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## An interview with Peter Pruzan on spiritual transformation in management

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### ABSTRACT

This interview with Peter Pruzan shows his personal and professional journey from optimization to transformation, a path to the wellspring of rationality, ethics and spirituality.

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**Thank you, Peter for agreeing to be interviewed for the *Journal of Management, Spirituality and Religion*. First, I would like to ask you about your personal and professional journey. In your book of collected papers you describe it as “From optimization to transformation – my path to the wellspring of rationality, morality and spirituality.” This journey also took you from USA to Denmark and India. Can you summarize the main trajectories and motivations behind it?**

As you indicate, there were two trajectories: One, physically and one spiritually. On the physical plane, the first “step” on my path was leaving the US in 1959 to spend time in Denmark doing research on a Fulbright Grant. By then, I had completed my engineering studies at Princeton University and my MBA at Harvard Business School. I was amazed when I arrived in Denmark. On the very first day there, I simply fell in love with the country. It appeared to offer me so many things I (probably subconsciously) missed. The people I met were kind, courteous, smiling. The pace of living was “slower.” Copenhagen was a lovely, thriving city, yet with easy access to delightful nature. So, after completing my research in Denmark as well as a period where I worked as a consultant for two American consulting firms (first in Denmark, then in Sweden), I returned to the US and obtained a PhD in operations research (OR) at Case Institute of Technology (now Case Western Reserve University). Immediately on completing my studies, I returned to Denmark, got married to my first wife, Vita, who I had met 3 years earlier, and settled down. I became the father of two wonderful daughters, became a Danish citizen. Denmark became my home. Some years later, after having worked for IBM

and then as professor at the Technical University of Denmark, I founded a consulting company with a friend from my time at Case: Operations Analysis Corp. One of the exciting projects I led in the early 1970s was for the World Bank in Bangladesh, previously East Pakistan, shortly after it became independent, after a horrible civil war with Pakistan. This brought me several times to India – little did I know then, that India was to be my third “home.”

In the late 1970s, I returned to university life, first at the University of Copenhagen, then from the mid-1980s at the Copenhagen Business School (CBS). Underway I also defended my advanced doctoral degree in economics (Sc.D.). While at CBS, I developed some new approaches to evaluating organizational performance, based on a concept of ethics that I also developed. This led to my taking on a new PhD student, who inspired me to visit his spiritual guide, his Guru, Sathya Sai Baba in his ashram in India in 1989. I met Sai Baba, and shortly thereafter, my wife-to-be Kirsten as my first marriage had disintegrated 4 years earlier. We started spending more time in India with Sai Baba. Since my retirement from my professorship at CBS in 2003, we spend several months a year at his ashram, where the university there, Sri Sathya Sai Institute of Higher Learning, has provided us with a small apartment. I taught and mentored PhD students of the university about the philosophy of science and research methodology – and continue to do so, even though Sai Baba left his physical frame in 2011.

My *spiritual metamorphosis* is closely related to the physical trajectory described above. I was born in 1936 and grew up in an intellectual secular Jewish family – my mother was a lawyer, and my father an engineer and architect. I have no doubt that our outlook on life was strongly affected by the catastrophic events of WWII, in particular the murder of 6 million Jews for no other reason than they were born into a family where the mother was Jewish. At the same time, our family became increasingly affected by the suffering of my older brother due to severe mental illness. So my outlook on life was not positive, and there was no room whatsoever for respect for or reliance on either religion or a supportive society. I “learned” that what matters is to cope, to survive, to “get-ahead” and this meant tapping into the one resource I appeared to have been endowed with, my intelligence.

My moving to and becoming assimilated in Denmark softened my outlook, but still rationality was the only reliable framework for understanding and dealing with the world (including my inner-world). What is fascinating to recall is that this very rationality, exemplified in my early focus on the concept of optimization, gradually led to the search for a broader, more inclusive framework. My academic work as well as my personal experiences from major consulting jobs led me to reject the overly-simplified perspectives provided by the concept of optimization and to develop a new and really exciting perspective based on a concept of ethics and values in organizations.

