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Introduction

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# Introduction

## Spirituality as the basis of leadership

### *They do it!*

A CEO, freshly recruited from a highly profitable, family-owned business, faced the stark reality that the high-tech company he now led would not survive unless a major reduction in staff was made. He made the decision that, aside from keeping the very few people whose skills were absolutely critical for the survival of the business, the first to be released would be those who could most easily find a new job. Furthermore, no one over the age of 50 would be let go. Everybody—including the company’s bankers who were keeping extremely close tabs on what was going on—was deeply sceptical about the rationale behind the CEO’s decisions.

When the staff reduction was to take place, instead of leaving the task to the department heads, the CEO talked personally with each employee who was to be laid off. Training and assistance was given to help them find new positions. As he told us, ‘We got through this amazingly well. There was total acceptance, even though no one really understood it. But once it was done, people said “wow” and respected my decisions.’ What remained was a revitalized and dedicated group of people who focused together with the CEO on creating a far-reaching purpose for the company and a revolutionary form of organization. Today, the company is a world leader in its industry.

What was the basis of Lars Kolind’s decisions as he handled this crisis at Oticon, the renowned Danish manufacturer of products for the hearing-impaired? ‘Later,’ he said, ‘I realized that this was really an expression of my spiritual theme of “love God and love your neighbour.” When I see what I have done, and the decisions I have made in different situations, it is clear that spirituality has always been there; I’ve just become more conscious about it.’

In another part of the world, where relations between union and corporate leaders are often characterized by mutual distrust, 20 union leaders showed up one morning in the lobby of corporate headquarters for a surprise visit to the company president. They looked angry and ready for a confrontation. Security officers called the president for instructions. ‘Send them up to my office,’ he said—and told the office assistant to ‘prepare tea and coffee for 20 plus myself.’

The union leaders did not trust the president to handle an important human resource issue—that of filling two executive vacancies—believing he would pick the Chairman’s favourites over ‘more qualified’ candidates. When they came in, they stood, shouted and complained. Security was still edgy about what might happen.

How did S.K. Welling, Executive Director of HMT (Hindustan Machine Tools) International Ltd, in India, view the situation? ‘Because of the spiritual feelings I have inside, I knew immediately that they didn’t mean anything against me; they just wanted to show their strength. I knew this very well in my heart . . . since I had the inner feeling that they meant no harm to me, I had no reason to be concerned.’

Looking back to that morning, S.K. Welling reflects upon what happened. ‘I told them, “I will not accept these two just because there is pressure from the Chairman. Nor will I not take these two fellows just because you are saying that I should not take them. I will apply my own mind, my own judgement, and I will only go by the merits in each case. If you think that I am going to take them based on pressure from the Chairman, I am the last one to do that; I would resign and go away instead. And I will not bow to your pressure either.” Once I said this, they all calmed down. Then I invited them to sit and have coffee, and we were able to talk harmoniously.’

### *Perspectives on spirituality*

It is well recognized in the field of organizational development that you can know the culture of an organization by the ‘stories people tell’. Stories about prominent people and events have always been the vehicle for transmitting culture in societies as well, passing along the ‘teachings’ from generation to generation. As we listened to the stories of Lars Kolind and S.K. Welling and the other executives we interviewed, we began to see and feel the unfolding of a new global culture of business leadership—a culture that transcends national boundaries and organizational ethos.

While these executives share certain characteristics, they are also very different individuals who live in different societal and organizational cultures.

This heterogeneity naturally leads to differences in their experiences and in the stories they told us. For example, some of them had long ago begun to reflect on their spiritual views of life and had discussed it with others; in our interviews with such leaders, they could readily describe their spirituality and articulate its impact on their leadership. For others, the interview process itself helped them to draw out and express their spiritual perspectives; during our time together, they began to see more fully how their spirituality, often deeply rooted from childhood, had influenced their leadership.

