isn't moral authority, what I have called primary success, formal authority cannot be sustained.

As an example, just a year ago I was in Nuremberg, Germany, and saw where Hitler had held his youth-conferences. He would have a million Hitler-youth there. He was mesmerising, visionary and disciplined, passionate, but he had no spiritual principles, he was just driven by ego and by evil forces, so he and his regime were not sustainable over time. But the legacy that has been left in Germany is the loss of spiritual faith as well as the loss of faith in the kinds of institutions that they had believed in before World War II. It has been disturbing to see the absence of faith in Germany today, so many years after the end of the war. So when I work with leaders there, I have them stand back and

⁴ Robert Greenleaf (1904-1990) was former Director of Management Research at the American telecommunications company AT&T., who developed the concept of servant-leadership. See for example his book: *Servant Leadership: A Journey into the Nature of Legitimate Power and Greatness*, Paulist Press, New York, 1977.

observe what happened to their cultural DNA, how that developed through the power of formal authority based on fear rather than on moral authority – and how that is changing now.

Another example, though one I have not personally witnessed, is provided by Mahatma Gandhi. He changed the world, brought England to its knees, and liberated 370 million Indians, without having any political or administrative position at all. The whole world is different because of him. India, with over a billion people today, is an independent democracy because of him. Yet he was never elected to any position and never had any formal authority. His gradual development of humility, integrity, courage, discipline and vision, were all governed by his conscience, by his inner awareness. He demonstrated that leadership can be an enabling art that empowers individuals, organisations and societies to serve others, which is the fundamental reason that we as individuals and collectivities of individuals exist.

Importance and Priority of Financial and Productivity Goals

Organisations tend to think more in terms of secondary success, in terms of finances, price-earnings ratios, shareholder value and things like that. It is a fine thing to have both primary and secondary success, because if you don't have an economic engine you just can't keep your growth going. But organisations are not sustainable without primary success – without contributing to others, without moral authority. And this certainly applies in particular to their leaders.

Good organisations have integrity and are known for it with their suppliers, with their customers and with their own people. They consciously attempt to live the principles they preach. Almost all organisations have beautiful mission statements, but most of them are PR-statements. They have not been integrated into the organisation. Such organisations rationalise unethical behaviour in the name of, “the end justifies the means”, where really “end” and “means” are inseparable, the ends pre-exist in the means.

Developing an Organisational Culture

Empowerment leads to the unleashing of human potential. Unleashing of human potential leads to cultural moral authority. And cultural moral authority is the key to the sustainability of the organisation. So empowerment is a precondition for cultural moral authority. But empowerment requires far more than visions and missions – it requires the establishment of structures, or systems, of policies and processes that enable the organisation's members to translate the more strategic goals into their daily practice.

In my book on *The 7 Habits of Highly Effective People*, I called the 7th habit “sharpening the saw”, by which I meant that we must continually renew ourselves physically, socially, emotionally, mentally, and spiritually. It's the habit that increases our ability to live the other habits of effectiveness. In an organisational context, sharpening the saw means that the top-people have to be out in the field, and they have to get to know the people they affect and know their families and their situations. This is not a waste of time, it is renewal; if you don't feel the pulse of people, you can't serve them and you can't feel the pulse of God. You can only serve God as you serve other people, and you don't feel the pulse of people unless you also feel the pulse of God, because you know that they are divine brothers and sisters to you.

The problem is, when you are in a huge, growing organisation, how do you do it? It's so abstract; you are so insulated and isolated from what is in fact going on. That is why Jack Welsh from General Electric said, “I never really got it until I started having workout-meetings and I began to see the potentials of these people.” Those workout-meetings at GE got very authentic and real. He describes the movement from the micro-managing from the hierarchy, and making these distant calls that had tremendous impact on peoples' lives – to where he began to realise that the legacy that they wanted

to leave for the core competences in GE was the development of distributed leadership everywhere. Therefore he had to be out in the field; he had to listen to the people, talk to them, rather than sit around, talking to his CFO (Chief Financial Officer). He discovered that a primary focus of his leadership was to embed leadership development in GE's genes. Leaders at GE would have to embrace change, become nimble and adaptable, no matter where they were in the company hierarchy. And they would have to develop their organisations so they would not be personality dependent, but system and culture dependent.

