Enlightened Economics and Management

Assume that everyone prefers to be a prime mover rather than a passive helper, a tool, a cork tossed about on the waves.


1. Assume everyone is to be trusted.

This does not assume that everyone in the world is to be trusted—that no one is to be mistrusted, etc. It definitely assumes the reality of individual differences. It assumes that the people selected for the particular plant are a fairly evolved type of person, relatively mature, relatively healthy, relatively decent. By definition it also assumes good environmental conditions. Better spell these out below.

2. Assume everyone is to be informed as completely as possible of as many facts and truths as possible; i.e., everything relevant to the situation.

There is the clear assumption in enlightened management that people need to know, that knowing is good for them, that the truth, the facts, and honesty tend to be curative, healing, to taste good, to be familiar, etc. See The Need to Know and the Fear of Knowing (93).

3. Assume in all your people the impulse to achieve; assume that they are for good workmanship, are against wasting time and inefficiency, and want to do a good job, etc.

This is the place for a discussion of the Gestalt motivations. Also look up Veblen’s Instinct of Workmanship. Add notes on the impulse to
perfection and the impulse to improve the imperfect. Remember again that this impulse is either absent or very weak in a fairly large proportion of the human species but that we are selecting for our organizations those people who have a reasonable amount of this impulse. Point out that all fairly healthy people will have such impulses. To avoid any unreal, Pollyannish, or overoptimistic outlook, point out the classes of people who don’t have such an impulse or don’t have much of it, e.g., the crushed, the hopeless, the beaten, people reduced to the concrete, anxiety-ridden, fearful, demented people, the psychopaths, the totally unaesthetic, the dilapidated, and so on.

4. Assume that there is no dominance-subordination hierarchy in the jungle sense or authoritarian sense (or “baboon” sense). The dominance is of the “chimpanzee” sort, older-brotherly, responsible, affectionate, etc. (20, 78).

Where the jungle view of the world prevails, enlightened management is practically impossible (33). If all people are divided into hammers and anvils, lambs and wolves, etc., then brotherhood, sharing of goals, identification with team objectives becomes difficult, limited, or impossible. There must be an ability to identify with a fairly wide circle of human beings, ideally with the whole human species. The ultimate authoritarian can identify with nobody or perhaps at best with his own blood family. It follows that this is another principle of selection of personnel for the enlightened organization. Authoritarians must be excluded or they must be converted.

5. Assume that everyone will have the same ultimate managerial objectives and will identify with them no matter where they are in the organization or in the hierarchy.

What is necessarily implied here is the replacement of polarizing and dichotomizing by the principle of hierarchy-integration. Use as an example for instance Piaget’s little Genevan boy who could understand that one was Genevan or Swiss but couldn’t understand that one could be both until he grew up a little more and realized that one could integrate with the other, include the other.1 Perhaps we could

also talk about the general semanticist and his multivalued logic and his two-value logic. I suppose we will have to work out here a little bit of the psychodynamics of teamwork, of identification with the team or the organization, e.g., “I’d die for dear old Rutgers.” Or one could try to work on the example of an army, in which perfect patriotism exists as well as knowledge of all the facts, and in which each one has the same ultimate goal of victory that everybody else has, and therefore uses himself and his own peculiar capacities in the best possible way toward this ultimate goal of victory, even if it means self-sacrifice. Certainly this is problem-centered rather than ego-centered; i.e., one asks, “What is best for the solution of the problem or the effectuation of the goal rather than what is best for my ego, or my own person?”

6. Enlightened economics must assume good will among all the members of the organization rather than rivalry or jealousy.

Here use the example of sibling rivalry as a kind of evil or a psychopathology arising out of perfectly good but immature impulses, i.e., the child who wants the love of his mother but is not mature enough to recognize that she can give love to more than one. Such a child may bang his little infant brother on the head, not out of intrinsic hostility, but because it looks as if this little one is siphoning off the mother’s love altogether. Observe that the two- or three-year-old child would be dangerous to his own newborn sibling but not to any other infant. That is, he is not against infants in general but only the one who will steal his mother’s love. Of course, eventually we all grow out of this immaturity and recognize that Mama can love us all, but this takes a fairly high psychological development. So the growing out of sibling rivalry in any team or organization must also demand this fairly high level of personal maturity.

6a. Synergy is also assumed.

Synergy can be defined as the resolution of the dichotomy between selfishness and unselfishness, or between selfishness and altruism. We normally assume that the more one has the less the other has. The selfish person has less altruism than the unselfish person, but this need not to be so under the correct institutional and social arrangements. It is possible to set up organizations so that when I am pursuing my own
self-interest, I automatically benefit everyone else, whether I mean to or not. Under the same arrangement, when I try to be altruistic and philanthropic, I cannot help benefiting myself or advancing my own self-interest.

