FRIENDS CONSULTATION
ON
FRIENDS IN BUSINESS
"Individual Empowerment and Corporate Effectiveness"

Quaker Hill Conference Center
Richmond, Indiana
November 17-20, 1994

SPONSORED BY

Earlham School of Religion
and
Quaker Hill Conference Center
FRIENDS CONSULTATION ON FRIENDS IN BUSINESS

Co-sponsored by
Earlham School of Religion
and
Quaker Hill Conference Center

November 17-20, 1994

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THE CONSULTATION SERIES

Beginning in 1980, the Earlham School of Religion and Quaker Hill Conference Center have co-sponsored a series of annual Consultations for Friends on subjects of importance at the local and yearly meeting levels. Friends from North America and abroad have participated in these gatherings, bringing a rich variety of experience to each Consultation.

Friends Consultation:

On Service 1980
On Ministry 1981
On Eldering 1982
On Membership 1983
On Spiritual Authority and Accountability 1984
On Discernment 1985
On Doing the Truth 1986
On Overcoming Sin and Evil 1987
On Testimonies, Queries, and Advices 1988
On Worship 1989
On Evangelism 1990
On Quaker Treasure 1991
On Camping 1992
On Personal Service 1993
On Friends in Business 1994

A report of each Consultation has been published in booklet form, including major papers presented, summaries of other sessions and reports from participant observers. For more information and to order Consultation reports contact:

Quaker Hill Conference Center
10 Quaker Hill Drive
Richmond, IN 47374
(317) 962-5741
When we set out to plan this Consultation, we wanted to be positive. The Friends we talked to all said that their business life was fulfilling and gave considerable scope for expression of their Quaker values. The challenges of wealth-creation, the management of people and institutions, the limits and constraints under which business works and the proper uses of wealth were all part of the mixture. We felt we had a highly stimulating agenda, and so it turned out.

I had certain hopes for the Consultation, and I am sure they were fulfilled. One was that the gathering itself made a statement about Quaker life. In the past, Friends have been noticeably good at business and showed that integrity and success went together. Their testimonies showed up in their work as well as their worship. There are many Friends nowadays who have to make decisions about other people's money, other people's jobs, the effect of what they do on the national economy, the local community and the environment. A very fine tradition is alive and well.

Obviously, bringing a group of such Friends together, most of whom did not know one another before the event, was rewarding in itself. We had a wide variety of occupations and backgrounds represented, from agriculture to electronics, marketing to production, including also Friends working in public utilities, non-profit organizations, and major corporations. There was the occasional professor to keep us on our toes, and some Friends, who could not come for the whole time, but did not want to miss the event, dropped in for a shorter time.

What impressed me most was the sense of optimism most of the participants had. As we move further away from the smokestack economy towards a highly trained information economy, businesses are having to change radically, and rethink how they operate. The Friends who formed the Consultation are in the thick of this, and agreed that once again, Quaker values had an important contribution to make to economic life. More Friends ought to know about that. And there ought to be more Friends in business.

John Punshon
Clerk for the 1994 Consultation
Earlham School of Religion
The most recent Friends Consultations have brought together Friends from across the Quaker spectrum on the basis of a common interest and experience. The 1994 Consultation participants had in common experience in the world of business. They spent a long weekend exploring and learning from one another what it means to be a Friend in the business world.

The list of participants included in this report shows the geographic diversity of the group and materials in the body of the report and the appendix will indicate the considerable variety of experience and involvement in different types of business endeavors.

As I thought about Quaker Hill Conference Center as a co-sponsor of this gathering of Quaker business people and of Evans House as the site for this Consultation, I wondered about the appropriateness of this combination. The more I thought about it, the more appropriate it seemed given the history of the Evans family and Quaker Hill Conference Center. I became more aware of the connections between Friends in business and the existence of Quaker Hill Conference Center.

What we now call Evans House was built in 1855 by Isaac and Mary Ann Evans. This was made possible by the success of the linseed oil mill that Isaac Evans and his business partner, another Quaker, operated in Richmond. His business success enabled them to expand the home over the years and make it a place of hospitality for both local and visiting Friends during much of the remainder of the 19th Century.

Following the death of their last surviving daughter in 1933, the home and property came into the hands of another relative. In the History of Quaker Hill Foundation and Conference Center, the authors suggest that this relative "may not have been a good business man or perhaps may have been a victim of the Great Depression." He eventually lost the home when he was unable to make payments on the second mortgage.

Shortly thereafter, another Evans relative who was a successful Friend in the business world enters the picture. Isaac Evans Woodard was a grandson of Issac and Mary Ann Evans and grew up on Quaker Hill next door to his grandparents home. He was a successful businessman in the Evans family milling business in Indianapolis.

Isaac Woodard was part of a group of Indiana Friends who in 1939 were discussing the need to start a project in the Midwest that would "embody the service ideal while educating and fortifying Friends in the basic religious principles of peace." They were also looking for a site to be the headquarters for such a project or projects. Isaac Woodard had recently learned that his
grandparents' property was for sale and proposed that it be purchased to be used for the above purpose.

Isaac Woodard purchased the home and some additional property adjacent to it, the Quaker Hill Foundation was incorporated to accept the property, restoration of the old home was begun and some of the first programs were begun at Quaker Hill.

Isaac Woodard was the principle figure during the 1940s and early 1950s in providing the financial support that enabled the Quaker Hill Foundation to undertake a variety of programs and activities at Quaker Hill in service to Friends and many others. When it became clear that the Foundation was not financially strong enough to continue on this basis, the property was given to the Five Years Meeting of Friends. Activities at Quaker Hill/Evans House in the 1950s and 1960s were undertaken largely under the auspices of Five Years Meeting and, later, Friends United Meeting.

A surprising development in 1969 layed the foundation for Quaker Hill Conference Center as it exists today. Again, the influence of a Friend in business on the history of Quaker Hill is central. Isaac Woodard had developed a personal friendship with Floyd Kresge of the S.S. Kresge family. Unknown to the Quaker Hill Foundation, Floyd Kresge stipulated in his will that after the death of his two sisters certain remaining S.S. Kresge stocks were to be transferred to the Quaker Hill Foundation. We do not know the details of Floyd Kresge's friendship with Isaac Woodard, but he was apparently so impressed by Isaac's vision for Quaker Hill that he made these provisions in his will.

The Quaker Hill Foundation eventually received several hundred thousand dollars from Floyd Kresge's estate. These funds stimulated Friends in Richmond and elsewhere to adopt a new vision of what might be possible at Quaker Hill as a conference and retreat center serving Friends and a wider community.

Some of the Kresge funds were used to renovate and remodel Evans House to make it a more useful and comfortable facility. Some of the funds were used to construct a new housing facility, Woodard Lodge, which was named in honor of Isaac Woodard. A full-time Director and other staff were hired. Remaining funds were placed in the Quaker Hill Foundation Endowment. Earnings from Endowment investments have helped to underwrite the operation of the Conference Center for the past 25 years.

With this history remembered, it seemed appropriate that Evans House at Quaker Hill Conference Center would be the place where Friends from around the country would gather to talk about the connections between their faith and their lives as men and women in the business world.

David Edinger, Director
Quaker Hill Conference Center
1994 FRIENDS CONSULTATION
Individual Empowerment and Corporate Effectiveness
Clerk: John Punshon, Earlham School of Religion

SCHEDULE

THURSDAY, NOVEMBER 17th

Afternoon:  Arrivals, registration, room check-in (Evans House - QHCC)
6:30 pm  Dinner (Evans House)
7:30 pm  Welcome - David Edinger, John Punshon
1. The Experience of Friends in Business
   Presenters: Lloyd Lee Wilson
   Wes Blanchard
   Phil Gilbert

FRIDAY, NOVEMBER 18TH

7:30 am  Breakfast (Evans House - Dining Room)
8:30 am  Unprogrammed Worship (Long Room - Evans House)
9:15 am  2. Friends in the Organization (Dining Room)
   Presenters: Lind Coop
   Lee Thomas
   Thomas Gilbert

10:30 am  Break
10:45 am  2. Continued
12:00 noon  Lunch (Dining Room)
1:30 pm  3. The Organization and the World
   Presenters: Darryl Renschler
   Howard Mills, Jr.

3:00 pm  Break
3:15 pm  3. Continued
6:00 pm  Dinner (Dining Room)
7:30 pm  4. Management Education: What Should Friends Schools Be Doing?
   Presenters: Lind Coop
   John Wish
   Gil Klose

SATURDAY, NOVEMBER 19th

7:30 am  Breakfast (Evans House)
8:30 am  Carpool to Earlham School of Religion for morning sessions and lunch
9:00 am  Worship (Quigg Worship Room - ESR Community Building)
5. Opportunities for Quaker Witness
   Presenters: Bill Quigg
               Mark Myers
               Teresa Basquez

10:30 am  Break
10:45 am  5. Continued

12:30 pm  Lunch (at ESR)
2:00 pm   Workshops and Interest Groups
3:45 pm   6. The Experiences of Friends in Business - An
          Historical Survey (Evans House)
          Presenter: John Punshon
4:45 pm   Workshops and Interest Groups

6:00 pm   Dinner (Evans House)
7:30 pm   Workshops and Interest Groups

SUNDAY, NOVEMBER 20th

8:00 am   Breakfast
9:00 am   7. Virtues, Ethics, and Friends in Business
          Presenter: Dick Wood

10:15 am  Break
10:30 am  Participant Observer Report
          Evaluation and Summary
11:15 am  Closing Worship
12:00 noon  Lunch
            Check-out and Departures
FRIENDS CONSULTATION ON
INDIVIDUAL EMPOWERMENT AND CORPORATE EFFECTIVENESS
NOVEMBER 17-20, 1994

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The program for this year's Consultation emphasized relatively brief and informal panel presentations followed by periods of group discussion and interchange. Therefore, this year's report does not contain as many written versions of formal lectures or presentations as has been typical of most past consultation reports.

The main body of this year's report is organized by day and by session. For some sessions, the presenters have provided a written version of their remarks. For others, informal summaries of presentations have been prepared and included by the editors. Additional handouts or documents provided by presenters are also included in the appropriate session. An informal summary of the discussion and comment period following each session's presentation period is also provided.

THURSDAY, NOVEMBER 17TH

Session 1

"THE EXPERIENCE OF FRIENDS IN BUSINESS"

John Punshon of the Earlham School of Religion served as the Clerk for the 1994 Consultation and introduced the session by sharing some of the reasons this year's topic was chosen. He also shared briefly comments on the long experience of Friends in the realm of business activity. (This is related in more detail later in this report.)

Three Friends were asked to speak briefly about their personal experiences in business to exemplify the variety of experiences represented in the group. They were Lloyd Lee Wilson (Virginia Beach, Virginia - North Carolina Yearly Meeting Conservative), Wes Blanchard (Indianola, Iowa - Iowa Yearly Meeting FUM) and Phil Gilbert (Garden City, New York - New York Yearly Meeting).
LLOYD LEE WILSON came from a Southern Methodist background and enrolled as a student at the Massachusetts Institute of Technology in 1965 to study management and to be an Air Force ROTC student. He did eventually earn a BA at the Sloan School of Management and his officers commission. However, he dealt with many important questions during those college years in the 1960s and many of his personal and religious beliefs were challenged.

In 1969 he decided to leave the Methodist Church, leave the Air Force and leave the PhD program at MIT. He applied for and was granted conscientious objector status from the Air Force and the Selective Service System at that time. He then worked for Massachusetts General Hospital in a management position and started his own consulting business, working primarily with not-for-profit organizations in New England. He worked with a number of Friends organizations at that time.

He later returned to Virginia where he worked for agencies providing public transportation and safe, decent and sanitary housing for the rural poor. After this, Lloyd Lee Wilson served for a time as General Secretary for Friends General Conference.

He again returned home to Virginia where he worked on housing for the rural poor and started two businesses. New Dominion Housing was a not-for-profit enterprise and Friendly Management Services Corporation was a for-profit consulting business serving primarily the not-for-profit sector in the Norfolk, Virginia, area.

Lloyd concluded his remarks by sharing some of his thoughts about being a "radical" Christian Quaker involved with "liberal" sorts of projects in the field of housing. He noted that his book Gospel Order in a Broken World reflects much of this thinking about what it means to him to integrate his faith with his involvements in the world around him.

WES BLANCHARD is a Friend from Iowa who has been involved in agriculture all his life. He grew up on a farm and by the end of high school years had 26 sows and was farming 40 acres of crops. He studied animal science as an undergraduate, did a one year agriculture internship in central Oregon and got a Master's Degree in swine breeding and genetics at Iowa State University.

His first job out of graduate school was as the executive director for two small swine registry associations headquartered in West Lafayette, Indiana. This was a challenging position in which he answered to two bosses and two boards.

A few years later, he moved back to Iowa and worked for a company which manufactured and sold agricultural equipment. These were challenging years with drought conditions in the Midwest, a buy-out of the company, staff cutbacks that meant Wes
had more management and personnel responsibilities than anticipated and personal questions about whether to stay with a company that was at least temporarily on the decline. Today, Wes is the sales manager for this company.

Consultation participants were invited to share the titles and authors of any books which have been especially important and helpful to them as Friends in business. These were the books listed by Wes Blanchard: The Bible, Mentoring, The Strategy of the Master, by Ron Lee Davis, Personality Plus, by Florence Littauer, The Winner Within, by Pat Riley, The 7 Habits of Highly Effective People, by Steven R. Covey, and Servant Leadership, by Robert Greenleaf.

PHIL GILBERT is a Friend from New York who has been in medical and health care related businesses all his working life. The following is a written summary of his remarks that he submitted for inclusion in this report.

Presentation to "Friends in Business"

Starting with the accidental fact of registering first in college for a Chemistry course, I became a chemist, and spent my career in for-profit businesses associated with health care. As with any business, I have been guided by two axioms: Nothing ever happens until somebody sells something: Money is an impartial way of keeping score.

Initially, we manufactured reagents to determine blood types, then the reagents to identify illnesses transmitted through blood transfusions.

This industry covers a wide range of experiences. For example, I was once the largest sheep herder in New York State—sheep blood was used in the Wassermann test for syphilis. It is a highly regulated industry in recognition that a slight error may lead to fatal consequences. Employees at every level must recognize the importance of what they are doing, how their actions impinge on the entire enterprise, and constantly try to do their job better.

Some of our early work led to the invention of the tube currently used to collect blood samples. We were the first to separate proteins on a gelatin base under the influence of an electric field, to visualize differences. This process is getting current attention as a modification is used to understand gene components.

Prosthetics and orthotics is a specialized business that should be attractive to more Quakers. It requires a combination of art, physical skill, and a special empathetic relationship with the patients.
Research and development has been the base of the industry. What appears to be high profits are required to finance the research. It is no longer possible for the entrepreneur to succeed in this arena: large capital investments are required, with the complications this implies.

The health care industry is changing dramatically. Decisions used to be made as a result of thousands of physicians making independent judgments. Now the focus is on the hospital, with its high capital requirements. Hospitals are expanding into apartment houses for residences as well as doctor’s offices. Now, they are associating with retirement communities to capture the senior’s market. This new area has attracted Quakers.

There are other opportunities for Quakers in patient transportation and basic care. Improved systems are always needed to increase efficiencies and reduce error.

Even when not directly engaged in the business, health care affects us all, and all Quakers need to speak out on the subject as they have insights to share.
RESPONSE AND DISCUSSION PERIOD

Lee Thomas, a Friend currently operating a wood fiber processing business in Louisville, Kentucky, shared an episode from his previous experience as the head of Vermont American Tool in New England. The attached paper titled "The Quaker Defense" outlines how he successfully prevented what he considered to be a hostile takeover of the company. *(See Next Page)*

Lind Coop, a Friend from California who teaches business and management at Azusa Pacific University and who has personal experience in the private business sector, asked participants to share any key things from their Quaker backgrounds, experiences and beliefs that have been especially valuable to them in their business careers.

Bill Quigg, a business and management consultant from Richmond, Indiana, responded with two stories. One story came from his experience on rescue duty as a member of the U.S. Coast Guard in which his interactions with fishermen in trouble both shaped and were shaped by his religious values as a Quaker. The second story came from his experience in small market radio broadcasting. He shared how his beliefs had a direct impact on the programming he was and was not willing to put on the air and on the paid advertising he was and was not willing to accept.

Wes Blanchard responded to Lind's question by stating that integrity, honesty and truthfulness were very important to him in his business life.

Willard Vaughn, a Friend from Bowling Green, Kentucky, who owns his own environmental consulting business, commented on how important it is for him to be truthful in his business dealings. He told how difficult it can be to get both his employees and clients to take him at face value and believe that he is going to tell them the truth from the beginning!

Willard talked about the importance of the relationship between one's values and how one spends money. He noted that some Quakers seem to have a problem with making a lot of money, but that he does not have any problem in making and spending money as long as both are done in appropriate ways. Bill Quigg suggested that it can be a good thing to make money while creating and/or providing something for other people that is of equal or greater value to them. This, he argued, can be a situation where both sides benefit.

Darryl Renschler, a Friend from Lumberville, Pennsylvania, responded to Lind Coop's question by referring to his ten years experience as a consultant to distressed companies. He talked about the value of equity and making everyone in a given company or business feel valuable as a key to making a company viable and profitable again. He gave examples of barriers between different types of employees which often need to be torn down in order to eliminate negative feelings about preferential treatment. When
these barriers and negative feelings are eliminated then em­
ployees are empowered to make the business successful. Equity
leads to trust which leads to success. Darryl argued that these
changes are both ethically desireable and effective.

*

THE QUAKER DEFENSE

Rather than deal in generalities, I will describe the trial.

Vermont American found that the Newell Company was accumulating its stock

Vermont American began buying its own stock on the open market as a defensive
strategy.

Newell sued, claiming that this was a fraudulent act on my part. They claimed I was
using company money to entrench myself.

They got an injunction. In other words they convinced the judge that I was guilty.

Class action suits were filed on behalf of the shareholders.

At this point the company had no defense and we went for a "White Knight."

I thought I was faced with bankruptcy. My lawyers thought so.

Trial was held. We had two defenses:

1. I did not have the "Board of Directors in my pocket." I spent a long time
explaining to the judge how a Quaker Meeting for Business is held. This was
the reason there were no recorded negative votes.

2. There was an irreconcilable difference in culture between Newall and
Vermont American. We grew from within and were adverse to hostile
takeovers.

I was found innocent and Wall Street was furious. The judge had made new law that
might prove detrimental to hostile takeovers. It is called by the lawyers, "The Quaker
Defense."
Friday, November 18th

Session 2

"FRIENDS IN THE ORGANIZATION"

This session was designed to address aspects of how Friends can and should function within business organizations in varying capacities. Presentations and discussion focused attention on various types of organizational structures, management philosophies and styles, decision making models and styles and the values we bring to our business environments.

The three presenters for this session were Lee Thomas (Louisville, Kentucky - Ohio Valley Yearly Meeting), Lind Coop (Whittier, California - Southwest Yearly Meeting) and Thomas Gilbert (Devon, Pennsylvania - Philadelphia Yearly Meeting).

PRESENTATIONS

LEE THOMAS currently serves as the Chairman of Universal Woods, a manufacturer of laminated wood products in Louisville, Kentucky. He was President and CEO of Vermont American Corporation from 1962 to 1984 and Chairman of the Board from 1984 to 1989 when the company was sold against his objections. Lee has a BS in engineering from Yale and also worked for a time as a CPA.

He currently teaches a course in Business and Society in the MBA program at Bellarmine College in Louisville. He has also served on the boards of numerous business, cultural, educational and community service organizations.