In my country the HR (Human Resource) person has kind of been driven out of the front room and replaced with the CFO and the auditors because of the fear of not complying. The new laws have really contributed to a mind-set of compliance.⁵ But complying is not a spiritual principle. Compliance has to come from the heart. There is such a fear of being challenged legally that in many organisations it takes the place of spirituality, and formal authority replaces moral authority. I also think this is one of the reasons why most celebrities have secondary greatness rather than primary greatness – they are constantly being nurtured by the popular culture. But I think to get people to be independent and to then choose to be *interdependent* based on principles is the real challenge to those leaders today who realise that moral authority underlies formal authority, and that the purpose of the organisation is to serve.

Role of Business in Benefiting the Local Community, Nation and Society as a Whole

We have to get research going on the dramatic and measurable impact of living by ethical principles in the different realms of life such as business and work, schools, health-care, and churches. Interestingly church-leaders are often intrigued with this approach as most of them live in compartments, and they want to learn how to institutionalise the principles for their churches.

I just finished training all of the Catholic bishops in North America. I was the only outside resource that they called upon that used the scriptures. I basically used the model of John 10 where the Saviour talked about the shepherd, the hired shepherder, and the sheep as three models of leadership. They were so intrigued by this. They admitted that they used mostly fidelity and orthodoxy as the two criteria when selecting a priest to become a bishop. I suggested that they must really include the leadership dimension as well. They should think about matters such as whether the priest they are evaluating has a spiritual vision for leaving a legacy in institutionalising and making people independent of him. They really liked that approach.

I also do a lot of work with Native American Indians. The problem is that they are getting too much into gambling and drinking. Part of that is the heritage of Americans putting them on reservations, where they lived isolated from the rest of the nation, and with very poor opportunities for living either their traditional life-styles, or living up to the "American dream". This has created the victimise mentality they suffer from today. I think the worst thing that can happen to a people is to feel like they are a product of what has happened to them, because if they look at themselves as victims, they become victims. I have found that the best thing to start with, that has the greatest immediate spiritual impact on a person, is to have them consciously work with their awareness, the space between stimulus and response. If they relate to that honestly it turns them on to no end and enables them to realise – "Wait a minute, I have the freedom, I am not my thoughts, because I can think about my thoughts, I am not my moods, there is a space there where I have the freedom to choose, and if I will follow principles, that space gets larger and larger and larger and in that way I can become a transition figure in my family and in my business or whatever organisation I belong to."

⁵ Stephen Covey is referring here to the Sarbanes-Oxley bill in the USA, which holds leaders criminally responsible if their company's accounting is faulty.

As to the responsibility of business as an institution – business has a definite spiritual role as regards its responsibility for the whole because its influence is so enormous. We have enormous transnational corporations; some of them are more powerful than many national governments. And business leaders are increasingly aware of this relationship between the spiritual and the responsible. They are aware that the human dimension, particularly at the level of trust, is the root source of so many of the problems that follow in the slipstream of globalisation. They know that the soft stuff is the hard stuff – and that leadership is increasingly becoming an art, an enabling art.

BEING A SPIRITUAL-BASED LEADER

Relationship with Other Executives

I have several times mentioned the combination of character and competency. Truly, these go together. I am convinced from my experience that these two are of primary importance – and particularly with respect to recruiting and selecting leaders strategically, that is, to ensure the long run survival and success of the organisation. A lacking, a flaw, in either of these two – character and competence – will affect the other, and that will affect the performance of the whole organisation.

Continued Growth as a Spiritual-Based Leader

To become a spiritual-based leader, you have to teach the principle of service, to apply it, to live it, and then to be accountable to those you serve. Service can start at the very local level, but real stewardship requires expanding one's vision to include all of the world. I have found that for me to continue to grow in accord with these principles, it really helps me to ponder the scriptures every morning and every night.