For instance, among my Blackfoot Indians the “giveaway” was such a synergic institution. The way in which the Blackfoot could attain prestige, respect, status, love, etc., from everybody and in his own eyes as well, was by being very generous during the Sun Dance ceremony; and so it was that the Blackfoot Indian might work hard and save and borrow for a whole year so that he would have a pile of blankets and food, etc., to give away to the public at the Sun Dance ceremony in early summer. The rich man is defined there as one who is very generous or who has given away a good deal. After such a giveaway he might not have a nickel in his pockets, but he is defined as a very wealthy man. He benefits by winning the respect and love of everyone, by proving how much he is able to gather by his own efforts and intelligence, by how clever he is; he can get rich again so to speak. The people most respected in this tribe are the people who have given away most.

How does he get along, how does he survive after giving away everything? He has such prestige that he is eagerly sought out by everyone in the tribe. They fight for his presence. He bestows a great honor upon the family whose hospitality he accepts. He is regarded as so wise that to have him at the fireplace where he can teach the children is regarded as a great blessing. In this way he benefits and everyone benefits from his skill, his intelligence, his hard work, his generosity. For a Blackfoot Indian to discover a gold mine would make everyone in the tribe happy because everyone would share the benefit from it. Whereas in the modern society, finding a gold mine is the surest way of alienating many people, even those who are close to us.

If I wished to destroy someone I can think of no better way of doing it than to give him a million dollars suddenly. Only a strong and wise person could use this wealth to advantage. Many persons would undoubtedly lose their friends, family, and everything else in the process of inevitably losing the million dollars also.

Enlightened economics must assume as a prerequisite synergic institutions set up in such a way that what benefits one benefits all. What is good for General Motors is then good for the U.S., what is good for the U.S. is then good for the world, what is good for me is
SYNERGY IS ANYTHING BUT SIMPLE

Maslow defined synergy as a culture in which what is beneficial for the individual is beneficial for everyone. High synergy cultures are secure, benevolent, and high in morale. Low synergy cultures are insecure, in conflict, and low in morale.

The concept of synergy became increasingly more important to Maslow’s organizational theories as he saw too many business cultures in which one’s success could only occur at the expense of others. Yet, during his summer at Non-Linear Systems, Maslow witnessed first-hand, a high synergy work environment. The environment Andy Kay and his colleagues had worked hard to create reminded Maslow of his field work with the Blackfoot Indians.

Much of what Maslow believed about synergy came from his study of the Blackfoot Indians whose culture was unmistakably synergistic. He found the Blackfoot culture stood in stark contrast to that of a modern organization. For example:

- An emphasis on generosity was the highest virtue of the tribe. Accumulating assets or knowledge received scant praise. Giving assets, knowledge, and property away was what brought one true prestige and security within the tribe.
- Through extensive testing, Maslow discovered that the Indian tribe suffered less from self-doubt and self-consciousness than did people from more competitive environments and ways of life. It was as if each tribe member knew his or her strengths and weaknesses. Weaknesses were not ostracized but accepted as a normal part of the human condition.
- There was a strong emphasis on personal responsibility within the tribe which began with the very young. Parents encouraged their children, at a very young age, to do things for themselves in the context of a very loving and supportive environment.
- The needs of the tribe as a whole were effortlessly combined with the needs of the individual tribe members.
- The tribe tended not to have general leaders with general power but rather they had different leaders for different functions. Thus the one best suited to lead the Sun Dance was not expected to lead the representation of the tribe to the government. Each leader was chosen for a particular job based on the needs of that job.

Leaders often comment on the need to create synergistic organizations where teamwork flourishes. We speak about the necessity to align organizational goals with personal goals. Based upon what we’ve learned from Maslow’s work in synergistic cultures, have we underestimated the challenge?
then good for everyone else, etc. This gives a very powerful instrumen
t of classification and of choice for every social institution. Which
institutional arrangements tend toward synergy? Which point away
from it? According to Drucker, enlightened economics points toward
the enhancement of synergic good management principles, although he
is not very conscious of it. Since this is so, I had better expound it at
greater length separately.

7. **Assume that the individuals involved are healthy enough.**

What this means quantitatively is hard to know at this point. At
least they cannot be psychopaths, schizophrenics, paranoids, brain in-
jured, feeble-minded, addicts, and so on.

8. **Assume that the organization is healthy enough, whatever this means.**

There must be criteria for a healthy organization. I don’t know
what they are or if anybody has listed them, but it is imperative to do
this if it hasn’t already been done. Certainly, such principles will over-
lap with the criteria for personal psychological health, but also just as
certainly they will not be altogether the same. Organizations are dif-
ferent from persons in some respects. Find out about this.

9. **Assume the “Ability to Admire”** (to be objective and detached),
in a special sense, i.e., to be purely objective not only about other peo-
ple’s capacities and skills, but also about one’s own.

