The arrival of corporate spiritual governance

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with

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Abstract

Focus on management and leadership in business has shifted from profit maximisation to good corporate citizenship. Responsible corporate governance is now a hot leadership topic. Corporate governance is a key function for the health of the organisation, but it also impacts on the health of society, the economy and the environment. There is an urgency for implementation because the earth is more fragile than ever before – ecologically, socially, economically, politically, and spiritually. Our world is fraught with interlinked tensions, discontent, dis-ease and risk. Alongside these mega - sustainability challenges, the unravelling of values is the order of the day – witness the numerous disconnects between stated values of organisations and actual behaviours. Employees then become disenchanted and disengaged. Customers lose trust.

Recently we have seen a stampede by corporations to establish their public credentials, including claims to having a higher purpose. Some commentators speak of a new 'purpose economy'. This rush has been fed in large part by research showing that benefits to reputation and profit may be expected. Joining the purpose economy is not necessarily based on purity of motive. Our belief is that the spiritual dimension, identified as a strongly emerging trend, should be added to future governance practices, and be comprised of:

- Raised leadership awareness, commitment and practices

- Conversion of meaningful values to character virtues deeply imbedded in organisation culture

- An approach to sustainability/regeneration that rests on deeper mindfulness, future orientation, savvy decision parameters, and a new, more effective approach to steering change

- Suitably developing the board members of the future.

Key words:

Spirituality	Corporate Governance	Conscious Leadership
Sustainability	Stakeholder Value	Systemic Thinking
Purpose	Integrated Thinking	Values
Virtues	Employee Engagement	Customer Retention
Servant Leadership	Mindfulness	Transcendent Governance
Transformation	Business Ethics	Board Oversight

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Figure 1: Chairman of the Board. Drawing by Tony Grogan

"*The frog does not drink up the pond in which it lives*" – Sioux proverb

PREAMBLE AND FRAMEWORK

Think of a board of governors at a school, arts institution or corporation, and the idea that occurs is often of a powerful, controlling, disciplining, supreme ruling authority.   An authority that looks after its own interests.   Stakeholders are demanding that this paradigm changes as corporate governance gains more attention. "*Whereas the 20th century might be viewed as the age of management, the early 21st century is predicted to be more focused on governance*". (McRitchie, 1999)

This article is written out of a conviction that corporate governance is an absolutely key function for the health of, not only the corporation, but for society, the economy and the environment, on a global scale. "*Leaders, policy makers, and development professionals often worry that well-intentioned policies designed to improve the lives of their communities will fail to deliver results. The answer put forward in this year's World Development Report is better governance - that is, the ways in which governments, citizens, and communities engage to design and apply policies*". (World Bank Group, 2017)

Two trends coming together to shape stakeholder and public expectations are:

>(1) sustainability/ regeneration and the 'triple bottom line' - an acknowledgement of shared interests and linked destinies

>(2) integrated thinking which is taking hold and helps to negate selfish corporate-centricity, and restore trust in leadership.

Governing bodies need to acknowledge these trends and add a spiritual leadership dimension to their activities as the only sure way forward. Patricia Aburdene says that a focus on spirituality in corporations is fast becoming "*today's greatest megatrend*". (Aburdene, P, 2007). Dividing lines between the so-called 'secular' and 'sacred' are unhelpful. Spirituality is not determined by whether your religion is Zeus or *Deus*. A courageous new approach is required for us to move forward deftly – from scared to sacred.

Most of all, all-powerful, heavy-handed, old-school control can and should be replaced by a

governance style that steers gently but firmly, with justice and fairness. So that, as Cicero had it, "*He that governs sits quietly at the stern and scarce is seen to stir*".

