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Globalization and the Human Condition

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**Sino-Foreign Management Summit
Beijing, China**

**October 29, 2005
C. William Pollard**

“Globalization and the Human Condition”

I am delighted to be with you today and share in this important conference as we seriously think about what is ahead of us in a growing global economy.

We live in a rapidly changing world. In 1997, I had the opportunity to speak in Beijing in the Great Hall of the People during an international symposium on Economic Restructuring and New Business Models for the emerging Chinese economy.

Today, eight years later, your economy is no longer emerging. It is robust and China represents a growing global economic force. Our meeting today reflects this growth and change as we come together, primarily as business leaders, to consider what is “The Winning Thinking for the Future.”

Whether we are in America or China, or any other place in the world, we must increasingly think of ourselves as operating in a global economy, where there are growing forces of economic interdependence and no group of people or nation can be an economic island.

The driving force is the free market system at work. Many of the old barriers that separated buyers and sellers by location, citizenship, nationality, or culture have been blown away. The continued explosion of availability of information and the technology of instant communication at multiple levels of language, numbers, and graphics means that business can be transacted anywhere at any time. And so the title of my talk today - **Globalization and the Human Condition**.

As the economies of separate countries become increasingly interdependent, with no dominant nation state able to build a wall high enough or an army strong enough to protect itself from potential harm resulting from the instability or default of an economy of another dominant nation state, we increasingly realize we need each other. Not just as nation states, but as people.

People who look different, speak different, and come from different cultures but who all have the potential to be buyers or sellers. People who must trust each other to do business. People who are not only looking for growth in their economic well-being, but also in their personal and spiritual well-being – their human condition.

As I raise this point, I recognize that markets, whether they be local or global, are not necessarily people sensitive. They are materialistic and impersonal and can produce gain for a few at the expense of many. They can encourage

pollution of the mind as well as the environment. They are, in fact, morally neutral and indifferent to moral choices. Yet they also can bring good to many, resulting in improvement in the lives of people and providing opportunities for people to grow and succeed.

So for markets to be effective in not only creating wealth but also improving the human condition, they need a level of government supervision and restraint. And because markets are made of people working within organizations that we call business firms, they also need leadership from within the firm to provide a moral reference point and compass for people to do that which is right and good. Otherwise, I suggest that the market system has the potential to bankrupt the human soul.

As one looks to the future of a global market, there is no doubt that China and India have major and dominant roles to play. The economic ascent of these two countries, with their large populations, is being watched by others, with a mixture of awe, opportunism, trepidation, and fear. China and India possess the weight and dynamism to transform the twenty-first century global economy. The closest parallel from history may be the American story from the mid-nineteenth century to and including the last 100 years of the twentieth century.

During this period, America had strong economic growth and developed some understanding of how best government can both enable and appropriately

restrain the free market system. We have not arrived and are still learning on the people and leadership side of the equation, as witnessed by our last episode of corporate corruption and greed reflected by the actions of American companies like Enron, World Com, and Tyco.

But there are some principles underlying the rule of law and the role of government restraint that we have found useful and helpful. These include the protection of private property, including intellectual property, the enforcement of contractual agreements, the prohibition of certain monopolistic practices, the requirement of truth and full disclosure **in the issuing and selling of securities, in the compensation of executives, in the dealings among related parties where there can be conflict of interest, in the protection of the environment, and in the safety of the consumer.**

We also have found, however, that government controls over pricing of products rarely work, and that governmental limits on the market forces of supply and demand often become artificial and usually drive transactions to an underground economy.

We also are coming to realize that economic development and effective participation in a global market are not dependent upon every dominant player being ruled by a democratic government. Democracy aids, but is not essential, to an open market system. However, the forces of a market system at work do, in

fact, expand the freedom of individual decision-making, including the freedom and scope to innovate, create, take risks, and receive economic rewards for performance.

The freedom for people to make profits or incur losses from their labor and efforts cannot be eliminated. Government safety nets seldom work in the long term. Waste and inefficiency resulting from an overpowering hand of the state will eventually cripple the workings of an economy and limit effective participation in a global market.

Competition is always alive and well in a free market, and the peoples of both China and India will have a growing appreciation of this reality of a global market as they continue to implement their economic growth objectives and, in fact, compete with each other.