This means particularly that there must be little or no Nietzschean
resentment, no hatred of self, no hostility to the “B-values,” no host-
ility to truth, beauty, goodness, justice, law, order, etc., or at least
no more than the irreducible minimum inevitable in human nature.
(This is one form of cognition of the objective facts and of respect for
them.) Given the ideal situation in which everyone is wise and all-
powerful in a godlike way and without any selfish ego whatsoever,
then this would be easy. Then I could freely say that Smith had bet-
ter be chosen for the job because he was best for the job or more skill-
ful than I, without feeling any pang of envy, hurt, inferiority, or
whatever. Of course in practice this is impossible because human beings
cannot achieve this perfection except in small areas of life, but at least
it is the limit toward which enlightened management tends to approach. At least there must be more of this rather than less. Objectivity of this sort must be enhanced rather than damaged, to the extent that human nature permits. To see with clear eyes, objectively, that which is hurtful to our own self-esteem is extremely difficult, and yet, after all, it is possible to some extent. We know, from countless experiences in psychotherapy, that countless numbers of people have learned to see in themselves that which crushed their own self-esteem and then proceeded to profit thereby.

10. We must assume that the people in organizations are not fixated at the safety-need level.

That is they must be relatively anxiety-free, they must not be fear-ridden, they must have enough courage to overcome their fears, they must be able to go ahead in the face of uncertainty, etc. This can be quantified at this point. (See Chapter 4, “Defense and Growth,” in my *Toward a Psychology of Being*—use the details and examples from this chapter.) Point out that there is a kind of simple statement of the psychodynamics of enlightened management as contrasted with authoritarian management, i.e., that the simple dialectic between fear and courage, or between regression or progression will approximately do the trick. On the whole, where fear reigns, enlightened management is not possible. In this and in may other places, Drucker reveals his lack of awareness or knowledge of psychopathology, of evil, weakness, bad impulses, etc. There are many people in the world, especially outside of the United States, for whom Drucker’s management principles will simply not work at all. So also for the human relations stuff and for the personnel stuff. They forget that there are many people in the world for whom those principles will fail, people who are too sick to function in an enlightened world. Point out also Drucker’s lack of use or awareness of the problems of individual differences.

11. Assume an active trend to self-actualization—freedom to effectuate one’s own ideas, to select one’s own friends and one’s own kind of people, to “grow,” to try things out, to make experiments and mistakes, etc.

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This follows the same principle that psychotherapy or growth are conceptually impossible unless we assume such an abstract variable. We must assume the will to health or to grow, etc. This can be seen concretely rather than abstractly in the Carl Rogers kind of data from psychotherapy.  

12. Assume that everyone can enjoy good teamwork, friendship, good group spirit, good group homonony, good belongingness, and group love.

Beware of stressing only the pleasures of autonomy, of actualization of the individual self. Not enough attention has been given to the pleasures of being in a love community with which one can identify, not enough studies yet of the esprit de corps. Talk about identification with the group, the kind of pride that a high school boy can have in his own school’s basketball team or the increased self-esteem that a college student will have from the heightened prestige of his college. Or that a member of the Adams family will have simply from being a member of the Adams family, even if he doesn’t amount to very much himself.

13. Assume hostility to be primarily reactive rather than character-based, i.e., that it will be for good, objective, present, here-now reasons and that it is therefore valuable rather than evil, and that it is therefore not to be stifled and discouraged. (Phrased in this way it comes close to being simply honesty.)

Certainly this freedom to express reactive hostility will make for increased honesty and an improved situation rather than for the kind of permanent strain which comes when justified resentments and irritations cannot be expressed openly. For instance, the same thing is true with a good manager; the better the manager, the more freedom people will feel to express irritation, disagreement, etc. The same has now been empirically proven for the relation between the psychotherapist and his patient. It is far better for them both to be honest rather than to conceal. Too much character-based hostility, i.e., transference, carried over from the past, reactions to symbols, displaced hostility, etc., must make good, objective, interpersonal relations difficult or impossible. If I am the boss and someone reacts to a normal order as

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if I were his father who is going to spank him, and if he cannot tell the difference, then good relations are very difficult.

14. Assume that people can take it, that they are tough, stronger than most people give them credit for.

One can easily enough find the limits for each individual and how much he can take and not take. Certainly the strain should not be constant, but people can benefit from being stretched and strained and challenged once in a while at least. As a matter of fact, they must be stretched and strained once in a while in order not to get slack and bored. It makes life in all its aspects more interesting if one works at concert pitch, at one’s highest level once in a while. Furthermore, we can assume that many people want to take it, to be stretched and challenged.

15. Enlightened management assumes that people are improvable.

This does not mean that they are perfectable. Furthermore, it does not exclude their having the vision or hope of perfection. All it says is that people can be better than they are by a little bit at least.

16. Assume that everyone prefers to feel important, needed, useful, successful, proud, respected, rather than unimportant, interchangeable, anonymous, wasted, unused, expendable, disrespected.

This is simply the assertion that esteem needs and self-esteem needs are universal and instinctoid (96).

17. That everyone prefers or perhaps even needs to love his boss (rather than to hate him), and that everyone prefers to respect his boss (rather than to disrespect him), is an assumption that Drucker overlooks. Here respect is probably prepotent over loving—that is, while we prefer to respect and to love our boss, if we can choose only one of these, most of us would choose to respect the boss and not love him, rather than to love him and not respect him.

