It’s in every one of us

Evolving the Practice of Corporate Innovation

William C. Miller
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3-Part Agenda

- Four contexts of business leadership
- Values-centered innovation (VCI)
- India’s role in VCI
Spiritual-Based Context
(Emerged in the 1990’s)

Wholistic Context
(Emerged in the 1970-1980s)

Humanistic Context
(Emerged in the 1950-1960s)

Rationalist Context
(Emerged in the early 1900’s)

Contexts of Business That Impact Innovation
Overlap of the Four Contexts
First emerged: early 1900s

Science: Newton mechanics, Darwin evolution

Psychology: S. Freud, B. F. Skinner

Business writers: A. Smith, F. Taylor

Purpose of business: owner wealth and power

Metaphor: military, machine

Leadership: command and convince

Organization design: assign roles and tasks to fit organization’s needs
“Few trends so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible.”

Nobel Laureate Milton Friedman

*Capitalism and Freedom*, 1962
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**Core Wisdom and Limitations**

**Rationalist**
**The Humanistic Context**

- **First emerged:** 1950s-60s
- **Science:** Einstein relativity
- **Psychology:** J.P. Sartre, A. Maslow
- **Business writers:** D. MacGregor, J.E. Deming, K. Blanchard
- **Purpose of business:** Wealth with dignity, for owners and employees; shared power
- **Metaphor:** team, family
- **Leadership:** situational, empowerment
- **Organization design:** assign roles and tasks around unique talents
“Men and women want to do a good, a creative job, and if they are provided with the proper environment they will do so.”

William Hewlett, Co-founder of Hewlett Packard
*The HP Way*, 1980

“We need to drive fear out of the workplace”

Dr. W. Edwards Deming
Father of the Quality Movement

**The Humanistic Context**
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First emerged: 1970s-80s
Science: Bohr/Heisenberg quantum physics, Prigogine systems theory
Psychology: C. Jung, S. Grof
Business writers: P. Block, P. Senge, S. Covey
Purpose of business: Wealth with accountability to all stakeholders
Metaphors: ecosystem, “spaceship earth”
Leadership: stewardship
Organization design: self-define roles and tasks for the greater good
Current evidence of the wholistic context in business:

- Global Reporting Initiative (GRI) - triple bottom-line reporting
- Corporate social responsibility
- Global village
- Economic and environmental sustainability
- Conscious capitalism
- Socially responsible investing
- Social entrepreneurship
- Base of the pyramid protocol
“I ask you to consider this statement: ‘social and environmental performance is as important as financial performance.’ Do you agree or not? When we asked the same question to our employees in 1999, 74% agreed with this statement. This is gratifying for me because it shows that social and environmental thinking is now well established throughout our organization.”

Mads Ovlisen, Chairman, Novo Nordisk

“Putting Values Into Action” Environmental and Social Report, 1999
Core Wisdom and Limitations

**Rationalist**
- Honoring the experience of predecessors.
- Using resources effectively and efficiently.
- Discounting the inherent intent of man to do good and be good.
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**Humanistic**
- Recognizing the goodness and work ethic of people.
- Giving people the chance to fulfill their potential.
- Focusing on needs, where motivation occurs when something is “missing”.
- Focusing on individualism, with “win-win” solutions for individual interests.

**Wholistic**
- Recognizing the interconnectivity of society, nature, and business.
- Operating creatively and harmoniously from a spirit of unity.
- Basing motivation on “enlightened self-interest”.
- Focusing goals only on having a better “in-this-world” life (lacking transcendent goals).
- **First emerged**: 1990s
- **Science**: Bohm/Capra physics-consciousness, Teilhard de Chardin evolutionary consciousness
- **Psychology**: K. Wilber, D.T. Suzuki
- **Business writers**: P. Vaille, S.K. Chakraborty, W. George
- **Purpose of business**: spiritual fulfillment and service to society
- **Metaphors**: watering spiritual roots
- **Leadership**: living spiritual purpose
- **Organization design**: align roles with spiritual purpose

