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FRANCES HESSELBEIN
MARSHALL GOLDSMITH
RICHARD BECKHARD
RICHARD F. SCHUBERT

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CLAIRE L. GAUDIANI

Wisdom as Capital in Prosperous Communities

Claire L. Gaudiani, president of Connecticut College since 1988, is nationally known for advocating a stronger role for higher education in strengthening citizenship domestically and internationally. She has tripled the college's endowment, completed \$25 million in construction, and founded four academic centers considered models of interdisciplinary programs in the liberal arts. She cofounded the Joseph H. Lauder Institute for Management and International Studies at the Wharton School of the University of Pennsylvania. She has published widely; her seventh book, in progress, is about the wisdom tradition.

“Justice, justice shall you pursue that you may thrive and occupy the land”—Deuteronomy 16:20. For two hundred years, since the Industrial Revolution, we have spent capital to build strong communities. Through the 1950s, capital meant only cash. In the 1960s, economists urged us to treat “human capital” as an asset to be nurtured for profit. In the 1980s, sociologists noted that communities needed “social capital,” or a sense of belonging. In the

mid-1990s, Lester Thurow declared that knowledge, or “intellectual capital,” was a community’s most important resource. But our vision was still incomplete. We had overlooked the most important kind of capital, the kind that underlies communities just as a foundation keeps a great building from toppling. This fourth form is wisdom capital—the available store of thought collected over thousands of years that calls us to live in ways that sustain well-being for others. Especially in a time of expanding diversity, without wisdom capital and the values it sustains, we cannot have strong communities.

Wisdom capital is not dispensed by any treasury. It is the product of the wisdom tradition, where it is still vital. That tradition is handed down through stories retold from age to age, whether written or unwritten. It is stored in texts like the Bible, the Koran, the *I Ching*, and the writings of Confucius, Plato, and others. It is reflected powerfully in the founding documents of American democracy, such as the Declaration of Independence, which states that “all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.” It includes codes like the Hippocratic Oath that have stood the test of time and still make claims that are respected.

Across cultures and epochs, literature calls for justice, honesty, tolerance, compassion, generosity, self-discipline, and courage. The Golden Mean has been a reference point for centuries to help us find balance in our lives between wants and needs. The Golden Rule calls us to justice. Its reminder to “do unto others as you would have others do unto you” is a tenet of belief advocated throughout human history and across a vast variety of human cultures. The Ten Commandments advocate a set of good behaviors, and Maimonides’ Eight Stages of *Tsedakah* (the Hebrew word for charity) reminds us that the highest form of charity is a partnership—not a few dollars tossed begrudgingly at someone.

Uninformed by the wisdom tradition, data, information, knowledge, intellect, expertise, strategies, and even family or social groups

can be organized to exploit, degrade, or violate. Communities may be social, political, economic, religious, generational, or geographic, but what makes a community is its common commitment. Wisdom capital is a community’s common ground. It is the measure against which the goals of individuals and the community are tested. It guides us toward what we should do and who we should be.

A Break in the Chain

Just as money hidden under a mattress and untouched is not really capital, so the wisdom tradition remains dormant unless it is relearned by each succeeding generation. Sadly, over the past fifty years, we have allowed the chain to be broken.

This tradition was once offered to children, along with their parents, in church and synagogue. It was learned in schools, where events such as the daily pledge of allegiance, weekly sports events and assemblies, and annual graduations provided an opportunity for students to affirm a connection to ideals in general and to the wisdom tradition in particular. Children watching their parents in prayer or at Memorial Day parades saw that they acknowledged a center of importance beyond themselves and perhaps even beyond their family.

Lacking these personal experiences when they were young, many adults operate today as though they are the only center of importance and they raise their own children with this fundamentally selfish orientation. As colleges dropped required courses over the past thirty years, their decision meant that even well-educated elites have been able to graduate from college without a specific, in-depth investigation of the human wisdom tradition. Many are now unable to imagine a center of importance outside of themselves. They have no allegiance to country or faith that would draw them to imagine personal sacrifice for a greater goal than their own gratification.

In a masterly survey of America at century’s end titled *The State of the Nation*, Derek Bok, the former president of Harvard University,

reviewed the changes in American life from the 1960s to the 1990s. Although much has improved, he noted, from per capita income to home ownership, one area has worsened: personal responsibility. From a rise in crime to a drop in income given to charity, from a decrease in community service to an increase in cheating on exams, the available evidence suggests that we are less connected to ideals lying outside of ourselves. Children of wealth and children of welfare believe that rules should be broken or redesigned for them, and they increasingly threaten legal action if their personal demands are not met, so important are they to themselves. Fragmentation in the inner cities and anomie in the suburbs, where economic prosperity would suggest optimism, both show the need to recover the wisdom tradition and its beneficial effects.