Spiritual leadership within corporations may come from different religious traditions, but spirituality is not synonymous with religiosity. For example, Bereket in Turkey successfully follow four interlinked streams to serve the common good. Each stream is balanced to ensure practicality. They are spiritual depth, ethical sensitivity, positive engagement and community responsiveness. (Karakas & Sarigollu, 2013) And Starbucks found that spirituality enhances performance and benefits customers, employees and other stakeholders. (Marques, 2008) The focus of this article, following the framework below, is to advocate spiritual governance at board level.
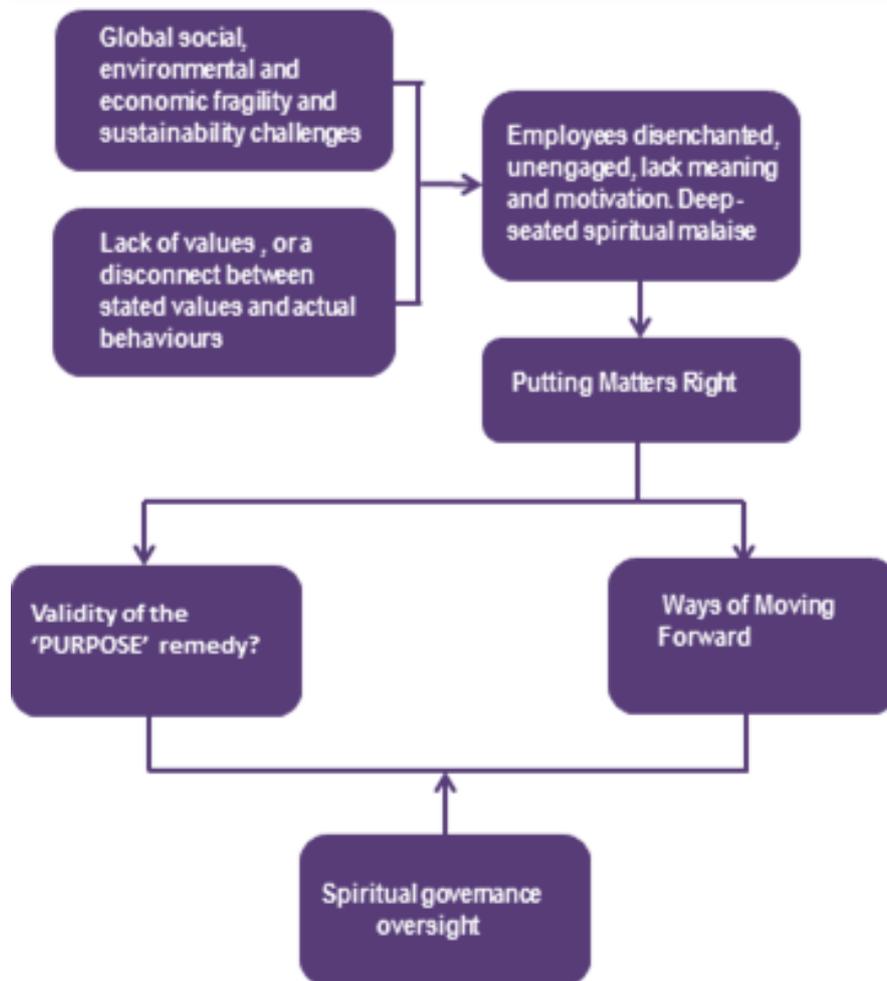

Figure 2: The framework for this article

Many leaders shy away from the mere mention of the word 'spirituality' – especially in a hard-nosed 'business' context. What will emerge in this article is an understanding of spirituality that could gain traction with leaders, and a view that spirituality promotes and fosters:

- an internal focus and an outward execution
- a transcending world view that calls forth a higher purpose, and rises above religion, culture and ethnicity
- a deep appreciation of our interconnectedness as a context of existence

- an "other" orientation. The desire to serve others, society and the environment
- the development of positive principles and character virtues, a mature ethics and morality in action (purity of heart).

Spirituality is about the whole person. When we're spiritual we think, feel and act differently and congruently.

Until such time as spirituality and spiritual governance is more entrenched, some backlash is expected.

> *When Beethoven wrote his Eroica symphony he was going deaf. The symphony is full of passion, protest and despair. He conveyed what he felt, being alive and human. The Eroica was pooh - poohed by the musicians of his day. But their contempt was misplaced. They were proven wrong, and Eroica changed our notion of what a symphony was.*

In a small way our hope is that at least some readers awaken to the veracity of spiritual governance, and instigate the necessary conversations and actions in their organisations.

SUSTAINABILITY CHALLENGES ARE ENORMOUS

The earth seems more fragile than ever before – ecologically, socially, economically, politically, and spiritually. Our world is fraught with interlinked tensions, discontent, dis-ease and risk. Too often we hear about climate de-stabilisation, natural disasters, war, food and water shortages, extreme poverty, species extinction, protesting communities, jittery markets, waste, pollution, degradation, depletion, inequalities, deprivations, migrations, trafficking, exploitation, modern-day-slavery, health hazards, education gaps, income-inequality. "*Scientists maintain that "humans are eating away their own life support systems at a rate unseen in the last 10, 000 years*". (Milman, 2015)   Inaction is as bad as wrong action, omission is as serious as commission, so as one example: our failure to counter anti-microbial resistance is an offense against our sustainability/ regeneration efforts. Other examples abound.

VALUES REMAIN UNDER PRESSURE

Alongside these mega sustainability challenges, unravelling values are the order of the day. At the individual level we seem more interested in pleasure, performance, possessions, power, pride (all extrinsic values) than we are in personhood, presence, (higher) purpose (and actualisation), people (other-orientation), and potential (intrinsic values). In many ways we appear to be collectively bent on self-destruction. In government and in business, corruption, fraud, cheating, destruction are prevalent. In a sense, society is sick.

The majority of organisations choose and pay lip-service to safe, threshold values – values that everyone in business should have anyway! (Values like integrity, responsibility, accountability, respect). And there are numerous disconnects between these stated values and actual behaviours. Prominent, 'principled' organisations readily claim a higher purpose and sound values, and when things go wrong their typical response-pattern is avoidance, denial, naming and blaming, concession, a promise to fix what is broken, then business as usual.

One does not have to think back too far to recall Banks that have rigged currency rates and chased excess profit because of the 'banking culture', oil companies responsible for a major ocean spillage after carelessly pushing the boundaries of safety, coffee makers using aluminium pods, water bottlers

who will raid and deplete a community's underground water supplies (and leave an unwanted plastic legacy as well), car manufacturers who design software to cheat emission tests, a fast-food retailer pirating unsustainable palm oil, the furniture manufacturer who fiddles "forestry stewardship" figures, or the consumer goods marketer who uses plastic microbeads in its cleansing and toothpaste products (justifying this on the basis that the larger plastics are a bigger threat to ocean pollution, and that their customers enjoy using their products!)