Lee Thomas's presentation focused on different types of organizational structures and the contrasts between traditional hierchical/pyramidal types and the horizontal management type that evolved during his tenure with Vermont American. These thoughts are summarized in the attached outline titled "The Conversion of Modern Management Practices with Friends Ideas." A quotation from the Bhagavad-Gita and "A Credo" for business that he shared during his presentation are also included in this report.

Please note also that in the general appendix at the end of this Consultation report are notes from an address on "Ethical Investing" given by Lee Thomas at a conference at Quaker House in Brussels, Belgium.
Before we get carried away let us consider the cartoon
Francis Nicholson reminded me that there is no perfect company anymore than
a perfect person.
Or consider this quote from the Bhagavad-Gita.
Shri Krishna is the manifestation of God on earth.

This issue of Business Week of last 12th Month is but one of a number of such articles.
This trend toward decentralized management is most important and represents
a significant trend toward the conversion we are considering.

Some Friends run scared of power. Power is real.

I marched with Martin Luther King, Jr. You better believe he had power. Jesus had
power.

We had better have the courage to exercise power and the inspiration from within to
do it responsibly.

We should also have the good sense to accept - even encourage challenges to our
power. Our founding fathers talked about a system of checks and balances.

Now let us consider a credo that has guided me in business over the last 44 years.

To tie this altogether we now go back to the Business Week article and consider the
trend toward horizontal management structures.

In the old fashioned pyramidal structure we talked about “span of control.”
A person should not have more than about 8 people reporting to him or her.
This way the honcho could keep “control.” This is the way it is at Sears.
You have about 7 tiers in the management before you get down to the person who
signs the order or waits on the customer. All the way down everybody is looking over
everybody else’s shoulder and people keep as much bad news to themselves as they
can so they will not be criticized. I refer to this as the “tiers of things.”

Now Vermont American grew by accident. In 1962 when I became the CEO we had
$7 million in sales and three plants. The 3 plant managers and the staff people
reported to me, but there weren’t all that many. But we grew. We added plants and
we added staff. We did it one at a time. Each little addition did not cause us to change
our organization philosophy. After all it was working just fine. When the company was
sold out from under us in 1989 there were some 30 plants in four countries. The
volume was about $450 million and 42 people reported to the CEO. Correction:
nobody did. You cannot oversee this many people.

Of course this is not all there is to it. You cannot delegate your obligation to know what
is going on.
We had 5 people in internal audit. These people did operational audits. We needed to know that we were producing quality goods, that we were efficient and mindful of our social responsibilities.

Each month each of the 42 wrote me a memo on what they were doing and what they saw as important in their area.

I received detailed financial statements, and I made the rounds visiting plants and customers.

When somebody was not performing adequately, that person was told that, for the time being he or she reported to George. It was George's challenge to get the offender back in orbit, or find another, appropriate assignment.

This is how I envision a horizontal management structure working. I believe it is consistent with the philosophy of Friends. The maximum number of people have the opportunity for growth.

A summary in reverse: Bad business and bad Quakerism consists of:
- Insulation
- Meddling
- Work rules and organization charts
- Assistant to

The use of silence in negotiations
- Wight Bakke and the Steel Workers
- Intercultural negotiations.
- Getting the facts on the table.
- Rav Ahai Gaon, a Babylonian rabbi of the 8th century talks about honesty in silence.
A CREDO

The development of the human spirit is accomplished by the individual making decisions in communication with the eternal. Thus if we make a decision that should more properly be made by another, we are denying that person essential development. An organization's structure should encourage individual decision-making by as many people as possible.

Second guessing, too close supervision and domineering behavior even in a constructive organizational structure will hinder decision making initiative.

Unethical decisions cannot be tolerated, but no single individual should judge a decision unethical without consultation. Again, the most dangerous person is one who believes he or she knows God's will for somebody else.

BHAGAVAD-GITA

Sri Krishna:

Some philosophers declare that all kinds of action should be given up, because action always contains a certain element of evil. Others say that acts of sacrifice, almsgiving and austerity should not be given up. Now you shall hear the truth of this matter.

Acts of sacrifice, almsgiving and austerity should not be given up; their performance is necessary. For sacrifice, almsgiving and austerity are a means of purification to those who rightly understand them. But even these acts must be performed without attachment or regard for their fruits.
LIND COOP teaches strategic management to graduate students at Azusa Pacific University in Azusa, California, and operates a benefit trust management company. His business experience includes life-long involvement with his family's tool and die manufacturing business, several years in the retail food industry and management of cooperatives and community credit unions.

In beginning his remarks, Lind shared his concern for teaching and equipping those who wish to go into business how to integrate their religious beliefs and values into their business careers. He also shared a concern for helping people think about the type of business they might be best suited for and the type of position(s) in a particular field that is appropriate for them.

The bulk of Lind's remarks were based on recent research and reflections on how decisions are made both in business and religious organizations. He shared specific concerns about how poorly Quakers often apply the valuable lessons we should or could have learned from our own particular history with regard to making decisions as a religious community or in organizations grounded in that religious tradition. He argued that we have some wonderful ideals, traditions and examples, but that we so very often do not do well in putting them into practice.

Attached is the handout that Lind referred to in his presentation and discussion: "Decision Systems with Application to Decision Domains in the Secular Environment (Firm), Contrasted to the Local Church Environment."
### Decision Systems with Application to Decision Domains in the Secular Environment (Firm), Contrasted to the Local Church Environment:

<table>
<thead>
<tr>
<th>DECISION SYSTEM (Prevailing System)</th>
<th>SECULAR ENVIRONMENT (The Firm)</th>
<th>CHURCH ENVIRONMENT (The Local Church)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Hierarchical (Top Down)</td>
<td>Vision</td>
<td>Doctrine</td>
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<td></td>
<td>Mission</td>
<td>Theology</td>
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<tr>
<td></td>
<td>Strategic Goals that Define who you are.</td>
<td>Some Flexibility</td>
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<tr>
<td></td>
<td>Discontinuous. Supriseful.</td>
<td>Within Existing Policy.</td>
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<td>Seeks Stability. Evolutionary.</td>
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<td>II. Participative (Management &amp; Technocracy)</td>
<td>Semi-Structured, Tactic Oriented, Modifies Existing Policy.</td>
<td>Evangelism. Christian Education.</td>
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<td>When Incremental Change is OK.</td>
<td>Incremental Change Based on Extrapolation.</td>
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<td>III. Consensus (Everyone in Unity)</td>
<td>Some Flexibility Within Existing Policy.</td>
<td>Outreach.</td>
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<td>When Evolutionary Change is OK.</td>
<td>When it has Material Affect on Finances.</td>
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<td>Custodial. Precedent Driven.</td>
<td>Strategic Goals that Define who you are.</td>
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THOMAS GILBERT is an engineer who works for PECO ENERGY, a public utility serving Philadelphia and surrounding communities. His opening remarks focused on the changing environment in which a not-for-profit public utility operates and how they are trying to respond and adapt. Below is Tom's outline of the main body of his remarks.

Session 2: Friends in the Business Organization

The external environment is requiring business to adopt Quaker Practices

What would drive businesses towards Quaker practices? This would be a major shift from the past...

• major changes in corporations are driven by the external marketplace
• marketplace wants more value
• increasing value requires more corporate and individual productivity

What have traditional corporate business practices been?
• the corporate pyramid
• centralized control staff functions
• creating a “not my job” lack of individual accountability

But now, business is concentrating on high-value functions and eliminating low-value functions.
• reducing professional supervision and other staff positions
• focusing on total quality processes
• outsourcing non-core business functions
• pushing decision making authority deeper into the organization

And requiring employees to become “empowered.”
• customer-focused decision making
• faster responses to the marketplace

Business executives ask, “how can we trust employees to do the right things?”

Strong companies create common values to enable changes.
• values are how things work
• allow decentralized decision making and faster actions
• which increase productivity

Conclusion: the external environment is requiring business to adopt Quaker practices:
• common set of values
• decentralized work units
• individual and small team action

Thomas L. Gilbert - Eleventh Month 18, 1994
RESPONSE AND DISCUSSION PERIOD

Howard Mills shared reflections on a talk he gave a few years ago at the Earlham School of Religion about the ways in which businesses are organized. He noted the irony of the continuing use of organizational structures that were developed early in this century based on military models and those designed to meet the needs of standardized mass production businesses. He commented on the many technological and other changes which have made these earlier organizational models inappropriate for most contemporary businesses. Howard Mills is President of Maplehurst Dairy and Maplehurst Bakery in Indianapolis, Indiana.

The following are some of the questions and themes raised and points made during an extensive discussion period:

What do we mean making decisions by consensus?

In what circumstances is management and decision making by consensus appropriate and effective in business organizations?

Is decision making by consensus really the same as a group of Quakers seeking unity or the sense of the meeting in a Quaker meeting for business?

How do we define, understand and recognize legitimate authority and power within Quaker organizations and in business?

What are some of the attitudes that Quakers have about leadership and willingness to follow leaders that can make it difficult to make decisions and act?

Robert Greenleaf's writings about the concept of servant leadership and J.B. Phillip's notions about the value of an attitude of sacrificial service were suggested as being helpful.

The empowerment of workers and the creation of a sense of worthiness and value among all employees in a business was suggested as important for success.

The discussion period ended with several questions and comments on corporate culture and values in this society. Gianne Broughton, a business and management consultant from Ontario, Canada, shared several ideas about values and corporate cultures from Jane Jacob's book, Systems of Survival: A Dialogue on the Moral Foundations of Commerce and Politics. On the following page are two lists of values or characteristics of two contrasting value systems labeled as "The Commercial Moral Syndrome" and "The Guardian Moral Syndrome" taken from the Jane Jacobs book.
THE COMMERCIAL MORAL SYNDROME

Shun force
Come to voluntary agreements
Be honest
Collaborate easily with strangers and aliens
Comepete
Respect contracts
Use initiative and enterprise
Be open to inventiveness and novelty
Be efficient
Promote comfort and convenience
Dissent for the sake of the task
Invest for productive purposes
Be industrious
Be thrifty
Be optimistic

THE GUARDIAN MORAL SYNDROME

Shun trading
Exert prowess
Be obedient and disciplined
Adhere to tradition
Respect hierarchy
Be loyal
Take vengeance
Deceive for the sake of the task
Make rich use of leisure time
Be ostentatious
Dispense largesse
Be exclusive
Show fortitude
Be fatalistic
Treasure honor
Margaret Fraser, an English Friend who teaches management at The University of Brighton, commented on how the different English and American cultures impact how people in general and Quakers in particular think and act when making decisions in a group or organizational setting. For example, she suggested that the strong democratic tradition in the USA makes a marked difference in the way Americans and American Quakers make decisions.

Questions were raised about how deeply ingrained ideas, values and habits in a culture can be changed, especially when the perception is that change is badly needed. How can an individual in a business organization help change values and attitudes of other individuals and the entire organization?

Tom Gilbert and Bill Quigg closed this discussion period with personal examples of how attempts to change values can be made in a business setting and of how you may not know for months, weeks or years later what the results of your efforts may have been. These last comments were offered, in part, to encourage those Friends who are easily discouraged when immediate results are not seen.

Session 3
"THE ORGANIZATION AND THE WORLD"

This session was designed for presentations and discussion on the many constraints, demands, pressures, limitations and other factors which are part of the local, national and international environment in which business is conducted. Darryl Renschler (Lumberville, Pennsylvania - Philadelphia Yearly Meeting) and Howard Mills, Jr. (Indianapolis, Indiana - Western Yearly Meeting) were the presenters.

PRESENTATIONS

HOWARD MILLS is President of Maplehurst Farms and Maplehurst Bakery which are major suppliers to the retail food industry in Central Indiana. Howard has been active in a number of Friends organizations and has recently served on the Boards of Earlham College and the American Friends Service Committee.

Howard opened his remarks by relating a recent meeting of a Friends organization where the anti-business bias common in some Quaker circles was expressed. This was evidenced in a tendency to blame what was characterized as a global capitalist economic system for most of the world's ills. Howard argues that this is too simplistic a view of a complex world.

Howard suggests that we might more accurately and helpfully think of the USA as a "freedom to enterprise society" in which the capitalist sector is one of several segments of the society
or economic system. There is also a tremendous not-for-profit sector, a huge cooperative sector, and a large government sector in which components like the Department of Defense look more like socialist entities than anything else.

In looking at the environment in which a business and its managers must operate, Howard pointed to the often competing claims of customers, shareholders and employees as very real constraints on what a business is able to do and how. He suggested that there is some evidence that there is more convergence of these interests and claims today and that this trend away from conflicting claims toward sharing of information, cooperation and partnership may be very real. He used the example of his companies' changing relationships with Marsh Supermarkets to make this point.

Howard concluded his presentation by saying that it is very difficult to make easy generalizations about what to think about all the consequences of the globalization of the economy. For example, on general principle he believes that protectionism is a bad idea and that trade agreements are good, but he realizes that particular trade agreements have their shortcomings and we do not always know in advance who will be hurt the most and what the long term consequences will be. This theme and concern was addressed by many participants later in the response and discussion period.

DARRYL RENSCHLER began by relating some of his business experience after graduating from Earlham College and getting a Ph.D. in Physics. He worked for General Electric in research and later got involved in technical management and business travel that enabled him to meet some of the world's most important technological innovators and inventors. The past ten years have been spent as a consultant to distressed companies.

The theme for his talk was "The World is Me." He argued that despite the great complexity of making business decisions in a truly global environment, these decisions are made in basically the same way as they are at the local level. He tries to apply the same basic principles at all levels.

For example, in working with managers and workers in distressed companies, his basic message to them is as follows:

In working with you to try and save your company I will (1) try to make decisions as if I were in your shoes and as if the consequences of my decisions would affect me and (2) treat you just as I would wish to be treated in your situation.

He also shared some strongly held beliefs about the characteristics needed in a successful business manager trying to rescue a distressed company, or in any successful leader in any field. First, a manager/leader has to have very simple princi-
pies that he/she believes in deeply. Next, these principles must be ones which can be concisely communicated and easily understood. Finally, there must be an obvious consistency between stated principles and the behavior of the manager/leader.

With the above in mind, Darryl gave a few illustrations of how he has attempted to apply or "institutionalize" these beliefs and principles in his work with distressed companies. He said that one of the first things he does on site is to park where the lowest paid employee of the company would have to park and enter where he or she would enter the factory. This gives him a first impression of what it is like to work at that place.

In one specific case when he did this he was quickly told by the management to move his car from the open parking lot to a protected parking area reserved for management so that the finish on his car would not be damaged by the emissions from the factory. He learned very quickly that in this business the perception and reality of preferential treatment of different categories of employees was one of the problems that had to be addressed if there was to be any hope for economic recovery.

Darryl concluded with a few remarks based on his experience of trying to apply some of these principles in the very difficult situation of the "maquiladora" manufacturing and assembly plants along the US-Mexico border. This challenge of how to operate a business profitably, ethically and humanely in this type of situation led to considerable comment during the discussion period following.

RESPONSE AND DISCUSSION PERIOD

A wide range of issues were raised and discussed in response to these two presentations. What follows is an attempt to summarize some of the main questions raised and points made.

- What can or should Friends be doing about US workers who lose jobs as the result of trade agreements or other changes that result in US companies relocating outside the US, downsizing in response to foreign competition or going out of business? What can be done to help relocate or retrain workers who lose jobs for any of the above reasons? Is this loss of jobs really a new phenomenon or is it just happening at a faster pace than in the past?

- What should our response be as consumers when we are offered products which are produced by workers we believe are "exploited" in some way? What about goods produced by prisoners? Are they being exploited or is it fair to competitors who have to produce the same products paying regular wages?

- How can we promote the reality of equitable standards and practices around the world with regard to labor practices, working conditions, environmental protection, etc.?
- What can we do to help ourselves, our businesses, our employees and others plan for and be prepared to adapt to the rapid changes in the economy that will result in job loss, relocations, need for retraining, etc.?

- One participant argued that despite the many problems and challenges of the globalization of the economy and trade agreements, he and many other Friends see increased world trade as the basis for world peace.

Lind Coop made some final comments about three questions that he asks his graduate students and people in business to look at as they plan for the future of business. He suggested that these same three questions can also be useful to other types of organizations as they plan for their futures. These three questions in his "strategic management model" are as follows.

1. WHERE AM I TODAY? What are the most important internal and external factors that define and describe the present condition of my business or organization?

2. IF WE DON'T CHANGE, WHERE WILL BE 1, 2, 3, 5 & 10 YEARS FROM TODAY? Are we satisfied with the likely consequences of not changing?

3. If we don't like the scenario of where we will likely be in the future without making changes, WHAT CHANGES DO WE NEED TO START MAKING TODAY AND TOMORROW? Realizing that there are no guarantees that changes will get desired results, what are we willing to do to increase the potential for success?

Session 4

"MANAGEMENT EDUCATION: WHAT SHOULD FRIENDS SCHOOLS BE DOING?"

This session was included to provide opportunity to hear what some Quaker-related schools are doing in teaching business and management to undergraduate and graduate students. It was also hoped that participants would express hopes and opinions about what they would like to see taught to students in these schools who are already in business and management or who aspire to do so in the future. The presenters were Lind Coop from Azusa Pacific University in Azusa, California, John Wish from George Fox College in Newberg, Oregon, and Gil Klose from Earlham College in Richmond, Indiana.

PRESENTATIONS

LIND COOP teaches strategic management to graduate students at Azusa Pacific University and is Presiding Clerk of Southwest Yearly Meeting. He opened his presentation with remarks about
Friends connections with Azusa Pacific University. The school which later became Azusa Pacific University was started by Friends in Southern California in 1897. In 1931 the school was turned over to the Wesleyans. There are a number of Friends on the faculty and Friends students probably make up the largest single denominational group in the student population.

Lind related how the School of Business and Management recently surveyed area business people, local Friends in business and management positions and business and management graduates of Azusa Pacific University to find out what they were doing right and what needed to be changed in their program. The following are five major findings of that survey:

1. The traditional Master of Business Administration degree is out of date. "Don't send us any more traditional MBAs!"

2. Send us people who know how to communicate person to person and in writing in one-on-one situations and with groups. "We need people with good communications skills."

3. Send us people who have a grasp of the "big picture" - the local, regional, national and international environment in which a business must operate today. There is a need for people who can interpret and translate this knowledge of the big picture into the places where business decisions are made at the local level.

4. Send us people who have behavioral science skills. There is a need for people who know how to work with and manage other people in business organizations.

5. Send us leaders who are ethical people.

Lind said that these responses led the Azusa Pacific University Business and Management Program to look at the changing nature of the American worker and workplace and to make major changes in their program. Another message they heard from their survey was, "Don't try to teach your students the specific job(s) they will do in my business. Teach them basic skills and we will teach them the specific job when they come to work for us."

Lind closed his presentation by referring to the handout titled, "Optimal Managerial Skill Mix By Hierarchical Level." He commented on the mix of technical, human relations and conceptual skills that seem to be most desirable in managers at different levels in a business. He asked other Consultation participants to share with him examples of how these different mixes of skills are exemplified in their business experience.
## Optimal Managerial Skill Mix by Hierarchical Level

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<tr>
<th></th>
<th>Technical</th>
<th>Human</th>
<th>Conceptual</th>
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<tr>
<td><strong>Top Management</strong></td>
<td>18.6%</td>
<td>33.0%</td>
<td>48.4%</td>
</tr>
<tr>
<td><strong>Middle Management</strong></td>
<td>32.3%</td>
<td>41.3%</td>
<td>26.4%</td>
</tr>
<tr>
<td><strong>First Line Supervision</strong></td>
<td>54.6%</td>
<td>31.3%</td>
<td>14.1%</td>
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</table>
JOHN WISH is Professor of Business and Economics at George Fox College in Newberg, Oregon. The attached paper provided by John Wish gives more information on his background and summarizes his presentation.

