

CONSCIOUS CAPITALISM



Principles for Prosperity

"A more humane way of doing business...
a remarkable, thoughtful, and helpful contribution."

—THOMAS MOORE, Author of
Care of the Soul and *The Soul of Sex*

DAVID A. SCHWERIN

What people are saying about *Conscious Capitalism* . . .

"Superb research and writing! David Schwerin presents a very readable and convincing plea for bringing spiritual values to bear on our challenging economic and social problems." —**George Starcher**, Secretary General, European Baha'i Business Forum

"When someone from the financial sector writes about business with a conscience, sit up and read! When you share his sweeping view of all the road signs of where humankind has been, should be, and where it is today, it's time to get excited about the new consciousness that is taking hold—even in business." —**Perry Pascarella**, author/speaker/former publishing industry executive

"No one is more qualified to combine money issues with ancient wisdom than businessman and esotericist David Schwerin. And no one writes about these two fields with such clarity and insight, drawing from an astonishing range of disciplines and thinkers. If you want to know how joining business and Hermetic Principles can create a revolution in humanity's everyday work and thought—and have a great read while you're at it—this book is for you." —**Denise Breton** and **Christopher Largent**, authors, *The Soul of Economies; The Paradigm Conspiracy*; and *Love, Soul, and Freedom*

"David Schwerin has written an inspired, practical, and sensible exposition of ageless wisdom principles for the contemporary business leader. Speaking from the front lines of high-stakes business experience, he illuminates the causes of persistent business dysfunctions and failures. This book is a big part of the solution." —**Robert Rabbin**, author, *Radical Agenda: Practical Mysticism for the New Leaders*; coauthor, *The Values Workbook*

"*Conscious Capitalism* makes good economic, business, and social sense. Schwerin offers a compelling prescription for how unfulfilled people can attain personal growth in the workplace in a way which is good for their companies and their professions." —**John White**, author, *What Is Enlightenment?* and *The Meeting of Science and Spirit*

"David Schwerin delivers a revolutionary business guide that shows how to create the success of the future from the ancient wisdom of the past. Required reading for every business leader who wants to stay at the cutting edge!" —**Rosemary Ellen Guiley**, author, *The Renaissance of Soul in the Workplace*

"David Schwerin's documentation of the evolution of capitalism from competition to cooperation matches well the progression from individual appraisal to team awards. Excellent in describing the underlying principle driving the

awareness of interconnectedness.” —**Werner R. Olle**, retired Manager, Lucent Technologies, Inc.

“David Schwerin masterfully brings together the worlds of ancient wisdom and modern commerce in a way that informs, inspires, and helps to create a future we can all look forward to. This is a wonderful book!” —**John E. Renesch**, editor, *Leadership in a New Era: Visionary Approaches to the Biggest Crisis of Our Time*; co-editor, *The New Bottom Line: Bringing Heart and Soul to Business*; editor, *The New Leaders* newsletter

“David Schwerin helps us managers come to terms with what we’ve always known on some inner level—people thrive in mentoring environments, and mentoring environments encourage excellence from the top down.” —**Meredith L. Young-Sowers**, Director, The Stillpoint Institute, Walpole, New Hampshire

“A wonderful description of various holistic approaches to business . . . reinforces the concept that healthy relationships with our environment, other human beings, and other businesses is what makes the modern business successful.” —**Joel Levitan**, CFO, Kripalu Yoga Fellowship

“This is a business book with a difference for those who are seeking answers to the changes taking place in our socioeconomic structures. It is a fascinating treatise which should leave no reader unaffected.” —**Geoffrey C. Thomas**, retired Director, General Motors Acceptance Corporation; Chairman, GMAC Mortgage Corporation

“David Schwerin has written a brilliant analytical book which should make all business executives rethink their mode of operation and plans for their future careers. Leaders in highly-charged business positions need to step back from time to time to reexamine who they are and where they are going. Dr. Schwerin provides a valuable guide for this all-important appraisal.” —**Arlin M. Adams**, retired Judge, United States Court of Appeals