In all of these instances values have not been converted to character virtues, nor have they become an integral part of corporate culture. It could be argued that whatever values these corporations espouse, profit maximisation and growth at all costs remains their real core value.
Unlike the lizard that sheds its tail and is able to regenerate it, organisations don't rebound quickly from value: behaviour disconnects. Rebuilding trust and reputation is not a quick fix. (Williams et al, 2015)

EMPLOYEES ARE DISENCHANTED

In countless surveys, employees report losing trust in their leaders, and organisations are searching for the secret to attracting talent and fully engaging employees. "*Unfortunately, many organizations require or encourage individuals to act in ways contradictory to their values, in effect separating their spiritual values from their work, and resulting in…. 'the divided soul of corporate America'*". (Mitroff & Denton, 2012)

Eleanor Roosevelt pointed out, "*when you adopt the standards and the values of someone else you surrender your own integrity. You become, to the extent of your surrender, less of a human being*". (Roosevelt, 2011) Many employees feel that *"There must be more to life than to be a cog in someone else's great machine, hurtling God knows where*". (Handy, 1994)

The lament of so many employees (who are of course also citizens who interact with other citizens) is that although they are increasingly aware of the People, Planet, Profit challenges that we face, they feel overwhelmed and unable to effect any meaningful change themselves: 'Apart from signing petitions, doing a few little things to reduce our own carbon footprints, and donating the little that we can afford to good social causes, we feel powerless. We can't make a worthwhile contribution to the fight against the huge social, economic and environmental issues that we are continuously exposed to. This is the case in our private and work lives'.

"*Caroline Myss has found that people often don't understand their purpose in life, which has led to a spiritual malaise of epic proportions. This metaphysical disease in turn leads to depression, anxiety, fatigue, destructive relationships and eventually physical illness*". (Myss, 2001) Employees want and need to be involved. When people have and can articulate a meaningful purpose, then they are far more liable to engage.

Jungian therapist Thomas Moore points to work as probably the most unconscious of all of our daily activities, yet potentially the most important soul component of our spiritual lives. (Moore, 1994)

Zohar & Marshall have made a well-researched case for far greater recognition of spiritual intelligence, which integrates intellectual, emotional, social and other intelligences and puts them into a context of 'meaning'. (Zohar & Marshall, 2000) They argue compellingly that 'spiritual capital' adds *"moral and social dimensions to capitalism….*and is*…a vital component of sustainable capitalism; and of the sustainability of individuals and organisational functioning within an open, capitalist society*". (Zohar

& Marshall, 2004)   It is worth noting again that the concept of spirituality is often misconstrued. In *The Virtuosa Organisation* a full chapter is devoted to '*A Mind-set for Making the Most of the Mundane*'. (Williams et al, 2015) Thomas Moore shares that his own spirituality is enhanced by the "*notion of multiple sources of spirit, which has the added virtue of finding spirituality in every aspect of daily life, without exception…… If spirituality isn't concrete and a part of every aspect of daily life, it isn't worth more than a good idea*". (Moore, 2006)

> *Once in an old medieval city there were three bricklayers hard at work on the same building. A man walking past asked each of them what they were doing. The first man answered gruffly, "I'm laying bricks." The second man replied, "I'm building a wall." The third man looking up answered enthusiastically "I'm building a Cathedral".*

Most employees we encounter would prefer to move from Job (income-driver) and beyond career (status), to calling (purpose) as a spiritual participation in the economy.

PUTTING THINGS RIGHT, AND THE JUMP TO A 'PURPOSE REMEDY'

The majority of business leaders now acknowledge that the destiny of business is interlinked with that of society, the economy and the environment, and of course business is a powerful force for leading the way in putting things right. For too long has business neglected its full leadership role in sustaining and building a better world.

There has been a sudden stampede by corporations to claim having a higher purpose. This stampede has been fed by fear of penalties of (legal) non-compliance and unfavourable public pressure, acknowledgement of the performance, reputational and resource benefits associated with those having a higher purpose, and to some extent a level of authentic motivation. (Williams, 2016) The stampede shows no signs of abating.

Many are starting to say that the 'purpose economy 'has arrived. Having a purpose related to the triple-bottom-line is fast becoming the new norm. **In the UK, The Tomorrow's Company together with the City Values Forum, supported by the City of London Corporation, have published** *Governing Culture: Risk and Opportunity? – a guide to board leadership in purpose, values and culture*. **This not-for-profit think tank has influenced (amongst others) the South African King IV integrated thinking approach to governance. Mark Goyder, The Tomorrow's Company Founder and Chief Executive** has commented, *"For too long the high priests of shareholder value have told us that we must worship at the altar of financial analysis. Now, at last, after Enron, LIBOR, Volkswagen and others, boards and investors alike recognise that what most threatens shareholder value is to neglect the purpose, values, relationships and the human side of a business". (The Tomorrow's Company & City Values Forum, 2016)*

GlobeScan have established that consumers (62% of respondents in 21 countries) expect companies to demonstrate purpose and go beyond the profit motive. (Greyling, 2016)

There are some doubts and concerns about the sincerity and intentions of some firms that claim to operate from a higher purpose. Are they wolves in sheep's clothing, proclaiming a purpose but interested only in profit, pretending to be driven by the common good yet feeding self-interest? So-called *Green Giants*. (Williams, 2015)

