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SPIRITUALITY AND MANAGEMENT

"Spiritual" does not mean the same thing as "religious." According to *Peter Pruzan* spirituality refers to a search for meaning that transcends material well-being. It is a focus on basic, deep-rooted human values, and a relationship with a universal source, power, or divinity. Religions evoke this spiritual essence through an institutionalized set of collectively shared beliefs and rituals that vary from culture to culture. For some, spirituality is found through organized religion, but for others spirituality is a more personal affair. [1]

One might suppose that spirituality has nothing to do with management. Quite the contrary. Management has an undeniable existential-spiritual dimension. A clear exposition of the problematic is given by *Ian Mitroff* of the University of Southern California. He introduced the term "metaphysics of management," by which he means that existential concerns, spirituality, and recovery are crucial in management. The spirituality in management perspective extends traditional reflections on corporate purpose and focuses on a self-referential organizational-existential search for meaning, identity and success. [2]

1. The Role of the Self

Once I asked a psychologist friend what is the most effective way to change the ethicality of business leaders. He said, "You should challenge their self-conceptions." [3] The self of decision-makers is important in determining the ethicality of their decisions. Decisions might be understood as self-expressions of the decision-makers. Spiritual experiences have a vital role in developing the self of managers and therefore in improving the ethicality of their decisions.

Modern Western theories of ethics state that ethical decisions can be made either by following abstract *moral principles* (deontology) or by seeking to produce *good*

results in the concrete real-world context (consequentialism). In its totality the decision-maker who makes ethical decisions usually does not appear explicitly in these theories.

An alternative theory, virtue ethics, which goes back to the early Greek tradition, especially to *Aristotle*, concentrates on the *character traits* of the decision-maker. Virtue ethicists believe that the essence of ethical behavior is to realize some virtues; such as honesty, righteousness or courage. Virtue ethics considers the decision-maker, not as a real human individual having his or her own world and values, but as an abstract human being which should exercise character traits adequate in the given choice situation.

We need a theory of *moral agency* that gives a more complex picture of how human persons make ethical choices. Decisions can be interpreted as *self-expression* of the decision-makers. So the chosen alternative (course of action) shows the *ethicality* of *self* of the decision-maker in the given situation. "As inside, so outside."

Philosopher *Elizabeth Anderson* has developed the expressive theory of rational action. She defines rationality as action that adequately expresses our rational attitude toward people and other intrinsically valuable things. The ground of a person's reflectively held values lies in his or her conception of what kind of person he or she ought to be, what kind of character, attitudes, concerns, and commitments he or she should have. [4]

Cognitive scientist *Francisco Varela* showed that human actions embody and express the self in the simultaneous manifestation of subject and object. [5] We can reconstruct the ethicality type of the decision-makers from the series of choices they have made in different situations.

If we want to improve the ethicality of management decisions we should enhance the development of the self of decision-makers toward a more inclusive, holistic and peaceful state of consciousness. Empirical evidence suggests that *spiritual experiences* help the person to transcend his or her narrow self-conception and enable him or her to exercise genuine empathy with others and to take an all-compassing perspective.

Transpersonal psychologist *Stanislav Grof* recorded more than thirty thousand spiritual experiences. These include examples from *psychedelic therapy,* where the non-ordinary sates of consciousness are induced by chemical means; *spiritual emergencies,* which develop spontaneously for unknown reasons in the middle of everyday life; and *holotropic breathwork*, which is facilitated by a combination of faster breathing, evocative music, and a specific form of focused body work. These spiritual experiences involve "authentic experimental identification with other people, animals, plants and

various other aspects of nature and cosmos." (…) "We typically undergo profound changes in our understanding of existence and of the nature of reality. We directly experience the divine, sacred, or numinous dimensions of existence in a compelling way." [6]