Some leaders made it clear that they did not consider themselves to be ‘spiritual’ if spirituality were to be defined in a narrow, traditional or religious sense. However, when providing their own personal definitions of spirituality, they were quite comfortable sharing their views and experiences as business leaders. The following are some of the different perspectives about spirituality we heard from these executives:

- Spirituality is knowing the true core of being within you, and realizing it is the same core within everyone.
- Spirituality for me is the essence of being. It is the invisible place within me that yearns and speaks in many ways, through writing and poetry and conversations.
- Spirituality is our deep connection with a force greater than ourselves. It is a very individual, lived experience that includes longing and belonging, for which the fruits are love and compassion.
- Spirituality is taking the principles that are taught in most religions and living them as a natural way of life.
- Spirituality is attunement with a universal spirit. It is being so in tune with that spirit that you are not acting from a place of ego or desire or greed, but you are acting from a place that is on behalf of the welfare of the totality.
- Spirituality is man’s quest into his innate divinity. It’s more like a road than a state of affairs, a quest more than an arrival.

During our interviews with these leaders, we asked in-depth questions not only about their spiritual views of life, but also about their spiritual purposes and values, their approach to spiritual growth, and the history of their spiritual evolution.<sup>1</sup> These leaders come from a wide variety of religious backgrounds: Christianity (Catholics, Protestants, Mormons), Hinduism,

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1 To read more about the interviewing process and the editing, see Appendix A.

Buddhism, Judaism and Islam. Given their wide variety of spiritual and religious traditions, one of the questions we also asked was: ‘How is spirituality the same as or distinct from religion for you?’ Here are some of their replies:

- Spirituality is about how you live your entire life. I see religion as something that has been handed down to you. You may choose to apply some of its values in your life, and your life might become more spiritual because of that. But religion is something external to you, whereas spirituality is something that is within you.
- To me, spirituality and religion are the same thing.
- Spirituality and religion are not the same. Religion encompasses the belief system associated with a world view, patterns of worship and ritual prayer. Spirituality, in contrast, is specific to the individual and encompasses each person’s lived experience.
- All of the different religions have their own belief systems and at some point they do cross over with each other. While in spirituality there is no belief system. Spirituality talks about ultimate truth: you must realize it, you must understand it, you must feel it.
- While religion offers many beautiful things like rituals and ceremonies, to me it is not spirituality. Spirituality has no borders or restraints. It doesn’t separate; it connects.
- For me religion is an organized path to spirituality.

At the end of our questions about spirituality, we asked each leader to capture all that he or she had shared into a ‘spiritual theme’. This spiritual theme then became a guide throughout the remaining interview, to help us and the interviewee stay focused when sharing specific examples and giving his or her perspective on leading from a spiritual basis.

The leaders’ spiritual perspectives serve as the book’s organizing principle; it is built up around a number of sections, each of which contains the profiles of leaders whose spiritual perspectives have a common focus. This helped us to reap the more subtle insights from their diverse, extensive interviews. Most of these sections contain profiles of executives from at least three continents, giving them the richness of a diversity of cultures.

*What's missing in the dialogue on ethics,  
responsibility and sustainability?*

‘The purpose of business organizations is to serve human needs. Period!’ The internationally known authority on leadership Stephen R. Covey didn’t hesitate for a moment when we asked him about the purpose of business organizations. ‘Spiritual-based leaders respect others,’ he added. ‘They are guided by the fundamental ethic: service to others comes before serving oneself. Individuals and organizations grow when they give themselves to others and relationships improve when there is a focus on serving the other.’

Such perspectives on leadership are not yet mainstream. Greed, prestige and power appear to still be prime motivating forces for leaders of the world’s larger corporations. In spite of 25 years of globalization, poverty is still devastatingly ubiquitous in many parts of the world. In striking contrast, the compensation packages of top leaders in business, particularly in the West, have skyrocketed, reaching levels that would have been considered impossible only a decade ago.