"….They give people a 'higher purpose' through their brand. The companies may congratulate themselves that they are serving a higher purpose but this is basically the commercial exploitation of spirituality"… and … *"… has a corrosive effect on our understanding of personal identity and on our sense of the sacred. Even our souls are now consumerised, and marketing is destroying people's spiritual imagination … great corporations now inhabit our imagination, the place where greed is generated"*. (Jamison, 2009)   Echoed by, *"scholars have also expressed suspicion about the spirituality in the workplace movement, arguing that it can be used as a way to manipulate and exploit workers to fulfil the selfish or materialistic objectives of some business owners".* (Cavanagh & Bandsuch, 2002*)*

Time will tell. In some cases our self-interest and lower natures will prevail, with profit- maximisation and growth being the real goals – driven by greed, fear, vanity, apathy, or a belief that being 'pragmatic' trumps being principled.   We will continue to harm:

- the economy (Financial services manipulations of exchange rates, corporate tax fraud, accounting 'errors', money laundering, bribery and corruption, excessive executive pay and bonuses)
- society (Child labour in clothing manufacture supply chains, unfair trade deals with indigenous farmers, withholding of genetic, low cost medicine from needy populations, allowing sacred tribal land to be allocated for commercial purposes)
- the environment (vehicle emissions, mining/extraction activities, oil and chemical spills/leaks, ocean pollution and space debris, waste)

Disconnects between stated higher purpose and actual on-the-ground behaviours are unlikely to diminish, in the same way as there are ongoing values and behaviour disconnects.[5] Savvy staff *will* realise that they have been conned, with clear downside consequences for the organisations in question.   Others will thrive.   An oft-told Cherokee legend:

> *A boy confides in his grandfather that a big fight is raging inside – like a battle between two wolves. One is bad, the wolf of anger, greed, lust and pride. The other wolf is good – generosity, compassion, self - control and gentleness. "Which wolf will win?"*
> *The wise grandfather replies, "The one that you feed".*

"*Patagonia is an example of a brand with a purpose that goes well beyond making money*". (Hogan, 2012) Founded in the 1960s by Yvon Choulnard, these sellers of outdoor apparel are passionate about clear, simple, intentional and mindful thinking and living – and have become famous for putting the environment first. Shared Purpose should be concise, clear, relevant to operations and the firm's interface with their environment, society and economy. Consider the depth, span and durability of Patagonia's environment – first purpose.   They use organic and recycled material, are deeply concerned for animal welfare, nature, best (environmentally and socially-friendly) manufacturing practices, fair trading arrangements and much more. A percentage of sales is given to environmental organisations.

Their "*five "Rs" strategy – reduce, repair, reuse, recycle, and re-imagine – has pioneered in the entire consumer goods industry. Chouinard committed Patagonia in 1986 to donate 1% of sales or 10% of profits (whichever was greater) towards environmental causes. In 2002 Chouinard co-founded "One Percent for the Planet" to encourage other companies to contribute at least 1% of sales towards environmental causes. By 2012 it had more than 1,200 member companies across 48 countries and had donated more than US$100 million to over 3,300 nonprofit organizations*". (Szekely & Dossa, 2015) Patagonia CEO Sheahan recalls a financial crisis and facing a likely layoff of 150 employees. His wife

asked him one night: "'*Are you making this decision from a place of fear, or from a place of love?*'". He found ways to reduce costs without making people redundant, went through a difficult period, but "*The subsequent years have been the most successful ever". Currently for every job opening, Patagonia gets about a thousand applications".* (Gelles, 2015)

Purpose as an expression of intent, a way to engage employees and a way to put things right has unarguable merit provided that motive is pure. It applies all the way from the floor cleaner to the Board Chairman. The ancient Indian sage, Patanjali, reminds us what can happen from the inside out (at individual and organisational levels): *"When you are inspired by some great purpose, some extraordinary project, all your thoughts break their bonds; your mind transcends limitations, your consciousness expands in every direction, and you find yourself in a new, great and wonderful world. Dormant forces, faculties and talents become alive, and you discover yourself to be a greater person by far than you ever dreamed yourself to be". (Rutte, 2006)*

Purpose is the place where Boards should start, and businesses should simultaneously move forward on this and other fronts.

MOVING FORWARD: EMBRACING CONSCIOUS CAPITALISM®

There is no need to reinvent the wheel. Conscious Capitalism® rests on the four principles of:

- A Higher Purpose related to the triple-bottom-line that energises its stakeholders
- Creating value for and with its interconnected stakeholders
- Leadership that embraces a particular culture, consciously and intentionally
- A Culture that incorporates and lives the purpose, principles and values, and forges bonds between stakeholders (Conscious, 2016)

Fred Kofman Director of the Conscious Business Center at Universidad Francisco Marroquín, Guatemala is the author of a book explaining (to quote from Ken Wilbur's foreword) that "*Conscious business means finding your passion and expressing your essential values through your work*". (Kofman, 2006)

We believe that this approach can be further enhanced. Organisations could take steps to convert their well-chosen values into character virtues, supported by behaviour indicators. This activation of values not only prevents values: behaviours disconnects, but supports purpose and provides intrinsic motivation. (Williams et al, 2015)