Despite the rich diversity of spiritual experience, the main *ethical message* is always the same: *love* and *compassion*, deep reverence for life and empathy with all sentient beings. Grof summarizes the result of spiritual experiences as follows: "We develop a new system of values that is not based on conventional norms, precepts, commandments, and fear of punishment, but our knowledge and understanding of the universal order. We realize that we are integral part of creation and that by hurting others we would be hurting ourselves. In addition, deep self-exploration leads to (…) awareness of the possibility of serious experiential repercussions of harmful behavior, even those that escape societal retribution". [7]

Spirituality is badly needed in management. Management decision-making considerably affects the life and fate of human communities, natural ecosystems, and future generations. The well-being of these stakeholders requires *authentic care,* which may develop from experiential one-ness with others and with the universal source of creation.

2.   Structure of the Book

The book aims to present the state of the art of the emerging field of spirituality in management. Multidisciplinary views, thought-provoking attitudes and attention to their applicability in management praxis are the main strengths of the papers collected here. There is a general agreement among the contributors that a more *inclusive*, *holistic* and *peaceful* approach to *management* may help inspire business and political leaders to uplift the environmentally degrading and socially disintegrating world of our age.

There is a conviction of the authors of this volume that *spirituality* is an important or even foundational aspect of human existence. Authors represent different versions of spiritual experiences but mostly the *Christian* and *Hindu perspectives* are expressed throughout the papers. What is common in these perspectives is that the human person's purpose is "*Self-realization*", that goes beyond the boundaries of the physical ego and

captures the sense of universal Self.

In the light of spirituality the *purpose* of *business* is not merely producing profit or increasing the market value of the company. Rather it should serve the Self-realization of persons involved including the managers, the employers, and the customers. The role of manager is to provide human persons with opportunities for Self-realization in the organization. It requires reflecting on and questioning the current ways of functioning of business and redefining its core activities, structures and processes toward *ecological sustainability*, *serving all* the *stakeholders* and *respecting future generations*. Rather than destroying ecological and cultural diversity, spiritually-based business can contribute to the enrichment of the world.

Part 1 of the book "*Spirituality: East & West*" offers three papers about Eastern and Western traditions of spirituality and their relevance to management.

In his paper "Spirituality as the Context for Leadership", *Peter Pruzan* of the *Copenhagen Business School* proposes that recent developments in management can be integrated in personal and organizational behavior through reference to spirituality as the context for purposeful behavior.

In the "West" there has been a focus on *leadership* as a supplement to or an overarching background for *management*. This focus has led to broader concepts of purpose and success than are traditionally associated with management. It has also given rise to existential questions directed at the identity and responsibility of corporations and their leaders, questions similar to those faced by the person with a spiritual quest. In the "East" developments have paralleled that of the "West"; however, the focus is on the *leader* rather than on the processes and methods of leading. The emphasis is on the virtues a leader must possess to be a "good" leader in a moral and an operational sense. These virtues have their origin in age-old basic perspectives on the purpose of man's existence. Here the connection between the leader and his or her spirituality is more direct and explicit.

Pruzan argues that all purposeful, *organized activity* is *spiritual* and not just utilitarian by the pursuit of material gain. He believes that the perspective from the East is a precondition for the successful development of leadership in the West.

In his paper "Spirit-centered, Rajarshi Leadership" *S. K. Chakraborty*, the Founding Director of the Management Centre for Human Values at the *Indian Institute of*

Management in *Calcutta*, offers some ideas about the Spirit-centered or Rajarshi or Wisdom leaders. The Sanskrit dictum says: "svarat samrat bhavati." It means one who can rule or govern oneself can also lead others well. That is, the ideal or model leader exercises leadership on himself or herself first. This entails bringing forth the hidden Spirit into the forefront of the leader's personality. Then the leader becomes empowered to lead others. Indian civilization is based on the groundwork laid by such leaders, called Rajarshi's, which literally means a king and a sage. In this model, the schism between the secular and the sacred vanishes (the king is the secular aspect while rishi is the sacred aspect). Chakraborty presents some great examples of Spirit-centered, Rajarshi leadership from Indian history such as *Emperor Ashoka* (220-300 BC), *Jamshedji Tata* (19th Century), *Mahatma Gandhi* (20th Century) and *R. K. Talwar* (20th Century).

