1 An Invitation to the Dance of Transformative Cooperation

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We live in an age of pervasive change. Perplexing new challenges—many of them global, transboundary, interconnected, and precarious—signal that we are in the midst of a historic transition. At times it seems as if a new golden era of sustainable abundance is ever nearer the horizon, but simultaneously we hover on a precipice of profound conflict and destruction, which might be triggered through either accident, ignorance, inertia, or senseless acts of aggression. For many, the response to these tremendously divergent views of the future has been the awakening of an immense creative urge, and a desire to unleash our highest capacities as we shoulder our universal responsibility for building a better world.

In this book we bring together the contributions of an illustrious group of individuals who joined us at a conference, "New Designs in Transformative Cooperation," in September 2003 in the Peter B. Lewis building on the campus of Case Western Reserve University. When we invited people to participate in the conference, we called on them to share their insights on unleashing breakthroughs in transformative cooperation.

Our physical space was inspiring, yet the intellectual dilemmas we asked participants to address were challenging. We wanted to understand the role that business schools, businesses, and other organizational forms could play in nudging our global society away from the

catastrophic visions of the future and toward hopeful visions. We wanted to understand what it would take to transform the world, and we entered with one assumption: that cooperation is potentially transformative and can be designed to maximize that potential. As starting points for discussion, we offered these definitions:

> The key words are (1) *designing*, used in much the same sense that James March (1999) talks about—as the skill and understanding embodied in the *arts* of planning, inventing, making, and doing, where the central concern is "the conception and realization of new things"— and (2) *transformative cooperation*, tentatively defined, following James McGregor Burns (1978) and Barbara Marx Hubbard (1998), as the process that generates a new threshold of cooperative capability and takes people to a higher stage of moral development while serving to build a more sustainable world future.

What does this process—transformative cooperation—look like, how does it feel, and where can we hear it emerging? You might imagine that this process cannot happen in business, because business is primarily associated with competition. You may associate cooperation more with the public and nonprofit sectors, with educational and spiritual endeavors, or perhaps, if we remain grounded in optimism and unshaken by the events of recent years, with the United Nations. Nevertheless, we want to bring these questions into the domains of business so that we might harness the power of corporate resources and practices to address the critical challenges of our time. As we began looking for signs of transformative cooperation in the business world, as we got better at seeking out stories that challenged our assumptions about business competition and managerial self-interest, we found more and more reasons to hope. Hamilton's (2004, pp. 35–36) description of the beginnings of an industry alliance captures some of the flavor of what we were seeking, and beginning to find, in cases of transformative cooperation:

> It's July 2003, and fifteen top telecom executives have gathered at a small island retreat off the coast of Maine. . . . For the first two days, the talks are frustrating. Experts take turns trading theories and speculations, but everyone remains guarded. . . . On the third morning a "dialogue facilitator" is flown in to try to bring the group together. After giving a brief introduction about the importance of listening and suspending assumptions, and a plea to remember the common goal that brought them together, the meeting begins. Already, there is a different

quality in the room. Around the circle, people seem more relaxed and more attentive to one another.

A few minutes into the discussion, the CEO of one of the large wireless providers shares his vision: "I think we need to stop thinking of our work in purely business terms," he states, pausing, groping for words. "What if we began to see one another not simply as competitors for market share, but as partners in uniting the world through technology? If you really think about it, in a sense, isn't our larger mission to create the infrastructure that will make it possible for the Global Village to become a real community?" His openness seems to catch everyone off guard, and for the first time all weekend, there is a brief silence.

In this silence, an almost imperceptible, vibrant energy begins to grow in the room. "I'm glad you had the guts to say it," another executive offers. "I think we've all grown tired of just chasing the bottom line." . . . The shift in the group is now becoming palpable, and several people comment on it. There is an electricity in the air and a sense of space that seems to envelop everyone. More members join in, and as each individual speaks, it seems to pull the group deeper into a unity, not only of interest but of vision.

Groups that respond positively to such invitations experience a sense of unity and common identity that transcends all the boundaries between individuals that were salient when they first convened; such groups are on their way to an experience of transformative cooperation.

Dialogue and Action as a Dance

The challenge in defining transformative cooperation as the process that generates cooperative capability and leads to moral development and a more sustainable world future is that the process and its outcomes are difficult to disentangle. When we describe transformative cooperation in terms of the sustainability, capacity, and morality that we consider its results, we may not convey the story of how those results are generated. We risk focusing on the destination and leaving off of the map any hint of how to reach it.

In responding to that challenge, we want to reiterate that transformative cooperation is a process. It involves both dialogue and action. To separate out the essential elements of the process of transformative cooperation from its outcomes, it may help to think of transformative cooperation as a dance with many dancers. The dance may begin in

any of several different ways, although the root of a dance is always hope—the hope that one can express one's true self, and connect with others who understand and appreciate the potential for good that exists within the self when we connect with others. Out of this sense of hope, one of the possible participants in the process may take some unilateral action—he or she may simply begin to dance, or to sing, or may put some music on and see if anyone else responds to the rhythm and the melody.

The dance becomes interactive as soon as others choose to join in. Now the potential for cooperation exists. Dancers may not at first coordinate their movements with each other or with the music smoothly. Responses from dancers to the actions of others might include subtle indications of connection, from an appreciative smile to toe tapping to clapping. Responses might also include more deliberate or noticeable new actions that contribute to the dance, whether in the form of steps that take the form of reinforcing repetition of a theme, or of some contrapuntal innovation, or of a disconnected improvisation.

The worst possible outcome of a dance is that the coordination breaks down—one dancer steps on another's toes, the second shoves back in anger, the other dancers move away and take sides in support of one dancer against the other. Then the dance can deteriorate into a fight, and boundaries between different groups of dancers emerge and are reinforced by the pain they inflict on one another (whether intentionally or unintentionally). Anyone who has seen *West Side Story* has seen this dynamic dramatized.