There are numerous elements of leadership theory, models, styles, skills, traits, approaches, processes and practices that fit with conscious leadership. They need not be discarded. However, the defining leadership elements that we believe deserve prioritization are (Williams & Rosenstein, 2016):

- **Deeper mindfulness**. Mindfulness was adopted from ancient spiritual traditions to contribute to the addressing of current day stress, cognitive and psychological challenges. By definition this excludes a focus on its historical validity for establishing purpose, building spontaneous ethical responses and behaviours, and accepts the notions of interconnectedness, and developing and expressing compassion. Thankfully researchers are now exploring these aspects. The mindful person is aware of the interconnectedness of all things physical and social, conscious and unconscious, and this informs her thinking, feeling and acting. Meditation and reflection have been shown to develop mature ethics, clarity of purpose, a

capacity to handle ambiguity and paradox, and transcendence, caring and compassion. Shaka Zulu spent hours "*alone, gazing into the distance with glazed eyes, thinking*". His nickname became "*the Zulu with Eyes Stuck eZulwini (in the heavens)".* (Madi, 2000)   *"The essence of compassion is the desire to alleviate the suffering of others and to promote their well-being. This is the spiritual principle from which all other positive inner values emerge".* (Dalai Lama, 2011)

Figure 3: It's easy, really (Photograph by Regardt Kenny)

- **Future orientation.** This conscious focus includes scenario planning, and an intention to provide for the needs of, and build legacies for succeeding generations. These generations don't yet exist, so we don't automatically know their needs. American philosopher John Rawls' principle is that if we act with justice in the present generation, this will be inherited by future generations (Rawls, 1999). Future orientation develops a capacity to manage current complexities and adopts a better perspective for decision-making. The alternative is to remain on the treadmill of the 'urgent', the deadlines, the controls and short-term thinking. Future orientation moves one to becoming future-fit (in respect of purpose, values, processes, people, technology and measures) even though many unknowns remain.

- Considered and **collaborative decision – making.** This brings both pause and rationality. It brings diversity of viewpoints, and non-dual thinking to the decision-space (a context occupied by the organisation and its important stakeholders – increasing in number due to increasing sustainability interests and concerns). Pause allows for the wise consideration of different discourses or stories describing a particular issue, including paradox – where the way forward is not clear-cut but blurred. Pause also allows the accessing of rationality when emotion may be at play.

- A savvy approach to **Change.** A conscious effort to embrace change deeply, to engage with the process and its implications, and to incorporate its very nature into the heart-beat of the organization, brings untold benefits – the discord and continual 'uphill battles' are removed

and this wasteful energy is freed and available for more contributory activities. By employing new techniques from neuroscience, behavioral economics, narrative sharing and listening (Ubuntu processes) – participation and ownership results. Intrinsic motivators (meaning, satisfaction, belonging, sense of success) are triggered, and result in an organisation's increased resilience and agility.

These elements combined – deeper mindfulness, future orientation, considered and collaborative decision-making, and a savvy approach to change – are indicators of what is being called "*system leadership*". (Senge et al, 2015)   These elements call forth authenticity and lots of honest, searching inner work. "*It takes true transformation to allow you to look at yourself from a bit of distance—with some calmness, compassion, and the humility and honesty to know that you don't know*". (Rohr, 2016)

It is evident that there is "*is a clear consistency between the values (in the sense of established ideals) and practices emphasized in many different spiritual teachings, and the values and practices of leaders who are able to motivate followers, create a positive ethical climate, inspire trust, promote positive work relationships, and achieve organizational goals. These spiritual values and practices also allow leaders to achieve organizational goals such as increased productivity, lowered rates of turnover, greater sustainability, and improved employee health". (Reave, 2005)   Efiong Etuk insightfully draws attention to the *emerging and gradually spreading concept and practice of Spiritual Leadership. (Etuk, 2015)*

Having argued for the adoption of genuine purpose, the principles of conscious capitalism supported by concretised virtues and system leadership, here are ways forward for spiritual governance, under the following headings:

- Desirable characteristics of Board members
- The scope of their oversight
- Required mind-set
- Suggested modus operandi.

MOVING FORWARD: CHARACTERISTICS OF BOARD MEMBERS

Related to sound corporate governance, the Reave study "*breaks down measures of* (Spiritual) *leadership success into three categories: those related to followers, those related to groups, and those related to the leader as an individual* (Reave, 2005):

- *In the area of followers, six measures of success have been identified: follower satisfaction with the leader, follower retention, follower ethics and ethical behavior, and finally, organizational citizenship behaviour (OCB).*
- *Measures of leader success relating to groups were further broken down into three categories: productivity or performance outcomes, corporate sustainability, and corporate reputation.*
- *Measures related to the leader's success as an individual were similarly broken down into three categories: leader motivation, relationships with others, and personal resilience".*

(There is energy in story, and story spans each of these areas of leadership success. There are many stories to be told – but that is the subject of another paper).

Clearly, *doing* and *being* need to be balanced. (Williams & Rosenstein, 2016)   As does the spiritual and the commercial. Conscious leaders are contemplatives in action.   Humble, and effective.