Why does the 21st century need Spirit-centred or Rajarshi leadership? Chakraborty's answer is that because the vast, hidden and irreversible damages caused by science and technology driven economic growth, which thrives on globalized greed, needs to be halted. Spirituality has to be the master, not the servant of material attempts. Relevance to the bottom line of business cannot be the test for spirituality. Instead spirituality has to be the benchmark for business projects.

In his paper "Spirituality and Economic Democracy" *Luk Bouckaert* of the *Catholic University of Leuven* explores two basic questions: (1) How can spirituality be related to (business) ethics in a general way? and (2) How can spirituality be linked to the stakeholder theory of the firm? To answer these questions he takes a *personalist* view, which is inspired by the work of the French philosophers *Bergson*, *Maritain*, *Mounier* and *Levinas*. These philosophers developed a theory of the person that illuminates the relation between spirituality and ethics. They focused on the distinction between the individual and the person, the rational and the relational aspects of human activity, the closed and the open forms of ethics and religion, the link between spirituality and historical transformation.

Bouckaert stresses that personalists have always criticized the capitalist conception of the enterprise and the primacy of capital on labor. Their alternative was neither Marxist nor socialist but a perspective of *economic democracy* embedded in the market economy. Personalists reject the weak version of the normative stakeholder theory in business ethics. Their ultimate aim is not stakeholder management but *stakeholder democracy*.

According to Bouckaert a contemporary personalist ethics of participation and of

economic democracy requires (i) a strong and non-opportunistic commitment to the spiritual emancipation of the human person; (ii) a realistic analysis of the historical context of the new global economy to discover the new opportunities for economic democracy, and (iii) the development of new legal structures for participative entrepreneurship.

Part 2 "*Philosophical Approaches*" contains papers that discuss questions about the philosophical bases of contemporary business and economics in relation to spirituality.

In his paper "The Birth of Spiritual Economics" *Robert Allinson* of the *Chinese University of Hong Kong* argues that "Eros" or love is the most accurate description of man's nature because her or his nature is only satisfied in acts of *love* whether in receiving love from oneself or others, or in giving love to oneself or others in *producing beneficial goods* and *services* for oneself or others. From this view it follows that the ultimate wish of humanity is to *create* new beneficial goods and services rather than to simply reproduce existent beneficial goods and services.

Allinson believes that in economic activities man is driven by Eros to be a creator and producer of goods and services that serve the whole of mankind by providing a better and more beautiful way of life. He stresses that Earth can only survive with the model of man as the Guardian or Trustee of the Planet. This leads him to arrive at the birth of *spiritual economics*. In this view production of means through which alleviating the suffering in life can be furthered is the only sufficient motivation that can sustain one throughout one's mortal career. If the human being is made *imago Dei*, and God is the Creator, then the way in which human beings imitate God is through creative, productive activity and not through the activity of consumption. The spiritual view of economics, unlike all the previous definitions of economics, takes into account an *economics* of *abundance* by specifying that certain types of goods and services, those that represent a *disvalue* to the planet, are *not* to *be produced* besides specifying what types of goods and services are to be produced.

In his paper "Spiritual Motivation in Management" *Alpár Losoncz* of the *University of Novi Sad* opens with the statement that management is a response-based practice. This presupposes the modeling of the management choice as the response to incentives. Relevance treated by sociologist *A. Schütz* is essential here. For management the socio-economic environment provides the circle of the relevancies that give meanings to acts characterized by problem solving, cooperation, participation, and planning.

Losoncz reflects on the value-laden nature of management. When we see value-orientation from a spiritual perspective it appears as binding (not-deliberatively implemented) ties, and also as a freely chosen orientation. The managers in this situation are determined not only biographically but also in a social context.