“Conscious Capitalism is an exceptional integration of business principles with the universal principles of ageless wisdom. David Schwerin illustrates what a vital role business will play in humanity’s transition to align with the creativity, vitality, and adaptability that lies at the heart of the human spirit.” —**Angeles Arrien**, Ph.D. Cultural Anthropologist, author of *The Four-Fold Way* and *Signs of Life*

“Conscious Capitalism draws on the world’s wisdom to picture a more humane way of doing business. This is our chief task in the next decade—to bring soul to public life—and David Schwerin has made a remarkable, thoughtful, and helpful contribution.” —**Thomas Moore**, author of *Care of the Soul* and *The Soul of Sex*

CONSCIOUS CAPITALISM

CONSCIOUS CAPITALISM

Principles for Prosperity

DAVID A. SCHWERIN, PH.D.



Routledge

Taylor & Francis Group

LONDON AND NEW YORK

First published by Butterworth-Heinemann

This edition published 2011 by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN
711 Third Avenue, New York, NY 10017, USA

Routledge is an imprint of the Taylor & Francis Group, an informa business

Copyright © 1998 by D J Investment Advisors, Inc.

All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.

Library of Congress Cataloging-in-Publication Data

Schwerin, David A., 1942–

Conscious capitalism : principles for prosperity / David A. Schwerin.

p. cm.

Includes bibliographical references and index.

ISBN - 978 0 7506 7021 0

1. Industrial management—Psychological aspects.
2. Entrepreneurship—Psychological aspects.
3. Industrial management—Moral and ethical aspects.
4. Entrepreneurship—Moral and ethical aspects.
5. Social responsibility of business.
6. Executive ability.
7. Self-perception.
8. Self-actualization (Psychology) I. Title.

HD31.S3425 1998

658.4'092—DC21

98-10854
CIP

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library.

This book is dedicated to my wife, Joan, for her selfless support of this project and all my endeavors. No one could ask for a more talented, devoted, or loving partner.

Contents

Preface *xi*

Acknowledgments *xiii*

1	Self-Discovery at Work	1
2	Old Wisdom—New Understanding	15
3	The Origin of Competition	35
4	The Road to Cooperation	53
5	The Dawn of Cocreation	69
6	Top Line, Bottom Line, “Inner Line”	91
7	Profiting from Inclusion	115
8	Equilibrium in the New Millennium	137
9	Tying It All Together—A Tale of Two Companies	163

Bibliography 193

Index 205

Preface

When I first met Hermes—Hermes Trismegistus or Hermes Thrice Great—he evoked more questions than answers. This legendary figure told me, as he has told all seekers of truth for ages, that soul searching introspection, when pursued long enough, leads to intuitive breakthroughs. After more than a decade of study I now see how this nonsectarian, scientifically based, ancient body of knowledge has direct relevance to modern day business.

For over thirty years I have experienced the ups and downs of the turbulent world of business. My career in investments and finance together with outside interests have allowed me to observe people from all walks of life—powerful corporate executives, steel-hardened prisoners, penniless Cambodian refugees, influential investment bankers. Managing a small business I have experienced all the pressures associated with soliciting and retaining clients, the difficulties of overseeing a staff of diverse personalities, the aggravation of negotiating with money hungry service providers and the frustrations of dealing with counter-productive regulatory requirements. I have dealt with the emotional traumas of those recently widowed and divorced and have had to learn how to interact with extremely wealthy individuals, a few a bit pompous, most exceedingly gracious. My work and my spiritual searching have been a great aid to my slowly evolving comprehension of the cosmic puzzle. Why are we here? What are we supposed to be doing?

This, then, is a book about how a business career has helped me come closer to that ever-elusive quest for self-knowledge. It stems from my deep desire to tie together what has occupied most of my time for the past three decades; my work and my interest in understanding the secrets of the universe. While this may seem like an esoteric and lofty pursuit, the chapters are grounded in “real life” issues regularly faced by companies around the globe. As we delve together into ancient wisdom, money and commerce, scientific facts and metaphysical philosophy, magical keys may unlock solutions to your own vexing business problems and lead the way to highly practical applications.