"One dramatic example of the effect of contemplative practice on managerial effectiveness is provided in the experience of leaders in the Great Bear Raincoast Conservation movement in Canada". They were trying to halt unregulated logging of old forests. *"Suffering from burnout caused by years of struggle, stress, and angry confrontations, the leaders had learned to practice meditations of loving kindness for themselves. Then it occurred to them that instead of using their usual confrontational approach, they could use this exercise to extend kindness toward the logging executives in the negotiations as well...."* The negotiations became relaxed, solution-based. The valleys were saved. (Weaver & Arajs, 2002)

MOVING FORWARD: THE SCOPE OF SPIRITUAL GOVERNANCE OVERSIGHT

The King Report is the 'bible' of corporate governance in South Africa. It is a good, forward-looking model that could be better applied in South Africa, and could have lessons for other parts of the world. The fourth version was released 1st November, 2016. Ansie Ramalho, leader of the King IV task team says that "... *good corporate governance practices help any organisation improve its ability to sustain itself and the social and environmental context in which it operates*". (King, 2016) The King IV Report promotes integrated (or systemic) thinking and dealing holistically with the six capitals used in organisations. (The International, 2013)
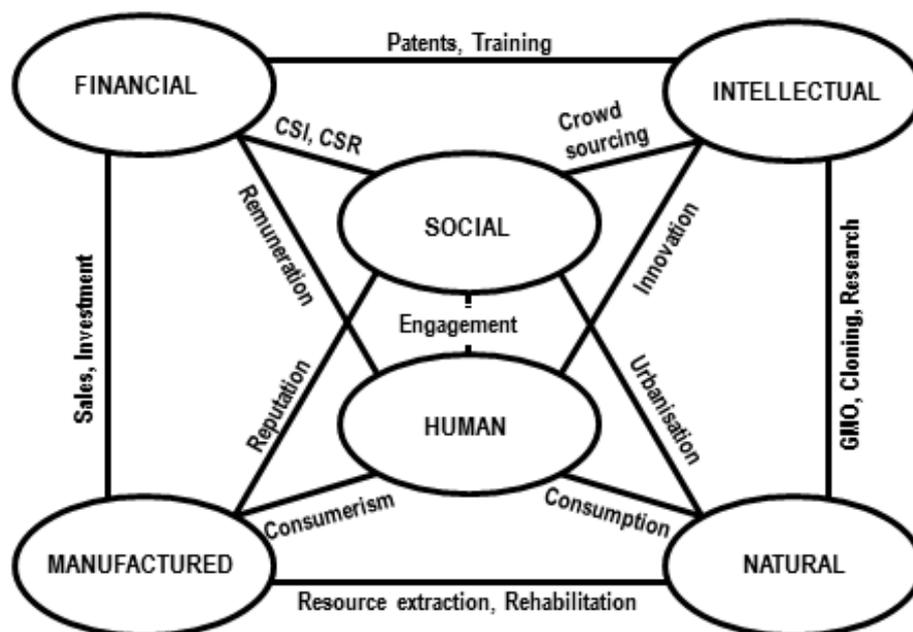

Figure 4: The six capitals and integrated thinking

The model shows how the different capitals relate to and influence each other. Sometimes there may be tensions and trade-offs between capital usage, and sometimes synergy between capitals results in non-dual decision-making. Boards are continuously evolving. Their performance relies on them navigating the tensions between the various capitals: They are straddled between the push of market trends, change pressures and compliance/ regulation demands, and the pull of the value-added requirements of the organisation – innovation (intellectual), talent (human), sustainability (social, natural), purpose and supporting values (Manufactured, Social, Financial).

A spiritual governance approach suggests that in future governing bodies could exercise their oversight by taking into account a new 'capital', that of spiritual capital. (Spiritual Capital could be seen to be a capital in itself, or an approach to truly capture the benefits that the integration of the six other capitals can bring). What is important is that there are huge implications for the selection, practice, and measurement of governing bodies and their members. There is little doubt that the spiritual dimension informs or influences all of the other capitals, directly or indirectly. It sets a framework for strategy-formation, ethical and moral decision making and problem solving.
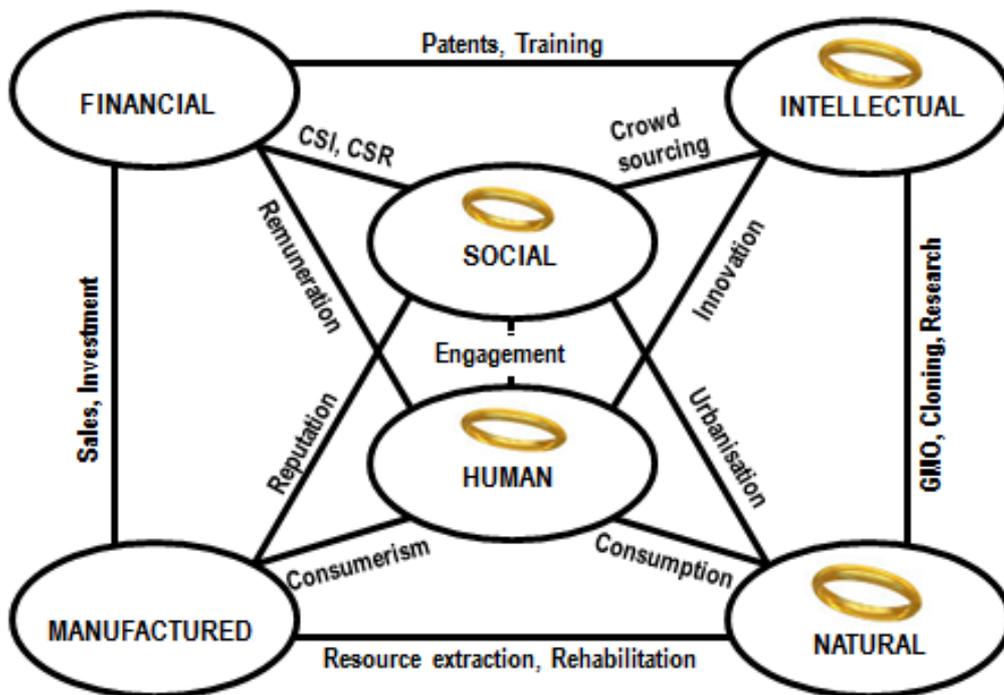