But for a market system to be effective and enhance the human condition, there must be more than government enablement and restraint. People must do what is right and good in the running of a business because they want to – because they understand what they ought to do even when no one is looking – even when there are no government restraints or penalties for failure to do so.

For this to occur, there must be leadership. Leadership that has a moral reference point and compass for doing that which is right and good and avoiding that which is wrong.

Can the business firm make money, create wealth, serve and produce for customers, and also be a moral community for the development of human character? This is one of the basic issues that Peter Drucker, the world leading expert in modern-day management, has dealt with in his many books on management, leadership, and organizational behavior.

If he were here today, he would begin by asking, what is your business? Making money? Yes. Creating and keeping customers? Yes. But then he would say, it is far more important for you as a business leader to recognize that your business is not just limited to these standard responses in defining the theory of the firm. No, you also are in the business of developing people – those producers and workers of the firm. Developing people is not only what they are doing and how they are doing it, but also in who they are **becoming** in the process.

Drucker reminds us that people work for a cause, not just a living. They need to find purpose and meaning in their work. And when they do so, they not only become more productive, but also better people – people who are able to serve and contribute in their families and communities. Thus, a mission and purpose for the firm that expands beyond making profit can become an organizing principle for the firm.

This has been more than theory or book knowledge for me. It has been an integral part of the firm I have led over twenty-five years. A fast growing,

dynamic service company that we call ServiceMaster, serving now over ten million customers in the United States and forty foreign countries, and with over 80,000 people in our employ. Recognized in the past by Fortune Magazine as the #1 service company in the United States and by the Financial Times as one of the most respected companies in the world.

As I have now retired from these leadership responsibilities at ServiceMaster and look back, I can add up the numbers that show growth in profits, customers served, and a return for our shareholders, on average, of twenty percent per year. While these figures are part of a normal business assessment of performance, the conclusion for me cannot be limited to these money or economic value-creation measurements. The real and lasting measurement will be whether the results of my leadership can be seen in the changed and improved lives of the people I have led.

As a business leader, I wanted to excel at generating profits and creating value for shareholders. If I didn't want to play by these rules, I didn't belong in the ballgame. But I also tried to encourage an environment where the workplace could be an open community where the question of a person's moral and spiritual development and the existence of God and how people related what they believed with the demands of their work were issues of discussion, debate, and yes, even learning and understanding. I considered the people of our firm as, in fact, the

soul of the firm. People were treated as the subject of work, not just the object of work.

Our mission and purpose was reflected in our corporate objectives: to honor God in all we do, to help people develop, to pursue excellence, and to grow profitably. These first two objectives were end goals and the second two were means goals.

We did not use the first objective as a basis of exclusion. It was, in fact, the reason for our promotion of diversity as we recognized that different people, with different beliefs, were all part of God's mix.

It did not mean that everything was done right. We experienced our share of mistakes. We sometimes failed and did things wrong, but because of a stated standard and a reason for that standard, we could not hide our mistakes. Mistakes were regularly flushed out into the open for correction and, in some cases, for forgiveness. Leaders could not protect themselves at the expense of those they were leading.

In a diverse and pluralistic global society, some may question whether our first objective to honor God belongs as part of a purpose statement of any public company or organization. But regardless of your starting point, the principle that may be embraced by all is simply where it led us, and that was to honor and recognize the dignity and worth of every person.

One of the privileges I have had in China is to work with Chairman Shao and his group of profit and educational initiatives under the banner of Bright China, Holding Ltd. We have learned from each other, including our mutual appreciation for the teachings of Peter Drucker and the importance of mission and purpose as organizing principles for the firm. In his group, the mission is described as follows: To honor Truth, to help people develop, to pursue excellence, and to grow profitably.

You have a saying here in China: If heaven or God created me, there must be usefulness in me. This principle is at the heart of both of our businesses.

Now for me as a Christian, a follower of Jesus Christ, I not only believe that every person has been created in God's image with dignity and worth, but I also believe that the marketplace provides a wonderful opportunity for me to live my faith in the way I treat and care for others in the work environment. To walk the talk as a leader. To serve those I seek to lead.

