

in the United States also seemed to be related to American reactions and policies toward refugees.

The complexity of the refugee issue is evident by the numerous, interrelated factors involved. More questions may have been asked than answered, with the tendency at times to be judgmental in response to certain actions of the United States. However, it may be more important to attempt to come to an understanding of how and why certain policy decisions were made. The tragedy still remains that over a million refugees left Indochina and sought asylum. Instability in Southeast Asia could result in additional refugees at any time. Looking at events described in this study, it might be asked if anything can be learned to help solve the dilemma as it now exists and to avoid further expansion of the crisis. A less strident anti-Vietnam policy by the United States could conceivably lead to a more conducive atmosphere to address the problem. If any reconciliation between the United States and Vietnam is forthcoming, its repercussions *vis-à-vis* China, the Soviet Union, and ASEAN would need to be anticipated.

The United States seems to have been involved in refugee assistance for both humanitarian and special interest reasons. Each motivation influenced the other. The Socialist Republic of Vietnam appears to be primarily responsible for generating refugees, unintentionally at times and at other times deliberately. The United States' response capitalized on its own humanitarian gestures for propaganda and strategic purposes to the point of increasing the exodus beyond "push factors" operating within Vietnam. It is possible a less vindictive attitude by the U.S. toward Vietnam might have curbed the flow by permitting aid from abroad to assist in postwar recovery. Instead, the polarization of China and the U.S. against Vietnam posed a threat that contributed to a military preparedness in Vietnam with funding that might have been used to improve living conditions for the Vietnamese population. The new alignment with China and the strategic importance of ASEAN, especially Thailand, resulted in less concern for refugees from Kampuchea. The Sino-U.S. friendship also found the United States playing down human rights violations within China at the same time U.S. policy toward Vietnam was rationalized by the refugee exodus.

The refugee issue demonstrates the difficulty in balancing ethical dimensions and strategic interests in international relations when the primary consideration is power. Machiavelli may have been right to say the right things are done for the wrong reasons. Sharing an abundance is relatively painless. When the level of refugees in the United States reached a point where true charity was called for involving self-sacrifice by American society, the attitude toward refugees became less generous.

CHAPTER SIX THE CORPORATION AND THE SEARCH FOR SHARED VALUES

Mary E. Cunningham

Productivity is a central concern of corporations and the nation. And that word will probably be found in the title of more workshops, retreats, senior seminars and planned doctoral theses than even the words "access" and "interface" from earlier years. I have a friend who claims you can get by at most corporate executive meetings this year by using—judiciously, of course—the words "productivity," "macro," and "hands-on."

But cliches or not, these words are telling us something. They fit very appropriately in a discussion of historical trends, trends that alarm people who take the state of business seriously.

Consider a simple index of productivity growth: the United States as compared with Britain, West Germany, and Japan.

Between 1870 and 1950, our annual growth in productivity was approximately 0.7% higher than in those other countries. And that relatively small but decisive difference contributed to making us first the economic, and subsequently, the political leader of the world.

But since 1950 and particularly since the mid-60s, those numbers have been reversed. In 1979 and 1980 we actually had a net decline in productivity and the differential of last year is substantially in favor of West Germany and Japan.

Can anyone imagine—would anyone care to imagine—what this will mean in terms of our standing in the world in 1990 or 2000, and how other nations will perceive us?

Those productivity statistics rest on some ominous facts—facts that tell us that other countries have produced better products than we have, and have done so at lower costs, with fewer people, with fewer layers of management, with far fewer job classifications, with higher quality—and with a far more stable work force.

We business people will be making a mistake if we think that the

election of pro-business people to the Congress and the Senate, and a President committed to balancing the budget and "freeing business from government," will solve these problems. It is, of course, essential to improve the investment climate in a variety of macroeconomic ways—whether through a more equitable tax structure, selective decontrol and deregulation, or the encouragement of savings.