**The Spiritual-Based Context**
People describe spirituality in varied ways, and may or may not base it on participation in organized religion:

- Tapping into a deeper meaning in life that transcends our physical existence
- Having a relationship with the Source of creation (i.e. God, Higher Power, Allah, Jehovah, Brahman, etc.)
- Experiencing oneness with Divinity
- Being “fully conscious” of the Source of life and living from that awareness
- Living in harmony with the essential nature and inter-connectedness of all creation
- Living all aspects of life according to a set of religious principles

The Spiritual-Based Context
“For me, spirituality is everything; I don’t put it in a separate compartment. It’s where we come from, what we are carrying, and where we are going.”

Niran Jiang, CEO for the Institute of Human Excellence, Australia

“Spirituality is the manifestation of the perfection that is already there within you. Spirituality is when I look at myself, I look within and not outside, and respond from my inner feelings where we are all perfect beings.”

Dr. A. K. Chattopadyay, Executive Director, Tata Refractories

The Spiritual-Based Context
“I think a business exists to provide an innovative and compelling answer to a societal need in the form of a needed service or product. When this purpose is approached through a spiritual lens, it will be shaped differently in many ways. The needs you start becoming attentive to shift. The transformational system you create to receive inputs and transform outputs will shift. The character of the organization’s culture will shift. Your own willingness as a business leader to endure the mystery of suffering will shift.”

Andre Delbecq,
Director of the Institute for Spirituality and Organizational Leadership at the Santa Clara University Graduate School of Business, USA
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Core Wisdom and Limitations
While business leadership today encompasses all four contexts, the field of innovation in its models and language primarily reflects the rationalist and humanistic contexts.

The models and language of innovation that reflect the wholistic and spiritual-based contexts are still being developed.

The Field of Innovation Today
VCI brings a wholistic viewpoint to the forefront of innovative work

VCI evolves from ethics to human values as a basis for thoughts, words and action

VCI’s intent is to inspire, educate, empower and equip individuals, teams, and entire organizations to innovate to their highest human capacity

VCI puts everyday accountabilities for business performance into a perspective of “whole bottom line” results

Values Centered Innovation™ (VCI)
Innovation based in a wholistic, human values perspective can play a key role in bringing the wholistic context to its full maturity.

The models and language of values-centered innovation are geared toward a long-term approach, initially focused on the wholistic context, while evolving over time to the spiritual-based context.
Human values come from our higher human nature and are the positive qualities of good character inherent in human beings, as found across cultures and across time. They help us answer questions like “What would be a meaningful innovation?”; “How will we innovate?” and “Why are we innovating?”;

By tapping into humanity’s highest capacity for human values, we will be able to transform the current attitude of profit and consumerism to one of innovating in a way that serves the true needs of all.

**Importance of Human Values**
A wholistic viewpoint seeks to produce innovative results that create positive value for all stakeholders.

When you define business goals and measures from a wholistic context, it shapes what you innovate, how you innovate, and why you innovate.

By aligning innovation strategies to a wholistic intent, people are energized and mobilized to innovate to their highest capacity.

**Importance of a Wholistic Context**
VCI demystifies how innovation from a human values, wholistic perspective can be systematically practiced throughout an organization.

Curriculum for Values Centered Innovation™
Strategic intent is what drives the innovative energy, goals, priorities and measures in an organization.

**Importance of Strategic Intent**
Expanding Views for Strategic Intent

Spiritual-Based Context
Purity and unity of thought, word and action – reflected in external measures

Wholistic Context
Triple bottom line – financial, social and environmental

Humanistic Context
Heighten employee/customer satisfaction; share profits and stock ownership

Rationalist Context
Maximize profit and market share
Common innovation strategy for the rationalist and humanistic contexts:

Develop a new product that will expand our market share and profits while giving our employees a chance to create new scientific breakthroughs.

Philips developed an innovation strategy based in a wholistic context:

Philips used a collaborative process involving local NGO’s, entrepreneurs, self-help groups, and consumers to develop products that are environmentally friendly and meet the needs of the rural poor.