Work can, in fact, become a place where the spirit and soul of a person is enriched by what they do as they learn to serve and contribute to others. And, yes, when it does happen, there is potential for extraordinary results.

Frankly, when you view people as only production units or something that can be defined solely in economic terms, you lose sight of their real value and

worth. You can define management systems that will attempt to idiot-proof the process, but they also can make people feel like idiots.

Fortune Magazine described the soulless company as suffering from an enemy within and cited Henry Ford's quote as descriptive, "Why is it I always get the whole person when all I really wanted was just a pair of hands?"

How many times have we looked at the people in our organization as just a pair of hands – the object of work and not the subject of work? In so doing, we are not caring for the human condition. We have the responsibility as leaders to unlock the potential of people as they work and produce – to provide a moral community for the development of their character and soul.

But what then is leadership really all about? Books and articles on leadership and the qualities of a good leader abound. They often describe leadership as something that is glamorous and elevated, but you know, I have found it to be hard work, and sometimes mundane, unromantic, and boring. Its essence, as Drucker has said, is performance. Leadership is not, by itself, good or desirable. Leadership is a **means** – to what **end** is the crucial question.

Leadership is not about you or about me. It is about the people who follow and the direction we are leading them. It is about the responsibility we assume for the growth and development of these people.

As we look at leadership this way, it is imperative for us, as leaders, to know what we believe and why we believe it. To know where we are headed and why it is important for people to follow. To live and share what we believe in a way that will engage people and to be an example for others to follow in both our private and public lives.

So, will the real leader please stand up? Not the president, but the role model. Not the highest paid person in the firm, but the risk taker. Not the person with the biggest office, but the servant. Not the person who promotes himself but the promoter of others. Not the administrator but the initiator. Not the taker but the giver. Not the talker but the listener.

People want effective leadership. Leadership they can trust. Leadership that will nourish the soul.

It was Socrates who stated that a person should first understand oneself as a means of making contributions to others. Know thyself was his advice. Aristotle counseled his followers that to use one's talents to the utmost, one must have discretion and discernment. His advice was to control thyself.

Confucius reminded us of the importance of harmony in relationships, the art of mediation, and the virtues of righteousness, propriety, wisdom, and trustworthiness. He also recognized the need for a structure of earned authority and respect between father and son, ruler and ruled, elder and younger. And the

way of Taoism confirms the importance of being receptive and understanding of the needs of others.

But, another great thinker changed the hearts and minds of people with a unique approach to a meaningful life. Give thyself were the words spoken by Jesus – an example to all of us as He took a towel and a basin of water and washed the feet of His disciples. In so doing, He taught that a leader is there to help and serve the people he or she leads and that even the humblest of tasks is worthy for a leader to do.

Does this example fit in today's world, over two thousand years later? There is certainly no scarcity of feet to wash. Towels are always available. I suggest that the only limitation, if there is one, involves the ability of each of us as leaders to be humble and put others ahead of ourselves, to compromise our pride, to be involved, and to have compassion for those we lead and those we serve. To be servant leaders. I suggest this is the Ying Yang of effective leadership.

For servant leadership to become a reality in any organization, leaders must first be prepared to walk in the shoes of those they lead. In ServiceMaster, this means that, as part of leadership training, we all must experience what it is like to do the hands-on service work of our firm and to feel the emotions of those we are going to lead and manage.

So, when I started with ServiceMaster over twenty-eight years ago as a senior officer of the Company, the first three months of my training were involved in doing cleaning and maintenance tasks in hospitals, industrial facilities, and homes. It was, for me, a learning and serving experience and helped me to identify with the needs and concerns of our service workers.

It was a great lesson in understanding who people are and their potential for growth and development as they were given respect and dignity in their work. It has been a constant reminder for me that I must always be prepared to serve and should never ask anyone to do something I am not willing to do myself.

Several years ago I was traveling in Russia and speaking at several universities on the service economy and our approach to the service business. While I was in the city now renamed St. Petersburg, I met Olga. She had a job of mopping the lobby floor in the large hotel I was staying at. I took an interest in her and her task. I engaged her in conversation with the help of an interpreter and noted the tools she had to work with. Olga had been given a T-frame for a mop, a filthy rag, and a bucket of dirty water to do her job.

