

# Tomorrow's Global Company: Rewarding Humility



by Peter S Heslam



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**A business-led social revolution is underway. While it has historical precedents, something new is emerging – a wisdom-based economy. Within this economy, ancient wisdom takes on fresh appeal.**

Society is undergoing a silent revolution. It is not led by governments, though it has political ramifications; nor is it led by religious or academic institutions, though it has spiritual and intellectual dimensions. Leadership is coming from a less likely quarter - business.

It's a revolution I witness almost daily. Three of the processes in which I've recently been involved are examples. The first is the consultations that led to the newly published report 'Tomorrow's Global Company', which concludes on the evidence of case studies that companies of all sizes can offer solutions to some of the world's most serious problems - poverty, climate change, human-rights abuses and corruption.<sup>1</sup>

The second is the assessments leading to the recent Awards for Excellence, organised by Business in the Community, a consortium of 750 companies. Members of this group, which includes high-street names such as Barclays, Boots, John Lewis and Marks & Spencer, commit themselves to

making a positive social impact; but the awards go only to those companies that excel in achievement, not just aspiration.<sup>2</sup>

The third is as contributor to a book on *Innovative Approaches to Reducing Global Poverty*, linked to a consultation on this theme in the US, organised by the Academy of Management.<sup>3</sup> The aim is to explore how, in theory and in practice, firms can be successful, in terms both of profit and human flourishing.

These initiatives have brought to light story after story of companies serving the vulnerable in rich societies, the poor in low-income countries and the environment everywhere. This is not primarily about corporate social responsibility, compliance, risk management, philanthropy or social entrepreneurship. It is about core business. It's about doing well by doing good, rather than doing good from doing well.

Most of this is not new. All the companies named above were founded on a similar vision. Indeed, the brothers-in-law who

ran M&S decided in the 1920s that the purpose of their company was 'social revolution'. It would subvert the British class system by making goods of superior quality affordable to the lower classes. It would focus on clothing, where class distinctions were most visible.

Something *is* new, however, about the current revolution. As manufacturing has moved east, Western countries have had to find ways to turn knowledge into wealth. But as markets become flooded with similar products and services, a brand's vision, purpose and values – its spiritual capital – are becoming its unique selling-point. The upshot is that a wisdom-based economy is gradually supplementing a knowledge-based one.

Nowhere is this clearer than in the way our impact on the environment has emerged, since the publication of *Silent Spring* a generation ago, to become a key moral issue embraced by business as a strategic opportunity. One of the factors in M&S' current upturn is Plan A, a £200m initiative



Stuart Rose

launched by its CEO, Stuart Rose. According to this scheme, by 2012 the company will be carbon neutral, send no waste to landfill and

have the highest standards of ethical trading.

Such leadership, exercised in the interests of both principle and profit, gives hope that the silent revolution can avert a silent spring.

But if leadership in today's economy demands wisdom, where can we find the inspiration we need to attain and exercise it? Three new resources may be of help.

First is the book by Allan Leighton, Chairman of Royal Mail, who so changed the fortunes of the loss-making ASDA supermarket chain that he could sell it to the US retail giant Wal-Mart for £6.7 billion.

Entitled *On Leadership: Practical Wisdom from the People Who Know*, the book is based on interviews of leaders of successful companies.



Allan Leighton

Leighton admits that when he became President and CEO of Wal-Mart Europe, he found it difficult to reconcile social concerns with driving down prices in his stores. However, by listening carefully to customers, he discovered that many of them shared these concerns. This enabled him to find

solutions that were both ethical and profitable. Ethical sourcing, he suggests, generally means higher quality products from suppliers whose greater consistency in delivery schedules keep down costs. The result is happier customers and a better business.

A second new resource is the film *The Call of the Entrepreneur*, which is also based on interviews.<sup>4</sup> A merchant banker, a dairy farmer, and a refugee from Communist China who has become a successful entrepreneur in Hong Kong, are the key interviewees. They tell their stories with passion and candour, stressing the downs as well as the ups, the risks as well as the rewards. All three manifest an abundance of determination, persistence, self-belief, ethical commitment, a sense of vocation, and, above all, wisdom expressed in humility.



The importance of humility in the exercise of wisdom in business is emphasised in the third resource, the above mentioned Tomorrow's Company report. Tomorrow's global leader, the report contends, requires clear vision, strong values, courage, empathy and humility: 'Self-belief and confidence are essential qualities, but arrogance is damaging. It is important to balance confidence with a willingness to admit one's mistakes and keep learning.'

All this stands in stark contrast to the worldview of the Enlightenment, which encouraged us to think that all that is real are

things that can be observed, measured and proved – all that matters is matter. History was taken to support this view, the chief pursuit of most people in every age being for food, shelter and clothing.

But the emergence of the weightless economy, and the simultaneous realisation, based partly on the discoveries of physicists, that what matters is not matter but energy, have helped to give birth to today's wisdom-based economy.

Leaders in this economy are drawing value from the teachings of great wisdom leaders of the past, such as the Proverbs of Solomon. Solomon's reputation for wisdom covered the known world of his time. Tomorrow's global leaders are learning from yesterday's global leaders, and are finding the humility to try putting it into practice. ■

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## Notes

- <sup>1</sup> Published by the business-led think tank Tomorrow's Company.
- <sup>2</sup> These business awards, the UK's most prestigious, were presented by Prince Charles, President of Business in the Community, and Al Gore, former US Vice President, on 2<sup>nd</sup> July 2007. The next day the *Financial Times*, one of the supporters, carried a special report.
- <sup>3</sup> Edited by James Stoner and Charles Wankel.
- <sup>4</sup> DVDs available from the producer, the Acton Institute.