Figure 5: The six capitals with a spiritual dimension

When considering trade-offs between capitals, the easy solution is usually to let economic value dominate (often because it's quantifiable, and serves 'capitalist thinking'). When this happens, non-quantifiable value (spiritual, aesthetic, cultural) may take a back seat to the longer-term detriment of the integrated system. Conceptually, when adopting a spiritual viewpoint it becomes difficult to contemplate being a part of the web of life and at the same time treating natural capital as something separate.

Governing boards need to create their own approach, methodologies and mechanisms for explaining and unlocking the benefits to their organisations of the spiritual dimension.

MOVING FORWARD: MIND-SET

How is the spiritual director to operate and be seen to operate in a 'spiritual' manner?

In ancient times the king or pharaoh was connected to the above and to the below, and was responsible for exercising sacred leadership, maintaining harmony and balance. Priests, in the name of the king, were given responsibility for sustaining heaven and earth. The King's "*sovereignty will*

simultaneously pertain to the outer and inner worlds". (Edinger, 2004)

In relation to the King IV report, perhaps governors become the new priests! Certainly, the metaphor suggests an 'all – in' mind-set. One cannot leap 90% across a chasm. Carol Dweck has recently promoted the notion of a growth mind-set. It's a dynamic that rises to challenges and views failure as a trigger for growth and learning, and one that fosters the development of our intelligence and personality.

A growth mind-set fosters free will and is a way of reaching our potential because it is driven by inherent virtues. It:

- embraces rather than avoids challenges
- persists in facing obstacles rather than giving up
- sees effort as the path to mastery as opposed to being a waste
- views criticism as a teacher, not to be ignored
- finds ways of learning from the success of others rather than feeling threatened.

Dweck asks, "*Why waste time proving over and over how great you are, when you could be getting better? Why hide deficiencies instead of overcoming them? Why look for friends or partners who will just shore up your self-esteem instead of ones who will also challenge you to grow? And why seek out the tried and true, instead of experiences that will stretch you?   The passion for stretching yourself and sticking to it, even (or especially) when it's not going well, is the hallmark of the growth mindset. This is the mindset that allows people to thrive during some of the most challenging times in their lives*". (Dweck, 2007)

Being on a governing board is not in the first place a reward, a recognition, an honour, an income source. Rather, it is an awesome responsibility and accountability for matters far beyond the internal workings and performance of the organisation. It involves nothing less than being an agent for regeneration in a needy world.

The practice of serving on numerous Boards seems to be intuitively dubious. (I recently met someone who sits on over 30 Boards – in different places. This may mean good remuneration, but hardly allows the sort of application required by modern board members). Every Board member should be asking of themselves: "What legacy do I wish to be remembered for?"   A good attitude when striving to achieve that legacy is to consider ourselves insufficiently equipped, far less than expert, and to continuously strive to learn and improve.

Swedish psychologist Anders Ericcson, from Florida State University, advocates "*deliberate practice*". "*When most people practice, they focus on the things they already know how to do. Deliberate practice is different. It entails considerable, specific, and sustained efforts to do something you can't do well — or even at all. Research across domains shows that it is only by working at what you can't do that you turn into the expert you want to become*". (Ericcson et al, 2007)

Antony Jay points out that the cat couldn't see beyond what it was interested in, and knew about. '*Pussycat , pussycat, where have you been?' I've been up to London to see the Queen. Pussycat, pussycat, what did you there? I saw a little mouse under a chair'.* It couldn't see a larger picture. " …. *You will find boards of directors spending hours discussing priorities in the allocation of parking space when they move into the new building ….*" (Jay, 1987) A move to spiritual governance and being duly diligent about sustainability/ regeneration – including the element of purpose – calls for governing

bodies to discard outdated practices and limiting beliefs, and to wholeheartedly enter a new way of being and doing. To unlearn, adapt and learn anew.