However, it was my experiences in my new “home” in India that resulted in the most significant transformation on “my path to the well-spring of rationality, morality and spirituality,” you referred to. The amazing experiences I had when I visited Sai Baba’s ashram in 1989, and for a number of years thereafter, were catalysts that enabled me to emancipate my mind, my very concept of self, from its earlier “standard,” academic,

rational “strait jacket” and to open my heart and soul to my Self, to the divine essence that each and every one of us is.

### **What does the sacred mean to you?**

It means my devotion to and my respect and love for *what is*, as well as my experience of the beauty and magnificence of *being*. In other words, it has a worldly, external focus (*what is*) and an internal, existential aspect (*my being*).

I understand the word “mean” in the sense of “define” or “understand,” but it also has another “meaning,” perhaps one more in line with the question: “significance of.” From this perspective, the sacred is of immense importance for me, much more so now than earlier in my life. At a very fundamental level of consciousness, I know that, in essence, everything is divine and interconnected, so I live in a state of awe and respect for all that is.

### **How have you integrated this understanding into your work environment?**

I turn 83 in March 2019 and no longer have any formal employment; my “work environment” is simply whatever I am in contact with. This is not to say that I am no longer active in “working,” only that the “work” occurs in non-formalized settings (in particular, mentoring, but without remuneration or contracts). In this less-structured work environment, I experience that I have integrated my awe and respect for the sacred into “my work environment.”

Of course prior to my retirement from my professorship at the CBS in 2003, I did have what one normally understands as a “work environment;” I had an office, colleagues, well-defined duties in the form of teaching and research, a title, a salary. If I refer in particular to the earlier years of my active professional life from the mid-1960s to roughly 1990, I most certainly did not integrate an understanding of the sacred into my work environment – or into any aspect of my life. I simply lacked such an understanding and appreciation of the sacred.

But if I refer to the period after my spiritual awakening toward the end of the 1980s, then I am rather certain that most of those who have known me in these later years would agree to my reflections regarding the integration of my sense of the sacred into my work environment.

### **What contributions have been important to you?**

I can refer to three rather distinct contributions.

The first is the “climate” that evolved around my professorship at CBS. In part, this was due to my developing highly respected bachelor’s and master’s programs in philosophy and economics as well as in mathematics and economics. Especially, the focus on philosophy that challenged the mind-set of many of my former colleagues. These developments at CBS were the temporary culmination of a process that evolved over many years. As I mentioned earlier, in the early phase of my professional life, I focused on the concept of optimization. This was from a theoretical perspective, as well as from a practical perspective via my cofounding and leading a highly successful

consulting company specializing in applying OR methods to decision-making in organizations. The experiences I harvested from this earlier focus on optimization eventually led me to challenge my own mind-set and to consider the significant limitations in such approaches to reality: optimization assumes only one criterion, while real-life decisions are characterized by a multiple of criteria as well as of decision-makers, each with their own criteria. This led me to develop a concept of ethics that had such complexity as its basis. This focus on the concept of ethics helped me to disentangle myself from my own self-imposed limitations and to accept my inherent spirituality and love, as well as the grandeur of what is.

The second and third “contributions” deal with spirituality and love. Within a period of only 2 weeks in the fall of 1989, I met two people who helped me to free myself from the binds that tied me to a more traditional focus on “success” and that empowered me to seek a path toward Self-realization. The first of these was the magnificent, now deceased, Indian spiritual master, Sathya Sai Baba. He simply opened my heart and my mind. And just a couple of weeks after this amazing catharsis, I met my wife-to-be, Kirsten, a newspaper editor to whom I had sent an essay on the concept of ethics in management. We had both previously been married for many years and both of us had gone through periods of doubt and suffering due to ruptured marriages. I have no doubt that the path that I have tread to being who I am was only navigable due to the love that we developed – and not just for each other and for each other’s children, but for life, for all.

### **What have been your mystical moments in your journey?**

Let me introduce my reply by citing a statement by Albert Einstein in his essay “The World as I See It”:

The fairest thing we can experience is the mysterious. It is the fundamental emotion, which stands at the cradle of true art and true science. He who knows it not and can no longer wonder, no longer feel amazement, is as good as dead, a snuffed-out candle. . . . A knowledge of the existence of something we cannot penetrate, of the manifestations of the profoundest reason and the most radiant beauty, which are only accessible to our reason in their most elementary forms – it is this knowledge and this emotion that constitute the truly religious attitude; in this sense, and in this alone, I am a deeply religious man.