**An Introduction to the MBA Program at George Fox College**

by John R. Wish

**Introduction**

I cannot answer the question I was asked: "What should Friends Colleges be Doing in Management Education?"

I can share with you what we are doing at George Fox College along with a bit of my personal journey of trying to be a better servant.

I am not yet a Quaker. I have moved from "Hard Shell Fundamentalist Baptist" to Presbyterian toward becoming a Quaker.

**Some Background about George Fox College**

The College is located some 25 miles southwest of Portland. We are proudly Evangelical Christian in our orientation. Faculty members sign a lifestyle and Christian commitment oath in order to work at the College. Twice weekly chapel is required of all undergrads. Drug use (legal and illegal) is prohibited. Quakers and minority races are in distinct minorities. Many students come here because of our Christian orientation.

Ed Stevens has been President for 10 years and earlier this year his contract was renewed for another 10 years. Enrollment at the College is at an all time high of over 1500 students, including over 100 MBA students.

**The GFC MBA Program**

Quaker decision processes seem to have had little to do with the establishment of the five graduate programs at George Fox College. President Ed Stevens wanted the College to have an MBA program and so we enrolled our first class in the fall of 1992. Some 32 adults will receive their MBA degrees on December 17, 1994.

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1 A Presentation made on November 17, 1994, at the Friends Consultation on Quakers and Business. The consultation was sponsored by the Quaker Center and the Earlham School of Religion, Richmond, Indiana.

2 Professor of Business & Economics, George Fox College, Newberg, OR 97132. 503+538-8383 email address jwish@foxmlail.gfc.edu
Our MBA program is a team-built and team-centered, cohort based program taught by full time faculty. We admit a class of 35 to 50 new adult students each September. Each class is divided into two cohorts which meet weekly on separate nights from September through July, over two years. In addition, about 8 times a year the two cohorts come together for an all day Saturday session on campus. Within each cohort, the students are assigned to semi-permanent small groups of four to seven persons. (Most remain in the same team for their two years.) Team work is part of the grade in each course. Students take the same twelve courses, one course at a time, and must also prepare an independent project for 3 semester hours credit.

Books, email services, computer applications, and lunches at the Saturday classes are all included in the price of $17,9003 for the 39 semester credit hour MBA program.

Our regional "niche" is:
- The only openly Christian MBA.
- The only team built MBA.

Issues on which we are working:
- How to deal with poorly performing team members.
- Better integration of faith and learning within an evangelical Quaker perspective.

Conclusion
I believe Friends Colleges are called to do more than teach. Quakers have a unique history and understanding. I feel we are called to be servants and friends in this, God's World. And, it is in community that we will best discern God's will.

"This is God's world, we are loved, we are here to serve in that love, we never kill, and we value one another as our very self."

3This was the price for students enrolling Fall, 1994.
An Introduction to the MBA Program at George Fox College

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Gil Klose is Professor of Economics at Earlham College and teaches in its undergraduate Management Program. He opened his remarks by commenting on how his program differs from those of the first two presenters. First, he noted that Earlham serves a very different market located where it is in Indiana rather than on the West Coast. Earlham is a Friends related college, but is not in the evangelical Christian traditions of either Azusa Pacific or George Fox. Unlike the other two, its management program is for undergraduate students and, among other things, this means teaching students who have little or no practical experience in business.

Gil Klose listed some of the things Earlham would like to see its management students come away with. They included the following:

1. Basic communications skills
2. Skills of economic analysis including statistics and use of computers
3. Knowledge of the structure of business organizations
4. Values that will make them human managers – including those values that seem most closely associated with Friends

Attached is a one page paper outlining the courses offered in the Earlham Management Program.
The Structure of

The Earlham Management Program

Six Core Courses:

1. Management 17
2. Economics 15
3. Computer Science 20
4. Math 15
5. Peace & Global Studies 43
6. (Politics 43
   ( or:  
   (Politics 47
   ( or:  
   (Psychology 75

Introduction to Management
Financial Accounting
Computer Applications & Society
Statistics
Theory & Practice of Conflict Resolution
Organization & Bureaucracy
Public Administration
Industrial & Organizational Psychology

Five Junior/Senior Level Management-Related Courses

Examples: Managerial Accounting (Economics)
Labor Economics (Economics)
Social Relations (Psychology)
Psychology of Sport (Psychology)
Products & Markets (Economics)
Japanese Economic Development & Management (Economics)
Money & Capital Markets (Economics)
Multinationals & International Politics (Politics)
Health, Medicine & Society (Sociology/Anthropology)
Managerial Finance (Economics)
Constitutional Law (Politics)
Leadership & Management in the Non-Profit Sector (Management)

Senior Seminar

Internship
RESPONSE AND DISCUSSION PERIOD

There was a lengthy and very lively exchange of questions and suggestions on the many issues raised in the presentations. What follows is an attempt to note and summarize some of the most notable remarks offered and points made.

There were questions about internship and field experience opportunities for students and Lind, John and Gil responded with further information on what is available at their schools.

Some of the major philosophical and important practical questions that came up over and over again in the discussion were these:

What is it, if anything, that is really unique about Friends beliefs, attitudes and practices about and in the realm of business and commerce?

Is there really unity or consensus among the wide variety of Friends on questions relating to business to a degree that would justify our saying that there is any distinctive Friends perspective on or approach to business and management?

Assuming there may be a common message or testimony about business, how can and should it be communicated to Friends and others?

Are we academically sound in any theory on business and management we may be espousing?

Should Friends colleges be in the "business" of offering business and management schools? Should this be a priority for Friends schools?

Several participants responded to the question about whether or not Friends schools should have business and management programs. John Wish suggested that one of the practical reasons that George Fox College keeps its MBA Program is that it is a "profit center" for the school. Mark Cary argued that it is appropriate and in keeping with our Quaker heritage. He noted that Joseph Wharton, a Philadelphia Quaker, started one of the nation's first business schools. This school still bears his name today and is part of the University of Pennsylvania. Value oriented education is important and Quakers may still have a contribution to make.

Darryl Renschler argued that it may make particular sense for Friends in the Philadelphia area to be involved with and support business education. Many of the Friends schools in the area have historical ties with Friends in business. These schools need a pool of Friends in business to draw upon for members of their governing boards. Their knowledge of how to run a complex organization and their ability to contribute financial-
ly are both very important to these schools. Darryl also sug-
gested that Quakers may have an important role in challenging
businesses to look at how their operations impact progress on
important social issues in their community.

Wallace Collett reflected on his experience as an English
major who ended up with a career in business and suggested some
of the things he thinks schools should do to help prepare stud-
ents for careers in business and management. He said they should
help students develop the ability to listen, gather relevant
information and think logically about problems, information and
solutions. Help students develop good communications skills,
especially good writing skills. Help them develop their abili-
ties to work with other people, to make decisions and to be
practical in their approaches to problem solving. Wallace sug-
gested that Quakers have been and should continue to be a practi-
cal people in business or other areas of activity.

Gianne Broughton suggested that we think of business as a
way of providing a service to a community. What business should
be about is providing goods and services needed by people and
organizations for the betterment of the general quality of life
in the community. It can be more that just a way of making
money. She also suggested that the process of learning about
business in school should involve learning how to work together
with others as part of a team.

Again, one of the main questions or themes underlying this
whole discussion was that of whether there really is a distinc-
tive Quaker approach to economics and the right ordering of
things in society. If there is, should it be part of what we try
to teach in Quaker Schools and how should it be taught?

Saturday, November 19

Introductory Note: The Saturday morning sessions were held at
the Earlham School of Religion beginning with a period of open
worship in the Quigg Worship Room. At the rise of worship Andy
Grannell, Dean of the Earlham School of Religion, welcomed Con-
sultation participants on behalf of ESR as one of its co-
sponsors. Andy used this occasion to inform or remind Friends
that in September ESR welcomed Bethany Theological Seminary
(Church of the Brethren) to the Earlham College campus as a
neighbor and partner in theological education.
Session 5
"OPPORTUNITIES FOR QUAKER WITNESS"

John Punshon introduced this session with an illustration from his own work experience of how he finally decided to leave the legal profession. He felt that there were increasing conflicts between his beliefs and values and what he was being asked to do in his profession.

This session was included to give time for participants to share examples of opportunities they have had to apply and give witness to their beliefs and values in the business world. The presenters were Bill Quigg (Richmond, Indiana - Indiana YM), Mark Myers (New Canaan, Connecticut - New York YM) and Theresa Basquez (Absecon, New Jersey - Philadelphia YM).

PRESENTATIONS

BILL QUIGG is president of Discovery Learning International, a seminar and consulting company assisting businesses and organizations throughout the United States and Canada in: Increasing productivity, improving customer satisfaction, maximizing the skills, attitudes and creativity of people, and enhancing profitability. He also serves on the faculty of the Earlham College Executive Growth and Management Institute.

Prior to starting a consulting practice, Bill was President of Central Broadcasting Corporation which operated ten radio stations in the midwest. He currently serves on the Board of Star Bank, the Board of Advisors for Earlham College and is a former Trustee of Earlham College.

Bill started by saying that his mission is to make a difference in the lives of people and to improve the productivity of people and organizations by changing behaviors and habits. In his work, he does this training himself and he trains others to be trainers.

He sees this as a way to put his faith into practice, He derives great personal satisfaction from helping others change behaviors and habits that enable them to live up to their potential in business and other areas of life. He openly talks about values in organizations and helps managers realize that those people with the strongest values are those who are the most effective and productive.

Bill also shared some thoughts on sales and selling since he does training sessions for salespeople. He says that selling is an exchange of value - providing something of value to another in exchange of something of value to you. Both parties can get something of value to them in the exchange.
Much of what he does in his training sessions is to try to help people develop trust and rapport with those with whom they work. Helping them to value the people they work with is very important. At times he is asked to provide "diversity training" and what he really does is try to help people in an organization develop their listening and communications skills, learn to value others and, eventually, develop the trust and rapport that is essential to success within a business enterprise.

Bill also shared a "Quaker Dilemma" that he and others inevitably face in a consulting business such as his. Should he agree to work with anyone who asks for his services or are there limits? For example, should he accept an offer to work with the U.S. Strategic and Instrumental Command in Orlando, Florida, to help their people do their job of virtual reality training for the Department of Defense better? Perhaps the politically correct Quaker response would be to remain "pure" and decline this offer. Bill suggested that an alternative response is to see this as an opportunity to go to where people are and have a positive impact on their lives by challenging them to think about their work in new and different ways.

Bill also shared briefly about the "strategic critical thinking" training and exercises he does with businesses and organizations. The decision making processes he teaches are very close to what Quakers would recognize as consensus. He does not label them as Quaker procedures or values, but they are very similar.

Included on the following page is Bill Quigg's one page paper on "The Missing Dimension in Total Quality" that he handed out to Consultation participants.
The Missing Dimension in Total Quality

A lasting Total Quality implementation in an organization requires a profound transformation in how individual employees see their role and do their work. Most Total Quality programs do not address the personal commitment and accountability required from each individual to make the Total Quality program successful. Employees have not always been able to align their personal goals and values with those of the changing organization.

To improve the effectiveness of business practices there must be a focus on improving the commitment and effectiveness of the individual employee. Employees must find meaningful answers to questions such as:

- "What's in it for me?"
- "What do I need to be doing?"
- "What is my measurement and how can I improve?"
- "Who am I?"

For a Total Quality program to succeed, the organization must find ways to unlock the inherent power of each individual's self-interest and direct it toward the organizational goals. Individual discretion is required in more and more of today's jobs. George Land and Beth Jarman in their book, "Breakpoint & Beyond" say:

"We are entering a period that demands that we operate in such a way as to empower the incalculable assets of human intelligence and creativity. The major distinction, for example, between old and new methods lies not in the methods themselves, but in the ability to integrate human beings into meaningful work. The new world requires humans to function as essential information and idea resources, creating solutions we have never seen before. In this kind of situation, human labor is no longer a disposable commodity, but a unique creative resource, in which an individual's development is as valuable as the organization's growth."

A successful Total Quality program requires input, care and involvement from the individual. It rests on the concept of individual ownership of work. This effort cannot be forced. It comes from within our deeper Creative Dimension.

Ultimately, the success of your Total Quality Effort will depend on the initiative and commitment from each individual employee at every level of the organization.
MARK MYERS grew up in Indiana Yearly Meeting, is an Earlham College graduate and has spent much of his professional life in management positions with XEROX. He started by suggesting that witness is the practice of being spiritual. To witness can be seen as a natural part of daily life as a spiritual person. He argued that the religious/spiritual/Quaker part of our lives should not be seen as separate from our daily lives in the workplace. They should be integrated.

Mark listed and gave examples of four types of opportunities for witness in business life.

1. We should speak out and be public on important social issues. Health care, human rights, civil rights, immigration and discrimination were suggested as current examples.

2. We must prepare ourselves, our colleagues and our businesses for increasing diversity in the workplace. He has worked with XEROX for over twenty years in their conscious efforts in include more African-Americans at all levels in the organization. More women in the workplace is another important issue.

3. Now that we are in a post-Cold War era and the Soviet Union is not a convenient enemy, we need to resist the temptation to make someone else the "enemy." There is a tendency today to make Japan the enemy in the realm of international trade. In this particular case, Mark related an instance where he purposely arranged for the CEO of XEROX to have lunch with the President of CANNON - a major competitor for XEROX in their industry. He wanted them to know each other as people, not just as competitors.

4. Quakers and Quaker businesses should be involved with developing new understandings of a "fair social contract" between employers and workers in an era of rapid changes in the workplace. How can they relate positively in an era where the likelihood of working for a single employer for most or all of one's career is rapidly diminishing? How can workers be helped to cope with a situation where they may have to make several career changes in their lifetime and be retrained several times?

Mark concluded by adding that he thinks we need a new way to calculate the value of people in organizations. Historically, in the typical accounting processes of most businesses, employees are included on the cost side of the ledger. Perhaps it is time to think about employees more as assets in businesses than as costs.
The Missing Dimension in Total Quality

A lasting Total Quality implementation in an organization requires a profound transformation in how individual employees see their role and do their work. Most Total Quality programs do not address the personal commitment and accountability required from each individual to make the Total Quality program successful. Employees have not always been able to align their personal goals and values with those of the changing organization.

To improve the effectiveness of business practices there must be a focus on improving the commitment and effectiveness of the individual employee. Employees must find meaningful answers to questions such as:

- "What's in it for me?"
- "What do I need to be doing?"
- "What is my measurement and how can I improve?"
- "Who am I?"

For a Total Quality program to succeed, the organization must find ways to unlock the inherent power of each individual's self-interest and direct it toward the organizational goals. Individual discretion is required in more and more of today's jobs. George Land and Beth Jarman in their book, "Breakpoint & Beyond" say:

"We are entering a period that demands that we operate in such a way as to empower the incalculable assets of human intelligence and creativity. The major distinction, for example, between old and new methods lies not in the methods themselves, but in the ability to integrate human beings into meaningful work. The new world requires humans to function as essential information and idea resources, creating solutions we have never seen before. In this kind of situation, human labor is no longer a disposable commodity, but a unique creative resource, in which an individual's development is as valuable as the organization's growth."

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THERESA BASQUEZ is a relatively new attender of the Atlantic City Area Friends Meeting. She is employed as a computer software test analyst for a technology company division specializing in government contracts. Recent experience included working on a contract with the Federal Aviation Authority. Theresa's presentation was an attempt to share how her experience in her particular business field has brought her to and been impacted by her involvement with Friends:

I am surprised to be speaking here, as I have been an attender for about a year. What I'm going to tell you about is my path from the bottom of the hierarchical structure to standing here now. My undergraduate work was completed a few years ago and I am now working on my Master's thesis in Software Engineering. The industry I work in is focused on software development in the government sector, and the work is intellectually challenging in two ways. First we have the software problem to solve, and second we are working on improving the process of development.

After I worked in different areas and at different levels for awhile, I began to be aware of an invisible mindset. Everything was always fine, there were never any problems or anything that needed discussion or improvement. Operating in this way leads to "yes" people: they say yes to unreasonable requests; they say yes because they are asked; they say yes because they don't understand what they are agreeing to. In a typical exchange, you might say something like "I think the blue plan covers all the requirements." The response you would hear is "I'm so glad you agreed the red plan has the right approach." There is wishful thinking - if you want something so, just say that it is. You can ignore any questions, or not understand them. If someone has a suggestion, you might hear "We're already doing that, we just don't realize it."

At first, I felt confusion. Did I miss something? When I realized I hadn't missed anything, the confusion gave way to anger; but I was drawn into this prevailing behavior. When I caught myself calculating maneuvers, I was dismayed at the effect of working in this environment. I knew I needed help dealing with this, and that's when I first attended meeting. The Quaker community helped restore my perspective. Pete Seeger told a story to illustrate this. Back in the early 1950's, he left a concert in NYC at 2:00 am and came across a handful of protesters holding a candlelight vigil and carrying signs to "ban the bomb." There was a young man there, and he asked him "What are you doing here. Do you think you can change the world?" After a moment's thought, the Quaker replied "Maybe not, but the world won't change me."

It is the age-old question of how to live in a spiritual way in a secular way. What I have found through Quakers is a community which wholeheartedly supports this quest. What I am learning
to do, like the peace protestor, is to light a candle and keep the vigil. It is essential to be who we are; to say what we think. We can keep silent if there is a need; we can agree to disagree without acrimony. We can be inclusive, solicit the input of others and offer options. By living the testimonies, we teach by example.

Quaker participation in business, and business education, is essential. It is fair, just and honest, and needs to be imparted to the larger society as much as possible. At the Dayton Airport, I saw an ad for robotics which said "Business is War. Arm Yourself." This is the kind of descriptive language which I have heard in proposal rooms, where there are "capture managers," "battle plans," "attack strategy," and victory. This kind of language is a far cry from the ideal of partnership among management, employees and owners which we have heard here, and which we must counteract.

(The following was submitted by Theresa Basquez following the Consultation as a reflection on her experience there.)

BUSINESS FRIENDS

It was a very great pleasure to share and learn with Friends engaged in a variety of business activities. For those of us working in the mainstream, I see our role as teaching, in whatever way we can, that there is a fair way to do business and manage employees, even with appropriate consideration of the bottom line. Demonstrating that such an approach enhances productivity will go even further in promoting reasonableness in business.

To this end, business and management education in Quaker institutions is important not only to prepare young people with the tools of the trade, but to prepare them with an understanding of the challenges that they will face, and how to meet those challenges in the context of our faith.

I am very interested in exchanging information, ideas and experiments about what works and what doesn't. Maybe we can get some sort of informal periodic collection of material, references, etc., going. I'm sure there are many, many more Quakers out there earning a living who would be interested as well. As we discovered, we find strength in our faith and through each other.
RESPONSE AND DISCUSSION PERIOD

Several of the initial responses and questions were for Bill Quigg and what he had shared in his remarks. He was asked about the effectiveness of his training seminars in getting people to change values, ways of thinking and behaviors. He said they work only when people realize that change is needed and are willing to consider alternatives. Bill said that once you get people seriously engaged in the process of looking at needed changes, you will most likely get them to identify and make those changes.

Bill was asked about any experience or success in working with difficult groups such as the homeless or chronically unemployed. He said he has had some success using seminar techniques and principles in some of these difficult situations, but he is still learning. He related an instance where listening and an attitude of "total acceptance in a totally non-critical environment" finally got responses in working with a group of inmates. He related another case where these attitudes and practices allowed him to finally develop a relationship with a police officer who was about to be fired. They worked together on what that officer really had to offer to the community and he eventually went out on his own in a national program working with inner city youth.