This can be worked out more in the Freudian style and also in the relation to the data available on dominance-subordination relationships. Ultimately the whole thing will have to be generalized in a universa
theory of the interrelations between the strong and the weak, along with a clarifying discussion of the advantages of being strong and of being weak, and the disadvantages of being strong and weak—most especially in the relations between males and females, between adults and children, and also in the employer and employee, leader and led situations (78). The dynamics of fearing the boss or the strong one, the advantages and disadvantages of fearing, also have to be worked out. So also do the dynamics of the Strong Man have to be worked out more and especially the question of how all the people around the Strong Man react to him and are affected by him.

18. Assume that everyone dislikes fearing anyone (more than he likes fearing anyone), but that he prefers fearing the boss to despising the boss.

We may not like the strong men, e.g., DeGaulle, Kennedy, Napoleon, T. Roosevelt, etc., but we can't help respecting them, and in a pinch preferring them, trusting them. Certainly this is a universal testimony in the life and death situation in war. The tough and hard but capable leader may be hated, but he is much preferred to the soft and tender weaker leader who may be more lovable but who may also bring about one's death.

19. Enlightened management assumes everyone prefers to be a prime mover rather than a passive helper, a tool, a cork tossed about on the waves.

Drucker talks much about "responsibility" and the liking for responsibility and cites all sorts of industrial investigations that show that people function better when they get responsibility. This is certainly true but only for the more mature, more healthy person, just the kind of person whom Drucker assumes throughout. But point out that this kind of person is not universal. There are still plenty of people, even in the U.S. and certainly in many other countries of the world, who are frightened to death, who much prefer to be dependent and slavish and who don't want to make up their own minds. Refer to the many studies of the authoritarian character. Refer to the speech of the Grand Inquisitor in The Brothers Karamazov. It is clear that we must be more conscious than Drucker that this is a prerequisite, an assumption, a selection out of particular kinds of people (65).
Mort Meyerson, former chairman and chief executive officer of Perot Systems and former vice chairman of EDS, has an enviable track record. Under his leadership, EDS was taken public and became a leading company in its industry. The same scenario seems to be playing itself out at Perot Systems. Meyerson and his team have increased revenues nearly 40 percent each year since his tenure. Transformed by what he has learned about the current world of work, Meyerson has implemented many enlightened management techniques at Perot Systems.

Perhaps Meyerson is most famous, not for his corporate accomplishments, but for being courageous enough to admit and smart enough to know, that the ways of the past will no longer work in today’s world.

We first learned of Meyerson from a cover story in a popular business magazine (FAST COMPANY, April/May 1996). The article was one Meyerson wrote entitled “Everything I Thought I Knew About Leadership Was Wrong.” The article struck a chord with readers when he asked questions such as, “To get rich do you have to be miserable? To be successful do you have to punish your customers? Can we create a more human organization?” The article attracted hundreds of letters. His printed words gave birth to a new kind of corporate hero, a role Meyerson reluctantly plays. Yet play it he does, because he knows it is the right thing to do.

His approach to the reinvention of Perot Systems incorporates what Dr. Maslow wrote many years ago. Maslow stated that, “I must help these corporate types to understand that it is well to treat working people as if they were high type Theory Y human beings not only because of the Golden Rule and not only because of the Bible or religious precepts or anything like that, but also because this is the path to success of any kind whatsoever, including financial success.”

We had the opportunity to discuss some of Dr. Maslow’s thinking on management and leadership with Meyerson in his Dallas headquarters.

You have commented that Maslow’s proposed assumptions for the healthy organization are so close to what you believe that you found it almost eerie. Now that you have had the opportunity to read more of the journals, what do you think of these ideas?

I think the book is stunning. Everyone has certainly heard of Abraham Maslow and his hierarchy of needs. Yet, the papers he wrote that summer and the basic thoughts contained therein were not 1950s thinking. The thoughts were 1990s thinking or even twenty-first century thinking. Much of the work is obtuse, but when you bring it all together—especially
the 36 points—one realizes that his thoughts are really clear and pertinent to today. It is fascinating to me or stunning. If you review Maslow's work and study the context from which he was writing and remember what the world looked like and the time in which he was writing, I think you may understand why I use the word stunning. He was so far ahead of his time that there is a discontinuity from conventional wisdom of his time.

Yet, for many years, we have had a body of knowledge from the likes of Abraham Maslow, Douglas McGregor, Warren Bennis, and others who predicted the importance of the human side of enterprise. Why were we unable to listen?

Peter Drucker's work has also shown us many of the same points as Maslow. I think these ideas are so radical it will take us decades to fully understand—if we are ever able to own these ideas. They are counter-intuitive. Everything we do in life has a certain set of unspoken assumptions of the underlying ways things work. Maslow's work is counter-intuitive to the body of knowledge of business. The underlying assumptions of how business is done is that our main focus is to make a profit, or in today's words, to increase shareholder value.