In his paper "Spirituality and Human Ecosystems" *Imre Lázár* of the Institute of Behavioral Sciences of the *Semmelweis Medical University* in Budapest introduces a model of environmental relations called man-environment-organism (M-E-O). In this model the high energy-input allopoetic systems (say, fuel- or nuclear energy-based economy, global monetary mechanisms) have dominant and deconstructive effects on solar energy-based autopoetic systems and on the social and cultural systems attached to them.

Lázár explores the interrelationship between the features of M-E-O systems and the determinants of shaping social behavior of humans. The influences of M-E-O on birth practices and mother-child attachment patterns are discussed. The distorted attachment systems generate behavior patterns that might enhance insensitive and irresponsible economic behavior, which sustains the high energy-input M-E-O systems. Lázár concludes that high energy-based allopoetic systems produce a detached attitude toward the environment and favor self-centered economic rationality with diminished empathy toward others. Low energy-based traditional man-environment-organism systems nurture spiritual attitudes toward the world.

In his paper "Loyalty and the Sense of the Place" *Ole Fogh Kirkeby* of the *Copenhagen Business School* gives a new interpretation of loyalty in relation to the sense of the place. By *loyalty* he means being true to one's own roots, family, city, region, country and culture. This type of authenticity of being refers to the local place of dwelling. If life is incorporated into places a feeling of meaningfulness is yielded.

This approach has great relevance to business economics because it shows that the way business *deals with places* should be transformed. Places need *not* be things that business always has a *right* to *use*. Places do not always have to be expropriated by the economy seen as targets for future marketing efforts; such as tourism.

Kirkeby argues that the task of management is to nurture the spirit of the place, which can be called "*poetics of management*" where ethics and aesthetics are merged. The knowledge of the essence of place is crucial; loyalty is close to the feeling of "being grounded" and of "coming home."

In his paper "Learning and Spirituality" *Kerry Cochrane* of the *University of*

Sydney explores the relation among learning, spirituality and management. He uses *Gregory Bateson*'s theory of categories of learning to describe the stages of spiritual development.

Bateson identified four categories of learning. *Zero learning* means that acts are not subject to correction. *Learning One* means the revision of choice within a given set of alternatives. *Learning Two* means the revision of the set of alternatives from which the choice is made. *Learning Three* means the revision of the set of sets of alternatives. Bateson's categories link learning with spirituality because there is a movement from duality toward unity with the progression from Zero Learning to Learning Three. This movement explores the self and tests assumptions and belief systems for arriving at a stronger sense of self-knowing, where the conversion of the self to the universal Self is started.

Bateson's theory has profound implications for leadership and management because different categories of learning imply different *leadership/management regimes*. For example, Learning Three suggests that leadership and management should be holistic and unified. A "people-first" policy creates a supportive culture for the organization. The premier task of managers is to produce the greatest possible good for the entire planet.

Part 3 "*Integrating Spirituality and Management*" explores possible ways to get spirituality and management closer to each other.

In his paper "Beyond the Prose of Business" *Wojciech W. Gasparski* of the Institute of Philosophy and Sociology of the *Polish Academy of Sciences* states that a religious value-perspective can be considered from two points of view. The internal viewpoint refers to the economy and to corporations where people are engaged in the same faith and system of values. The external, or interfaith, viewpoint refers to the relations between different religions and their willingness to agree to an intersection of their systems of values to be the core for international or global business activities.

Gasparski notes that there is a growth industry associated with corporate religion and spirituality. Organizations are hiring priests, ministers, and other religious figures to counsel employees, and to advise and serve as gurus for the top management. This further explains spiritual practices and new age concepts. There are also more specialists who incorporate oriental principles to improve the energy flow in buildings and facilities. Smart companies help promote ecological concerns for the Earth, and these efforts are spiritual and reaffirming. Employees and employers at companies and at nonprofit and

trade associations benefit from allocation of time for personal leave, as long as the hours are used for volunteer work with charities for environmental causes in their communities. The idea is that we must grow as human beings to be good employees and managers. Individuals pursuing spiritual paths are finding that these practices help life and contribute to improving work life.