Questions were also raised and discussion about morality and marketing. Are we correct in seeing marketing as basically bad because we assume it involves creating an artificial demand for goods and services people really don't need? Mark Carey spoke out of his experience in marketing research and advertising and argued that the research indicates that advertisers are not usually trying to force products on the public. They are usually trying to sell what they are convinced the public already wants. Tom Gilbert shared what he had been told by a network television news executive about why there is so much violence and negative news on the television. They are responding to what their research indicates people want to see on the news, rather than deciding this is what they prefer to air.

Much of the remaining discussion focused on general attitudes that different publics, including Friends, have about business. Gianne Broughton shared what she sees as a general assumption in Canada that you can't be in business and be ethical at the same time. She thinks that this is due in part to what is taught in the public schools about theories of economics and the motives of people in business. She said that her attitudes about business have changed significantly in her lifetime. She believes that it is important for people to have a source of income and that business skills are needed to enable people to earn an income and be reasonably self-sufficient. Once a person has taken care of these basic needs for survival, then there are choices to be made about whether a business activity is going to be either beneficial or detrimental to the community.
Bill Quigg argued that most people in business have good motives for what they do, even if the consequences of what they do are not always positive. He believes part of his mission is to do what he can to provide a supportive and positively reinforcing environment where others feel encouraged, supported and rewarded for doing the right thing in their business. He feels that individuals can make a difference in this way.

Stratton Jaquette shared his feeling that many Friends in his yearly meeting, Pacific Yearly Meeting, have the attitude that to be in business is to be "essentially unclean." He does not share this attitude and thinks that it is wrong for Friends to abandon involvement in business to others because of an attitude that you can't be moral or ethical in business. Stratton suggested two areas or opportunities for Friends witness related to business. First, he said Friends can speak out publically when an advertising campaign is misleading or not truthful. The example of speaking out may encourage others to do likewise and this may eventually result in desired changes. Second, we should give very careful attention to how we who are in business treat other people in our businesses and the business environment in which we operate.

Wes Blanchard suggested that the attitudes of many in Pacific Yearly Meeting toward involvement in business would not necessarily be shared by Friends in other regions of the country. For example, many Iowa Friends own and operate small businesses in small towns or in agriculture and their attitudes toward business would be much more positive.

Catherine Moss, an attender at Berkeley Friends Meeting in Northern California, suggested that it is just common sense to think that it's more effective to change the way businesses behave from inside than from the outside as a mere critic if we are really serious about change.

Willard Vaughn stated his clear belief that what he does as a small business owner/operator is honorable, that his business helps other people and that he can be responsible for spending the money he makes in wise and positive ways. He makes no apologies for being an engineer in business.

Mark Carey spoke out of his particular experience of working for a publically funded social service agency that spent millions of dollars to help poor people get jobs with little real success. He used this experience to make the point that just having good intentions in a "politically correct" organization does not guarantee good results.

In sum, this was a very lively and stimulating discussion period and the summary above can only serve to highlight some of what was shared. The session closed with a challenge from John Wish for Quakers to get serious and specific about the values they hold which they think are especially important to be applied in the business world.
NOTE: On Saturday afternoon prior to and following John Punshon's presentation (Session 6) three informal workshops were held. One group met with Gianne Broughton who presented some of the content of the Jane Jacobs book, *Systems of Survival*. Another group met with Bill Quigg to learn more about the content and techniques he uses in the training seminars he leads through his consulting business, Discovery Learning International. A third group met with Willard Vaughn and Marguerite Overington to talk about some of the "nuts and bolts" of owning and operating a small business.

On Saturday evening another informal session was held. This time was spent with Ken and Katherine Jacobsen who were assuming major leadership and management roles at a Friends boarding school. Various participants shared information, ideas and specific suggestions from their experiences in the management of for-profit and not-for-profit organizations. For a personal reflection on this session, see the letter from Catherine Moss found in the Appendix to this report.

Session 6

"AN HISTORICAL VIEW OF FRIENDS AND BUSINESS"

John Punshon was the presenter for this session and included here is his written summary of his presentation. John Punshon is currently Professor of Quaker Studies at Earlham School of Religion. John is the author of several books, writes for various Quaker publications, and speaks widely among Friends.
I want to talk today about Quakers and one particular aspect of their history, but I want you to be clear about what I am doing. To many people history means heritage. Reading about the past in order to feel good, to learn about the heritage - does not seem to me to be worth the effort. Properly understood, history is a dialogue between us and the past. Our age is very fond of telling the past what is wrong with it. But we are not so good at listening to what the past has to say about what might be wrong with the way we do things. So today, after some remarks about Friends in business I want to outline some of the critical questions that I think our past poses to us.

The more I reflect on the history of the Society the more I am convinced that the most important period in its development was between 1670 and about 1690. In England, in those years, there was a strong movement of the Quaker population from the country to the towns. By the beginning of the 19th century, English Quakerism was a largely urban phenomenon, and prosperous, if not rich. Other Friends emigrated to the American colonies, however, and Friends here have preserved a much more diverse character, perhaps owing something to this little piece of economic history.

Town and country give rise to two quite different attitudes to life. Town dwellers do things, whereas those who are close to the land know that things have their own rhythm and take their own time to come to fruition. My grandfather was for part of his life an agricultural laborer and he had his vegetable patch in his cottage garden and he could not go out to the garden and say to his onions “Grow, damn you!” Whereas nowadays, in town, when my automobile goes wrong, I go to the shop and say “fix it.” So when we look at the different forms that Quakerism takes I think that sometimes we overlook that this is perhaps one of the most common. There is a distinction between urban and rural Quakers. When we talk about Friends we concentrate our attention on the urban variety. That is the focus of our subject today, but it is not the whole of our story. I want to register that reservation at the beginning.
So we begin with the fact that Friends are noted by economic history and by folklore as being business people. Quaker Oats was called Quaker Oats, I would imagine, in order to imply that you could trust the product - which involves the prior judgment that people likely to buy them already knew that the Quakers were trustworthy folk. We know that in Philadelphia and in the United Kingdom, a number of very big companies were founded by Friends and for many years run by Friends. We know also that the Quaker philanthropic enterprise has always been very important in the same places. It was part of the Evangelical reform movement which was strong in this country too but petered out into the deserts of fundamentalism in the latter part of the century whereas in England it revitalized the radical traditions in the connection between the Methodist Church and the Labour Party.

So Quakerism has a cultural significance quite apart from its place in religious history. It is said, for example, that only a Philadelphia Quaker could buy from a Scotsman, sell to a Jew and make a profit. And I think of that as the basis from which we begin. How did this link between Quakerism and business originate? I think we shall find that there is a combination of some historical circumstances and some particular religious convictions, and we will look at each in turn.

We have to begin with the fact that in England, from the 1660's down to the early years of the 19th century, the professions were closed to dissenters. Friends, particularly, because of the testimony against oaths, were unable to make confessions of faith and allegiance to the established church and the Crown. Quakers wishing to practice medicine for example would therefore go to Scottish universities or universities on the Continent, and even then had difficulty in getting a license to practice. This was true in the professions at large. So the only sphere of activity that was open to clever Quakers was trade and this is where the foundation of the great fortunes lies.

The story is not quite a rags to riches one, though. There is some argument about the social composition of the early Society of Friends. The family background of George Fox is case in point. The 19th century liked to see Fox as a son of the rural poor who was an undiscovered religious genius until the power of his inspiration drew him on to the national stage. In fact he was probably quite well off. He was apprenticed to a cattle factor - someone who had a standing in the community probably like a realtor nowadays - not an opportunity open to the laboring poor. His family at one time wanted to send him to either of those two hated institutions Oxford and Cambridge to become a priest. He says that while he
was with George Gee, the man he was apprenticed to, he made a great deal of money, but afterwards when he left, George Gee went broke. Fox says that in his *Journal*, and on his journeys he said he had enough money for his own needs and to help other people as well, and if he ever ran short, then he practiced his trade. He barged in on the Quarter Sessions of the magistrates near Leicester once, and harangued them about fixing a reasonable wage. What interests me is not so much that he went and did this, but that he had the position in society from which he was able to.

And so it seems that the Society of Friends grew out of what we might call the rural petty bourgeoisie. And Quakers become great magnates in finance and manufacturing in England because it's precisely that class in society which was carried upward by the escalator of the Industrial Revolution. The Industrial Revolution by the middle of the 17th century was already well advanced. It's customary to say that it took place between 1750 and 1850. However when I studied economic history, (back in history itself), I remember that the first essay I had to do was about whether the Industrial Revolution actually did happen between those two dates.

I found that the very term 'Industrial Revolution' was a 19th Century term of art. There was no such expansion between 1750-1850 as we used to think. There was a much longer rising curve of activity which becomes noticeable at that time. Friends unable to practice a profession and forced to enter trade found that they entered trade and also manufacturing, on a rapidly expanding market which continued for a century and a half and conceivably two centuries, and we might just be at the end of that period of expansion at the moment. So there were economic and social factors which led to this concentration of Quakers in business.

The second set of features has to do with the religious convictions of Quaker traders because, if you acquire wealth in order to dissipate it then you would not enter economic history as a fairly clearly defined and remarkable group. And, of course, as we know, it was Quaker principle which facilitated the growth of fortunes. The first element in this is the frugal life style - the testimony of simplicity. If you practice the testimony, you do not engage in conspicuous consumption. The result is inevitable capital accumulation. This leads to investment and further returns and as they used to say in Boston, you needn’t live on the interest when you can live on the interest on the interest. And that is something which, if you make the conscious choice of simple living, you are able to do.
There were various other things which facilitated this. You were socialized into a closed religious community, and that religious community had a clear theological basis. The testimony of simplicity cannot be plucked out of the air. It was part of a corporately observed set of beliefs and practices designed in part to keep the group together. Since the main vehicle of education in the trading classes was apprenticeship, boys were sent to other Quaker families sometimes in another part of the country, to learn their trade. This created connections.

Likewise, marriages took place within the Society and, as we all know, Friends were read out of meeting if they married non-Friends. It is not unreasonable to assume, therefore, that dynastic and financial marriages took place within the closed community. You were of course socialized into the underlying values of the community at the same time, notably, for our purposes, the testimony of simplicity and the opportunity that arose thereby for capital accumulation. So we have an economic trend buttressed by a religious position, two elements which would have to be in place before you would expect a group to produce a pattern of wealth and business success which Quakers displayed, particularly in Philadelphia and England. So business was the most important area of activity for Friends and we can therefore expect that since they are a religious community their business life is going to be their testimony.

Perhaps the clearest religious principle Friends lived by was that a fixed price is a just price, and there are minutes of London Yearly Meeting and I have no doubt Philadelphia and other American Yearly meeting which emphasize this and commend this principle to Friends' attention: that the price at which goods should exchange is one that should be fair to both the purchaser and the maker. Therefore, speculation is something that Friends were always warned very strongly against. It is again one aspect of testimony; it is this apparent infraction of the testimony of simplicity which leads to what (to us) is the very harsh practice of disowning Friends who went bankrupt. We might think that was penalizing an understandable mistake, but in historic times Friends took the view that you became bankrupt if you overextended yourself. And reasons for overextension seemed to lie not just in business decisions but in defective moral judgments because you had sought more than you should have sought in the circumstances. The reason of course being that you had not carried out the requirements of the testimony of simplicity.

So Friends were strongly against speculation, strongly against bankruptcy and there is reason to believe also that they accepted the view of the reformed tradition from which they
sprang that work is a recreation of creation. That in the things that you do, particularly the technical advances that inevitably come with enlightened and intelligent trading you are doing something for the glory of God. And therefore business is not an unpleasant necessity but it was a vocation and it was something where Friends pursued their testimonies -testimonies which the world saw and registered.

The Darby family, who ran a number of iron works at Coalbrookdale in England, had a sliding scale for the wholesale supply of iron goods during periods of inflation particularly during the wars of the 18th century. So it was obvious that the company was not profiteering when things were scarce, but if the cost of raw materials increased the cost of production would increase pro rata and there would be no attempt to draw off a special dividend because of special circumstances. And this is something that leads to the reputation of integrity that Friends have. So, business was therefore an area for testimony and an area for the practice of the religious life.

In the 19th century we find the great Quaker dynasties in the United Kingdom emerging. The Gurney family's banking enterprise, for example, was so great that they had a position rather like the Rockefellers and there was a line in Gilbert Sullivan's *Trial by Jury* ending "... we should all be as wealthy as the Gurneys!" They were a by-word for wealth. There were several Gurney banks, and one of them is now part of Barclay's, the largest Bank in England. If you go past the Barclay's bank in any High Street in England, you can see its blue fascia with an eagle on it and there are three gold crowns on the breast of the eagle. The golden crowns are the symbol of the Gurney bank which became part of Barclay's.

Lloyd's, the other important joint stock bank in England, was a bank which revolutionized practice by moving from the provinces to London instead of the other way around, and they were very tough operators at Lloyd's. Sampson Lloyd was supposed to have said, "We do nothing for nobody for nothing." That was the basis of his business practice. But the great families like Huntley's and Palmer's, the cookie manufacturers, Allen and Hanbury's chemicals, Cadbury's, the chocolate manufacturers, Rowntree's, the other chocolate manufacturers, all these people come before in the 19th century.

The interesting thing here is that they are all families that are fairly well off before the period begins. And that the great Quaker fortunes are made in the fifth generation. I once went through the backgrounds of as many big Quaker entrepreneurs as I could find and tried to find out how long was it since the family became Quaker. And with the exception of
William Allen who is a second generation Friend, I think, they are nearly all fifth or sixth generation Friends, which indicates of course that the success they achieved was closely correlated with membership of the Society and I would suspect the values which the testimonies proclaimed.

In Philadelphia, we can learn much from Phillip Benjamin’s book, *Philadelphia Quakers in the Industrial Age*. He looked at a number of meetings in central Philadelphia, 15 or so, both Orthodox and Hicksite, and compared their social composition over the period from 1860 to 1920. A number of interesting conclusions emerged. One I have suggested already — that in the 19th Century, the Friends who did really well were the ones who came from established Quaker families. Most of the 10 millionaires in this study were birthright Friends who were themselves usually born in the city.

Certain other patterns are noticeable. For example, in 1860 there were far more business people in the Orthodox Yearly Meeting than the Hicksite Meetings partly because of the Hicksite connection with the land and also because Hicksites were more closely associated with professions, though by 1914 the proportion of business people and professional people in the yearly meetings had evened out so that there was a convergence between the two traditions that in the 1820’s were so different. After 1920, Philadelphia goes the same way as London, that is to say, the proportion of people practicing the professions greatly increases over those engaged in business and nowadays that is probably the standard position, everywhere in the liberal Quaker world.

Benjamin found a number of other interesting things. Philadelphia Quakers were strongly anti-debt and this worked out in such things as the practice of Strawberry & Clothier to whom you could go and get all kinds of household goods but you couldn’t get them on credit. And also, the practice of the wealthy, not just the millionaires that he studied, to retire early and devote their life to philanthropic work. This is a very important pattern that we find certainly in the United Kingdom. In the City of Birmingham, for example, the stamp of the Cadbury family can be found everywhere, because it was the custom to retire from business to let the next generation come up, and devote yourself to the improvement of society.

Let me just make two more points in this connection. First of all there is a change in the way Friends were involved in business. I’ve suggested that in the 19th century there was the growth of the entrepreneurial family and in the middle of the 19th century there took place a
joint stock revolution, which really meant the end of the family firm. And by the 20th century you get into the age of a number of diseases like cartels, multi-nationals, conglomerates and oligopolistic competition. The family firm doesn't survive very well in economic circumstances like that. In his standard lecture on 'The Family Firm', Adrian Cadbury points out that the problem family firms often encounter is that the third generation isn't really interested in taking over, so that if you want to retain control of the family wealth you have to take some conscious decisions. Fry's, the Quaker chocolate manufacturers in Bristol, England were simply sold to Cadbury's because there was no one in the family who was interested in continuing.

In the 20th Century, of course, we have this divorce of wealth and control. I don't believe the Cadbury trusts, for example, have much money in Cadbury-Schweppes anymore. That is certainly the case with the Rowntree trusts which support a great deal of work in London Yearly Meeting. They now have little connection with the firm which was taken over by Nestlé and have moved the bulk of their investments elsewhere. So the great fortunes are no longer associated with the firms that bear Quaker names.

Let me now turn to some books that have a bearing on our topic. Spiritual Experiences in Business Life by W. B. Marshburn, the relative, maybe, of some of the people in this room. This is a charming book about testimony. Here is a very trenchant book by Jack Powelson, one of the economic gurus of Boulder Meeting - Facing Social Revolution. A book I had to review for Quaker History is Josiah White, Quaker Entrepreneur. Josiah wasn't terribly good at making money but he was a remarkably ingenious engineer and there's a lot here about how he tried to make money on the Schylkill Falls, how he developed coal mines and canals and there's a very fine letter here, that is of great historical interest.

"Dear Friend William Evans," he writes, "I have for a long time had a feeling that our Society is materially weakened by the lack of a Discipline, a volume compiled of the scriptures and of the standard library such as is held at our Annual Meetings.

Other sects take great pains to expose their views. We have views and then make a virtue of hiding them under a basket.

We ought not ever to compel a standard of pure truth, surely we can encourage the exposure and use of several volumes of a Discipline. I have relatives, friends and acquaintances who
have left us and joined these separations. Most of them say after that their views are not
changed. They are the same as those termed orthodox. I talked to many of them and note that
there are a few differences, mainly separations."

One gets the terrible feeling that here are these theologians quarrelling in Philadelphia and
separating and splitting, and Josiah White who is perfectly content to dig coal and engineer
his canals who knows that the Hicksites that he's not supposed to talk to are really pretty
much the same as him. So, again, like Marshburn there is charm in Josiah White. This
book is put out by the Canal History and Technology Press.

And finally John Bellers, probably the most visionary economic thinker the Society of
Friends has produced. John Bellers is the author of the idea of one of the ways to counter
cyclical and technical unemployment and its consequent poverty and ill-health, is to organize
industry differently. Bellers proposed what he called ‘Colleges of Industry’, economic
associations rather than firms undertaking a range of trades. They were to be owned by
capitalists but were similar to some of the socialist communes that were fashionable in the
early 19th century. The theory was that by contracting together and by providing such things
as education and health care on a common basis, but not a state basis, the economic system
would be self-rectifying, made up of self-balancing organisms that would provide stability
and prosperity, because they were able to absorb labor at the low points in the trade cycle,
and the cycle of the seasons.

Bellers was forgotten until Karl Marx discovered his works and drew attention to them in
Das Kapital. While studying early socialist experiments, Tatiana Pavlova, one of the leading
contemporary Russian Friends came into contact with Quaker ideas. She followed them up,
becoming in the process one of the leading members of the Society of Russia. Who can
guess what consequences might flow from that? John Bellers was interested in social
engineering, but John Woolman was more interested, I think, in moral order and chaos.
Woolman seems to concentrate rather more on personal than social responsibility (not that
this is absent, of course)

Let us just notice now two interesting figures. John Bright, the first Quaker cabinet minister,
was a Lancashire cotton manufacturer, a member of the Manchester School in more ways
than one. In his time the conviction was held that interdependence promotes peace, and that
therefore the capitalist system, a network of buying and selling where everybody gets an
advantage, is much better suited than other political systems for the promotion of peace. If
you sweep the smokescreen of partisan controversy on one side, you get similar ideas in Milton Friedman.