Inner Processes that Guide Decision-Making

I find that if I carefully ponder the scriptures every day, it affects my spirit towards all people as well as towards my decision-making and my work in general.

I think the major obstacles for a person to be a spiritual-based leader today is selfishness, and having too small a vision about the role played by work in life and about success. Selfish, egotistical people don't feel they have a sacred stewardship. They feel they are kind of the source rather than realising that the Source comes through them. The obstacles are internal; they have pride, corruption, greed, and ask: "what's in it for me?" Instead of being about "thee and thine", it's about "me and mine".

But good character is not enough. A talented person with a fine character and good schooling also needs organisational competence in order to develop organisational trustworthiness. Trust is a function of both character and competency. I run into good people all the time who are honest and talented but who search for competency in organisational design and systemic thinking. They identify strongly with all that I have said about organisational competence, but they just haven't had role models, and they don't know how to institutionalise principles and values. Although they are able to speak about the principles, values and morals, they don't know how to build institutions that embody integrity.

Guidance and Advice for Aspiring Spiritual-Based Leaders

My advice to aspiring spiritual-based leaders would be: "Write your personal mission statement or creed." This is the most effective way I know to begin to focus on what you really are searching for in life. Developing your personal mission statement gets you to focus on what you want to be – your character – and what you want to do – your contributions and achievements – as well as on the principles and values upon which your character and contributions are to be based. Your ability to change depends on a changeless sense of who you are and what you value. Such a mission statement provides you with the basic direction, the vision and values from which you can direct your life, establish your goals, and determine the way your energies can most effectively be measured.

I deeply respect the wisdom of Frankl⁶ as to the matter of our mission in life: “Ultimately, man should not ask what the meaning of his life is, but rather must recognise that it is he who is asked. In a word, each man is questioned by life; and he can only answer to life by answering for his own life; to life he can only respond by being responsible.” So developing a mission statement is not a simple task, it requires considerable introspection, analysis, and thoughtful expression. When developed, it becomes your constitution, it expresses your values and vision, it provides you with the criteria for measuring everything that you do in your life.

Having developed your own mission statement, I would advise a spiritual-based leader, together with his or her associates, to write a mission statement for the organisation. In this process all the associates should be treated as partners, as co-creators. So I would tell the leaders to start the process of developing such a mission statement which embodies vision, mission, values and strategic goals for the organisation. When I say “start the process” it is because ideally speaking, developing the statement should involve everyone in the organisation. This of course may be very impractical in the case of larger organisations. The point, however, is that the process of involving the organisation is as important as the written product and is the key to its use.

And then I would say, “build a complementary team where your strengths are made productive and your weaknesses are made irrelevant.” We are speaking here of developing an organisational design and culture that makes it legitimate for those who see differently and think differently and who have complementary skills to push back on you.

I can ask any audience of business leaders, “How many know what your weaknesses are.” Almost everyone raises their hand. When I then ask, “How many consciously take steps to choose and develop people around you who can compensate for your weaknesses?” only about a third raise their hands. Then if I ask, “How many have empowered and encouraged the members of the organisation culture to push back on you?” I only get responses from about a third of that third.

To encourage members to push back on you takes a lot of courage, particularly if you’re dealing with people that have very strong egos and who think they have a great product, or have a fantastic vision of what they want to accomplish. They just want to drive their goals through, and that is why so many organisations fail within a short period of time, they don’t have complementary teams. They don’t understand synergy.

⁶ Victor Frankl (1905 – 1997) was the Jewish psychiatrist who survived imprisonment in a Nazi concentration camp during the Holocaust of World War II (all of his family aside from his sister died in the camps or were sent to the gas ovens). Frankl later played a major role in the development of existential psychology and logotherapy. The quote is from page 172 of his major work, *Man’s Search for Meaning*. In addition, Frankl authored 32 other psycho-spiritual books.