Most human beings deal in analytical material easier than they deal with non-analytical material. Therefore, metrics is a vehicle to measure and get comfortable. Accounting has become the way we measure business to find out whether we are indeed making a profit or doing well. Most of these metrics are easy and quantifiable. From this body of knowledge, we have developed management by objectives. Business is built upon assumptions of analytical and metric-oriented work.

I think that most males are more comfortable in the world of metrics and measurements than they are in a psychological or feeling world. For now, males dominate the leadership of business and enterprise worldwide. I think the Native American males were a special group of people who were comfortable in dealing with the spiritual, the more psychological, the emotional, the more human world. The language of business has been tied to things that were easier for males to deal with. Males also tend to be more comfortable in hierarchical organizations.

Yet, there was a time when there were less hierarchical dominated organizations. We had tribal organizations. We have forgotten what it was like to be in nonhierarchical organizations. We tend to think that big organizations have been in existence forever, but they have not. So Dr. Maslow's journals are counter-intuitive to us not only in the United States, but around the world. Each company has its own national culture and business culture.

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The article you wrote regarding your own transformation in leadership was quite similar to what Maslow wrote about. In your article, you questioned some of the core elements and thoughts of business. Why do you think there was such intense interest and response to your article?

In retrospect, I think the piece that I wrote had a more universal appeal than the business story I was telling. When I started getting letters from priests and ministers, I knew that something greater was at work here. However, I urge you to be wary of being ethnocentric about these ideas and concepts. I live in both worlds and as I have tried to develop the concepts that Dr. Maslow was writing about and that I have been talking about in my own company, the more I know this is not a movement whose time has come. These are but a tiny speck of the number of people who are intuitively trying to hear the music while they are reciting the words and dance of business.

The main body of business is not listening to this type of information. They think it is poppycock and soft-headed thinking and maybe the stuff of revolutions. Let me give you an example that illustrates my point. I gave a talk at MIT on this general subject and at the end of my talk a man from the audience approached me. When he was within six inches of my face, he screamed something to the effect that I was going to be the reason why Western civilization and American free enterprise were going to be destroyed. He viewed my speech not as a point of discussion, but as an attack on free enterprise, on the American way of life, on profit motives, and on Western society. I thought that was a bit much!

The encounter was interesting in that it unleashed all of these emotions. From a psychological standpoint, it was very clear to me that the man was not discussing any of the subjects we were talking about. He was talking about himself. If this were an isolated incident and it had happened only once, I wouldn’t have mentioned it. Most people do not yell at me or scream at me. They will speak to me on the same issues, almost backing into the subject, particularly if I have any kind of power or position in the situation. People inside of our company or board members come at the same issue obliquely, but they say the same thing as the man at the MIT gathering, just less violently.

I had one board member ask me why I was wasting my time on these people issues. I said, “What business are we in?” As I see it, we are in the business of forming teams of people to do things for companies that create value for them. Without our people, we have no business. We don’t make anything tangible.

He said, “I know that, but you are dealing in this soft stuff. People don’t even want the creativity, the freedom, and the things that you are
trying to give them. They aren’t trying to find meaning in their work. People just want to come to work, do their job, and have a clear understanding of what’s expected from them. They want to be paid fairly and that is all that they want.”

I said, “You couldn’t have stated more clearly everything that I don’t believe about people and work. It’s just plain wrong. Those reasons are not the only reason people come to work. People also come to work because it is community, because it is family, because work is an important part of their identity, and because they are trying to do something for their families. The money meets their needs, but it is not an exchange of service for money. It is much more powerful than that. If you only deal on the level of a fair exchange of work for money, you are missing the whole essence of what is happening in the work place.”

In this continuing dialogue with the board member, I said, “The question is do I say to our associates ‘This is what needs to be done’ so it is clear to the person? Do I say ‘If you choose to do it then I will reward you in the following way?’ Or do I say, ‘Let us create value for our customer. Let us create an environment which is good for our people and watch what will happen’? I predict that what will happen in the last scenario will be ten times more powerful than if I tell employees what to do. Under the board member’s scenario, we are limited by what is inside my head and my experiences. If we follow the latter scheme I have outlined, I am able to tap into the experiences, the creativity, and the power of everyone in the organization.

Maslow spoke about the line between business and community being so tightly aligned that it’s impossible to separate them. You have stated that one of the most controversial values, which was narrowly approved in your organization, spoke to the corporation’s commitment to the community. You have said it was also the one you argued most heatedly for. Can you tell us that experience?

One of the more difficult areas to discuss in the early days of Perot Systems was the value of community relations. The reason is related to what I said earlier. A community contribution is not directly in the path toward profits and is not analytical or easily measured. We cannot say that if we contribute one hundred thousand dollars to the community, we will get two hundred thousand dollars back. Yet, I am intuitively convinced we will get more value back than we put into the effort.

During the discussions, the people in the room were predominately male and much more comfortable with the measurements or the metrics of a given situation. Think of the situation in this way; if it is a stretch to put the customer first (and it is in many organizations), then it is a (continued)
huge stretch to put the idea of the importance of community on the table for discussion!