George Cadbury was slightly different. Cadbury was a philanthropist, but he was far more aware than John Bright, (a member of a slightly older generation) of what we would call structural injustice, that perhaps there are limitations to the view that if you change people you change society, because people are organized together according to different principles and sometimes those principles work injustice and have to be changed. George Cadbury was a liberal in politics and I doubt that he would ever have become a socialist. But he was very much a statist. Many people in Britain in early years of the 20th century reached the view that the state had a very important part to play perhaps even a controlling part to play in economic life.

So I’m beginning to move from a discussion of business towards what I should perhaps call ‘political economy’, the attitude that sees economics and politics as dimensions of the same reality, and find some interesting paradoxes in the process. I play a game with students sometimes designed to draw out some of these paradoxes. In this game I ask them to define what is radical and what is conservative in the Quaker heritage. This tends to be upsetting because there is a certain Quaker mindset that wants to be radical, and would be thoroughly ashamed of not being thought ‘progressive’. I organize discussion generally around the following alternatives, and suggest that it is possible that in different times these alternatives fall on different sides of the radical/conservative distinction, depending on wider circumstances. Here they are:

1. Are you primarily individualistic in your emphasis, or are you corporate? - what are individual values, what are the corporate values, how do we balance the two?

2. Are you suspicious of change or are you open to change? - the point there of course is that it’s easy to assume that change is progress, but maybe it sometimes isn’t.

3. Do you have some conception of the way things work according to nature? - Or are you concerned to conceptualize your experience in order to manipulate it?

4. Do you seek primarily personal solutions to social problems or collective solutions to personal problems?
Now it seems to me that there is enough in the Quaker past for most contemporary views to find an endorsement there. And therefore I don't really like the kind of conversations that say, well what would John Woolman think nowadays? I take the view that if you want open heart surgery you have to be prepared to will an economy complicated enough to sustain the technology that produces open heart surgery. And much as I respect people who live a life of voluntary poverty, that might be all right for some, but whether that would best serve the interests of the broad mass of the population, I don't know. I would be required to be persuaded. And so what might be radical in one age might not be in another.

Let's finish with John Woolman. He has ways of asking very important and very searching questions which our testimonies ought to guide us in answering, and which do not seem to me immediately to suggest either a radical or a conservative answer. Here are five matters which cannot really be avoided by anybody who takes his influence seriously.

The first is choice of profession -- what you can do with your life, and what you ought to do. The second is the morality of consumption--balancing out the advantages of a mass-consumption economy with the undesirable consequences it seems are inevitably attendant on it. The third thing, of course is the respect for the environment. The fourth thing is the use and misuse of time. I spend so long dealing with Voicemail and E-mail that it seriously interferes with real work. The communications revolution is a sham because most of what is communicated is not worth bothering with. The spirit of John Woolman quite rightly asks whether that is what we are here for. Lastly, and I suppose this is connected with the morality of consumption, Woolman talks gambling entertainments and drinking - in other words the leisure society. What do we do after work? What are we working for?

One last thought. When Friends had finally to leave the Pennsylvania Assembly and give up the political power they had maintained, they were faced with the problem of relating to a society of which they were a considerable proportion, in a new way. According to one theory the new relationship they forged was one of benevolence and philanthropy, which was sustained by their economic success. The old adage is historically back-to-front - they were able to do good because they had done well.

The thinking of folk like George Cadbury is an extension of this. Large-scale business provides a model for the rational organization of society for desirable ends and the use of state power for the amelioration of social problems. As well as the generous use of their
personal means, members of the Cadbury and Rowntree families also set about influencing the policy of governments, thereby, (intentionally or not) creating a new, and large class of functionaries now professionally concerned with social improvement in all kinds of ways.

Indeed, one of the reasons I was attracted to the Society of Friends was because of its philanthropy. I am using the word in this context in its wider sense to mean a love of humanity, the sense of that of God in everyone, surely the most powerful conception Friends have. I was, and am attracted to thinking devoted to that end.

In recent years, convinced Friends like myself have come to be a fairly large majority in the Society, and we wanted to join a religious society that did good because we were already doing good ourselves. But we do not work, as the old philanthropists did, with their own money, but with the tax payers money. We are a sustained class and not a sustaining class. The link between the production of the wealth which the community can use for socially productive purposes, and good ideas about what those purposes are, has been severed.

Far too often then, I find Friends speaking in critical or condescending ways about business, and it annoys me, because such attitudes show no awareness of how Quaker history has developed, let alone the importance of the vocation to economic life. Suppose there is a cherry pie. It is easy enough to share it out, but who is going to pick the berries and go in the kitchen and actually make the pie? The answer is the business community and Friends in business. I think that it is sad that the prevailing opinion in the Society of Friends seems to be more concerned with the eating the pie than cooking it.
RESPONSE AND DISCUSSION PERIOD

This period was abbreviated due to the limitations of the afternoon schedule. A few comments and major themes are noted briefly below.

In following up on his comments on generational changes among prominent English Friends in business, John Punshon noted that even when individuals in later generations of these families are no longer members of the Religious Society of Friends, the character and behavior of these individuals in their business activities often bears witness to their Quaker heritage.

There was discussion of some of the reasons that many Friends in Philadelphia were so successful in business and of their attempts to use their wealth in positive ways. It was suggested that, "Friends came to Philadelphia to do good, did very well indeed, and did good again!" This included several comments on the history of philanthropy among these Friends after they had become wealthy and had lost their positions of political influence in the government of Pennsylvania and Philadelphia. An element of elitism that is inherent in philanthropy was discussed as it relates to Friends. It was also suggested that there is an element of elitism in the attitudes of later Friends who have engaged in various forms of social activism with "someone else's money."

Sunday, November 20th

Session 7

"VIRTUES, ETHICS AND FRIENDS IN BUSINESS"

(This is the written version of his talk provided by Dick Wood following the Consultation.)
Virtues, Ethics, and Friends in Business

Richard J. Wood

[Richard Wood is a recorded minister in Indiana Yearly Meeting, a philosopher who studied at Duke, Union Theological Seminary, and Yale, and president of Earlham College.]

Let me begin with a little introduction to the point of view from which I think I speak about ethics and business. For many years I was a professor of philosophy, with special interests in ethics, religion, and Japanese thought. But over the past 15 years of being a college administrator, it would be accurate to say that I have become a philosophically trained Quaker businessperson. In fact this is a transition year for me--an important transition. It doesn't matter to any of you but it is important for me. By the end of this academic year I will have been a full-time administrator as long as I was a full-time teacher. I continue to teach and these roles overlap but really what I spend most of my time doing is running a business--insofar as one can talk about running Earlham at all. Paul Lacey has said that trying to lead the Earlham faculty was like trying to take one hundred kangaroos for a walk. But still I am responsible for managing a fair-sized, complex business with three operating units--Earlham College, Earlham School of Religion, and Conner Prairie, nearly one thousand employees, and total budgets over thirty million a year.

Since the topic often comes up, let me also say that I do not regard the difference between for-profit and not-for-profit businesses as very important when we consider ethics. Both have a bottom line; whether it is supposed to include a profit to be distributed to the owners makes a difference but not a fundamental one, in my view. A revenue center is still a revenue center; an expense is still an expense; a loss is still a loss.
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From a management point of view, the only difference that matters between us as a not-for-profit business and a for-profit business is the nature of revenue sources. It seems to me the most striking difference between a college and the other businesses I am familiar with, such as Star Bank, on which I am a director, is that we have as one of our sources of revenue the gifts of others. And that is a very important difference. We not only have to convince students and their parents that Earlham is worth paying for -- as any business must. We must attract charitable investment to help us make an Earlham education available to people who could otherwise not afford it, and to enhance the quality of that education.

But even this difference of revenue sources is not as alien to the world of for-profit business as you might think. Because in any complex business there is a much more complex set of relationships than just the maker and customer. Except for its charitable dimension, donor relations are not unlike those between a manager and vendors or dealers, rather than the final consumers. There is somebody in there who is important to you in a way at least analogous to the way donors are important to us. Moreover, they, like our donors, will sometimes make suggestions about how the business should be run.

Lee Iocca made the point a long time ago that car companies have a way of forgetting who their customers are. Now that is a cliche which is why he said it that way. Being very literal, he pointed out that an automobile manufacturer's customers are dealers. Now, he said, the dealers want to sell cars to customers, so we have to obviously pay attention to the needs of the customer. But strictly speaking, our customers are the dealers, but we have rarely treated them that way. I think it is an important point.

So I'm just trying to build a few bridges with various kinds of businesses to give you some idea of where I am coming from.
Now what I want to talk about -- the connection of ethical theory to being Quakers in business -- is highly theoretical, but also deeply practical. I think in some ways it is the most intensely practical of the topics that we have engaged, but that is for you to conclude at the end.

I want to talk about social ethics and about justice, and about views that I think have made it hard for Quakers in our day to engage constructively with the notion that business is a good thing, that it is a constructive thing. Earlier John Punshon sketched very helpfully some of the historical reasons both that Friends got into commerce and business and manufacturing in a big way and more contemporary reasons why many Friends seem to view the whole thing as somewhat suspect.

Let me talk for a few minutes about ethical theory. I am going to be painting with a fairly broad brush, of necessity. Broadly there are three kinds of important ethical theory available as viable candidates. Within each kind you can make distinctions. I can build a whole course out of just the distinctions but we don't have a long time. So I will sketch each rather broadly, and then reflect on the relevance to Quakers in business. The three are: ethics grounded in doing good, usually called "utilitarianism," ethics grounded in duty, called by philosophers "deontology," and ethics grounded in virtue.

Utilitarianism, whether in simple or in various subtle forms, holds that what is important in the world is to do good. Fundamentally doing right is a function of doing good. The act version of this says that in any situation you ought to do what will bring about the greatest good. This theory is sometimes known as situation ethics. And in its rule form, which I consider its more plausible form, utilitarianism holds that what one ought to do is to act in accordance with those rules that would, if most people followed them, bring about the greatest good. You can add "for the greatest number," but there are a number of reasons that addition doesn't
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really help.

Now Friends, in my experience, are forever tempted by act utilitarianism. I say tempted because I regard it as indeed a temptation to be avoided. The temptation is to reconsider the principles every time the situation changes because of Friends' desire to do good. In fact, this very temptation is how act utilitarianism is refuted most easily. For example, if I am a strict act utilitarian and my paper carrier comes to collect for having delivered me the paper--suppose I owe her $5.00--I am obligated to ask is this the best use of the $5.00? And my paper carrier happens to be the teenage daughter of a colleague of mine, and I know that there family income is very generous. His wife has a good job. (Earlham doesn't pay that well.) So I ask if this is the best possible use of the money. I know a kid up the street who really needs the money, and my obligation is to do good. "I have thought about this a lot and you know, Johnny up the street needs this money a lot worse than you do, so while I am deeply grateful to you for bringing the paper, I'm going to give the money to Johnny because my obligation is to do good."

I could give you examples from Friends Meetings of this process going on in a less transparent way. My wife and I have at times felt betrayed by Friends who didn't take promises seriously because the situation had changed. I won't say anymore about act utilitarianism other than if you can't recognize that as a temptation to which Friends have been known to fall, I'll be glad to bring it a little closer to home. But I prefer not to.

Rule utilitarianism is much more plausible because it is not vulnerable to the above criticism. However there is a deeper issue: Both forms of utilitarianism have their roots historically in the work of the great English reformer, Jeremy Bentham and they usually get translated in terms of another set of notions about human nature, namely that good is the avoidance of pain and the increase of pleasure. That is, what we are motivated by
fundamentally is the desire to avoid pain and to increase pleasure. Most economists most of the time assume that what people want to do is to maximize pleasure.

One of my friends who is a good Quaker taught economics at Earlham for many years. As a true Benthamite, he designed a game for the students—an economics game. The game presupposed that the students would engage in maximizing behavior. And he could never figure out what to do when a few students weren't interested in maximizing anything because they weren't willing to think in that utilitarian vein. They wanted to do what was right. And since he thought right involved some kind of maximizing good, he wanted to know which good? They were not interested in that.

I think there is a serious problem with the utilitarianists' notion—the economic utilitarian notion of human nature. It both underestimates our capacity to want to do right because it is right and underestimates the importance of doing right. It also underestimates our capacity to shoot ourselves in the foot morally, which is the flip side of our capacity to do right. People are in fact capable of engaging, as you see in the Balkans and other places, in behavior that is unbelievably inexplicable if indeed we all behaved as the economists think we should. That is why the whole utilitarian approach doesn't work, because it oversimplifies human nature. It both misunderstands the depth of our ability to do self-destructive things when we are angry or offended or misled by demigods—and it underestimates our capacity to transcend self-interest to do what we ought to do.

The problem in a nutshell is that to argue that the heart of ethics lies in doing good requires, first that we have to know what good is and, second that we have to be able to predict the consequences of our actions. There are serious problems with both pieces of this idea. For one thing if you are free beings and I want to do what is good, that means I have to know what happens if I kick
one of you; but that person is free. So in principle I cannot know all the consequences of my actions. I hasten to add that not knowing all consequences does not entail knowing any. On any ethical theory, I am responsible for the knowable consequences of my actions.

So that leaves a second major kind of ethical thinking which has its intellectual ancestry not in Jeremy Benthan but in Immanuel Kant. And again there are lots of varieties of this but fundamentally these theories don't worry about doing good because they believe you can't really know what doing good is. As Bernard Shaw waggishly put it, "Don't do unto others as you would have them do unto you; their tastes might be different."

Rather, do the right thing. You have heard that. How do I know what is right? Here I will stick just with Kant and not with any of his modern followers. But what is right? Again you will notice there is a strain of this that runs through some Friends' discussions. Kant says that right is defined by what would be the rules for a community of rational beings who are making up their own laws. He argued that we should think of rational beings as ends in themselves, not means to an end, and that right is ultimately defined by the laws for such a kingdom of ends. You might note that a utilitarian note creeps in here, for this notion of a "kingdom of ends" in themselves starts to look like the greatest good for the greatest number, with a principle of equality thrown in.

Each of these theories, utilitarianism and Kantian, contains a germ of truth. To the extent that I can know what good is, I ought to do it. There is no question about that. As long as it doesn't conflict with some other important right or good. But does that make it an adequate basis for a social ethic? No. Or for doing business? No. Similarly, to the extent that I can recognize that by my actions I am to some extent making the rules for the rest of us implicitly. Then I ought to act in such a way that my implicit rule-
making is something I could will for David and Ed and Wallace, etc.

One difficulty with both theories is that they seem to leave individuals quite out of ethics. I will illustrate that with the truth-telling problem. We all agree that you ought not to lie. You ought to tell the truth. Why ought you not to lie, why ought you to tell the truth? The utilitarian says because if most people tell the truth most of the time, it will bring about more good. That is not obviously true, by the way, but it is plausible. In certain societies it may in fact be false. I would argue that it was false in Nazi-occupied Europe for example where you had to live a lie in order to live ethically. Kantian ethics sees truth-telling as fundamental to there being a moral society. Here Kant is very close to some Quaker notions, for the kind of moral integrity involved in telling the truth is not just a desirable element of morality; it is one of the basic conditions for morality.

But Kant in his more legalistic moments suggests some really quite inhumane lines of action in the name of truth and right. He has no good way to allow for the possibility of being in a society, such as Nazi Germany, which is so evil that telling the truth may involve a partnership with that evil — as when the Gestapo knocked on your door and asked if you were hiding any Jews. Good Quakers in that spot, such as my friend Jan de Hartog, rightly felt called to lie.

Both utilitarian and Kantian approaches also have difficulty making much place for cultural diversity. Here the utilitarian has a bit better time of it, because of the indefinability of "good." But Kant was convinced that the basic categories of ethics had to apply to all rational beings, as such, even though he was a very good anthropological thinker in his own right. What was hard for him was to give an account of rationality that includes its cultural dimensions. This is a difficult topic, because once one admits that the very notion of being rational, or reasonable, includes cultural
elements, how does one avoid sliding all the way to cultural relativism, a position that is the death of all ethics?

As I have worked over the years in Japan and as I have read a lot of anthropologists, you don't need to become a relativist to recognize that the notion of a rational act takes on a heavy cultural freight. Rationality is contextual, but the contexts can be described and compared critically, using indeed notions like doing good and universalizing actions. We recognize this fact when we say to our kids, "What if everybody did that?" And not having had been corrupted by a philosophy course they are usually not clever enough to reply, "So what?"

Applied to business ethics, utilitarian and Kantian ethics make an interesting contrast: Being concerned about doing good, utilitarian business ethics encourage attention to production, not just distribution. The size of the pie is important, as well as how it is distributed. My colleague Howard Richards talks about "productive justice" to emphasize the limits of an exclusive focus on distributive justice, or fairness. The weakness in utilitarian ethics lies in an inadequate account of fairness; the weakness in the Kantian side lies in an almost exclusive focus on fairness, without enough attention to productive attempts to improve human life. In discussions of poverty, for example, it makes a difference whether we emphasize the gap between rich and poor, or how well off each is relative to some standard such as starvation. Much Quaker hostility to business in recent decades seems to me to lie in an uncritical adoption of largely Kantian views. As Plato had Glaucon argue in The Republic, a society might be fair but otherwise hardly worth human habitation.

As I mentioned early in this talk, there is a third approach to ethics that I think has more to offer Quakers thinking about business. It is what is popularly called "virtue ethics." It's a little more difficult to identify its linage by reference to a single thinker like Bentham or Kant. In its modern forms it has its roots in the
work of Simone Weil and Iris Murdoch. More deeply it is Platonic. Iris Murdoch is still alive and contemporary and writes novels in which she embeds her view of virtue ethics. So if you don't want to read a philosophy book I suggest you read her *The Nice and the Good*. *The Nice and the Good* in particular deals with these kinds of issues. It is a novel she wrote about 20 years ago. Contemporary theologians have developed articulate forms of virtue ethics, such as Stanley Hauerwas in a book called *Vision and Virtue*, and Alasdair McIntyre in a book called, *After Virtue*.

Again to simplify, no doubt too much, the first core notion in virtue ethics is that love is central in ethics. In philosophical ethics this was a fairly radical suggestion until very recently. You notice that neither the Kantian kind of position nor the utilitarian kind of position really has a place for love. In fact love to the extent that it is particular, and there is something irreducibly particular about love, is a problem for ethics. There is something odd about loving everybody equally. Somebody who says that is lying, usually to him or herself. Because you can't do it. There is a sense in which love is for particular people. It is worth noting that Jesus did not command us to love everybody, but to love our neighbor -- and when challenged to define that he responded with the story of the good Samaritan, who showed love toward a particular stranger, not everybody.

The second core notion of virtue ethics is that ethics is more a matter of cultivating certain virtues than of discerning the consequences of our actions or of doing the right thing. Now the problem with the word "virtue" in our time is that it has taken on rather private and Victorian kind of moralistic connotations. In speaking of virtue, I am talking about certain dispositions to act in certain ways. Again, the good Samaritan is an excellent illustration. It is hard to find a better word so the philosophers keep on using the word "virtue."

Focus on developing virtues, dispositions to act in certain ways,
such as bravely, shifts the emphasis in ethics from either results or actions to character. Murdoch argues that if character is lacking, when the great moral crisis comes, people are almost certain to do the wrong thing. Ethics is not, as some existentialists thought, heroic behavior when forced into that "up against the wall" situation. It is, in thousands of small decisions, developing the kind of character that will let you deal with that crisis. In other words, the big decisions are in fact the little decisions. The main virtues are acquired through the development of little virtues. Now here again we make contact with an important Friends' tradition and this one I don't think is a temptation. The Friends' tradition of testimonies and queries -- of eldering at its best, is built on the notion that in fact we want to help people develop certain habits, good stewardship of one's worldly goods, a certain freedom from those worldly goods, the testimony of simplicity.