But I suggest that we may have become somewhat mesmerized by all those macroeconomic plans.

It is not enough, I believe, for us to become cooperative spectators as the administration institutes a series of broad macroeconomic reforms. In fact, I believe that even if every tax reform and proposed budget cut were implemented in full we would still remain at a competitive disadvantage with other industrialized nations.

This is because the battle against declining productivity must be fought bilaterally, both at the macro-level of government policy and at the micro-level of organizational reform.

The present administration is doing its job by creating a blueprint that emphasizes savings, investment, monetary prudence and fiscal restraint. Our corporations must also do their part by examining what I will call the corporate culture, and instituting the necessary changes in that culture that will make them more competitive and more productive than they are at present.

I invite you to examine three concepts with me.

First. The absence of a shared system of values has a measurable impact on the bottom line.

Second. A less-than-humane working environment shows up as a concealed cost on the profit and loss statement.

Third. Prejudice is an expensive luxury.

Let me start by admitting that I am not very pleased with my phrase "a shared system of values." Not that it doesn't say precisely what I mean. But it sounds so impractical and lofty that it might provoke a few yawns.

I can just hear you say, "Does she expect every member of a corporation to be a soul-mate of every other?"

I'm not that naive.

But I do know, as every observer of the human condition knows, that a culture is defined in a very important sense by the ethical system that binds it. Not that everyone in a society practices right and wrong in identical fashions. But in a fundamental way there is a shared notion of ethical behavior.

A sub-society, like a corporation, is equally devoid of cohesion if it has no common values.

Today, the members of society at large, and of the institutions within it, including corporations, are yearning for that sense of meaning that comes from a well-developed system of values. We

need this value system as individuals to give purpose to our work and therefore satisfaction to our lives. And the corporation needs it to create unity out of diversity, loyalty out of selfish opportunism and cooperation out of internally directed competitiveness.

Unfortunately, when you talk about ethical systems in the corporate realm—and that is another reason I hesitated to broach this subject—the word "ethics" suddenly shrinks to puny proportions. All it seems to mean to most people is improper payments and pilferage. Oddly enough, those infringements of ethics, while important, are likely to do much less financial damage than the violations I have in mind.

When I think of ethics in regard to a corporation, I see something with wider repercussions than the usual feeble Corporate Code. I envisage a common value system that causes the members of the organization to function together as a loyal unit. You need only to look at the Japanese to see that where there is unity, there is a tremendous increase in productivity.

You are familiar, I am sure, with Quality Circles in Japan—those weekly meetings where automobile workers, with absolutely no supervisors present, discuss assembly-line problems, quality control, and any other subjects relevant to their work—and look for solutions to present to management. Attendance is absolutely voluntary. The motivating force is precisely the shared sense of values that I say has bottom-line results.

Indeed, the results are measurable. Japanese management receives six to eight suggestions per employee per month. And a measure of the seriousness accorded this exercise is that over fifty percent of the suggestions are adopted. Is it any wonder that, as the flip side of the coin, management regularly rejects courses of action on the grounds that they might "hurt" the employees. . . ?

In the United States, joining an organization is like being born into a family or taking on a citizenship. With that joining, you take on new responsibilities, the most serious of which is to work for the good of the organization. This does not absolve you from adherence to principle. Nor does it deny your individual rights. It just amends them. It is not responsible to do what is akin to renegeing on a contract—not a written one, to be sure, but one that has the same moral force.

I am convinced that as this notion of common purpose takes hold, we will find that we are building a new kind of cooperation. The organization will become more humane, more like a family—and this is the second condition I believe is required in order to reverse the trend toward indifference, and create, instead, a climate for increased productivity.

The analogy to the family is a risky one for a woman to make—it evokes sentimental, non-businesslike stereotypes. But families have functioned as economic units throughout the history of our species. And because the members had to pull together to survive, cooperation became a necessity—and skills were not wasted.