If we do not deal with the whole employee or the life of the employee then we are dealing only with part of the power or creativity of the person. Isn’t that what Maslow said also?

Although the payback to the company is not easily measured, we can measure the productivity of employees. For example, in Dallas, some of the cultural organizations were having trouble developing a database and they could not get enough computers together for the task. We gathered together a number of volunteers who were interested in the arts and we facilitated the whole process for these organizations.

Although we cannot measure how our efforts paid off in business for Perot Systems, we could measure how the people in our company felt about their contribution. They felt more connected to their community through their contribution and they felt better as human beings. The connection with the cultural groups or the arts—the side of our community that speaks to the soul—affected them. Thus, they were better people and were better contributors to Perot Systems. Plus, we helped make our community a better place.

However, if business does not take on this type of endeavor, who is going to? Government cannot possibly do all that needs to be done. Churches cannot do it all. The nonprofit organizations can only do so much. Businesses are the most efficient organizations on earth, so far. Because they are so efficient, if businesses do not put on their agendas to work on issues of community, the environment, family life, and the broader aspect of who and what their employee is, then we will lose the ability to produce a better whole life for the individual. That is important, because people do not work just for a paycheck.

It is obvious to me that you have to work on all of these issues. It is also obvious that businesses have an obligation beyond just making a profit. I do not say this must be done for philosophical reasons. Ultimately, I tie it back to the fact that it is in the company’s best interest. The question is how does an organization get there? That is the basic argument.

*Are you measuring these activities in your organization? The activities and the organizational issues we have discussed so far?*

We are trying, but it is very difficult. One can do attitude surveys but I do not believe people give full information in those surveys. The board member, who is my antagonist, said to me, “How are you going to know if this stuff works?” I said, “Well, it’s simple. Our customers will tell us they are delighted by our service. They will say that we are creating value
for them greater than they could create for themselves. We will be paid extraordinary amounts of money for those services. Our employees will be better people, more satisfied, will raise their families better. They will have a more productive life and will have a soul. People like me will know that it works. However, in the short term, it won’t be the metrics which tell us this works. It will be the metrics and intuitive feelings. If we are the most respected, most successful computer service firm 50 years from now, then we will begin to know. We will be networked together, produce great service and be rewarded for it with happy people and delighted customers.”

Dr. Maslow stated that the problem for the accountants is to work out some way of putting on the balance sheet the human assets of the organization. Would you agree?

I am pretty sure you are asking the wrong question. The assumption is one of giving credence to the underlying idea that one has to measure it to create any value. I’m just not convinced we have to measure it. We have to start by trusting that it will work and that later, it will show up.

It will show up in customer attitudes, employee attitudes, employee productivity. It will show up eventually, but I am not sure we can measure the connection. Also, some people will feel that the concept of putting human assets on the balance sheet is too close to what was done when slaves were considered to be owned and therefore an asset.

Can you only be successful in a privately held company with this approach?

No, you can do it in a public company.

Yet, we hear that the pressures from Wall Street and the short termism endemic in public companies prevents organizations from doing some of the things we have discussed.

Wall Street is not the problem. If you tell Wall Street what you are going to do, even if it’s different, they will give you a year or two to be successful. It would be hard, in that time frame, but not impossible. Quantitative versus qualitative thinking is the problem. The mindset is the problem. Wall Street is just a bunch of people trying to make money based upon a mass psychology of markets.

Business people like to say it’s Wall Street because they say they need the ability to think long-term. I heard that same argument 10 years ago from the Japanese. They were telling me they had a better system because they could think longer term. Japan did not have the quarter-to-quarter Wall Street pressures which they believed contributed to their superiority. It appeared (continued)
that they were superior 10 years ago. Now, it appears that they did not know what the hell they were doing and the bubble burst! They artificially inflated real estate, colluded with banks, did criminal things, and misled the public shareholder. I do not accept, at first blush, the Wall Street argument.

My suspicion is that the phrase "without Wall Street and the quarter-to-quarter earnings pressures everything would be okay" is not true. If Wall Street all of a sudden went to three-year rolling growth levels, I don't think it would materially change our organizations or the mindsets for some period of time.

You stated that during the change process, Perot Systems was becoming a company where the larger issues of life were as important as the demanis of profit-and-loss performance. You also have spoken of your personal transformation after leaving EDS. Will you tell us about that transformation?

I don't think the business can be transformed unless the leader and leadership is transforming. This type of change cannot come from the bottom up. It is a leadership issue. It must resonate with the leader. I still get one to five e-mails per week on that article I wrote. One out of five reads, "I work for so-an-so company. We have great potential and wonderful people. We can really make a difference. I have talked to the head of HR, and he doesn't get this people stuff. I've been trying to figure out how I can convince the CEO." The themes of the letters are always around the issue of "how do I get them to understand?"