The third core notion of virtue ethics is that the basic act in making ethical decisions is neither calculating consequences, as the utilitarian would suggest, nor universalizing, as the Kantian would suggest, but describing. It is a cognitive act, figuring out what the heck is going on and describing it accurately.

The link among these three core notions is formed as follows: Love, because it takes the self out of the center and puts other persons there, provides the reason for cultivating virtues that cuts off our pride in being virtuous and sets the frame for seeing clearly enough to describe clearly. The great enemy of accurate description is self-centeredness; love is the only effective correction for self-centeredness.

Applied to business ethics, we can see that the person who has developed those virtues that support clear vision and love of others is more likely to do the right thing, that is to do what would satisfy Kant's universalizability criterion, though for a different reason than respect for the moral law. Love of other
persons as children of God, seeing Christ in the person in need, has an implicit universality while being focussed and particular. This same love based in seeing Christ in the person in need, and the virtues that support it, include developing the desire and ability to do good. We are now in a position to see the false character of any dichotomy between doing good and doing well. To be sure, one can do well without doing good -- we have lots of examples of that in people like Donald Trump. But on the other hand it is difficult to do much good if I do not do well. Put more positively, for the person who has the appropriate virtues, doing well can add to the exercise of those virtues. But it is only enhanced if one is not corrupted to a kind of extreme selfishness in the doing well. Thus virtue ethics can support good business ethics, namely the attempt to balance productive and distributive justice. This is something many early Friends grasped almost instinctively, for they had developed the appropriate virtues.
Session 8
"EVALUATION AND REFLECTION"

During this closing session participants were asked to reflect upon and evaluate what had transpired during their four years together. Gianne Broughton, a Friend from Canadian Yearly Meeting facilitated this session. Gianne has a community economic development consulting business in Stratford, Ontario. She works on rural development issues with clients who are typically not-for-profit educational or community development organizations. What follows is Gianne's written description and summary of this closing session.

Friends in Business Consultation

Summary Session

We began the summary session with the question: "What are Quaker business values and practices?" Participants wrote short answers on scraps of paper which were sorted into groups of similar ideas. We did not attempt to name these groupings or prioritize them. The numbers of petitions of the same idea only indicates how many people were thinking along the same line at that moment. The largest cluster included ideas about honesty, truthfulness, integrity, accountability, and accurate disclosure. Ideas about valuing the individual person were common, including phrases like "listening to the good in people", "do unto others", "truth of love", and "respect". These values are closely linked to another cluster of ideas about justice, fairness, consistency, "process is important". The business practice associated with these ideas was "fair ce". Stewardship and ecological sustainability were identified as well. Simplicity is linked to these values. A phrase which seemed to be related to stewardship and justice was "Precise inition of laws in order to steer as close as possible where advantageous".

Participants' emphasis on useful, quality products is a practice which I think is linked to stewardship and integrity. "Pursuit of opportunity" is also an essential business practice identified by a participant. This phrase, taken in the contest of quality products and stewardship, identifies work, role, and responsibility of the entrepreneur in the community. "Practicality" and precision-making on the basis of fact" are related business practices.

Another linked cluster pointed to moral business practices: "moral use of money", "the motive matters", "the outcome matters". "No killing" and "non-retaliation" relate to the value of the son and the Quaker Peace testimony. Last but not least, there was a group of general ideas which encompass several or all of the other clusters. These were: "commitment", "sharing", listening to God".
The summary session continued with responses to the question, “What do Quaker business people need in order to pursue Quaker testimony/ values/ practices?”

Again, participants wrote ideas on pieces of paper, one idea per piece, and organized these into groupings. This time, the facilitator asked for direction from the group for clustering ideas, by asking whether a particular idea was the same as one already presented or different, starting as new cluster.

Four clusters were produced. Paraphrasing these into strategies results in four directions for action:

1. Individually connecting with the Source: God
2. Networking, developing a non-critical non-judgmental environment for sharing ideas and difficulties.
3. Nurturing a supportive Quaker community, including educating Quaker meetings about the morality of careers in business.
4. Providing reflective oral and written communication, including articles in Quaker journals, reading list in the consultation proceedings, and organizing future conferences to have dialogues about business practice.

One idea sparked some discussion relating to how Quakers can reach out to the non-Quaker community, to promote moral business practices. This was “Empowerment/ authority to instill Quaker values in my workplace.”

The pursuit of any of these directions for action requires some work, whether collective or individual. Participants agreed to provide their speakers’ notes, full contact information for a networking list, and reading references within two weeks for the consultation proceedings. Several participants also expressed an interest in working on more formal organization of a network.
"Participant Observer's Report"

It has been customary during each Consultation in this series to have one or two Friends act as participant observers during the course of the weekend's sessions and report to the group during the final plenary session. Margaret Fraser served in this capacity for this Consultation and her written report is included below. Margaret is originally from London Yearly Meeting and has been in Richmond, Indiana, as a student at the Earlham School of Religion. Margaret has taught management courses at the University of Brighton, has an MBA in European Business and has worked as a consultant to local governments and health care delivery organizations in England.

Participant observer's report
Margaret Fraser

As I understand it, these annual consultations aim to bring together Quakers of a common interest, who might not otherwise meet. They are partly separated by geography, but also often by theological distance. The challenge is to keep listening to each other and learning from each other, even if we have come with vastly different assumptions. I have heard a report (I hope it was apocryphal) of evangelicals and liberals sitting at separate tables in the early part of one consultation, eyeing each other warily, and only later mixing together and becoming F/friends. Certainly, last year, there was a clear distinction between those who saw bringing the Gospel as the main purpose of service abroad, and those for whom that was not the priority.

Not so this time. There seemed to be a remarkably high level of consensus and shared values. You shared a common abhorrence of the military-industrial complex, and the need for Friends to take a lead in conversion of military technology and production into peaceful and life-giving operations. You shared concerns about the dangers of double standards in the global economy, and of the need to protect the environment and offer similar working conditions, regardless of the location of the plant. I was a little surprised that you all so readily accepted the notion of continued worldwide economic growth. I had expected a greater sprinkling of Schumacher-inspired ecological Quakers - perhaps they were too busy working at their small enterprise to attend. There was the glimmer of an ideological difference brewing with Lloyd Lee's Liberation Theology position offering a different perspective from the views of philanthropic mixed-economy capitalism. Unfortunately we were unable to pursue that discussion.
I get particular pleasure in observing transatlantic Quaker differences. John Punshon mentioned that by the nineteenth century, British Friends had moved to the towns and had risen socially with industrialization. A greater proportion of American Friends remained working the land, as is still the case. But if we consider only those in business, I still see a striking difference, if this Consultation’s membership is a reasonable sample. If advertisements in The Friend are anything to go by, British Quakers in business are often on their second career, having perhaps retired early from managerial and professional jobs (probably in some form of public service) and now doing something very small scale. There are self-employed carpenters, potters, computer experts, guest house operators - but one gets little sense of “Captains of Industry” any more. Many long-standing Quaker firms were taken over long ago and are no longer noticeably Quaker. It is self-employment rather than the employment of large numbers of others, and so the preoccupations are different - survival, rather than so much concern about treatment of different levels of employees.

In this gathering I sensed confidence - you were, as John put it, the Movers and Shakers. You make things happen, and that energizes you. You had none of the ambivalence about money or wealth that one sometimes encounters among Friends - you would have been happy, I think, to have more of it, because you were confident that you had better ideas about how to use it than others into whose hands it might fall! I did worry a little though, about your listening skills and your sensitivity to the quieter ones. Some people hardly spoke at all, and I was not aware of attempts to draw them out. What could they have contributed to the discussion, if you had given them the space? The small number of women - as keynote speakers and as participants, was a surprise to me, particularly since I had the impression that Americans were further down the road of affirmative action than Europeans are.

I particularly appreciated John Punshon’s outline of the history of Friends’ business practices and the ways in which testimonies were the basis of decision-making and action. I felt confidence that this, as far as is practicable, is still the case in the decisions you make. History, as John said, can  inform the present. Dick Wood’s presentation of a relevant social ethic for Friends in business was very important. It really needed to be earlier in the programme so that we could have used the three frameworks to analyze decisions taken. We could have also risen to his challenge to test out Virtue Ethics to some of the difficult choices we discussed.

Overall, I sensed productive networking taking place. I have gone away with a clearer sense of testimonies and ethics, and in a much better position to articulate Quaker business values. That sense did not come from wishful thinking or theory about what we ought to be doing, it came from you, the participants who live out these values.
APPENDIX

Included here are several pieces from 1994 Consultation participants that either did not fit neatly into the body of this report or which were submitted later as being of possible interest to fellow participants and to others who may read this report.
“Kaizen” is a Japanese word that refers to the continuous improvement of a process or product. “Quaker Kaizen” is Kaizen plus Quaker values. Quaker Kaizen is an approach to management practice, organizational development, quality improvement, and marketing which is consistent both with our Friends’ testimony and sound management practice. These principles are general ones and can be used by for-profit as well as by non-profit organizations. In this pamphlet, however, I will concentrate on examples from Friends’ non-profit institutions.

I. A Friends’ Business Ethic

Friends were once known for their business acumen. Some of the great business families of England were Friends, such as Cadbury, Roundtree, and Darby. Friends were the first to build an iron bridge and were a significant force in the industrial revolution. In the Philadelphia area, Lukens steel was Quaker, as well as Strawbridge and Clothier department stores, Penn Mutual Life Insurance, and Provident Life and Trust.

Joseph Wharton, a Quaker who developed the predecessor of Bethlehem Steel, founded the first school of business in the United States as well as donating the Friends Meeting house on the Swarthmore campus.

Our most known invention may be fixed prices, refusing to charge different people different prices for the same goods. It was said that even a child could buy from a Quaker merchant and not be cheated.

Telling the truth in business did not always come easy. Luke Cock, a butcher by trade, spoke in 1721:

I remember when I first met my Guide. He led me into a very large and cross one, where I was to speak the truth from my heart—and before I used to swear and lie too for gain. ‘Nay, then,’ said I to my Guide, ‘I mun leave Thee here: if Thou leads me up that lane, I can never follow; I’se be ruined of this butchering trade, if I mun’t lie for gain.’ Here I left my Guide, and was filled with sorrow, and went back to the Weeping Cross: and I said, if I could find my good Guide again, I’ll follow Him, lead me whither He will. So here I found my Guide again, and began to follow him up this lane and tell the truth from my heart. I had been nought by beggary and poverty before; and now I began to thrive at my trade, and got to the end of this lane, though with some difficulty.

Even then there was a theme of at least partial withdrawal of Friends from business. John Woolman, for example, limited his business to avoid having it take up too much of his time. Although he never became rich, he did support himself in business.

In recent years most Friends have turned away from business and toward other fields of employment. Among Friends in the northeast United States, teaching is perhaps the most predominant field, with many others working for non-profit agencies or government. These Friends often see business as being antithetical to Friends beliefs.

Indeed, there are business elements that are contrary to Friends testimonies (and to many others’ testimonies too). Business metaphors are often of war (“campaigns and battles”), rape (“penetrating the market”), or slavery (“owning the customer”). Marketing and advertising are sometimes shameless strategies to induce people to consume products they do not need.

However, it may be a mistake for us to abandon the business world. Many of us, directly or indirectly, live off the taxes that government imposes. In doing so, we live off of others’ business activities, whether we agree with these practices or not.

We can create a business ethic which is consistent with our testimonies. Here are five elements:

1. We practice Kaizen, or continuous improvement. We know that we can be better through small steps over time. Thus, we evaluate ourselves and our products in order that we can improve...
them, thus avoiding the “yea saying” and self decections that sometimes result.

2. We pursue what is truly important in our institutions and businesses, rather than wasting effort in superfluous activities. Thus, we seek to provide services or products that have enduring value.

3. We emphasize quality. We seek marketing advantage that comes from true product superiority rather than from puffery or hyperbole.

4. We seek the best for our customers or constituents. We are unwilling to pander to their fears and prejudices, preferring to appeal to their hopes and aspirations.

5. We are generous with what we create and share our time and ability. We do not believe in highly speculative enterprises as these are often a form of greed. We try to know when we have enough and balance our lives accordingly.

II. The Quaker Kaizen Cycle

By using Quaker Kaizen, you can help your organization or business advance to its goals within the above ethic. Quaker Kaizen is a continual cycle of action and improvement with just three steps:

1. Assess. Determine where you are now, including the threats and opportunities that you face.

2. Plan. Determine where you want to be. Plan the desirable future; what you strive to reach. Formulate clear future goals that can be reached. Determine who will do what, when, and where.

3. Do. Carry out the plans, one step at a time.

Finally, repeat the cycle. Evaluate the results and where you now stand, plan again, and act again. By repeating this cycle you will continually improve. Cycles like this are usually called a Deming cycle.

You may say to yourself, “We don’t need to do this. We already know where we stand. We have a mission statement, we know where we are going, and we know how to get there.” If so, fine. If not, then Quaker Kaizen can help you move forward.

Quaker Kaizen depends heavily on knowing the truth about your organization and where you stand. When I was growing up, my father pasted a nameplate in every book he owned with John (8:32), “Ye shall know the truth, and the truth shall make you free.” Quaker Kaizen aims to set you free, to liberate you to act by letting you know what is true about your organization.

We are constantly tempted to mislead ourselves about both what is true and about how much we know. We are reluctant to see weaknesses in our programs, and we often assume that we know more than we actually do.

Let’s consider each step in more detail. The first step is to assess or evaluate either where you stand now or the results of some recent action. As James Gregory Lord wrote in his influential book The Raising of Money:

If you want to help an organization advance, the first step is really quite simple: Stop focusing on internal issues long enough to get outside the organization—ask people what they think of it and what they want from it.

If you want to journey to a specific place, it is helpful to have a map. You create map of your relation to the world—including such information as how aware people are of you, how you stand in relation to other similar organizations, how important your services are, and how you are performing on that which is important.

The second step is to plan your journey. Where do you want to go? Where can you go given where you are? How are you going to get there? By evaluating and thus creating a map you can lay out alternative destinations and ask the one key question—which destinations are worth reaching? Are there alternative destinations? Can the constituency agree on a destination? Are we currently trying to go in too many directions at once?
The third step is to actually get to where you want to go; to put one foot in front of the other and take the necessary steps to get there.

Of course, the journey never ends. When you reach one goal, you start another round of improvement.

III. Assess Yourself

We often have an image of ourselves that is different from how others see us. We tend to hang out with people like ourselves who share our views. For example, in 1984 I was on a Friends’ outreach committee. Many on the committee felt that Quakers were well known by the average person, especially for peace and social concerns, and that the African-American community would be well disposed to us because of our involvement in the underground railroad.

To evaluate these beliefs, we called 20 people at random from the Philadelphia telephone book to ask them a few questions about Quakers. About nine in ten said they had heard of the Quakers, a level of awareness comparable to the Catholics, Methodists, and Baptists. In contrast, only about half said they had ever heard of Unitarians. Indeed, 30 percent said that they had personally known a Quaker. So far, so good. People had heard of us.

Then, we asked them to describe Quakers to a friend who didn’t know anything about them. Here are some of the quotes:

"There’re Dutch."

"Quakers- they’re fanatics. Have a life style with a horse and buggy. No electricity, backward."

"They must be extinct."

"Cool group. Freak your mind out. Saw some at the zoo dressed in old fashioned clothes." (Amish and Mennonites often visit the Philadelphia Zoo dressed in their traditional clothing.)

"They live upstate. Don’t bother us down here."

"More strict than the Catholics. Their children can’t go out."

"A good people; nice people; they take care of their own. I know one who had a farmer’s market."

"It’s a world wide religion. Peace marches. Preach in foreign countries."

"They have their own interpretation of religion. They react when the spirit moves them. Nothing unusual about them except for their thees and thous."

The pattern was clear. Quakers were confused with the Pennsylvania Dutch. Many who thought they knew a Quaker were really talking about the Dutch. Only two persons from the twenty gave descriptions that were correct ("peace movements" and "react when the spirit moves them.") While 92% of the white respondents had some impression of Quakers (usually wrong), only 25% of the African American respondents had any impression at all. Quakers certainly could not rest on the laurels of the underground railroad of 100 years ago.

This very small study had serious implications. Some Friends felt that increasing the clarity and frequency of the Quaker message was not necessary because it was already known; the study strongly suggested otherwise.

Another very useful method for assessment is the Importance Performance Analysis (Kotler and Andreasen, 1987). This analysis plots the importance of a program or action against how well you are carrying it out. The analysis helps to choose where to place your energy.

Everyone has limited resources and must make choices about how to spend those resources. It would be nice to “do everything,” but no one can. Many activities follow what is sometimes called the 80-20 rule—that 80% of the benefit comes from 20% of the activities. Is your organization doing the 20% of the activities that result in the 80% of the benefit? These are sometimes called the “success factors” for an organization.

The Importance Performance analysis helps to find these success factors. The figure below shows an Importance Performance analysis for activities at a hypothetical conference.

Quadrant I shows that the speakers and the workshops were rated as being well done and as highly important. This is the “Keep up the Good Work” quadrant. The conference delivered something that was important.

Quadrant II shows important services not being carried out well. In this case, the worship services, while being viewed as highly important, were not seen as particularly successful. More information would be needed to know why worship scored so low. Another somewhat important service was book and literature sales, which were moderately important, but badly
Usually, you measure both. For example, people may say they should have more workshops on current affairs in other countries, but actually attend the workshops that focus on personal self-help.

Performance can usually be measured by asking. People will tell you what they think if you can avoid the “conspiracy of niceness” that sometimes develops. One Quaker woman at a conference on Friends in business described this conspiracy in operation in a government agency—Everyone always gave the most positive account and always agreed with the other no matter what. Meanwhile, the work wasn’t getting done. You can avoid this conspiracy by asking anonymously, in a questionnaire, or by having an outside independent person do the questioning.

**IV. Plan Your Actions**

Good evaluation leads naturally into good planning. Once you have an Importance Performance analysis you can create an Effort Payoff analysis. In this analysis, the effort required to improve something is plotted relative to the payoff or benefit that we expect that improvement to bring. The figure shows this analysis for another hypothetical organization.

Quadrant I contains the “Hard work Big reward” items. In this case, the youth program was considered in that quadrant. The program was something that many people wanted but would take many resources to attain. The diagonally opposite Quadrant III contains the small easy projects, those that have

Quadrant III shows relatively less important services or features that are not being done well, but which need little attention because they are not important. For this conference, it was the snack bar. We call this the “Low Priority” Quadrant.

Quadrant IV shows the less important services that are being done well, a case of possibly “over-doing” if the effort is taking resources from a more important program or service. In this case, it was the humorous skit. The conference organizers had spent an enormous amount of time writing, casting, producing, and performing a skit about the organization. Although the skit got great ratings, it was seen as relatively unimportant. The time might have been better spent in managing the book and literature sales.

There are a number of ways to create these importance performance charts. The simplest is to use them to summarize what you already know, placing on a hand drawn sheet of paper the various services or features. This exercise will often reveal areas where you are unsure of both the importance and your performance.

To do a formal Importance Performance analysis, you need to measure both the importance and performance of features or services. There are two broad approaches to measuring what is important to people. The first is by noting what they say is important; the second is by what they do.
relatively low payoff but are easy to do. In this example, cleaning the office would be easy, but have limited payoff.

Quadrant II contains projects that are both easy and have a big reward. These are projects to consider doing first because they help establish a pattern of early success in an improvement campaign. In this case, the project was a packet of bilingual Sunday school lessons. These would take only a few weeks of staff time. Another project here was a limited major donor campaign, which could have a significant impact on donations, but was relatively easy to begin.