Fortunately, we are finally taking notice. As Bok remarks, "Opinion surveys rank moral decline among the most important non-economic problems facing the nation." Institutions are beginning to respond. Hundreds of school systems are initiating character education. Many colleges are reconsidering general education with an eye toward teaching more of the wisdom texts and traditions to all students. Foundations like the John Templeton Foundation are encouraging these moves through both funding and recognition of institutions that support this trend. More than 90 percent of the Fortune 500 companies have codes of ethics.

No community can depend on the constant presence of police to stop crime. Communities must depend on voluntary compliance, which in turn is based on a shared understanding of the common values that have been developed over thousands of years of human experience. Values, however, are not dispensed in vision statements distributed by memoranda to employees, or built around a slogan for a town or city. These efforts are rarely related to anything outside the organization or larger than short-term material objectives, so they often provoke cynicism. Having a vision and a mission is not enough: people will begin to listen when they are connected to something larger than themselves, a corporation, or a political party.

When they stand outside of innermost ideals, they fail. Texaco was featured in a 1994 Conference Board report for its strong diversity policy, but as subsequent revelations showed, these ideas were evidently not deeply held by some influential employees.

The critical work for those who will lead the communities of the future will be to rediscover the high principles of the wisdom tradition expressed across the faiths and absorbed into constitutions, and to learn them as a way both to confirm what we have in common across time and geography and to honor the diversity present in our workforce and communities.

Wisdom Capital: Uniting a Changing Community

Our changing makeup as a nation makes the need for wisdom capital all the more urgent. In the past, groupings of people were generally more homogeneous: the neighborhood was mainly Irish or German or African-American. The firm was mainly Jewish or Protestant. The club was mainly one group or another. The new reality is that success in the future will be tied to effective deployment of diverse human resources. The U.S. Department of Labor forecasts that by the year 2000, more than half of the new entrants into the workforce will be members of minority groups. What replaces the commonality that was once based in ethnicity, religion, race, or national origin? The principles human beings have held and shared for millennia. The wisdom tradition is a major untapped source of capital with which communities of the twenty-first century can create a common commitment among very different people working together.

Successful communities share a common story and a common set of beliefs as much as they share a common set of goals or activities. Their members share a way of thinking, a value system that enables them to predict and usually respect one another's actions. In Portland, Oregon, drivers from two streams of traffic who enter a narrow bridge carefully alternate with each other; violators are loudly

honked at and embarrassed. Newly arrived citizens of Minneapolis-St. Paul share in the Twin Cities' reputation for philanthropy and good citizenship. This reputation becomes a commonly shared asset because everyone knows the story.

In the wake of the patriarchal or military model, authority in communities and organizations will increasingly reside in the assent of the membership. The wisdom tradition has the best chance to be the bond that can unite different people. It also has the best chance to stand as the authority outside the demands of the present moment.

New Structures, Old Wisdom

As communities and companies struggle to forge new relationships among citizens, two trends are converging on the workplace: (1) a decline in trust and respect for professionals and (2) a flattening of hierarchies. Lawyers who were once held in some regard now regularly fend off shark and roadkill jokes. Doctors are criticized, second-guessed, and sued by their patients. "Politician" has become a term of near derision. The workplace is also becoming more democratic. As the workforce has become more involved in planning and decision making, people with very different educational levels and responsibilities have started working together in teams. The hierarchies that shaped the past are less powerful today, and even the status associated with dress has been democratized with the advent of "casual Fridays."

With professional ethics so often in question and rising respect for individuals at all levels of work, old stereotypes are falling. Each person, whether the CEO or a mail clerk, has an equal chance to earn the respect of coworkers—or lose it. A good contributor is a highly respected asset regardless of his or her professional status. Qualities of the spirit are becoming as powerful as qualities of the intellect in this new egalitarian environment. People who are fair, courageous, honest, compassionate, and patient enable teams to

access more of their members' assets in less time than people whose personal characteristics become part of the challenge to the group's progress. The wisdom tradition lifts these traits into ideals for all.

Prosperity and the New Community

Wisdom capital is the precondition of a stable society. It may also be the precondition for a prosperous society. New research suggests that wealth grows more quickly in corporations, communities, and countries where trust, one of the products of wisdom capital, is strong. Stephen Covey, in his book *Principle-Centered Leadership*, urges corporations to focus on enduring values. He notes that workers who are facing a vast array of new situations under tight deadlines need a strong, internal moral compass rather than a map for every situation. As Covey concludes, "Ultimately the successful implementation of any strategy hinges on the integrity people have to the governing principles and on their ability to apply those principles in any situation, using their own moral compass."

Studies indicate that shared values reflecting the lessons of the wisdom tradition enhance performance. In *Leading People*, Robert Rosen reports that corporations on the Domini Social Index (those that seek community involvement and respect for the environment along with quality and good employee relations) outperformed the Standard & Poor's Index in the first half of this decade, gaining 70 percent in value compared to 58 percent for the Index. The Saturn automobile plant—an experiment in treating workers as members of a community—is another example. "If you involve people in decisions that affect them, you get better decisions and decisions that are implemented faster. And you get a successful enterprise," Skip Lefauve, president, told Hedrick Smith, who quotes him in *Rethinking America*.