In his paper *"*The Economy of Sharing*" Tibor Héjj* of *Proactive Management Consulting* starts with the observation that the manager's self-fulfillment and the venture's performance may become maximized through the combination of management and spirituality. Héjj presents a new Christian model of economy called "economy of sharing," which refers to for-profit companies whose purpose is to realize love toward all its stakeholders. This approach requires a conscious *re-definition* of categories including *work*, *money*, *capital*, *return*, and *dividend*. In this view work is to create value with our neighbors for our neighbors and ourselves. Money is understood as a right to take part in responsible re-allocation of resources. The capital structure becomes three-dimensional: financial capital (material capital related to tangible assets), human capital (traditional meaning of know-how), and "spiritual capital" (person-to-person relationship with Jesus). Return is measured by a "dual auditing" system, consisting of the combination of financial statements (like balance-sheet, profit / loss statement, cash-flow) and "spiritual statements" (non-material balance, gain or loss of spiritual depth, "love-flow"). Funds are to be considered as a source to finance the company's growth, to support its pro-social behavior, and to share with the poor in need - based on the owners' voluntarily made decisions year by year.

Héjj stresses that many people think that the "economy of sharing" does not fit in today's business world. But, the model is not an idea only. Since 1991, the idea has been continuously taking shape. In the meantime nearly 1,000 companies have been established or restructured worldwide while some 300 have already been closed. The development is impressive and clearly sustainable.

In his paper " Spirituality as Faith in Relation to Management " *Mike Thompson* of *The Good Brand Works* in London starts with the statement that corporations want to be trusted. They want their brands to be trusted and they want the consumer loyalty that attends such trust. Trust is now the commercial equity for fairness, justice, quality, honesty and consistency.

Thompson's contention is that the changed post-modern climate has enabled a glad return to the virtues as a way of approaching ethical issues, as opposed to the

modernist rationality of moral philosophy. The relevance for corporations is that consumers are looking for more ethical substance in organizations than ever before and this ethical substance must have the track record of a virtuous story. Corporations increasingly face quasi-spiritual questions and frequently lack the spiritual and ethical resources to respond to questions which penetrate the brand's soul: "Who are you?", "Are you 'good' - really?", "What's your story?" and the like.

At a basic level trust is the product of careful corporate ethics. Trust is the return on the investment in the virtues. Ethics is not simply a code or a social report, but a regular and consistent practice of honesty, goodness and concern for society. Some marketers are discovering a satisfaction that can only come from practicing goodness in new forms of marketing - goodness intrinsic to the product or service and goodness in the way in which that product or service is promoted. Thompson argues that trust requires the virtues to be cultivated and encouraged in the workplace through corporate discipline and good corporate citizenship. Corporations need the help of people who understand and practice the virtues whether from a faith conviction or not. But frequently the virtues are cultivated in faith communities and require the practice of spirituality through faith in God.

In his paper "Organizational Transformation through Human Values" *Yazdi Jehangir Bankwala* of *Singnet Consultancy* in Singapore reports some new trends in business and management. (i) Technology & communications are already changing how organizations operate. Organizations are becoming into teams through *empowerment* and creating *learning organizations* and building *communities*. (ii) Some leading organizations have realized that they are communities, which serve greater goals than the traditional bottom line. (iii) *Community* and *nation building* are fast becoming the scope of organizations rather than the sole prerogative of governments. As companies become global, the community spirit in organizations is expected to grow. (iv) Practice of leading organizations has shown that *sustained economic progress* is possible by following a system of *ethical values*.