Quadrant IV are the misguided projects—those that take enormous resources but have little benefit. One example might be a complete overhaul of all the computers and software for the organization. In this case, the organization was operating well enough on old computers and software. Devoting much time and attention would simply detract from the more useful projects.

V. Do What You Planned

Evaluation and planning are hard work and often emotionally challenging. You find out things about your organization and yourself that you'd sometimes rather not know. My recommendation is to never ask for evaluations unless you have some way to take action to improve and are going to improve. Otherwise, why bother? You simply raise expectations and waste time.

People do not "just do it." How do we go about making accomplishments?

First, break the task into manageable parts so that each part can be done. Then, begin with the single steps to go in the right direction. As the old Chinese proverb says, "The longest journey begins with a single step." Make a daily list, as the time management consultants recommend, and then do the most important things on the list first.

Second, track the results. A good example of both small steps and tracking is in the book by Joe Dominguez and Vicki Robin, Your Money or Your Life. The authors show how to assess where you stand financially, take small steps to cut costs and improve income, track the results, and eventually have enough in the bank to live off the investment income for life. Their method is a case study in Quaker Kaizen. Nonprofit organizations caught in a spiral of deficits and fund raising could stand to read their book.

Third, stay positive and do not give up. Preachers like Dale Carnegie invented most of the concepts of using positive thinking to generate forward movement. Modern psychologists have taken these concepts and renamed them "learned optimism." Studies generally show that they work. If you are doing God's work, then you have the right to pray for God's help.

You will see improvement if you use these methods. Make a list of what you hope to accomplish long term and then put the list aside for six months. You may be amazed at how many things on the list are complete. You will find that by having a clear list and plan you will orient your attention to that which is important and will start to uncover openings that lead in the proper directions.

VI. Things Do Improve

Here are some examples from three years of evaluation the Annual Sessions of Philadelphia Yearly Meeting in the mid 1980's.

In the first year we evaluated, 15 percent said they like the Meeting for Worship on Sunday the least of everything in the sessions—that's a pretty serious problem for a religious organization. The Meeting for Worship was only one hour long with over 500 Friends in attendance, so that Friends would pop up and speak one after another continuously—what is called a "popcorn meeting," in this case, in "full steaming pop." The partial solution was to lengthen the Meeting for Worship to two hours to allow more time, thus removing the pressure to pop quite so quickly. The next year, only two percent of the
respondents mentioned Meeting for Worship as a least favorite.

The graph above shows the ratings for food quality and the meal ticket sales method across the three years. Note the dramatic increases in the percentage of respondents rating these as excellent. Things really improve.

II. Being Customer Oriented

The “ultimate customer” is God. We agree that our purpose is to do God’s will. Let’s just not forget to cater a bit to the Inner Light or that of God within the person we deal with in our business. We believe that here is that of God in everyone, so when we cater to that inner Light in another person, we have God as a customer.

You can do your Importance Performance analysis from two points of view. Ask how much the human customers want a feature and then ask how much God wants it.

Businesses that fail to be customer oriented simply die. Their customers desert them and they go out of business. Religious organizations are sometimes protected from this, to their own detriment. My experience has been that a number of nonprofits are intentionally managed to avoid their constituents; at they fail to be customer oriented.

Let me give the positive example first. I needed to buy materials from a Friends’ organization in the Midwest. I walked in. There was a desk in the middle hallways. The person at the desk looked up and said, “How can I help you?” She then personally took me and introduced me to the people I needed to deal with to get what I needed. Their approach was customer first.”

In contrast was trying to buy 10 copies of Faith and Practice at another yearly meeting. The person at the front desk didn’t know what to do, but directed me to the information center. They directed me three blocks away to another Quaker organization (the wrong one; they sold these retail, but I needed the wholesale price for my meeting). After more asking, I found the rect office in the Yearly Meeting building, but it was closed. I called later and got the answering machine because the office is staffed part time. Three weeks later I managed to buy my literature. Everyone was quite friendly, but the system was not “customer friendly.”

VIII. Marketing and Segmentation

Marketing flows naturally out of the Quaker Kaizen process. If you have a good product, tell people about it. Not advertising a good product is like hiding a light under a bushel.

Modern marketing is customer oriented. It tries to determine the needs and wants of customers and deliver products and services that satisfy them efficiently and effectively.

This customer oriented approach is different from the “selling” approach to marketing. The “selling” approach assumes that, if left alone, customers will not buy enough. You must therefore undertake an aggressive selling and promotional effort. The selling approach is most often taken with “unsought goods,” those that the customer would not normally think of buying. The selling concept, even the “hard sell,” is often practiced by nonprofit organizations—by fund raisers, college admissions offices, political parties, and some evangelists.

A third approach to marketing is the “product concept,” in which the organization develops products that hold to their internal notions of quality, performance, and features. A better concept than the “selling” approach, managers sometimes get caught in a “love affair” with their products by adding features that customers don’t really want. Examples abound. There was the file cabinet company whose cabinets could be dropped from a four story building and not break—but no customers cared. There was the electronics company whose engineers loved hand soldered circuits on heavy gauge aluminum—but customers just wanted a reliable TV at a reasonable cost. Nonprofit managers sometimes fall into the “product orientation” trap when they decide they know what is best for their constituents.

In seeking to satisfy customers we have to remember that not everyone wants the same thing. We segment the market by developing different products for groups who want different things. For example, most people teaching First Day School like craft projects. I don’t. Therefore, I wrote materials that were somewhat more “paper and pencil” and had word puzzles. Some people liked my materials; others didn’t. Different people have different preferences.

Likewise, not all Quakers are going to want the same things from their organizations. Some will prefer social action; others religious instruction. Charting a path between these different, and legitimate, customer
interests can be hard. The key is to remember that there is no single best product or service. When you design a product using averages, you sometimes please no one.

Consider, for example, fund raising appeals. Research has shown that different types of appeals touch different types of people. Many people like a positive and warm appeal that stresses a personal relationship to someone in need. Others prefer a more rational appeal on how they should logically allocate their resources to create the most good. When making more than one appeal per year, you obtain the highest response by using different appeals to touch different people.

IX. The Paralysis of Moral Purity

The paralysis of moral purity refers to the paralysis of action that sometimes results among Friends because each action (even no action) seems fraught with some element of evil. At times, Friends have withdrawn from the world rather than make these choices. Withdrawal may be best at times. However, we would do well to remember William Penn’s advice that:

True godliness doesn’t turn men out of the world, but enables them to live better in it, and excites their endeavors to mend it; not hide their candle under a bushel, but set it upon a table in a candlestick.

Through our business in the world we can help to mend the world and to create a better world.

X. Other Readings

Masaaki Imai’s Kaizen: The Key to Japan’s Competitive Success (New York: McGraw-Hill, 1987) discusses the concept of Kaizen in detail. Philip Kotler and Alan Andreasen’s Strategic Marketing for Nonprofit Organizations (Englewood Cliffs, NJ: Prentice-Hall, 1987) is a main reference on marketing for nonprofit organizations. The author’s “Becoming a quality person” (Quality Progress, in press) applies these methods to personal improvement and “Any research is better than none” (Fund Raising Management, 1991, June, 36-38+) discusses some easy research methods.

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ETHICAL INVESTING

THERE ARE TWO PEOPLE WHO SHOULD BE DOING THIS AHEAD OF ME: FRANCIS NICHOLSON IS THE GRANDFATHER OF ETHICAL INVESTING. HE JUST TURNED 94. I TOLD HIM OF THIS MEETING AND GOT SOME SUGGESTIONS. TALK ABOUT KEEPING KEEN TO AN ADVANCED AGE!

ALICE TEPPER MARLIN LEFT A JOB AS A MONEY MANAGER JUST 25 YEARS AGO TO FOUND THE COUNCIL ON ECONOMIC PRIORITIES. THIS IS A NON PROFIT RESEARCH ORGANIZATION DEDICATED TO MAKING OUR PRIVATE COMPANIES MORE SOCIALLY RESPONSIBLE. THEY SELL A SERVICE THAT IS INVALUABLE TO ME AND WOULD BE AN IMPORTANT RESOURCE TO ANYONE INTERESTED IN DOING A COMPETENT JOB OF SOCIALLY RESPONSIBLE INVESTING. THERE IS MATERIAL HERE FOR YOUR REVIEW.

I AM DELIGHTED TO BE HERE. IT IS AN HONOR. I AM ALSO DELIGHTED THAT YOU ARE HERE. I BELIEVE THAT IT IS IMPORTANT TO HAVE A STRONG, ECONOMICALLY PROFITABLE, SOCIALLY RESPONSIBLE PRIVATE SECTOR. THE PRIVATE SECTOR PROVIDES A VITAL BALANCE, A VITAL FORCE IN OUR NEVER ENDING STRUGGLE TO PREVENT EXCESS POWER TO CONCENTRATE IN GOVERNMENT. OF COURSE THE REVERSE CAN HAPPEN, SO WE NEED REGULATORS, LABOR UNIONS AND SOCIALLY RESPONSIBLE INVESTORS.

BEFORE WE GET INTO THE SPECIFICS OF SOCIALLY RESPONSIBLE INVESTING, LET US ASK WHAT WE AIM TO ACCOMPLISH. I DARE SAY WE HOPE TO DO MORE THAN PURIFY OUR REPUTATION IN PREPARATION FOR THE JUDGMENT DAY. WHAT WE WOULD REALLY LIKE TO DO IS MOVE COMPANIES FROM THE LOUSY LIST TO THE GOOD LIST. QUIETLY MOVING MONEY FROM ONE COMPANY TO ANOTHER MIGHT HAVE A SMALL IMPACT ON THE STOCK PRICE. BOARDS AND TOP MANAGEMENT ARE SENSITIVE TO THE PRICE OF THEIR STOCK. IF WE MAKE A LOT OF NOISE AS TO WHY WE MADE THE MOVE, WE MIGHT HAVE AN EVEN BIGGER IMPACT.

ETHICAL INVESTORS ALSO HAVE A RESPONSIBILITY TO BE A RESPONSIBLE "PAIN IN THE NECK." THIS MEANS THAT BEFORE WE MAKE A LOT OF NOISE, WE MUST CAREFULLY CHECK OUR FACTS. I BELIEVE WE SHOULD GIVE THE COMPANY A CHANCE TO DEFEND ITSELF. IF, WHEN YOU HAVE AN UNHAPPINESS, YOU CAN ACHIEVE A CONFERENCE WITH TOP MANAGEMENT, YOU CAN REALLY HAVE AN IMPACT.
STOCKHOLDERS IN THE UNITED STATES ARE BECOMING VERY MUCH MORE ACTIVE. THIS IS NOT ALWAYS CONSTRUCTIVE. THE BIG PENSION FUNDS ARE THE LARGEST SHAREHOLDERS AND THE MOST ACTIVE. THEY TEND TO BE VERY IMPATIENT. THEY MAKE A BUNDLE ON A TAKEOVER. THIS IS GENERALLY NOT GOOD FOR SOCIETY. ON THE OTHER HAND, THE STOCKHOLDER ACTIVISTS HAVE CAUSED BOARDS OF DIRECTORS TO BECOME MUCH MORE CONSCIENTIOUS TOWARD THEIR RESPONSIBILITIES. THERE ARE ALSO MANY LAWYERS IN THE UNITED STATES WHO HANG AROUND LOOKING FOR ANY EXCUSE TO SUIT COMPANIES FOR A POOR PERFORMANCE IN A CLASS ACTION SUIT. THIS KIND OF STOCKHOLDER ACTIVISM IS WHOLLY DESTRUCTIVE. IT IS A RACKET AND SHOULD NOT BE DIGNIFIED AS STOCKHOLDER ACTIVISM.

THE INCREASINGLY INDEPENDENT BOARDS ARE BEGINNING TO DISCHARGE INCOMPETENT CHIEF EXECUTIVE OFFICERS. I WISH THEY WOULD DO A BETTER JOB OF LOOKING WITHIN THE COMPANY FOR THE SUCCESSOR. CORPORATIONS HAVE CULTURES. OUTSIDERS TEND TO UPSET THOSE CULTURES. AN INTERESTING CASE IN POINT IS IBM. INTEGRITY, AND CONCERN FOR PEOPLE WITHIN THE COMPANY WERE LEGENDARY. THEY BRING IN A CIGARETTE COMPANY EXECUTIVE. THE DOWNSIZING OF THE COMPANY IN SEVERAL STAGES HAS REALLY DEMORALIZED THE EMPLOYEES.

IF YOU ARE A MONEY MANAGER WHO IS DEPENDENT ON SHORT TERM PERFORMANCE TO INCREASE THE ASSETS UNDER YOUR MANAGEMENT, I WOULD URGE YOU TO STAY OFF OF CORPORATE BOARDS. YOU HAVE A CONFLICT OF INTEREST. ON THE OTHER HAND, I URGE COMPANIES TO HAVE ONE BOARD MEMBER WHO REPRESENTS THE NON SHAREHOLDER STAKEHOLDERS OF THE ENTERPRISE. THESE STAKEHOLDERS ARE THE EMPLOYEES, THE SUPPLIERS, THE CUSTOMERS AND SOCIETY AS A WHOLE. YOU MIGHT HAVE OUTSTANDING QUALIFICATIONS FOR SUCH A POSITION.

THE FIRST RULE OF BEING A SOCIALLY RESPONSIBLE INVESTOR IS:

HONOR THY FIDUCIARY OBLIGATIONS.

I DO NOT CARE IF YOU ARE MANAGING THE MONEY OF SOME CHARITY, A PENSION PLAN OR THE EXCESS FUNDS OF SOME RICH FAT CAT. YOU HAVE AN OBLIGATION TO SHOW A RETURN ON THAT MONEY THAT IS A LITTLE BETTER THAN THE INCREASE IN THE COST OF LIVING. IF YOU FOLLOW SOME SIMPLE RULES, YOU SHOULD EVEN DO BETTER THAN THAT. YOU SHOULD “BEAT THE DOW.”
THE SECOND RULE OF BEING A SOCIALLY RESPONSIBLE INVESTOR IS:

FIND GOOD COMPANIES, NOT PERFECT COMPANIES.

SHRI KRISHNA, THE MESSIAH, AND THE REINCARNATION OF CHRIST ARE NOT TO BE FOUND RUNNING PRIVATE SECTOR COMPANIES. ALL COMPANIES JUST AS ALL PEOPLE HAVE IMPERFECTIONS. THERE IS OF GOD IN ALL COMPANIES, AND, UNFORTUNATELY, THAT OF THE DEVIL AS WELL. (COMPLEMENTS OF FRANCIS NICHOLSON)

A THIRD RULE HELPFUL TO A SOCIALLY RESPONSIBLE INVESTOR IS:

WELL RUN COMPANIES TEND TO BE SOCIALLY RESPONSIBLE. IT IS A GOOD THING THAT THIS IS TRUE. OTHERWISE NONE OF US SHOULD BE HERE BECAUSE OF RULE 1.

THERE ARE TWO WAYS TO GO AT SOCIALLY RESPONSIBLE INVESTING. THE MOST COMMON IS TO SCREEN OUT COMPANIES THAT DO NOT PERFORM UP TO YOUR STANDARDS FOR SOCIAL RESPONSIBILITY. IN MY OPINION, THIS IS NOT SOCIALLY RESPONSIBLE! YOU ARE VIOLATING RULE 1. YOU ARE OMITTING COMPANIES THAT YOU THINK COULD MAKE A GOOD RETURN FOR YOUR CLIENT BECAUSE THEY ARE NOT, IN YOUR OPINION SOCIALLY RESPONSIBLE. THIS IS PROBABLY VIOLATING YOUR FIDUCIARY RESPONSIBILITIES.

ON THE OTHER HAND, IF YOU ARE A SINGLE ISSUE PERSON, YOU MAY FIND IT HARD TO DO YOUR INVESTING AS I RECOMMEND.

I RECOMMEND THAT YOU FIRST LOOK FOR WELL MANAGED COMPANIES. NOT ALL WELL RUN COMPANIES ARE A GOOD INVESTMENT. I DO NOT ADVOCATE MAKING ILL ADVISED INVESTMENTS JUST BECAUSE I LIKE THE MANAGEMENT STYLE. IF THE GOOD COMPANY IS A BAD BUY, PUT IT ON HOLD AND WATCH IT. WHEN THE PRICE ADJUSTS, YOU CAN BUY AT THAT TIME.

THE FIRST THING I LOOK FOR IS A QUALITY PRODUCT THAT IS BENEFICIAL TO MANKIND. I LIKE STANLEY TOOLS, SARA LEE COFFEE CAKES, AND BAND AIDS. THE LIST IS LONG. CIGARETTE COMPANIES AND BOOZ OUTFITS AND MILITARY CONTRACTORS TEND TO BE LOUSY INVESTMENTS BECAUSE GOVERNMENT ACTIONS ARE SUDDEN AND CAN HAVE A HUGE IMPACT. IN MANY CASES, THE PEOPLE WHO ARE WILLING TO COMMIT THEIR CAREERS TO COMPANIES WITH A NEGATIVE SOCIAL IMPACT TEND TO BE PEOPLE THAT OPERATE ONLY FOR A QUICK PROFIT.
NOW I KNOW THAT WE ARE SUPPOSED TO LOOK FOR THAT OF GOD IN EVERY PERSON. HOWEVER, IT HAS BEEN MY EXPERIENCE OVER THE 55 YEARS THAT I HAVE BEEN IN BUSINESS, THAT DOING BUSINESS WITH "NOGOODNIKS" IS HAZARDOUS TO YOU BUSINESS HEALTH. YES, I FIRST LEARNED THAT SELLING THE SATURDAY EVENING POST AND THE LADIES HOME COMPANION MAGAZINES DOOR TO DOOR IN 1937.

THE SECOND THING I LOOK FOR IS THE RECORD A COMPANY HAS FOR THE PROTECTION OF THE ENVIRONMENT. THE LOUISVILLE GAS AND ELECTRIC COMPANY FIRST SCRUBBED THEIR STACKS BEFORE 1980. THEY ALREADY COMPLY WITH THE CLEAN AIR STANDARDS COMING OUT NEXT YEAR. THEY NOW USE THE PARTICULATE MATTER SCRUBBED FROM THEIR STACKS TO MAKE BUILDING BLOCKS. THE COMPANY HAS BEEN A GOOD INVESTMENT. WELL RUN COMPANIES ANTICIPATE THE COMING DEMANDS THAT WILL BE MADE ON THEM. THESE DEMANDS MAY BE MADE BY GOVERNMENT OR BY CUSTOMERS.

NEXT I LOOK FOR COMPANIES THAT HAVE A BROAD PERSPECTIVE. ONE INDICATION IS THE DIVERSITY IN MANAGEMENT AND ON THEIR BOARD. I LOOK FAVORABLY ON COMPANIES THAT HAVE INTERNATIONAL REPRESENTATION, WOMEN AND MINORITIES IN THE HIGHER ECHELON.

I WOULD THINK POORLY OF COMPANIES THAT HAD A DISREGARD OF THE ADVICE OF BISHOP TUTU AND MR. MANDELLA IN SOUTH AFRICA. I WOULD BE SIMILARLY INFLUENCED BY A MANAGEMENT THAT WAS INSENSITIVE TO THE ANIMAL RIGHTS ISSUE. I AM NOT AS DOCTRINAIRE AS MANY. MOST MEDICAL COMPANIES DID NOT LEAVE SOUTH AFRICA. THE PRODUCT WAS HUMANITARIAN. THEY WERE OBSERVING THE SULLIVAN PRINCIPLES. THEY ALSO USE ANIMALS FOR TESTING. THEY TRIED TO MINIMIZE AND THEY TRIED TO BE HUMANITARIAN. I THOUGHT THEY WERE WELL MANAGED IN THE MAIN. I THOUGHT JOHNSON AND JOHNSON WAS WELL MANAGED, FOR EXAMPLE.