She really wasn't cleaning the floor, she was just moving dirt from one section to another. The reality of Olga's task was to do the least amount of motion in the greatest amount of time until the day was over. Olga was not proud of what

she was doing. She had no dignity in her work. She was a long way from owning the result.

I knew from her brief conversation that there was a great unlocked potential in Olga. I am sure I could have eaten off the floor in her two-bedroom apartment. But work was something different. No one had taken the time to teach or equip Olga. No one had taken the time to care about her as a person. She was lost in a system that did not care. Work was just a job that had to be done. She was the object of work, not the subject of work.

I contrast the time spent with Olga with an experience I had just a few days later while visiting a hospital we served in London, England. As I was introduced as the Chairman of ServiceMaster to one of our housekeepers, Camilla, she put her arms around me, gave me a big hug, and then thanked me for the training and tools she had received to do her job. She then showed me all that she had accomplished in cleaning patients' rooms, providing a detailed before and after ServiceMaster description.

She was proud of her work. She had bought into the result because someone had cared enough to show her the way and recognize her when the task was done. She was looking forward to the next accomplishment. She was thankful.

What was the difference between these two people? Yes, one was born in Moscow, the other New Dehli. Their race, language, and nationalities were different, but their basic tasks were the same. They both had to work for a living. They both had modest and limited financial resources. One was very proud of what she was doing. Her work had affected her view of herself and others. The other was not and she had a limited view of her potential worth.

The difference, I suggest, has something to do with how they were treated and cared for in the work environment. In one case, the mission of the firm involved the development of the person as a whole person, recognizing their dignity and worth. In the other case, the objective was to provide activity and call it work.

Servant leaders treat people as the subject of work, not just the object of work.

As you reflect upon what is Winning Thinking for the future, are you ready to be a servant leader?

Do you know what you believe and why you believe it? Do you know where you came from and where you are going? Is there a purpose for your life beyond making money? How do you determine whether something is right or wrong, good or evil?

In his classic, *The Gulag Archipelago*, Alexander Solzhenitsyn argued that the line between good and evil passes through every human heart. He asserted that even within hearts overwhelmed by evil, there was one small bridgehead of good, and even in the best of hearts, there remained a small corner of evil. His conclusion was that it was impossible to expel evil from the world in its entirety, but it was possible to recognize it and constrain it. For Solzhenitsyn, the source of truth and constraint came from God, an authority beyond himself.

Is there room for God in your life? Can the business firm you lead not only make money but also become a moral community for the development of human character? A firm that can nurture the human condition?

This is the grand experiment of ServiceMaster. It is, I suggest, one of the greatest challenges we have before us as leaders in the global market.

As we think about the global economy of the future, there is no question that China and India have an advantage in the numbers of educated people. China and India, this year, will graduate over 500,000 engineers and scientists, compared to 60,000 for America. But as many of these graduates enter the world of business, how will they be prepared to make right, not wrong decisions? To do what is good, not evil? Who is responsible for their moral development? Has that been a part of their education, and where does the business firm fit in? Will your

leadership make a difference in developing the whole person, not just a pair of hands? Remember, people are not just economic animals.

It was C. S. Lewis, the famous Oxford scholar, who said, “There are no ordinary people. You have never talked to a mere mortal. Nations, cultures, arts, civilizations—these are mortal, and their life is to ours as the life of a gnat. But it is the immortals who we joke with, work with, marry, snub, and exploit.” What is our life without people? What is a business without people?

In Peter Drucker’s view, a leader has only one choice to make – to either lead or mislead. Responsible leadership requires the choice of an ethic of service and example of right behavior. In seeking to lead an organization as a moral community, one should recognize that it is not always comfortable.

At times it feels like you are in a rowboat rowing upstream. There will always be an abundance of skeptics with questions raised regarding a goal that mixes the principles of the development of the whole person and making profits.

For me, there were times of adversity and doubt. But my faith in God provided a special strength and peace as I knew that the One Who was the object of my faith not only loved me but also loved the skeptics and gave of Himself in service to others.

What is a business without people? What is a business without purpose?
What is leadership without the example of service and an ethic of right behavior?
For me, seeking to serve as I have led has been the salt and light of what I believe
– the reality of my faith and my God. It has been my way of touching and
improving the human condition in the marketplace.

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