Over the years Hermes has given me many profound insights, but, whatever the subject, he always emphasized the following point:

The possession of Knowledge, unless accompanied by a manifestation and expression in Action, is like the hoarding of precious metals—a vain and foolish thing. Knowledge, like Wealth, is intended for Use.¹

I invite you to join me in discovering the gems contained in Hermes’ teachings and then, by all means, let us put them into practice.

NOTE

1. Three Initiates, *The Kybalion* (Chicago: The Yogi Publication Society, 1912), p. 213.

Acknowledgments

As a result of writing this book, I have discovered at least one subtle connection between Hermes and me. As Hermes was considered thrice great, I consider myself thrice blessed, by a loving family, wonderful friends and inspiring guidance. While it is not possible to name them all, I wish to acknowledge those individuals who played a major role in *Conscious Capitalism* from conception to culmination.

My mother has always been a source of nurturing and support. I thank her for her enduring love and concern. My son, Eric, brings indescribable joy to my life and love to my heart. He is a vital source of wisdom and understanding and I consult him eagerly and often. My sister, mother-in-law and sister-in-law have all played an invaluable part in helping me understand myself better. Their caring natures have been excellent models for me to emulate.

Barbara Good, Ph.D., is a true friend, always able to find the proper balance between enthusiastic encouragement and constructive criticism. Her efforts and skills played a crucial role in the development of this book. Pat Fenske, Ph.D., is a terrific mentor and teacher. Whenever I needed assistance she was always willing to oblige. Arnie and Rebecca Shapiro's wise counsel and readiness to help, no matter what the task, are sincerely appreciated. Everyone needs friends like the two of them. Chris Largent and Denise Breton have always provided valuable advice and encour-

agement. They are a font of knowledge for which I am most thankful. My longtime friend, Bruce Topman, has assisted me in a variety of ways. I greatly admire the conscientious, disciplined and skillful way he approaches all his endeavors. Bob Bobrow made it much easier for me to write this book and earn a living at the same time. He can always be counted on to lend a helping hand.

Donna Evans Strauss, Ph.D., has played an indispensable role in all aspects of this book. I consider her inspiration and guidance gifts from on high for which I am eternally grateful. Builders of the Adytum's teachings and lessons are a phenomenal repository of ancient wisdom without which I could not have written this book. I am indebted to those who keep this knowledge alive. My father and brother, as well as the others in the invisible world of spirit, have helped me in more ways than I can possibly imagine. You are always there when I need help and I hope you are collecting time and a half for all your overtime. Finally to Hermes, wholehearted thanks for your continuing insights and inspiration. A few more lifetimes and maybe I will be able to comprehend fully the marvelous treasures you have left humanity.

Self-Discovery at Work

Today we find ourselves in a paradoxical situation. We enjoy all the achievements of modern civilization that have made our physical existence on this earth easier in so many important ways. Yet we do not know exactly what to do with ourselves, where to turn. . . . There appear to be no integrating forces, no unified meaning, no true inner understanding of phenomena in our experience of the world. . . . The abyss between the rational and the spiritual, the external and the internal, the objective and the subjective, the technical and the moral, the universal and the unique constantly grows deeper.

. . . VACLAV HAVEL, President of Czech Republic¹

I have been fairly successful in my career, my three children are “launched” and have begun their lives, and my marriage is satisfying. Nevertheless, I’m unhappy and it feels like something is missing. To be honest, I’m embarrassed to admit having these feelings because I don’t feel I should have them.

. . . Anonymous fifty-five-year-old man²

Over the past decade, while many businesses have pursued what I call business as usual, I have been part of a different, smaller business movement—one that has tried to put idealism back on the agenda. . . . The New Corporate Responsibility is as complex

as changing our basic notions of what motivates us as business people, of what our basic corporate goals should be. This shocks many people: they think it is a radical idea to consider anything other than financial profit. . . . We, as business leaders, can and must change our views and our values.