This kind of organizational framework will, I believe, bring a new humaneness and stability to the corporation. And none too soon, for our corporations have become bureaucratic and overly dependent on systems. It is true that sheer size, new technologies, complex government regulations, social pressures and other factors present extremely difficult challenges. But our reaction—indeed, over-reaction—to complexity has been to impose a system, and the result has been an artificially satisfying sensation that order has somehow been restored to our universe.

As a result, we have become the victims of the systems we have created. Computers, forecasting models, organization charts, and new methods of quantification have been idealized as solutions. Business has become austere and stifling.

Am I suggesting that we abandon all systems, models, and computer printouts? Not at all. If I did, I would be out of a job. Used appropriately, they can contribute to efficiency. What I am calling for is a return to balance—not a swing to the opposite extreme, to seat-of-the-pants decisionmaking. As our respect for numbers grows, our regard for judgment must not diminish.

I am suggesting that in the future, if the organization chart does not fit the person, we may well decide to change the chart, not the person.

I would hope that the business schools would sense the need for change and take a leadership role in bringing it about. What I would hope to see is the same emphasis placed on courses in Business Ethics, Organizational Behavior and Human Resource Development as has been traditionally placed on Marketing, Finance and Production. And in giving these subjects their due they should be presented to students not as electives but as part of the core curriculum.

Once again, if we refer to the Japanese example, we will see that this humanizing of the corporation is a major factor in their high level of productivity. I will draw from an industry I became very familiar with during my two years in Detroit. The evidence was gleaned from a Japanese automotive plant—not in Yokohama but in one of *this* nation's cities. There, the same figures on productivity, the same differentials in cost, quality, and reliability that I mentioned earlier are beginning to appear as though the plant were in Japan. But this time, there is a Japanese management with *American* workers.

A recent study by a large U.S. corporation tells us that "absenteeism" in Japan runs at only 4-5% annually, and those figures *include* sick leave and vacation time. If you take out those elements, the statistic drops to 1%. Furthermore, the average Japanese worker, entitled to fifteen to twenty vacation days a year, takes only an average of five days, because to take more would "inconvenience" his fellow-employees. We need to understand the far-reaching consequences of this spirit.

We could start by asking why Japanese auto workers have only six job classifications at a plant while one of our major producers, for

example, has more than two hundred. Or explore why Japanese and German industry impose less than one half the number of management layers that we do between the chief executive officer and the workman at the machine.

The answer to our competitive disadvantage is not to copy the Japanese but to adapt the best from their style and stamp it *Made in America*.

I come now to the third of my basic themes: Prejudice is an expensive luxury.

Much of what I will say about prejudice in business represents personal observations—not scientific research. And because it depends on observation, it will focus largely on prejudice against women, the situation with which I am most familiar. I know, as you do, that prejudice is not directed exclusively or even primarily at women. Jews, Italians, Irish—virtually every ethnic or religious group—have been victims in the past, and to some degree still are. Blacks, women, Hispanics and other minorities are more common targets today.

So if I talk largely about women, it will be essentially as examples. I will not repeat each time that I am including in my thoughts other victims. I have not forgotten them and I hope you will not, either.

Prejudice takes many forms. And it changes with time. Five years ago the problem was getting women on to the corporate ladder. Now the problem is moving them up. If the move is exceptionally rapid or involves a very high level appointment, the bewilderment, skepticism, jealousy, and resentment are even greater.

It would seem there are no norms for people's minds to rest on when they see a woman set a record in business—so they turn to the very shopworn explanation that she used her sexual charms to get there.

The inability in some people to accept a woman's advancement is only one form of sexist prejudice. The other is the failure to promote her at all. In both cases, the observers simply refuse to see merit where it exists. A variant on this is where they see the merit, but, heeding the signs of resentment around them, fear the consequences that might result if they reward it.

The power of the press either to further prejudice or to combat it is awesome. The temptation to capture ratings and wider readership must be very tantalizing.