Bankwala believes that responding to these trends some new objectives should be defined: (1) To create awareness that organizations are developing from being merely managing structures, systems, processes, customers and markets to managing energy flows and fields with an *evolving spirit*. (2) To explore how the organizations of the future will also create a path for *individuals* to develop along. This is especially important because most men and women spend the best part of their waking hours at

work. (3) To highlight the needs of an emerging era when businesses have to confront the need to *cooperate* and *collaborate*, operate more in harmony with nature and its environment and be more ethical. This macro energy field seems to be flowing in a direction, which we also need to understand better.

In his paper "Spiritually-Based Leadership" *William Miller*, the Founder of the *Global Dharma Center* in the USA and India, argues for *high-integrity* and *high-responsibility business* whose benefits are huge. At the individual level, it is simply soul satisfying, an exercise of our spiritual nature. At the corporate and community level, it leads to attracting more investors, more business and more talented people. At the societal level, it increases our confidence and competence in the power of goodness.

According to Miller high-integrity and high-responsibility business requires transformational leaders who base their leadership on their spiritual roots and values. He refers to the Fortune Magazine study "100 Best Companies to Work for" in the USA, which assesses corporations in five crucial dimensions; credibility/trustworthiness, respect, fairness, meaning of work, and sense of family/community. The main results of this study show that love and related values can be synchronous with great business success.

Miller concludes that a company that successfully integrates *performance* and *community responsibility* will thrive. This can occur best when leadership is firmly grounded in spiritual principles; business skills are applied with excellence, and people strive to "walk the talk" and apply high values to their company's products, communications, and internal management practices.

In the paper "A New Chance for Management - A New Challenge for Spirituality" by *Josep M. Lozano* and *Raimon Ribera* of *ESADE Barcelona* stress that spirituality is a constitutive dimension of the human being. Spirituality then is an anthropologically structuring dimension and the main challenge is to find ways to make spirituality explicit in the organizational context.

Spirituality can be a source of *quality* for the individual and for the society. But it can also be a source of quality for the organization. This is important when corporations are becoming "knowledge organizations" or "learning organizations." Spirituality can have a real impact on management through the personal quality of managers and the possibility of introducing spiritually enhanced values and practices in corporate cultures. Lozano and Ribera think that religious organizations would not do the required job for us. On the contrary, they may benefit from our efforts in working on spirituality in

management. We can draw on the immense heritage of religious traditions to enrich the management profession, creating *new jewels* with *old gems*.

Papers in this book give hope for spirituality in management. But what is this hope all about? Oxford-based management thinker *Danah Zohar* speaks about spiritual intelligence. It is a transformative intelligence, which makes us ask basic questions of meaning, purpose, and values. Spiritual intelligence allows us to understand situations and systems deeply, to invent new categories, to be creative and go beyond the given paradigms. [8]

Today's business practice is self-destructive and unsustainable. Spirituality can help business leaders to arrive at solutions which serve the community, the planet and life itself.

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Notes

[1]   See Peter Pruzan's paper "*Spirituality as the Context for Leadership*" in this volume.

[2]   Mitroff, I.: *Smart Thinking for Crazy Times. The Art of Solving the Right Problems*. San Francisco, 1998: Berrett-Koehler Publishers, pp. 146-148.

[3]   This friend was *Károly Varga,* sociologist and psychologist at the Péter Pázmány Catholic University in Piliscsaba, Hungary. I found Professor Varga's advice very useful in my interactions with business leaders in different companies and countries.

[4]   Anderson, E. 1993: *Value in Ethics and Economics*. Cambridge, Mass. & London, 1993: Harvard University Press. pp. 6-17.

[5]   Varela, F.: *Ethical Know-How. Action, Wisdom, and Cognition.* Stanford, 1999: Stanford University Press.

[6]   Grof, S. 1998: *The Cosmic Game. Explorations of the Frontiers of Human Consciousness.* Albany, 1998: State University of New York Press, pp. 2-17.

[7]   Grof, S.: op. cit. p. 129.

[8]   Zohar, D.: "Leadership Physicist" in Tom Brown et al (eds.): *Business Minds*. London, New York. 2002. Financial Times - Prentice Hall. pp. 303.