FOR LARGE COMPANIES, I AM LOOKING FOR A COMMITMENT TO DECENTRALIZED MANAGEMENT. ON THE IDEALISTIC SIDE, PEOPLE DEVELOP THEIR POTENTIAL MAKING DECISIONS IN COMMUNICATION WITH THE ETERNAL SPIRIT. DECENTRALIZATION FACILITATES DECISION MAKING AT THE LOWEST KNOWLEDGEABLE LEVEL. MORE PEOPLE MAKE DECISIONS. IT IS ALSO GOOD MANAGEMENT. MORE GOOD PEOPLE DEVELOP THEIR SKILLS. I ONCE HAD AN ARGUMENT WITH OLG BAKLAVAN ABOUT THE SUBJECT. HE WAS IN CHARGE OF THE DEFENSE MINISTRIES IN THE OLD SOVIET UNION. HE MAINTAINED THAT ALL OF THE MANAGEMENT EXPERTISE WAS IN THE MINISTRIES AND THEY MUST CONTINUE TO RUN THE FACTORIES EVEN AFTER THEY CONVERTED FROM MILITARY TO CIVILIAN PRODUCTS.

I ARGUED THAT UNDER SUCH A SCHEME THE CUSTOMERS WOULD NOT BE WELL SERVED. RESPONSE WOULD BE SLOW AND INEFFICIENT. HE WAS NOT REALLY CONCERNED FOR DEVELOPING THE ORGANIZATIONS OF THE FUTURE.
HE WAS INTERESTED IN HIS OWN STATUS. HE PROVED THAT. HE WAS ONE OF THE 8 THAT TRIED TO OVERTHROW GORBACHEV.

I DO NOT CONSIDER CHARITABLE CONTRIBUTIONS. THERE IS A LEGITIMATE ARGUMENT THAT COMPANIES HAVE NO RIGHT TO USE SHAREHOLDERS' MONEY IN THIS FASHION UNLESS THERE IS A CLEAR BUSINESS BENEFIT.

DO NOT UNDERESTIMATE THE IMPORTANCE OF THE CEO. I AM, HOWEVER, DISTRUSTFUL OF A COMPANY THAT OVERPAYS THE TOP BRASS. I WOULD AVOID A COMPANY WITH A NEW CEO UNLESS HE OR SHE CAME FROM WITHIN THE COMPANY AND YOU COULD HAVE CONFIDENCE IN A CONTINUING COMMITMENT. I WAS AN INVESTOR IN PROCTER AND GAMBLE. MR. ARTZT BECAME CEO A COUPLE OF YEARS AGO AND I BEGAN TO HEAR SOME RUMORS OF CHANGE. THEN ONE DAY I READ IN THE PAPER OF A RESTRUCTURING WHERE THEY WERE GOING TO ELIMINATE THOUSANDS AND JOBS. IN THE SAME RELEASE WAS AN INCREASE IN THE DIVIDEND. I SOLD QUICK. CAN YOU IMAGINE THE IMPACT THAT HAD ON MORALE?

NOW LET ME DESCRIBE A COMPANY THAT FLUNKS ALL MY CRITERIA AND YET IS PROBABLY NOT ON ANY ETHICAL INVESTOR BLACK LIST. THEY ARE NOT BIG POLLUTERS. THEY DO NOT HAVE MUCH OPPORTUNITY TO BE. THEY DO AN EXCELLENT JOB OF EMPLOYING MINORITIES AND WOMEN. THEY DID NOT START UNTIL THE GOVERNMENT GOT EXCITED ON THE ISSUE. THEY ARE NOT IN WAR WORK AND THEY ARE NOT A "SIN STOCK." I AM TALKING ABOUT SEARS ROEBUCK. I KNOW THIS COMPANY REALLY WELL.

THEIR FIRST MISTAKE WAS TO BUILD THE SEARS TOWER. THE TALLEST BUILDING IN THE WORLD. WHAT AN EGO TRIP. ON HOMAN AVENUE THEY WERE ON THREE FLOORS. IT WASN'T AIR CONDITIONED. THE DOORS WERE OPEN WITH EVERYONE CUSSING THE HEAT. COMMUNICATION WAS GREAT. IN THE TOWER, YOU HAVE TO GO TO THE GROUND FLOOR AND TAKE THE SECURED ELEVATOR TO THE EXECUTIVE SUITE. THE HIGHER YOU ARE IN THE TOWER, THE NEARER YOU ARE TO GOD. THE TROUBLE IS THAT THE CUSTOMER IS STILL ON THE FIRST FLOOR. NOW LOOK AT THE ORGANIZATIONAL STRUCTURE. REPORTING TO MR. BRENNAN IS THE EXECUTIVE VP FOR RETAILING. REPORTING TO HIM IS THE VP FOR MERCHANDISING. NOW COMES THE VP MERCHANDISING FOR THE HOME IMPROVEMENT GROUP. THEN IS THE NATIONAL MERCHANDISING FOR HARDWARE. THEN THERE IS A SENIOR BUYER, A BUYER AND AN ASSISTANT BUYER THAT FINALLY SIGNS THE ORDER FOR THE PURCHASE OF SAW BLADES FROM VERMONT AMERICAN. THE SPAN OF CONTROL IS PERFECT. NOBODY MAKES A DECISION WITHOUT SOMEBODY LOOKING OVER THE SHOULDER. NOBODY TAKES ANY RISK. MR. BRENNAN HAS A PRIVATE CHAUFFEUR DRIVEN LIMO AND A PRIVATE JET. THEY MAKE JOKES ABOUT THE SUEDE IN HIS PRIVATE LAVATORY. "THE LUSH FLUSH.,"
SOME OTHER COMPANIES THAT I DO NOT WANT:

NEWELL WHO HAS GROWN BY HOSTILE TAKEOVERS AND RESTRUCTURING THOSE TAKEOVERS.

CONAGRA WHO HAS BEEN IN TROUBLE FOR FALSIFYING RECORDS FOR MEAT INSPECTORS.

CORNING FOR THE WAY THEY HANDLED THE BREAST IMPLANT PROBLEM.

MITSUI. THEIR BOARD IS ENTIRELY INGROWN. I SUSPECT THAT THEY BEHIND THE FACT THAT THEIR MEMBER TOYOTA WAS UNWILLING TO CONDUCT COMPETITIVE TESTS ON TOOLS BECAUSE OUR COMPETITOR WAS JAPANESE OWNED.

ONCE I FIND A WELL RUN COMPANY, I LOOK AT THE FINANCIAL DATA AND TRY TO AVOID A BAD BUY. I AM AN INVESTOR, NOT A GAMBLER. COMPANIES WITH VERY HIGH P/E RATIOS TEND TO BE SPECULATIVE. I WANT TO SEE A DEBT TO EQUITY RATIO BETWEEN .3 AND .7. LESS THAN .3 CAUSES A COMPANY TO HAVE A DIFFICULT TIME SHOWING A RETURN TO SHAREHOLDERS. THERE IS TOO LITTLE LEVERAGE. ON THE OTHER HAND, COMPANIES WITH TOO MUCH DEBT ARE SPECULATIVE. I DO NOT BUY STOCKS THAT DO NOT PAY ANY DIVIDEND. THEY TEND TO BE SPECULATIVE. THEY ALSO ASSUME THAT THEY KNOW BETTER HOW TO INVEST MY MONEY THAN I DO. I DO NOT INVEST IN COMPANIES THAT ARE SO SMALL THAT THEIR EVENTS ARE NOT PUBLISHED. I WANT TO BE ABLE TO FOLLOW MY INVESTMENTS. ON THE OTHER HAND, MIDDLE SIZED COMPANIES ARE OFTEN A VERY GOOD INVESTMENT. $300 MILLION IS SALES IS ENOUGH TO HAVE SOME STABILITY.

THE PROCESS OF FINDING WELL RUN COMPANIES IS NOT SIMPLE. I FIND THE MATERIAL FROM THE COUNCIL ON ECONOMIC PRIORITIES MOST USEFUL. I ALSO SUBSCRIBE TO THE FRANKLIN RESEARCH MATERIAL. I HAVE A BIG ADVANTAGE BECAUSE OF MY LONG BUSINESS CAREER. I KNOW A LOT OF PEOPLE. I WOULD URGE SOME KIND OF ADVISORY COMMITTEE OF BUSINESS PEOPLE TO PROVIDE SOME OF THIS FOR YOU.

MAY YOU MAKE MONEY FOR YOUR CLIENTS AND MAY THE WORLD BE A LITTLE BETTER PLACE BECAUSE YOU GOT UP THIS MORNING.

THANK YOU.
Gentle Reader,

The letter following this brief introduction explains in part how I happened to join 35 Quakers in Richmond, Indiana, for three days of group conversation.

As hierarchical organizations give way to more consensual styles of decision making, the "whole question of how individual empowerment and corporate effectiveness can be combined..." emerges, wrote the consultation organizer. "In terms of both the decision making process and maintaining and fostering respect for others in a creative business environment, Quaker principle and experience can have much to say, and the consultation hopes to provide a forum for Friends interested in such things."

Those of us "interested in such things" came from California, Canada and everywhere to listen to each other, to enlarge the perspective and to seek better ways of managing ourselves and others in our often fractious business environments.

For those of you who know little or nothing about the practices and habits of members of The Religious Society of Friends (and with apologies to those of you who know a great deal), it might be helpful to understand a few basic things about how Quakers conduct themselves and their meetings, for many references are made to these practices in the following report.

* The form of worship fostered by Quakers, and practiced by groups with which I am acquainted, is silent. On Sunday mornings, casually dressed people let themselves into a simple, unadorned room with simple wooden benches arranged so that two sets face each other and the third faces the space between both. This is Meeting. The "meeting's" clerk sits to one side of one of the opposing benches. It is his or her job to say good morning and read brief announcements at the end of the hour or so of worship. There is no altar, no hymnals, no collection plates. The only adornment I've witnessed was a small bouquet of garden flowers set on the fireplace mantle by a frail little lady. During the hour or so (it can run short or long at the discretion of the clerk) people sometimes rise and speak. Sometimes no one says anything. If a person speaks, the report is likely to be quite brief and deal with some matter of spirit or conscience. ("I am struck this morning at workings of harmony in a community...") If another speaks, a generous amount of time passes first. After the hour, people shake hands, say good morning and are invited to the adjoining space for coffee. The meeting then "rises." Children are typically invited in for a few minutes at the beginning or end of the hour. At Berkeley, they come at the end to show the art project they've worked on that morning and discuss it. In many ways, the hour is a group meditation, punctuated by a few insights that often prove to be good fodder for thought.

Because these meetings are not led by clergy (or anything else other than the spirit that may move people to break the silence) they take the shape of the thoughts and feelings of the attenders. Quakers have long believed that the silence allows them to "wait upon the Lord,' and perhaps that's what people are doing. They also speak of honoring the silence so that one's 'small inner voice' can be heard.

This practice of patiently waiting has applicability in other spheres of Quaker lives, and the
business people gathered at the consultation have clearly found ways to utilize the opportunities presented when people are gathered to address an issue, and are allowed the opportunity to address it in their own ways, in their own order, free of agenda. My experience is that the result is far richer than if those gathered are led through an agenda established by a single person, whose ideas about what's on the top of mind for others may or may not be accurate.

Hence as you read through you will find many references to "Quaker style meetings," and those references can sometimes be taken to mean gathering in silence, waiting for people to say what's on their minds, in ways that are comfortable for them, in the time that suits them, knowing that they will be heard in a spirit and practice of deep respect. When people speak in this atmosphere, others listen and acknowledge what has been said. In most groups, people pretending to listen to others are actually rehearsing the speech they plan to make next.

Other times (the difference will be clear) the reference will apply more to the Quaker practice of a group's search for unity of opinion and action, a search which allows everyone to ponder, query and consider until a "sense of the Meeting" is derived. Since Quakers have no clergy and are guided by a series of queries rather than doctrines, this method of group discussion -- a sort of dialectic -- is comfortable and productive for them.

* Quakers believe and manifest their belief through practice that there is "a bit of the divine in every man and woman," and hence each is due deep respect and unconditional regard. This is the basis of Quaker's pacifism, their deep commitment to social progress and to the dedication to performing good works, for Quakers act upon their principles as naturally as they fall quiet to examine them.

The finest example I can offer you to demonstrate how Quakers work differently than any group I've experienced is one that was offered me on the Saturday evening of the consultation. It had been suggested earlier that there was expertise within the group that could be useful to a member who had been offered an opportunity to become headmaster at a troubled Quaker school. So, after another Indiana dinner, those of us inclined to brainstorm the situation gathered around the proposed school master and his wife, a husband and wife who looked more like mother and son. Soulful, thoughtful, conscientious people are these, troubled by what might prove to be an impossible situation wrapped around a dream: A Quaker school to build into something that fulfills a promise of an ideal education.

Ken and Catherine laid out the facts and the history, both discouraging to the most blithe optimist. At one point during the recitation of problems, several of us expressed our distress and pessimism by chortling out loud. A member of the group asked us to refrain, for this, he said, was a serious issue and these were serious people. He was right. But it felt then so hopeless I kept waiting for Ken to say, "Yes but the roof was mostly rebuilt after it was set on fire....But what the school had in its favor was name recognition (could the layer of recent tarnish be removed to reveal its sterling roots?) and a surrounding 300 acre farm that could be returned to a working farm, a genuine, valuable asset that no other similar school could offer.

We were, at first, feeling collectively unhopeful. Then we began to discuss dealing with the debt,
ways to rebuild relationships with trustees, teachers, administrators, families who might send their children. We explored ways to complete the deferred maintenance, utilizing volunteers. One member asked if the school would accept the services of New York Yearly Meeting's work crew for a week. Fund raising ideas emerged. Alternatives in every category of challenge were explored. Within two hours, what first appeared hopeless began to look possible. "Stop introspecting," one of the group members said to Ken and Catherine. "I believe you've been given a job and that you want to do it. You need to say you want it joyfully." Another advised they decide on the single most important thing to be done that first year, and do it, setting the rest aside. Decide on two things for the second, he suggested.

I later asked Catherine if she really wanted to do this. (I couldn't tell by watching her.) She said that yes, she did, sounding more like someone who didn't. I asked if she and Ken had received what they'd really needed (I was still making lists of things that needed to be done to clear the path.) A member of the group explained to me that every participant in that group now felt linked to the school project: He, for example, would be alert to those able to provide help as a result of his position with the American Friends Service Committee, the fund raising/education arm of the Society of Friends. Another would be on hand for financial advice. Another for curriculum guidance. Presumably I would be on hand for relationship management issues consultation, which not incidentally, I will be happy to provide. With this discussion, Ken and Catherine had planted their fields, and the harvest was now possible.

Through this brainstorming session, I had witnessed what and how Quakers approach both consensus building and the social goals and actions that emerge from their approach. Voluntarily, quietly and steadily, each member of that group aligned his or her talents with the school project and would presumably remain aligned with its success.

I began to understand how a small group of Quakers organized early prison reform, the underground railroad, pushed for the equal rights amendment, established a place in the law for conscientious objectors, helped protect Jews during World War II, etc. etc. etc...
This summary is aimed at those of us who are serving as volunteers workers and/or servant leaders in a not-for-profit church organization, or one of the many adjunct, church-type, or para church organizations. This is proposed to promote discussion of the how and why decisions are made in the church environment, and how it is in contrast to organizations in the secular environment.

Many/most of the main-line "orthodox" Christian denominations in American are in serious membership and financial decline, while an abundance non-denominational, community-type churches are experiencing growth in membership and finances. It is because of the reality of these groups in decline that I propose that we look at decision systems and mentality as one of many steps in self-examination - as we search for areas where change for improvement can be proposed.

Post W.W.II growth of Government and Social Service agencies has evolved us into a population which is considerably less orientation to volunteer service than just a generation ago. We have adopted a "someone else will take care of it" mentality.

Among those rare areas not encroached upon by this change in society is the Christian Church. While government does fill some of the needs churches have historically responded to (hunger, disaster, medical, etc.) the "core" or "baseline" of Christian ministry remains proprietary in nature.

The environment that all of today's churches/meetings serve bare little resemblance to that which existed when most of them were formed. Some of the denominations serving today's environment are approaching one thousand years old.

Most of us have seen the predictable, slow-to-change nature of the Christian Church as the one constant in societies turbulent sea of change, and have even helped keep it the same yesterday, today and forever --even though it stands to reason that theology remains the constant, while the organizational or institutional entity should move through change, along with the rest of society.

To calculate that yesterday's church/meeting has a chance to function effectively in the future without changing is to ignore the reality of history. And those churches/meetings with historic roots that are doing well today are frequently identified as exhibiting "maverick" behavior, and are looked down upon by the "main stream."

It is apparent to researchers that there are very different kinds of organizations operating on a base of volunteer workers. Workers serving as volunteers to fill many different kinds of needs, with the organizations seeing varying degrees of success - and not having a clue as to why things do or do not work.

The first king of group I will characterize as an "ORGANIZATION". An organization is any group which has a goal imposed by owners. An organization's performance is judged by "outsiders" (board of directors, shareholders, customers), and there are usually some "exchange practices" which occur (or are promised) by which performance/success can be measured.

Now please separate this model of an "organization" from what will be called an "ASSOCIATION". An association is a group of people who share an "interest", and have agreed to pursue it jointly. It needs a process (constitution) to determine who is a member, and who can - are authorized - to speak for it. That is, how its "will" is determined (subsidy payments).

REMINDER -
A. ORGANIZATION: Goal imposed by owners. Performance judged by outsiders, Accountability. People serve as volunteers to accomplish their own goal. (exchange practices).
B. ASSOCIATION: People who share an interest and agree to pursue it jointly. Its "WILL" is determined by membership, and those who can - are authorized - to speak for it. (subsidy payments).

Is your church/meeting an organization or an association? Not better or worse - however, very different.
The little, on-the-corner, small church is most frequently an association. Many / most of the “start-ups” and/or in-the-home - or some community-based space location - are usually associations. i.e., owner / operator / customer / member is all-in-one, “satisfying” their way along. When does / should / must a church change from an association to an organization? When:
1. They are part of a denomination - which expects in-the-black operations. As well as that support contribution.
2. When the church starts to get outside of itself - extension, missionary commitments, etc.
3. Facilities - let’s build a building!

Immediately the “exchange process” is begun, and others (outside of the church) have expectations of performance, and begin to measure and/or judge the “organization”.

PROBLEM:
“Organizations” and “Associations” require very different forms of operation, decision systems and mentality. Changes which do not take place overnight.

CONCERN:
That historic denominational policies and decision systems are contributing to a “dooms-day scenario” - with a future where only independent, community-type churches can survive.
"Consultation Questions"

Note: Stratton Jaquette is in the computer software design business in California. He has served as Clerk of Pacific Yearly Meeting. In a letter received from Stratton following the Consultation he wrote down some of the questions that he asked himself and that he would ask of other Friends related to the 1994 Consultation.

What are our professions, and why?

Do we avoid professions for the wrong reasons - are they the ones that need change?

Why are so many Friends social workers, teachers and computer professionals?

How does this relate to being a "convinced" rather than birthright Society?

Are we attracting members by social activity rather than for our faith (theology) and does this parallel the difference between testimonies and queries?

Why is (Is) the Quaker style of business (decision) process more efficient (or effective)? Where is the morally pure alternative?

What can we say to ordinary employees in business, not the manager/entrepreneur, that will make a difference in their work life and environment?

Why do Quakers view business as unclean or evil?

Why (Are) Friends anti-business and anti-wealth?

Why can't we deal with the prospect of being stewards of an endowment or large bequests or gifts?