

# Emerging Values for a Global Economy

A Statement of the European Bahá'í Business Forum



## **EMERGING VALUES FOR A GLOBAL ECONOMY**

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Business leaders must now confront, as never before, challenges of enormous magnitude and complexity. Markets, consumer preferences, supply chains and financial flows have become global in many sectors of the economy. This together with deregulation, trade liberalization and growing foreign investment, has led to the internationalization and increasing intensity of competition. The accelerating change has been further exacerbated by rapid technological changes and a shift from an industrial economy to a knowledge and information based economy. In the words of Peter Drucker,

"Every few hundred years in Western history, there occurs a sharp transformation. . . Within a few short decades, society rearranges itself - its world view; its basic values; its social and political structure; its arts; its key institutions. . . . We are currently living through just such a transformation."

At the same time, wider challenges face society as a whole. These challenges include chronic unemployment, decaying inner cities, increasing crime and a deteriorating environment. This situation compels company executives to rethink basic assumptions and to question existing and often time-honored ways of doing business. Moreover, the erosion of credibility of other societal institutions such as government and organized religion challenges business leaders to accept greater responsibility for fashioning a new social and economic order, one in which private enterprise can flourish and yet remain supportive of the broader ambitions of improving society and restoring our planet's health as a worthy legacy for future generations.

Enterprises can no longer operate in isolation, or can they ignore the reality of this global economy. Even if companies try to remain domestic in scope, they may well find competitors moving across borders to compete on their home ground. As trade barriers disappear, people around the world are becoming aware of the interplay between what they do and what is done in other regions. Information technology, until very recently the preserve of governments, universities and the biggest businesses, is now accessible to small businesses and individuals throughout the world. For all of these reasons, business today is finding it more difficult to act without considering the context of a broader community.

The European Baha'i Business Forum believes that business leaders should look to the moral and spiritual wisdom and principles of the great religions of the world for practical guidance in addressing the challenges facing us at this pivotal point in history. Such wisdom includes adherence to the principles of justice, respect, trustworthiness, integrity, and unity; it derives from sources as ancient as Judaism, Hinduism, and Christianity, and from the more recent revelation of Bahá'u'lláh, founder of the Baha'í Faith.

## **A NEW VISION**

The European Baha'i Business Forum was founded on the twin principles of the oneness of humanity and of unity in diversity. These principles are strikingly congruent with the emerging global society. In an increasingly interdependent world, they will come to be seen as both essential operating principles and as goals of the world community, applying to institutions of local governance as well as to the corridors of global decision-making; from the smallest hamlet to the great metropolis, and from the individual farmer to the transnational corporation.

The principle of the oneness of humanity provides a framework for restructuring relationships within the "human family", be they individuals or enterprises. It calls for rebuilding society, one unified in all essential aspects, including its political machinery, trade and finance, yet watchful to protect cultural diversity. We believe that the fruit of humanity's unification will be a lasting and universal peace. This achievement will provide us with the opportunity to focus attention on moral and spiritual growth and to concentrate our energies on increasing the well-being and the prosperity of humankind.

We are confident that the successful leaders and managers of the future, following these principles, will integrate considerations of social responsibility and environmental sustainability into their decision-making. In providing products and services they will welcome diversity and be sensitive to local needs and practices. For their employees, they will offer opportunities for real personal growth while also pursuing global strategies in marketing, manufacturing and research. By so doing, they will create wealth and value for shareholders and other stakeholders in their enterprises and communities.

## **EMERGING VALUES**

Operating in today's turbulent conditions demands new approaches to leadership and management. Companies are already experimenting with different forms of organization and cultures more conducive to success in this changing world. The result is a better balance of material needs and the moral and spiritual values so necessary to survive in ourshrinking planet.

The European Baha'i Business Forum believes that business leaders and entrepreneurs will be increasingly inspired to participate actively in this inevitable social and economic transformation by applying what we see as seven essential core values: business ethics, social responsibility, sustainable development, partnership of women and men, a new work ethic, consultation, and spiritual principles. Let us look a moment at each.

### **Business ethics**

Several universal virtues underlie ethical behavior. These can be found in the writings of all the great religions. Among them are justice, respect, honesty, integrity, trustworthiness, fairness,

service and moderation. It is increasingly recognized that ethical behavior makes good business sense. Customers prefer buying from a trustworthy vendor. Employees are more productive and are more loyal and creative when treated with respect and fairness. Companies that really understand how to serve their clients benefit from a major competitive advantage. Wise, longer term thinking brings more enduring success than decisions focusing only on short-term goals and the next quarter's profits. Most successful major enterprises today weave ethical values into their institutional attitudes. Often, they write them into their codes of conduct and statements of mission. Yet, the conventional wisdom holds that business and ethical behavior are at odds, an oxymoron. Indeed, such an image has become a major barrier to entrepreneurship and the creation of new enterprises and jobs.