Mindfulness is key. Mindful behaviour, reflection and contemplation are contrary to our normal mode. Instead we are busy. Think. Respond to distractions. Strive. Show impatience for results. Mind-less. Mindfulness however, develops calm, clarity, non-judgmental responses and non-dualistic thinking. Counter-intuitively, contemplation calls upon us to stop thinking, solving, directing and to let go …. Sinclair points out that *"Purpose and values are central to mindfulness. Almost inevitably, practising mindfulness calls leaders (and each of us) to ask how they are spending their energy and their lives"*. (Sinclair, 2015) Keltner has shown that mindfulness births that powerful influencing means, compassion. (Keltner, 2016)

(Actually, power in compassion was signalled by Lao Tzu in the sixth century BC: "*Leaders whose position will endure are those who are the most compassionate*". (Wing, 1986))

The current power and weighting of shareholder votes and opinions dominates all other stakeholders. It will take time to even this playing field – and shareholder's readiness to comply, accede to and tackle issues such as executive and board member salaries, principles and policies that promote long term reputation and sustainability in favour of short-term results, could continue to be problematical in the immediate future. Tempering their tough, pragmatic business mind-set with a caring approach to business plus society plus the environment will require lots of effort by governors.

MOVING FORWARD: MODUS OPERANDI

The effective board member relinquishes over-control, but becomes fully involved when needed. She is hands-off and hands-on.

> *Studdert Kennedy was an army chaplain who bucked the incompetent bureaucracy that resulted in so many unnecessary First World War casualties. He refused to give safe, cosy, sermons behind the lines, and chose instead to spend his time with the common soldiers in horrific conditions in the trenches, not preaching, but just being with them; coming alongside them in their need. He'd often hand out a Woodbine cigarette, and became known as Woodbine Willy. Years later when he died, his simple funeral was attended by hundreds of thousands of people. A single packet of Woodbines was placed on top of the coffin.* (Target, 1987)

Sharing a cigarette is a gesture that would not be quite as acceptable today perhaps, but in that context was part of a demonstration of the appeal of relating at the basic human level, being civil, serving others, being a role model through action, ignoring the establishment in order to do the right thing, showing love, staying true to his values. The most precious gift that he gave was that of being present for the other person in their time of confusion, fear, existential loneliness. After the war, Kennedy continued to give away all his possessions and earnings, while campaigning for the eradication of poverty through a change of values. (Williams et al, 2015)
Board members and top executives can also choose not to be safe and distant, attending a few meetings a year, but instead to spend much more time where the action is, in the trenches, listening to those on the front line.

The effective board member and leader initiates new agendas, activities, interventions, culture change and ways of working that support sustainability/ regeneration and move the organisation forward.

Some of these come from outside and need to be embraced. In South Africa:

- Independent Regulatory Board for Auditors (IRBA) has announced plans to implement mandatory audit firm rotation in order to address issues of independence between audit firms and clients. There is merit in this practice if sensibly handled
- The Employment Equity Act requires employers to report annually AND to break down internal opposition to Employment Equity through liaison, consultation with and training employees (This is a sound way of working – even if one disagrees with the intent and application of this law).

Others could be internally generated:

- Regular mind-mapping exercises to flesh out strategies for moving beyond reaction or neutrality (compliance) and finding ways of staying ahead of the game (proactivity). Why not appoint an 'internal activist' on a role-rotation basis.
- Facilitating awareness to foster non-dual thinking, introducing possibility-thinking at all levels (including the boardroom). This could include consciousness-raising and learning through joint business: community expeditions (Mirvis, 2008), and activities such as field observation and anecdote circles. Visit a shanty town. Go swimming with dolphins. Build metaphorical bridges.
- Energetically pursue training and coaching in the human dynamics of sustainability. (Williams & Rosenstein, 2016) Other learning areas could include ethics - which is ultimately about spiritual maturity. (McGhee & Grant, 2015; Williams, 2016a; Williams, 2016b)
  This could be viewed as a form of 'positive deviance' where people are led to a change in how they perceive ethical situations and incidents. (Pascale et al, 2010) Questions to ask include, "Is our Purpose clear and supported by the right motives? Is our Branding, advertising and public communicating open, honest and grounded on the right values? ("*A lie which is half a truth is ever the blackest of lies*" Alfred Lord Tennyson
- Corporate governance and addressing regeneration are huge tasks and the use of external consultants to bring perspective, objectivity and challenge to the status quo can be effective.

The effective board member appreciates that the work that employees do is "*for daily meaning as well as daily bread, for recognition as well as cash, for astonishment rather than torpor, in short, for a sort of life rather than a Monday through Friday sort of dying*". Terkel, 1997)

The urgency and enormity of regeneration and the moral challenges facing our inter-connected society, together with the potential for corporations to take the lead in putting things right, have prompted this paper. The time has come to embrace spiritual corporate governance. Adopting Conscious Capitalism® as the purpose economy gains ground, adding proper attention to the embedding of character virtues, and ushering in a new way of operating at board level, are essential to succeeding. The principles of how board members apply holistic spiritual oversight, the mind-set that they cultivate and their suggested modus operandi have been outlined in order to kick-start these critical conversations.

This article is not being presented from any 'religious' bias. However, Delio's clarity when describing the reality of Jesuit theologian Pierre Teilhard de Chardin's noosphere – "*a level of shared consciousness that transcends boundaries of religion, culture and ethnicity*" – that complex evolutionary mind-brain-body system that is spiritual consciousness, and how we are evolving towards greater unity of love and shared virtues, is breath-taking. (Delio, 2013)

"Let us remember that there is a creative force in this Universe….. a power that is able to make a way out of no way and transform dark yesterdays into bright tomorrows"
– Martin Luther King

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