Today the people behind the once so huge energy company Enron, at the time the seventh largest corporation in the USA, might wish that they had reflected more upon respecting and serving others. What started out as a fabulous success story, with what appeared to be unprecedented growth, ended abruptly when the bubble burst with the biggest bang ever heard inside and outside any corporate boardroom in the world. Twenty-one thousand employees lost more than US\$2 billion in pension savings, leaving many of them with devastating prospects for their old age. Thousands lost their jobs. The market value of Enron’s shares was reduced by \$60 billion—and a large number of other companies together with their employees and local communities were also seriously affected. Why? Driven by greed, the Enron executives had worshipped money as their God.

There have been many other notorious scandals in world business: for example, the collapse in 1999 of South Korea’s second largest conglomerate, Daewoo, with an estimated US\$80 billion in debt; and Europe’s largest corporate failure, the 2006 implosion of the Parmalat dairy company in Italy, with almost \$18 billion in outstanding debt. Prompted by these outrageous examples, laws have been passed with the aim of reducing the risk of such infamous behaviour. The most notable of these laws is the Sarbanes–Oxley bill in the USA, which holds leaders criminally responsible if their company’s accounting is faulty; indirectly, this law has also had a profound affect on the governance of companies all over the world.

But increasing the demands as to the quantity and quality of accounting information provided by corporations is only a superficial solution to the

problem. Business scandals have taken place throughout the history of commerce and appear to be increasing in frequency and impact even as legal and accounting control procedures are becoming ever more inclusive. No tightening of laws and threats of punishment will end the amoral and immoral behaviour by business leaders that characterize such scandals. A 'solution' cannot and will not be found by focusing solely on rules, regulations and punishment. There are always new loopholes to be found by highly creative leaders, lawyers and accountants in increasingly complex and globalized business environments.

What is clearly needed is a change in the mind-set, values and principles of our leaders, as well as of those who finance our enterprises, and of those who teach and mentor our future leaders. At the very minimum, what is needed is an expansion of the concept of 'success' so that it transcends the prevailing myopic focus on short-term financial gains. Greed appears to be insatiable—a CEO in larger American corporations now earns roughly 700 times as much as an average worker, with leaders in other parts of the world trying to follow suit. Greed is also increasingly considered by many influential business leaders, economists and politicians to be a virtue as it is believed to be the motivating force that keeps the wheels of economic growth moving in a world where success is perceived as identical to the accumulation of wealth.

It can be argued that this rampant greed is gradually being tamed, not just by laws, but also by social and ethical norms. In the last two decades there has been an amazing and uplifting focus on such perspectives as business ethics, corporate social responsibility, and sustainability. Major companies throughout the world have developed executive positions and reporting systems that are intended to demonstrate that the corporate world, in spite of—or perhaps because of—its classical focus on wealth creation, is becoming increasingly sensitive to the needs of the public and the environment.

However, without in any way attempting to play down the important role played by such perspectives, something crucial is still missing. When one analyses the positive discourse and the fine 'triple-bottom-line reports', it becomes clear that underlying the implementation of these perspectives into the vocabulary and policies of our corporate bodies is a very traditional economic rationale. When leaders are questioned as to why they and their organizations should promote this new and expanded sensitivity to ethics, responsibility and the environment, their 'default' answer typically is: 'It pays to do so! It protects our reputation and enables us to maintain our licence to operate and to continue to increase our wealth.' Ethics and values and responsibility and sustainability are not important in their own right. They are simply efficacious means to promote classical business ends of increasing earnings and share prices.

What is missing is a paradigm of leadership that looks upon social responsibility, ethical behaviour, and concern for the environment *not* simply as instruments, but as fundamental principles and values in their own right. In the moral language of the mind, what is missing is responsibility. In the emotional language of the heart, what is missing is love. In the spiritual language of the soul, what is missing is compassion and unity.

### *A new concept of success*

But how and why should such an expanded concept of leadership develop? What should provide the motivation for our leaders to find their way in an increasingly complex business world by using a compass that points not only to a pot of gold, but also to a path to deeper meaning and purpose in business?