Finally, no less an authority than W. Edwards Deming, the founder of the international quality movement, says that no corporation can do without values. "Trust is mandatory for optimization

of a system. Without trust, there cannot be cooperation between people, teams, departments, divisions. Without trust, each component will protect its own immediate interests to its own long-term detriment, and to the detriment of the entire system," Deming writes in a foreword to John O. Whitney's *The Economics of Trust*.

The lesson of the wisdom tradition may also apply to whole countries. Robert Putnam, a Harvard University political scientist, reported in his book *Making Democracy Work* that the northern region of Italy was more prosperous than the southern region because its citizens acted more like members of a community. They volunteered more, helped found hospitals, sang together more, and played together in soccer leagues. The resulting trust allowed businesses to be formed more effectively and allowed government to function more smoothly. Putnam stood today's conventional wisdom—that prosperity produces cooperation—on its head. Instead, he argues for a more profound lesson: the habits of cooperation reinforced in the wisdom tradition create prosperity. Those shared values, argues Francis Fukuyama in *Trust: The Social Virtues and the Creation of Prosperity*, also create the conditions for prosperity. "It is no accident that the United States, Japan and Germany were the first countries to develop large, modern rationally organized professionally managed corporations; . . . in each of these societies there was a high degree of trust between individuals who were not related to one another."

Trust, like reputation, must be earned by members of a community, whether it be a town, company, or volunteer fire department, through their actions. People will act unselfishly when they are conscious of centers of significance outside themselves and conscious of the ideals that have made our society possible. The wisdom tradition provides the connection.

As author and law professor Stephen Carter has noted, leaders and ordinary citizens have taken great pains to avoid talking about wisdom, ideals, and values, all in the hope of not offending members of their community. That posture is clearly wrong. By talking

about values in the context of the texts that have guided human life through the centuries, and then living them, we have an opportunity to build communities worthy of the name. Learning the wisdom tradition will never be a guarantee of ethical behavior, or of success. Between ideals and practice stands the hardest work, and as the saying goes, "The devil is in the details." But without the moral compass the wisdom tradition provides, I am convinced that the bedrock of our communities—the set of shared values that inspired the embattled farmers who created this nation—will continue to wither away. By replenishing our national store of wisdom capital, we can strengthen our communities and come closer to fulfilling the ideal with which I started: "Justice, justice shall you pursue that you may thrive and occupy the land."

Building the New Community

The wisdom tradition comprises the texts, stories, and sayings that have created an ever-improving quality of life for the people who minded them. Focusing on statements around justice, compassion, and self-discipline, they are the nourishing factors in what can be a challenging dynamic between the individual and the community. Following are some suggestions for building understanding of the tradition and implementing its precepts.

- Cynicism is the great enemy of future communities. Make every sacrifice necessary to sustain community members' faith in the core values found in the wisdom tradition and how they are lived in good times and bad.
- Having benefits policies is not enough. Write them in ways that allow them to be used equitably by all members of the community. A corporation's child care plan that no one can use out of fear of disapproval serves little use except to create cynicism that, once sown, is difficult to uproot.

- Expose new arrivals to the highest aspirations of the new community, to the heroes and heroines, the values, the history, and the sayings.
- Tell the stories of community members in meetings planned so that everyone can attend. These stories illustrate the shared values and experiences of the community and their connection to the wisdom tradition. Members will find unexpected bonds of aspiration and ideals.
- Make progress a partnership. The structure of the Grameen Bank, which pioneered microlending, illustrates how social, political, and economic progress can be a respectful partnership among people of different income and educational levels.
- Make learning and teaching a continuing part of the community's life. Develop opportunities for the community to learn the wisdom tradition as it is expressed in diverse cultures, giving members the chance to illustrate their own relationship to their own parts of the tradition as the courses proceed.
- Create teams to develop and teach local history in interesting ways, using the expertise of historians and storytellers. Offer training to citizens who are interested in presenting the history of their own ancestors as they settled in the local area. Find ways to present this material on cable television, at local colleges and universities, and as a part of civic celebrations.
- Make humane skills like negotiation and mediation, listening, and team building available to all members of the community.

- Encourage everyone to act as spokespeople. If the values and actions of the community are widely shared, everyone is a spokesperson.
- Build esprit de corps by believing the best of everyone. In weak-spirited communities, any failure or disappointment is a confirmation of the inadequacy of the organization, its leadership, or its fellow citizens. In strong communities, such reversals are seen as anomalous and bring sympathy and support.

“Men are qualified for civil liberty in exact proportion to their disposition to put moral claims on their own appetites. . . . Society cannot exist unless a controlling power upon will and appetite be placed somewhere; and the less of it there is within, the more there must be without.”

—Edmund Burke, “Letter to a Member of the National Assembly,” from *The Works of the Right Honorable Edmund Burke*, 1899.