As a highly spiritual but not religious person, I share his eloquent reflection – and am very much aware of my own experience of the mysterious and of the impact of mystical moments on my whole being.

The first such powerful “mystical moment” occurred in the late-1960s, less than 10 years after I first visited Denmark. It was in a tiny Protestant church from the twelfth century in the northwestern part of Denmark. I had never in any way felt religiously inclined. Nevertheless, from time to time I visited houses of worship simply because I could experience good “vibrations” and feelings of peace (this was well before I began to meditate). So here I was, alone in a tiny church in a far-off corner of Denmark – and all of a sudden I had a “vision” of Jesus’ mother, Mary. Although I was deeply touched by this “vision,” I discarded it as some kind of hallucination.

Many years passed before my next “mystical moment,” this time in a very different environment. Earlier, I referred to my meeting the Indian spiritual master Sathya Sai Baba and his opening my heart and mind. Let me now provide some more background. In 1988, a 60-year-old man visited me at my office at CBS and requested me to be his guide on a PhD project dealing with the concept of human values. I was 52 at the time and was not at all accustomed to students being senior to me in age. In addition, although he used many of the same words as I did, somehow his vocabulary was different. I had been working on a concept of values in leadership and had been active in developing a totally new approach to accounting: Ethical Accounting. It was based on the idealistic assumption that a decision is ethical if those who are affected by it approve of it. To determine this, Ethical Accounting developed procedures for investigating the values of the various stakeholders who would be affected by a decision and then evaluating to what extent a decision or an organization promoted these values. So when I spoke of “values,” it was with the implicit assumption that they were tools for measuring the degree of acceptance of a decision. When my PhD student-to-be spoke of values, it was as though they provided far more fundamental insights into our essence – it was as though I spoke of “values” while he spoke of “Values.” So while I became his PhD advisor, he gradually became my first guide on what turned out to be an existential search for Truth. He told me about his experiences in the ashram in India where he for many years had received the guidance and blessings of what I now refer to as the Teacher of teachers, Sathya Sai Baba. To make a much longer story short, this resulted in my visiting Sai Baba’s ashram in southern India in late August, 1989. Here, as briefly referred to earlier, I had several eye-opening, mind-boggling mystical experiences that I could not understand but could appreciate at the deepest levels of my being. I continued to have such experiences when I returned to Denmark and for a period of roughly 5 years thereafter, including so-called kundalini experiences.

I can here refer to one of the most significant of these early experiences.

At 6.30 am on the morning of 21 September 1991 when Kirsten and I were on the Greek island of Crete, we took a bus from the major town Chania to the small town Omalos at an altitude of 1250 m. From there we walked the roughly 16 km through the Samaria Gorge to the Libyan Sea. I described what ensued in my diary – and later on in a poem I wrote called “The Encounter”:

*The almost empty bus wound its way up the mountainside.  
The sun was not yet visible, but its pre-dawn light was enchanting.  
I remember looking at small, whitewashed farmhouses.  
In fact, that is the last thing I remember before, for the first time in my life, I met my Self.  
What did I meet?  
Peace and Bliss.  
I do not know how long this lasted – time did not exist, nor did I.  
“I am love” were the first words I uttered afterwards.  
The meeting was the first of its kind.*

By the statement “time did not exist, nor did I,” I mean that in spite of a total absence of any sensory or, as best I could judge, mental activity, I nevertheless experienced bliss and love and an awareness that existed beyond my ordinary sense of self. In other words, I had a mystical, non-dualistic experience of simply being without being present to have that

experience, where my sense of individuality was replaced by an experience of unity with all that is and with the Universal Consciousness. This prepared me to understand the possibility of living up to Sathya Sai Baba's often cited proverb: "Love all, serve all."

I have no doubt whatsoever that such "mystical moments" were catalysts that encouraged and enabled me to investigate who I truly am and to guide me to live in accord with what my investigations revealed.

### **One of your major scholarly contributions is a conception of spiritual-based leadership (SBL). Can you summarize the main points of your conception?**

SBL is a concept of leadership in organizations where decision-makers at all levels care about what is truly important in life and integrate this awareness and sensitivity into their leadership. They search for meaning, purpose, and fulfillment in the external world of business and in the internal world of consciousness and conscience. Their leadership is a natural expression of their hearts, minds, and souls, where rationality and spirituality are mutually supportive. In other words, SBL refers to the thoughts, words, and deeds of leaders who lead from a spiritual basis, where their external actions and their internal reflections are complementary.