This book does not provide answers in the form of proposals as to new rules or laws or moral injunctions. Rather it provides a collage of perspectives in the form of stories of highly respected and successful executives who have integrated their spiritual search into their leadership so as to be ‘whole’ people—leaders whose thoughts, words and deeds are in harmony with their most fundamental truths and longings, both at work and in their private lives. These stories tell of an emerging culture where business becomes a primary domain for both individual and organizational spiritual growth. As some of the leaders in our research told us:

- I think a business exists to provide an innovative answer to a compelling societal need. A spiritual sense of the inner journey and touching the transcendent will shape this purpose in many ways. The problems you start listening to, and the needs you start becoming attentive to, shift.
- There is such a need for a complete rebirth of trust in our business leaders. Somewhere along the line, leaders have lost their humility and in doing so they have lost their compassion and empathy, and their inner connection to God. I think this is something we need to come back to.
- Business must benefit society; there is no question about it. You cannot be a spike of prosperity in a sea of poverty. If we become cost-competitive we will make a profit and out of that profit we will serve the community.

- Our responsibility is to ensure that the company will survive and thrive for the next 120 years. We cannot just attend to the short term. When you begin to think this way, you are really entering into the spirit of family, into the spirit of a multicultural environment, and into the spirit of humanity as a whole.

Spirituality as the basis for leadership is not always an easy journey. You will see in the chapters to follow that not one of the leaders was spared from the ethical dilemmas and challenges of leading a business in an increasingly complex, demanding, and globalized business environment.

However, no matter what challenges these executives faced, all of us in the research team found that their guiding principles were fundamentally different from most of what we had come to know during our own years of corporate and academic experience, and their perspectives and actions were often quite out of the ordinary. For example, they have all grappled with the pressures of financial performance and success—but each according to his or her own unique guiding principles, founded in their spiritual views of life:

- We need to make money, but the reason why we exist, our *raison d'être*, is much more than that; there are things that are more important than making money. We are a team with a common purpose, a moral purpose, and we do everything we can to live up to that purpose.
- My concept of business is the harmony of ethics, energy, excellence, economy, ecology—with effectiveness and efficiency that leads to enlightenment. All this occurs through wisdom, coming from purity and beauty. This is my vision of the future of business.
- If you have a sound policy based on caring for people, not harming anyone or anything, and a profitable business strategy, then financial success will come automatically.
- Yes, we must make a profit; but, most importantly, we must ask: how did we make this profit?
- You should not measure success or failure at all. What is most important is to determine: Have I followed my inner conscience? Have I given my best effort? Have I done what was right? Have I learned from my effort? Have I used all of my senses and values that I am conscious and aware of? This is what is most important.

The individual stories are personal and reflect experiences in specific contexts. In their entirety, however, they provide powerful and uplifting evi-

dence that the paradigm of economic rationality that dominates our concepts of 'success' can be expanded to include fundamental concerns regarding one's own well-being as well as the well-being of all those affected by one's leadership. They illustrate overarching questions such as: 'Is there a place for spirituality in the workplace?' 'Can spirituality drive success?' 'Should it?' 'Can leaders integrate their spiritual longings and values with the down-to-earth demands of a highly competitive global economy?'

Such questions may not be new; presumably leaders in all cultures and all times have more or less unconsciously dealt with similar considerations. What is new is that these questions are being explicitly raised in a rapidly increasing number of forums where business leaders and/or academics interact.

These very questions were addressed at a conference exploring issues of leadership, values and spirituality in business at Harvard Business School in the spring of 2002. Here, executives from all over the world, representing a wide range of industries, discussed how they twine their business leadership with their values, and how their spirituality helps them to be powerful leaders. In the spring of 2006, another highly respected American university, Yale, hosted a conference with a similar focus: 'Faith and Ethics in the Workplace'. Those attending were not established business leaders, but MBA students from prominent universities and business schools in the USA, including Chicago, Duke, Harvard, MIT, Pennsylvania, Yale and Virginia, representing an impressive degree of diversity along racial, ethnic and gender lines.