My message is always the same. I tell them that they have an obligation to make sure that the ideas are understood and that they have been heard. I also advise that if one happens to be bold, one can put these ideas on the table. However, it is very important that one really believes in the ideas. I caution anyone not to start down this path unless one really believes because you will probably find yourself out of the company or organization. One has to be willing to have that scenario happen before they start with the ideas. If you are willing, you have an obligation to the company and to the people around you to make an attempt. If you reach the point where you simply can't convince the people, then you have to make a decision about what you are going to do. My recommendation is to leave the company and go find a company where you can convince or where they are already convinced. You will not be successful with the power of one to convince. The power of one will not work inside the company organization. The only time the power of one works is with the aggregation of customers. Employees are not customers.

Maslow described the process of self-actualization through work. What are your comments about self-actualization and work?
I don't think self-actualization comes from work or from that environment. I think the mixture of work involvement along with personal work and spiritual work leads to self-actualization. However, I understand Maslow's thoughts along those lines. I believe he saw businesses as very efficient institutions that could facilitate the role of healthier people, more self-actualized people. Unfortunately, there are a lot of flakers and gurus and New Age people in this arena. They latch onto a theme that appeals to people, moves people, and strikes at the chord for the search for meaning in life. These types of people take advantage of the situation. Perhaps their influence taints it for the mainstream of business.

20. Assume a tendency to improve things, to straighten the crooked picture on the wall, to clean up the dirty mess, to put things right, make things better, to do things better.

Actually we do not know very much about this; there is a beginning of scientific knowledge in the work of the Gestalt psychologists on closure and pragnanz. I have observed this often enough in healthy people—I have called them the Gestalt motivations—but I have no idea nor does anyone else how strong these tendencies are or even if they exist at all in less healthy, less intelligent, less evolved human beings. In any case it must be pointed out that Drucker is assuming that this exists in all the people that he talks about, and it seems pretty clearly true a priori that he is right in making this assumption as a prerequisite for success in the enlightened economics situation.

21. Assume that growth occurs through delight and through boredom. That is, that the parallel with children's growth is fairly sound.

The child who is not anxiety-ridden seeks for novelty, has curiosity, manipulates and explores things, enjoys new things; but then sooner or later becomes bored with them and seeks for still newer and more worthy "higher" things or activities. See Chapter 4 "Defense and Growth" in my Toward a Psychology of Being. It is a fairly safe assumption that a prerequisite for enlightened management is a delight

in novelty, in new challenges, new activities, variety, in activities that are not too easy, but all of these become sooner or later familiar and therefore become uninteresting and even boring, so that the search then begins anew for additional variety and novelty, work at a higher level of skill.

22. Assume preference for being a whole person and not a part, not a thing or an implement, or tool, or "hand." A person prefers to use all his capacities, to flex all his muscles and resents being treated as just a part of the person.

Use here my examples on resistance to being rubricized in Chapter 9 in my Toward a Psychology of Being book. For instance, the resistance of the woman, at least the highly developed woman, to being only a sexual object, or the resistance of the laborer to being only a hand, or a set of muscles or a strong back, or the resistance of the waiter in the restaurant to being only a bringer of dishes, etc.

23. Assume the preference for working rather than being idle.

Drucker is certainly right in this assumption, but it needs more qualification than he gives it. For instance, most people prefer no work at all to meaningless work, or wasted work, or made work. Furthermore, there are certainly individual differences here in preferences for kind of work, e.g., intellectual, muscular, etc. We must stress also the differences between the pleasures in the processes of working and in the goals or ends of work. Furthermore, in any full discussion, ultimately we shall have to talk about the resolution of the dichotomy between work and play. The ultimate implication in the Drucker kind of management, whether or not he has spelled it out, must be that work is enjoyed, is even fascinating, is even loved. In self-actualizing people, the work they do might better be called "mission," "calling," "duty," "vocation," in the priest's sense. This mission in life is actually so identified with the self that it becomes as much a part of the worker as his liver or lungs. For the truly fortunate worker, the ideally enlightened worker, to take away work (mission in life) would be almost equivalent to killing him. The truly professional worker would be an example. A clarifying
discussion of the semantics of work is absolutely necessary at this point because of the typically implied notion in our society, perhaps throughout the world, that labor is unpleasant by definition and that enjoying yourself means lying in the sun and doing nothing. Point out that to force people not to work is as cruel a punishment as could be devised.

24. *All human beings prefer meaningful work to meaningless work.*

This is much like stressing the high human need for a system of values, a system of understanding the world and of making sense out of it. This comes very close to the religious quest in the humanistic sense (102). If work is meaningless, then life comes close to being meaningless. Perhaps here also is the place to point out that no matter how menial the chores—the dishwashing and the test-tube cleaning, all become meaningful or meaningless by virtue of their participation or lack of participation in a meaningful or important or loved goal. For instance, cleaning up baby diapers is repulsive work in itself, but it can be very lovingly done, it can be a beautiful thing for a mother who loves her baby. Washing the dishes can be the most meaningless chore or it can be a symbolic act of love for one’s family and can therefore take on great dignity and can even become a sacred activity, etc. This can all be applied to the organization. I can use here my case of a woman who developed an anhedonia (loss of zest and pleasure in life) because she had a job as personnel manager in a chewing gum factory and simply couldn’t get excited about chewing gum. She might have enjoyed very much exactly the same kind of work in a more meaningful (to her) factory (93).