. . . ANITA RODDICK, President, The Body Shop International plc³

These three quotes—from a philosopher/statesman, an introspective United States citizen and a trendsetting British businesswoman—represent the thoughts and feelings of a vast cross section of humanity. The authors hail from three different countries and have all reached a point in their lives where they should be able to analyze their experiences with a good measure of insight and objectivity. Their sentiments are reflective of two seemingly unrelated, broad-based movements that have been proceeding on a parallel course. Each appears destined to make an indelible mark on society at large. The first movement encompasses those individuals who are earnestly searching for greater meaning in their lives. There are clear indications that this includes an ever-increasing part of the population. According to an article written by pollster George Gallup: “There is a great deal of evidence that Americans are beginning to break their secular chains, that we are, indeed, in a period of spiritual renewal.”⁴ The second transformation is taking place in the business world, in particular among those companies which are undertaking a thorough examination of their priorities, mission and values. On the surface these movements appear unconnected. As will be shown in subsequent chapters, these trends are very much interrelated and tend to reinforce one another.

The urge to find greater meaning is evident throughout the popular culture. A look at the nonfiction best-seller list reveals a growing interest in books on spirituality and related material. From “everything you ever wanted to know about angels,” to an ever-expanding variety of books on “new age” thinking, most

bookstores are devoting increasing space to these subjects. Barnes & Noble and Borders, the two largest bookstore chains in the United States, now offer yoga demonstrations, tarot card readings, lectures on massage techniques, all-day sessions on holistic synergy and reflexology and visits by hypnotherapists.⁵ Motion pictures frequently deal with topics such as past lives and near-death experiences. America's Public Broadcasting Service (PBS) has found that guests such as John Bradshaw (humanistic psychology), Huston Smith (world's religions) and Joseph Campbell (mythology) have attracted enthusiastic audiences. A number of Bill Moyers' PBS programs have covered arcane topics that were not part of the vernacular until quite recently. Based upon a recent poll, 48 percent of Americans say astrology is probably or certainly valid. The number of professional astrologers in the United States is estimated to be around 5,000 versus 1,000 just 20 years ago and the annual market for astrology books has increased fourfold during the past three decades.⁶ From this short survey of popular culture, it appears that many people are willing and, in fact, eager to explore new ways of looking at the world and their place in it. They are, in essence, hungering for self-knowledge so that they can understand the age old mysteries of "Who am I?", "Where have I been?" and "Where am I going?" In other words, "What is life all about?"

The same gnawing dissatisfaction, frustration and, in many cases, insecurity that has led people to search for deeper answers in their personal lives has encouraged business leaders to look for more productive and fulfilling ways to structure their organizations. In some cases survival itself has been the motivation; in other instances, progressive business leaders understand that meaningful changes are necessary if both their enterprises and the communities upon which they are dependent are to prosper. With the mind-boggling pace of technological change and the intense competition generated by the globalization of markets, businesses feel pressured to downsize, outsource and generally rethink the optimization of their resources and relationships. A complex regulatory environment, a more diverse and family

sensitive work force and an ecologically vigilant consumer add to the pressure to re-examine all business practices. Under close scrutiny many of the old ways of thinking and behaving are ineffective in solving today's problems. A broader vision and new style of leadership is required. The former requires a much longer-term perspective, while the latter needs to be based more on a leader's heart and soul than on behavior or authority. Primary emphasis is shifting to the human element from the previous focus on monetary and physical assets. In our fast-paced world, the success of a business enterprise now depends on the active collaboration and contribution of creative, well-trained, motivated and dedicated employees.

A significant amount of research points to pervasive feelings of confusion and discontent throughout society, both at home and in the workplace. There is simply an insufficient connection between our daily activities and our purpose for being. While not a new phenomenon, constant feelings of consternation and dissatisfaction are becoming intolerable to a growing number of people. According to a *Business Week* article subtitled "Can spirituality enlighten the bottom line?" those employees who have survived downsizing and re-engineering are asking themselves, "What is going on?" and "Why do I feel so unfulfilled?" The article responds: "A growing number of companies are setting off on spiritual journeys . . . the spirituality movement in the corporation is an attempt to create a sense of meaning and purpose at work and a connection between the company and its people." The authors discuss the fact that AT&T has referred hundreds of middle managers to Transpective Business Consulting where, at a grueling three-day course, participants are helped to be more effective leaders by turning inward. Aerospace giant Boeing hired poet David Whyte to speak to five hundred top managers three days a month to help bring to life the experience and emotion of change. Says Whyte: "All the companies that are alive are realizing that they need more creative, vital and adaptable workers. All that creativity and vitality and adaptability resides in the soul." One senior executive, who was initially skeptical, now

concedes that Whyte: "Helped us to think differently than we ever had before. We had to look inside ourselves."⁷