Example of a Wholistic Strategy
VCI puts the major goals of life and business into perspective, which re-contextualizes the goals and measurements for successful innovation.

**Harmony with Life**
(Dharma)

**Wealth Creation**
(At all levels – material, mental, emotional, spiritual)

**Highest Human Capacity**
(Human values)

**Desire for Achievement**
(At all levels – material, mental, emotional, spiritual)

Setting Goals and Measuring Innovation
Innovative thinking takes us beyond creative thinking and helps us to become aware of the different ways we can approach the innovation process.

By stimulating the innovative thinking of individuals and teams, we tap into the source of our innovative potential.
Expanding Views of Innovative Thinking

**Spiritual-Based Context**
People can co-create the future through their ideas

**Wholistic Context**
Every person can help generate systems solutions

**Humanistic Context**
Every person has ideas worth considering

**Rationalist Context**
Only some people have ideas worth considering
Common idea-generation goal for the rationalist and humanistic contexts:
What new business opportunities can we create using our current technologies?

DuPont took a wholistic approach to their idea-generation session:
How can Nomex, with its fire and water barrier properties, be used to solve some of the world’s problems that we are most personally concerned about?
Innovative Thinking Factors

What stimulates your learning at work?
- Current knowledge
- New knowledge
- Analysis
- Intuition

What engages your innovative thinking?
- Outcomes
- Possibilities
- Step change
- Leap change

What is meaningful to you at work?
- Intention
- Connection
- Action
In the 1950’s Japan was struggling to recover from World War II. In those days, “made in Japan” signified a low quality product.

Dr. J. Edward Deming, an American statistician, college professor, and consultant taught the Japanese about quality and in the process helped them to become an economic power, renown for innovative high-quality products.

The Potential of VCI – Learning from History
That breakthrough was not simply due to importing Western expertise.

An equally important factor was the Japanese culture itself – with its emphasis on:

- social cohesion, with respect for input from all
- hard work and discipline, with a strong tendency for perfection
- a willingness for self-sacrifice, putting community benefit above individual interest
The field of innovation today can be compared to the situation in Japan in the 1950’s.

There is the intelligence to produce world-class products and services, but the desire for profit and the need for continually-increasing consumerism has put us into a major crisis due to innovations that have negative social consequences.

The Time for VCI is Now
India has a vital role to play in transforming the field of innovation, drawing from its cultural strengths of:

- a strong, historical emphasis on human values to build virtue, character, and morality in society
- a strong spiritual heritage
- a tradition of inclusiveness of other cultures and beliefs
- a flexibility that can accommodate change and differences
- an aspiration to become a world leader
By transforming itself first, India can become a world leader for a wholistic, human values centered approach to responsible business innovation.

Like Japan, India’s opportunity requires bringing forth the strength of its culture, while tapping into the large body of innovation knowledge and experience from both the East and West.
“Innovation opens up new vistas of knowledge and new dimensions to our imagination to make everyday life more meaningful and richer in depth and content. What is required is a natural effort to exercise it in the positive direction. India with its billion people population – 30 per cent of whom are in the youthful age group – is a veritable ocean of talent, much of which may be latent. Imagine the situation when the entire sea of talent is allowed to manifest itself in path-breaking innovations! Our country can surely be a torchbearer of progress for the entire world.”

Honorable A.P.J. Abdul Kalam, Former President of India
“A developed nation has two components: One is the economic growth and prosperity, which is what the western societies normally look for. The second component is the preservation of civilisational heritage. In India, we have a heritage of values… We want to couple the economic prosperity and the human values, which is drawn from this civilisational heritage.”

Honorable A.P.J. Abdul Kalam, Former President of India
1. Given the four contexts of business leadership, how are each of the four contexts actually influencing innovation in the organization where you work?

2. How could you bring a more wholistic, human values focus to the innovative efforts where you work?

3. What part could you play in evolving the practice of corporate innovation in your home country?