While traditional managerial leadership aims to optimize economic performance subject to both self-imposed and societal constraints that mandate paying attention to the well-being of the organization's stakeholders, SBL essentially reverses the means and the ends. The "why" of organizational existence is no longer economic growth but the spiritual fulfillment of all those affected by the organization, although a major restriction is the requirement that the organization maintains and develops its economic capacity to serve its stakeholders. In other words, spirituality provides a framework for leadership that can serve as the very source of an organization's values, ethics, and responsibility.

### **How can SBL be realized in a mainstream business context? How can a leader translate his or her spiritual experiences/convictions if he or she runs a mainstream business organization? Can a company do well without doing the right thing?**

Let me start by replying to the final part of your question: "Can a company do well without doing the right thing?" If by "well," you imply "financial success" (economic growth in the form of improved turnover, profits, share price) then I really do not know whether there is a positive correlation between "doing well" and "doing the right thing." However, if we expand that extremely narrow and in many ways destructive definition of "well" to include broader criteria for "success," then there is evidence that organizations and their leaders can survive, thrive, be respected contributors to their communities, customers, suppliers, and investors and provide employment to satisfied and proud employees. From this expanded perspective, economic growth is *a means* to meeting the broader criteria for success and not *the end*.

So now back to the other parts of the question: I am certain that, apart perhaps from criminal organizations (swindlers, mafia, drug-lords, prostitution rackets, trafficking poor Africans to Europe . . .), most leaders aspire to contribute to the well-being of their stakeholders and to achieve far more than financial success for themselves and the

organizations they lead. The problem is that they are so brain-washed to consider “success” to be “economic growth” that many leaders dare not even think of integrating their spiritual convictions (if they have such convictions) into their leadership.

Although the following statement may appear paradoxical, leaders do not even need to have “spiritual experiences/convictions” in order to behave in accord with an “SBL.” I am convinced that many leaders who aspire to lead in a manner whereby they include such broader criteria for success into their leadership would feel uncomfortable if they were referred to as “spiritual-based leaders.” In particular the scholastic training (MBA programs and the like) many leaders have had, together with their experiences on their paths up the corporate hierarchal ladder, prepares them for anything but a conscious spiritual awareness. And when the media provide evaluations of corporations and their leaders, they most certainly do not draw upon a vocabulary that emphasizes SBL. Nevertheless, I am convinced from my research in many parts of the world that there is an increasing number of leaders who aspire to integrate the inspiration they receive from their heart and their conscience into their leadership in practice. The problem is that they do not know how to do so and/or do not dare to do so.

Therefore, people like you and me, who not only teach future leaders but who also, by our writings and our own personal examples, exert an influence on the students and teachers at MBA programs as well as on the media, have a great responsibility. *We* are spiritual-based leaders – and not just university professors.

### **How can ethics and spirituality be integrated in business education? Is a completely new curriculum needed? Or would new teaching and learning methods suffice?**

I do not think that “a completely new curriculum” will be needed, but existing curricula need to be broadened. An example of what I mean is provided by the so-called “integral education” program offered at the university in southern India, Sri Sathya Sai Institute of Higher Learning, where I have had the opportunity to mentor PhD students. The goal of such an integral education is to develop students who are professionally sound, socially responsible, and spiritually aware. To achieve this, the educational program (and this covers all the various programs offered at the university, not just the MBA program) is designed not just to develop the student’s academic achievements, but also the physical, social, cultural, spiritual, and service-oriented aspects of the student’s personality.

Of course, developing such an integral educational program provides significant challenges. Primary, perhaps, among these challenges, is the challenge to the “mind-set” of faculty, students (and of parents to the students!), and the university leadership. We are so accustomed to essentially “producing” students who are regarded as professionally competent, that these other important aspects of their personalities are considered as more secondary, “extra-curricula” activities. All over the world today, rating institutions are ranking universities. For example, one of the best known such systems is the QS World University Ranking. It employs the following criteria: Academic reputation, Employer reputation, Student-to-faculty ratio, Research citations per faculty member, Proportion of International faculty, Proportion of international students. By far the most important of these, with a weight of 40%, is “Academic reputation.” Nowhere in any of the major ranking systems is there a focus on the physical, social,



cultural, spiritual, and service-oriented aspects of the student's personality that I just referred to.