In India, as early as 1995, the prestigious Indian Institute of Management in Calcutta inaugurated its 'Management Centre for Human Values' to bring a grounded spiritual reality to business. On the walls of its inspiring conference centre, where business executives regularly meet to update their knowledge of leadership, as well as to improve their ability to still their minds, hang paintings of modern India's most highly revered spiritual leaders—not business leaders, not political leaders.

An article titled 'God and Business' in the 9 July 2001 issue of *Fortune* magazine related how a former IBM executive and investment banker, David Miller, now leads a faith-in-the-workplace group of business leaders and senior executives called the Avodah Institute. Avodah is a Hebrew word meaning both 'work' and 'worship'. According to Miller, 'People often talk about the sacred–secular divide, but my faith tells me that God is found in the earth and rocks and buildings and institutions, and yes, in the business world.'

During the last decade, dozens of major conferences focusing on spirituality and business have taken place in countries as diverse as Mexico,

Guatemala, UK, Holland, Canada, USA, Hungary, Slovenia, Australia, India, Switzerland and Brazil. There has also been a surge of international non-profit organizations devoted to spurring this awakening, including ‘Spirit in Business’, the ‘European SPES Forum’ (Spirituality in Economic and Social life), ‘The Baha’i Business Forums’, and the ‘Association for Spirit at Work’. And in 2001 a special-interest group was formed on ‘Management, Spirituality, and Religion’ at the Academy of Management<sup>2</sup> in the USA. This prompted André Delbecq, former dean of the Graduate School of Business, Santa Clara University, USA, to proclaim during our interview with him: *There are two things I never thought I would see in my lifetime: one was the fall of the Russian empire; and the other was hearing the word ‘God’ spoken of in the Academy of Management.*

### *The ‘missing link’*

Thus, there is an increasing belief amongst both academicians and business leaders that faith and fortune can mix, and that spirituality in business is here to stay. However, in spite of all the many new business theories, methodologies and training programmes that have emerged in response to this spiritual awakening in business—even IQ and EQ have now evolved to SQ, spiritual quotient—one thing is still glaringly missing: practical, real-life stories of business executives who are leading from a spiritual basis. Stories that reveal their ups and downs, their struggles and successes. Stories that demonstrate to the sceptics that you can be both deeply spiritual and highly successful in business. Stories from credible sources that put to rest concerns that spirituality will undermine the ‘business of business’. Stories that give us a realistic glimpse of what might be possible if business and leadership were defined and conducted from a spiritual basis. Stories that reveal the ‘spiritual thread’ that connects all human beings, regardless of race, beliefs, religion, culture and location.

In the profiles that follow, business executives from around the world—and from industries as varied as IT, health care, retailing, manufacturing, food, agricultural supplies, investment management and telecommunications—bring such stories to life. They are part of a global culture that is slowly but surely emerging in business leadership: executives who are able to express, from their first-hand experience, what it is like to lead a business from a spiritual basis.

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<sup>2</sup> The Academy of Management is a leading professional association for scholars in the field of leadership, management and organizations. It is the oldest and largest scholarly management association in the world and has over 16,000 members in 97 countries.

Having interviewed these executives, we have grown in our knowledge of, and confidence in, the far-reaching impact spiritual-based leadership can make in our world today. That it can, and will, provide the long-term wisdom and guidance to bring us into a new era where wealth creation, business ethics, values, corporate social responsibility, and sustainability are all deeply rooted in a spiritual view of life, a view that integrates heart, mind and soul.

We believe that this book will provide you with knowledge and inspiration that will enable you to better lead your lives and organizations from a spiritual basis—to lead with integrity, and with the confidence and faith that leadership and spirituality can be mutually supportive. You *can* be a successful and joyful leader whose life and leadership unfold from your consciously held spiritual view of life.