25. *Assume the preference for personhood, uniqueness as a person, identity (in contrast to being anonymous or interchangeable).*

Drucker has many examples from industrial situations.

26. *We must make the assumption that the person is courageous enough for enlightened processes.*

This does not mean that he lacks fears, but rather that he can conquer them or go ahead in spite of them. He has stress-tolerance. He knows creative insecurity. He can endure anxiety.
27. We must make the specific assumptions of nonpsychopathy (a person must have a conscience, must be able to feel shame, embarrassment, sadness, etc.).

He must be able to identify with other human beings and to know what they feel like. We must also assume a minimum of paranoia, i.e., of suspicion, of grandiosity, of persecution feelings.

28. We must assume the wisdom and the efficacy of self-choice.

Drucker mentions this once or twice, but doesn’t spell it out. Actually it is an almost basic assumption for enlightened management people to find out what they are best at by finding out what they like most. This assumes that what one likes, what one prefers, what one chooses, is a wise choice. We must spell this out very carefully, especially because there is some evidence to the contrary. This principle of the wisdom of self-choice is on the whole true, but it is especially true for healthy individuals and much less true for neurotic and psychotic people. As a matter of fact, neurosis may also be defined as the loss of the ability to choose wisely, i.e., in accordance with one’s true needs. We also know that habit interferes with wise self-choice. So also does continual frustration, so also do lots of other things. To make the brash assumption that self-choice is also wise for every person under every circumstance is in contradiction to the facts. Again we are confronted with the necessity which Drucker overlooks of selecting and choosing and screening the people for whom enlightened management principles will work. Again we find that they tend to be relatively healthy and strong people, relatively nice and good and virtuous people.

29. We must assume that everyone likes to be justly and fairly appreciated, preferably in public.

Our false notions of modesty and humility stand in the way here. The Plains Indians are far more realistic about this. They assume that everyone likes to boast about his accomplishments and likes to hear others praise his accomplishments. This must be realistic, just, and fair. To be praised for what one does not deserve or to have one’s accomplishment unduly exaggerated can actually be guilt-producing.
30. We must assume the defense and growth dialectic for all these positive trends that we have already listed above. What this means specifically is that every time we talk about a good trend in human nature, we must assume that there is also a counter trend.

For instance, it is perfectly true that almost every human being has a tendency to grow toward self-actualization; but it is just as true that every human being has a trend toward regression, toward fear of growth, toward not wanting self-actualization. Certainly, every person has some courage; but just as certainly, every person has some fear also. It is true that everybody loves the truth; it is also true that everybody fears the truth. These opposite trends always form a balance and relate to each other in a dialectical way. The question is, which is the strongest in the particular person at the particular time under the particular circumstances?

31. Assume that everyone but especially the more developed persons prefer responsibility to dependency and passivity most of the time.

Certainly it is true that this tendency to prefer responsibility and maturity lessens when the person is weak, frightened, or sick or depressed, etc. Another point is that it must be set at the right level so that he can manage it well. Too much responsibility can crush the person just as too little responsibility can make him flabby. Responsibility put upon a child’s shoulders too early in life can make him or her anxious and tense forever after. Therefore we must take into account pace, level, etc.

32. The general assumption is that people will get more pleasure out of loving than they will out of hating (although the pleasures of hating are real and should not be overlooked).

Or it can be said in another way that for fairly well-developed people, the pleasures of loving, of friendship, of teamwork, of being a part of a well-functioning organization, that these pleasures are real and strong and furthermore are greater than the pleasures of disruption, destruction, antagonism, etc. We must remember that for people who are not highly developed, i.e., for deeply neurotic or psychotic people, there is the fair number of instances in which the pleasures of hatred and of destruction are greater than the pleasures of friendship and affection.
33. Assume that fairly well-developed people would rather create than destroy. The pleasures of creating something are greater than the pleasures of destroying something.

Although the latter pleasures actually do exist and must not be overlooked, especially since they can be rather strong in poorly developed people, e.g., neurotics, immature people, acting out and impulsive people who have not learned enough controls, psychopaths, etc.

34. Assume that fairly well-developed people would rather be interested than be bored.

This can be said more strongly, i.e., practically all people hate being bored.

35. We must ultimately assume at the highest theoretical levels of enlightened management theory, a preference or a tendency to identify with more and more of the world, moving toward the ultimate of mysticism, a fusion with the world, or peak experience, cosmic consciousness, etc.

This is in contrast with increasing alienation from the world. This will need discussion eventually, but is not necessary now.

36. Finally we shall have to work out the assumption of the metamotives and the metapathologies, of the yearning for the "B-values," i.e., truth, beauty, justice, perfection, and so on.