There is no way around it: Business must be -- and must be perceived to be -- ethical and responsible.

### **Corporate social responsibility**

Enlightened companies are moving away from the assumption that the sole purpose of business is to create profits. They realize that business must also improve the health of the society in which they operate. Profits are important to the survival of the enterprise, but must not override the needs of all the stakeholders, which include -- beside shareholders -- employees, customers, suppliers, communities, our planet and its heirs. Increasingly, business leaders and managers are discovering that socially responsible practices enhance long-term profitability and competitiveness. Satisfied employees work better, energy efficiency lowers costs, and healthy communities help attract and retain good employees.

### **Sustainable development**

Sustainability means meeting present needs without compromising the ability of future generations to meet their needs. Short-sightedness and greed have led to the serious depletion of once bountiful natural resources and polluted our once pristine environment. We believe that any call to global action for environment and development must be rooted in universally accepted values and principles. Those business leaders who perceive a new spiritual and ethical basis for human activity are progressively embracing these values. In the process, they find that environmental stewardship is compatible with longer-term growth and, in many cases, an important source of shorter-term economies.

### **Partnership of women and men**

Humanity can be viewed as a bird, with men representing one wing and women the other. Harmonious flight requires equal development of both wings. Similarly in organizations, those that encourage development and inclusion of such qualities characteristic of women as developing relationships, teamwork, caring, compassion, intuition and sensitivity are moving closer to the new paradigm of management practices needed to compete on terms of quality, service and timeliness. Diversity of gender as well as of race and ethnicity enhances a creative environment and brings new ways of thinking to companies as well as individuals. Since enterprises in developed countries rely on innovation for survival, it is crucial for them to harness human potential. Fostering the growth and development of women by welcoming their special capabilities and recognizing their contributions will thus enhance a company's prosperity.

## **A new work ethic**

We devote most of our time and energy to work. Psychologist Viktor Frankl believes that mental illness is caused by a lack of meaning in our lives. If so, work without meaning takes a heavy toll in productivity, morale, and mental and spiritual health. If, on the other hand, we accept that we are both material and spiritual beings, and that the development of our spiritual qualities is of overriding importance, work must be redefined to meet this need for a deeper meaning in our lives. We can no longer regard work simply as a means of survival or as a means to earn money merely to fuel an ever-expanding acquisitive economy. To be meaningful, work must be seen as an opportunity for personal growth and as a form of service to others.

Recognition of these realities lies at the heart of modern management practices embodied in such words and phrases as "empowerment," "job enrichment" and "positive reinforcement." And it also leads to greater creativity and commitment at all levels of the organization.

## **Consultation in decision making**

We believe the principle of consultation to be the best way to release the human potential of creativity and energy, leading to wise decisions and unity in their execution. The standard of truth-seeking demanded by this process far exceeds the usual patterns of negotiation and compromise. Debate, propaganda, and partisanship -- so characteristic of most collective action today -- work against the purpose of consultation which is to arrive at a consensus regarding a given situation and the wisest course of action. Consultation requires both personal detachment and group unity. It also requires replacing the desire to prevail in power struggles with the ability to listen and seek the best solutions.

We believe that through candid, dispassionate and non-adversarial consultation "the shining spark of truth can emerge from the clash of differing opinions." Recent research validates the observation that consultation is a characteristic of organizations that survive over the long term.

## **Spiritual principles**

The common practice of using gross domestic product as the leading measure of a society's well-being overlooks the fact that material comfort does not necessarily bring either satisfaction or contentment. We need other measures of the quality of life and our well-being. Material prosperity without a spiritual foundation is empty and meaningless.

Members of the European Baha'i Business Forum believe in the need to apply spiritual principles, or human values, to the solution of economic problems. Just as the individual has a spiritual or non-material dimension, so does society have a spiritual purpose -- namely, to provide for the growth and development of its members. Such values as justice, compassion, trust and moderation need to prevail in the resolution of such problems as inequitable wealth distribution, chronic unemployment, the expanding welfare state, rapid technology displacement, managing the Earth's resources, encouraging a diverse workforce and resolving labor disputes. To achieve all this, social and economic structures must come to favor

cooperation and unity, both conducive to spiritual growth, rather than competition, conflict, power, and dominance.

## **OUR RESPONSIBILITIES**

Humanity is moving towards a common destiny. The world is shrinking as financial and commercial markets become borderless and information technology makes the Earth what the late Canadian communications scholar Marshall McLuhan called a "global village." Business, as the dominant institution in our society, with experience and resources and credibility unmatched by other institutions, has the responsibility to collaborate in improving the health of society. It also has a very direct interest in doing so, since a healthy business cannot exist in a sick society.

We believe that the seven values presented here will emerge as the global ethic of the 21st century.