Some critics believe that blending spiritual and business interests is like combining oil and water; they do not mix. One is concerned with pragmatic affairs and the other with ephemeral matters. Internationally recognized investment pioneer, Sir John Templeton, emphatically refutes this notion: "I think all careers are more successful and satisfying if you use spiritual principles. I can't think of a single exception."⁸ Mahatma Gandhi, one of the most inspirational and effective leaders of the twentieth century, concurs with Templeton's assessment:

If any action of mine claimed to be spiritual is proved to be unpracticable it must be pronounced to be a failure. I do believe that the most spiritual act is the most practical in the true sense of the term.⁹

It is the contention of this book that a complete reversal of many long held values and beliefs is a prerequisite for attaining the peace and contentment that is earnestly sought by citizens throughout the world. Preconditions for such a reversal are already in place. In fact, the fundamental building blocks upon which to base a "new" world view have always been with us; they are an integral part of "ageless wisdom." Ageless wisdom is one of several designations given to a certain body of knowledge that is neither affected by the passage of time nor is the product of human thought. This same knowledge—rooted in the unchanging depths of the universe—has been termed "forgotten truth" by Huston Smith¹⁰ and was referred to as the "perennial philosophy" by Aldous Huxley. According to Huxley, this wisdom can be found among the traditional lore of aboriginal peoples in all regions of the world and, in its more developed form, has a place in the teachings of most sacred traditions.¹¹ Author John White seconds this view:

The perennial wisdom is unchanging; truth is one. That is agreed upon by the sages of all major religions and sacred traditions, all

hermetic philosophies, genuine mystery schools and higher occult paths.¹²

One of the most ancient codifications of ageless wisdom is attributed to the widely revered Hermes. While details of his life are lost to history, it is said he lived in Egypt and was a contemporary of Abraham. He was deified under the name Thoth in Egypt, and appeared in the Greek pantheon as Hermes and later, in the Roman tradition, as Mercury. Hermes stature was such that he was considered a messenger of the gods. Among men he became the patron of merchants, and the god of eloquence, good fortune and prudence.¹³ Given these attributes, Hermes would surely be an extraordinarily valuable advisor to any company's board of directors.

Ageless wisdom, in all its variations, is a distillation of the experience of many inner explorers over thousands of years. What they discovered is that God is one, whole and undivided, encompassing and interpenetrating everything that is. A central tenet of the perennial philosophy is that all of humanity can become consciously aware of this infinite and eternal wholeness. Indeed, the wise tell us that it is man's single highest need and desire.¹⁴ As emphatically declared in Hermes' famous Emerald Tablet: "That which is above is as that which is below, and that which is below is as that which is above." The familiar, six-pointed Star of David, composed of two overlapping equilateral triangles, one pointed up and the other pointed down, is said to symbolize this profound statement. Put another way, everything is of the same essence; it is the task of human beings to remember their divine origins and reorganize their lives so that what is below once again mirrors what is above.

KNOW ONE, KNOW ALL

This seemingly Herculean feat is facilitated by becoming more conscious of who we are as we go about our daily activities both at home and at work. Knowing ourselves better leads to a funda-

mental change in the way we think about our personal and social relationships, how we interact with the environment and, ultimately, how intimate a connection we establish with God. A traditional Islamic saying makes this point very succinctly: "Learn to know thyself. Who knows himself, knows the Lord."¹⁵ The *Tao Te Ching*, which was written by Lao Tzu and has been translated more than any other book except than the Bible says:

Knowing others is intelligence; knowing yourself is true wisdom. Mastering others is strength; mastering yourself is true power.¹⁶

And using somewhat different terminology, Jesus said:

When you know yourselves, then you will be known, and will understand that you are children of the living Father. But if you do not know yourselves, then you live in poverty, and embody poverty.¹⁷

There is no better environment for learning about ourselves than the one in which we earn our living; it provides continual opportunities to observe what motivates us, frightens us, angers us and enlivens us. I have been fortunate to have been professionally involved in the business of managing other people's money for a period spanning four decades. While not all experiences have been pleasant or fruitful, they have been enormously helpful in clarifying a number of important issues about life's most fundamental questions. The securities markets represent the hopes and fears, loves and hates of a vast cross-section of humanity; they evoke the full gamut of psychological reactions. Through the pursuit of worldly goals—with money as a prime facilitator—we experience emotions that range from exhilaration to depression. In fact, everything we think or do swings us to and fro around a central tendency or core. In this sense, the securities markets are a metaphor for life as prices continually move from over-valued to under-valued and levels of optimism and pessimism rise and fall.

One of the best ways to achieve insightful breakthroughs is to follow a rigorous program of thorough self-observation. This simply means paying close attention to everything; being open-minded, curious and detached. In other words, making a commitment to observe and remember everything that occurs regardless of personal beliefs, preferences or fears. This is hard to do and takes a great deal of practice. Because the investment business provides instant feedback on the judgments that must be constantly made, advisors who analyze their emotions and personality quirks carefully and objectively have a much better chance of reducing future mistakes. While other professions also provide opportunities for mistakes, it is unlikely the feedback is as instantaneous or as frequent as it is in the goldfish-bowl environment of the investment business. To quote Edward C. Johnson II, one of the deans of Wall Street and the longtime head of the Fidelity Mutual Fund Complex:

Because the conscious and subconscious human mind is so vast—the stock market, by the way, is just a bunch of minds—that there is no science, no IBM machine, no anything of that sort, that can tame it. What this means to us in practical affairs is that if we are able to do the thing that Americans find very hard to do—that is, *understand ourselves* (emphasis added) to some degree—we have a chance of becoming effective stock operators. That is a hard thing and a rare thing.¹⁸

Dealing with money forces one to come to grips with aspects of the self that are too often avoided. In the investment arena, this means scrutinizing financial and psychological limitations, both real and imagined. Do we prefer to eat well or sleep well? Not an easy decision; the emotions of greed and fear cloud most investors' perceptions and objectivity. Many times, clients have come to our office with the unequivocal desire to minimize risk. After a period of time, during which the investment climate has been unusually hospitable, they ask about the desirability of changing their objectives so their money is invested more ag-

gressively. Assuming their circumstances have not changed, we discourage any deviation from their plan as it is not only counter to their original, more dispassionately determined desires but, more times than not, the wrong time to be taking increased risks. In fact, this has proven to be an excellent guide to an impending change in market direction; investors inevitably want to buy at market tops and sell when their securities have fared poorly, that is, at or near lows. It is amazing how reasonable people, who buy as many of their goods and services as possible on sale, want to buy securities at full price and shy away from purchasing them when they are at a discount to their intrinsic value. Those who know themselves don't have to know anything else to know everything else.

FOLLOWING THE HERD

Investors must also learn to guard against getting caught up in the herd instinct of the mass mind. People tend to follow the behavior of their peers whether choosing a doctor, restaurant or investment. If individuals learn that their contemporaries favor something, even when it is counter to their own opinion, they tend to stick with their peers, rationalizing that the majority must know what they are doing. This lemming-like behavior is understandable; it takes a great deal of self-confidence to stand up to a wave of opposing opinion. Taking a position that is contrary to the majority's is usually successful, not only in the field of investing, but in most of our day-to-day activities. In 1929, as an example, stocks had advanced for many years but the nearly universal opinion was that they would inevitably go higher. The 1929 financial panic illustrates the principle that when opinion becomes that one-sided, it is usually wrong. The same thing happened on a smaller scale in the 1980s as "everyone" was sure that real estate prices had nowhere to go but up. After all, "no one is making any more land" and prices had been going up for as long as most people cared to remember. Eventually the crowd was