So before we will witness the expansion/broadening of curricula to include a more inclusive ethical and spiritual dimension, a major shift in the collective mind-set of humanity is called for. This is certainly beyond the scope of your or my capability, but can certainly be a personal vision underlying our own mind-sets and activities – our *raison d'être*. “Rome wasn't built in a day.”

### **What do you think about the future of business in the light of unprecedented global challenges such as climate collapse, mass migration, and social unrest?**

The challenge, not just to “business,” but to each and every one of us, is to understand the significance of the global challenges and then to decide how best to behave so as to reduce the damage, destruction, and suffering that these challenges can lead to. I must admit that I am not too optimistic.

It is my experience that people in general, but especially business leaders, tend to focus on the short term and make decisions that maintain or improve their current situation, even if they are aware that such decisions can potentially lead to unsatisfactory results in the longer term. Their behavior is supported by the use of incentives such as stock options that have short-lived expiration dates and thereby motivate them to focus on short-term economic growth.

Let us consider a few examples. Rain forests continue to be destroyed (to provide grazing areas for cattle, the planting of palm oil and soya bean plantations, and mining operations), even though corporations are continually bombarded with information as to the resulting destruction of habitats and the impact on global warming. In fact just now in the forthcoming election in Brazil, the person who appears most likely to become the next president promises to open the world's largest rainforest to further destruction so as to improve the earning of huge corporations and to provide employment to many unskilled workers.

Another example deals not with major corporations but with consumers all over the world. There is powerful scientific evidence that the huge consumption of meat is a major contributor to the ongoing disruption of the global climate. This will be amplified in the coming years due to a rapidly increasing population. The most recent UN DESA report estimates that the current world population of 7.3 billion will increase to 8.5 billion by 2030 and to 9.7 billion by 2050. Add to this the strong evidence that when people's economic conditions enable them to escape poverty, they consume more and more meat. The populations of most “western” countries have received information as to the effects of meat consumption on climate change and the destruction of biotypes. Nevertheless, the percentage of the populations in such well-informed societies that are vegetarian or vegan is small and certainly no more than a few percent. Of course, many other such examples can be given with respect to the global challenges you refer to.

Ordinarily, one could be more patient and assume that with time, with better information, and when broad constituencies realize that significant changes must be made, the “mind-sets” of corporate leaders, politicians, and key players in international

organizations would also gradually become more sensitive to the increased awareness of their stakeholders and act so as to meet the challenges. But the pace at which the rainforests are being destroyed, the icebergs are melting, the hurricanes are becoming more frequent and devastating, the oceans are being polluted by plastic waste . . . is so great that it does not appear reasonable to believe that the “global mind-set” will be transformed from one that focuses on economic growth, to one that focuses on sustainability, in time to “save the planet.” I realize that these are platitudes, but hopefully my points are clear without being trivial.

### **So is there a “solution?”**

There are many who, like the proverbial ostrich, close their eyes to what is going on in the hope that the dangers will somehow disappear. There are others who play down the dangers and argue that technology will be developed that can solve the problems. Fortunately, there are also those who forcefully inform about the “unprecedented global challenges” you refer to and who appeal to decision-makers at all levels to change their behavioral patterns or face the worst. Although I sincerely appreciate and applaud this later group, I doubt that technological developments and/or rational appeals will be sufficient to bring about the global transformation that is required.

Unless traditional rational approaches to meeting the global challenges are supplemented by SBL at all levels of our scientific, corporate and political organizations, and institutions, we, and here I refer in particular to our children and grandchildren, will experience a world with increasing inequality, strife, hunger, fear, destruction, and violence. So, to conclude, it is my deep conviction that what is required is a *spiritual transformation* whereby our mind-sets and our hearts are emancipated and empowered to embrace the challenges.

Thank you, Peter for sharing your experience and thoughts with us.

### **Disclosure statement**

No potential conflict of interest was reported by the authors.

### **Notes on contributors**

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