But when the press engages in irresponsible and sexist journalism, it cannot offer in its own defense that it has no norms for people who have broken the age barrier. It has—but they have been men. Faced with a woman with a similar record, they feel obliged to describe the color of her hair, her shape, and assign an overall 10-point rating. I am still waiting to hear a detailed physical description of David Stockman who directs our Office of Management and Budget and was a congressman at age thirty.

Or Samuel Armacost, the young chief executive officer of Bank of America, who first became an officer of his bank at age thirty.

By consistently focusing on the biologically female side of a woman's success, by sensationalizing events, the media does more than hurt the individuals involved. They deny their readers the formation of vital new symbols needed to undo old stereotypes. In short, they perpetuate false notions and betray a public trust.

I have said, and I believe it is worth emphasizing, that American management indulges its prejudice at great economic cost. This statement is not subject to the kind of cost/benefit analysis performed on a calculator. But every good manager knows that our greatest natural resources is human creativity. It is only a small step from that knowledge to the realization that corporate attitudes which systematically place the filter of preconception between the potential candidates for important corporate posts and the eyes of the personnel decisionmaker must necessarily cost the organization untold earnings.

Beyond the obvious opportunity cost, there are other direct costs associated with a corporate culture that does not include women as a normal part of organizational activity, particularly at the highest levels of decisionmaking. The loss in productivity as a result of resentment or frustration is not obvious but nonetheless real. If such rejection ultimately causes the woman to leave, the time and money spent on her training is an obvious waste.

There has been no more consistently sounded theme recently in this country than the need to recognize that our resources are limited and that we must exploit them with maximum efficiency and minimum waste. Oil, coal, water, timber—yes. . . . Why not people?

In my opinion, people are our most underutilized resource in America today. And to the extent that we continue to accept barriers which prevent certain talented individuals from achieving the most responsible levels of corporate power, to that extent we are wasting our greatest resource, the intelligence, creativity and judgment of our people. Can this country really afford to pay such a price for discrimination? Is American industry really willing to provide the receptacle for such waste?

Prejudice is a moral failing in the souls of the people who harbor it. But it is also an error in logic—a particularly expensive one that takes the form of overgeneralization. It is a flaw that has practical consequences, for unless we free our minds of the generalities that preconceptions represent, we cannot make room for the exceptions. Yet, it is the exceptions throughout history—in business, in medicine, in politics—that have made the breakthroughs and moved us forward—not by inches—but by leaps. Bigotry is not only foolish, but destructive—destructive of the contributions such people could make to the greater group, whether the corporation, the university or the hospital.

Human creativity is the resource we can least afford to waste. And while the creative talent, working in isolation, will always survive and find some means for expression, we have not yet tapped the special creativity that could emerge from bringing together people who have not, in the past, had the opportunity to exchange ideas or attitudes or values. It is not enough just to give a woman or a black or a young person a job. They must be made part of the process at all levels of problem solving to which they can meaningfully contribute.

I maintain that the continued underutilization of certain segments of our work force in America is morally unjust, politically unsound and commercially stupid. If we do not overcome this tendency, we will resign ourselves to creating a group of second-class corporate citizens who are less informed and therefore less effective in the business world, and we will accept a corporate America that is less dynamic, less creative, and less competitive worldwide.

As for my other two themes—the importance of a shared value system and the need to humanize the corporation—I believe there is a lot of educating to do. Nonetheless, in many ways, great and small, the individual has the power to take action personally right now. You can look for opportunities to speak out—and if you do, I hope you will agree that it is not only possible but necessary to infuse a practical note into what are normally considered soft themes. Emphasize that a corporate culture will ultimately be played out either as an asset or a liability.

Even more important, you can apply the principles that would guide a new corporate ethic and a more humane organization to your own spheres of influence. This will not only bring direct benefit to those immediately affected but it will also become part of the process that will cause those principles to permeate the entire organization.