Alternatively, the dancers may move in harmony for a while but then leave the floor if they tire or are reminded of the time and of their obligations elsewhere. The dance may have been cooperative but may have fallen short of a transformative experience. It may not continue to attract new dancers, and the floor may eventually empty and be replaced by stillness. Even if some of the same dancers reconvene at another time, they will not have a shared identity or a shared set of principles they have learned about how to cooperate with one another on which to build, and they will need to return to the beginning of the process as they strive to create a new dance that might become not just cooperative but also transformative.

If the dance continues and cooperation is reinforced, the potential for transformation emerges. Dancers may develop a sense of harmony,

and if that sense is mutually recognized, they will often come to think of themselves as a troupe—as connected to one another, members of a group—even if they had not defined themselves in that way when they began to dance. The harmony and beauty of their dance will continue to attract new dancers, so some can step to the side while others join in; individuals can leave the dance if they must, but the dance itself becomes self-sustaining and goes on and on. If dancers who have left return, they will bring with them an increased capacity to coordinate their movements with those of others, because the transformation they had previously experienced included learning about the process of transformative cooperation.

We do not want to substitute this metaphor of transformative cooperation as dancing for a theory, but we offer it as a starting point for theorizing, which can be compared with other starting points offered by the contributors to this volume. We will preview the chapters after explaining why we believe such theorizing is necessary given our perceptions of the changing role of business in global society.

The Global Context

How can we harness the process of transformative cooperation to address the critical challenges of our time? Stanford University's Willis Harman, one of the leading thinkers of this transition epoch, made a forecast that for many was quite contrarian: that the most positive and powerful force for change—the sector with the greatest likelihood of helping humanity move through rough and uncharted waters in the most peaceful, free (nontotalitarian) and constructive way—would be business. In his book *Creative Work: The Constructive Role of Business in Transforming Society* (1990), Harman wrote:

> Business, the motor of our society, has the opportunity to be the new creative force on the planet, a force which could contribute to the well-being of many . . . the modern corporation is as adaptable an organizational form as has ever been invented, so that in a time of fundamental change it may be expected to be on the cutting edge.

As professors of organizational behavior within a school of management, we are accustomed to encountering skepticism in response to this notion that business can be an agent for world benefit. Our colleagues

in accounting walk around with a bitter taste in their mouths after the Enron, WorldCom, and other recent business scandals. In economics, followers of Milton Friedman argue that corporations are acting irresponsibly in pursuing the common good if they cannot identify a tangible benefit for their stockholders. In marketing, our colleagues are challenged by their students to distinguish between effective niche marketing and greenwashing, the "spinning" of social responsibility reports and the like in order to be politically correct and socially desirable as a means to somehow mask the underlying motive of generating shareholder wealth.

Nevertheless, there is growing evidence that business can be a force for good. For example, the Young Presidents Organization, made up of 8,000 business leaders, held a satellite conference of CEOs from the Middle East in early 2003 and concluded with a resolve to expand the "peace forum" that they had experienced during the event. In his book *Good To Great* (2001), James Collins talks about "Level 5" business leadership, pointing to companies such as Merck and Nucor as examples. *Forbes Magazine* singled out lesser-known but future-inspiring leaders such as Green Mountain Coffee Roaster's Robert Stiller, for the tremendous social impact his company is having in poor regions all over the world. Our research team has completed case studies of, among other cooperative efforts, an improbable dialogue and partnership between the Ritz Carlton and indigenous peoples in Hawaii, and a collaborative effort spanning the business, nonprofit, and religious sectors of southern states in the United States to invigorate mathematics education in public schools. While it seemed at first as if we were searching for a phenomenon that has not yet come to life, examples have begun to emerge of the type of cooperative efforts that we believe will transform the intersection of business and society.

These rising impulses for positive change must be noticed, understood, and connected—and the logic for studying these phenomena within the field of management is simple. To address critical global challenges, the resources of both large corporations and small businesses will be needed. It is difficult to imagine any one item on the global agenda for change that can be understood without also understanding the emerging leaders and pioneering organizations that are working to address that agenda. Those leaders and organizations will be agents of the kinds of

transformation that can overcome the remaining barriers to the age-old dream of a world that works for all.

In their classic volume *Our Common Future* (1987), the World Commission on Environment and Development suggested that virtually every item on the global agenda for change can be addressed (at least technically and economically)—"providing that the *institutional arrangements* permit the constructive interrelations of many intellectual resources and insights involving people from many countries with a myriad of cultures, traditions, languages, aspirations and so on." More than by any other force, the world's direction is being shaped by human organizations. The significance of the relatively small number of decisions made by the leaders of our nation-states pales in comparison to the billions of decisions made every day by the members and leaders of thousands of businesses such as Sony and Mobile Exxon, and private nongovernmental organizations such as World Vision and the Nature Conservancy.

For this reason we assert that the key nexus for our future is the intersection of business and society—specifically the search for new designs in which business is going beyond old models. Our first progress reports based on the results of our search are represented by the case studies on transformative cooperation completed by doctoral students between 1999 and 2003 (these are analyzed comparatively in Chapter Ten). The rest of this edited volume represents our second progress report.

How a Conference Generated This Book

What allows some groups to come together in such a series of cooperative experiences? Why is the result of those experiences sometimes transformative for those involved and for those with whom they are connected? Why do other groups never get past the distrust and the frustration that are common in early efforts to cooperate? Those were the questions we set out to explore along with the participants in our September 2003 conference.

The primary objectives of our conference were to spotlight great efforts toward transformative cooperation that create conditions of greater wholeness and human connection, and to challenge the scholarly community to go beyond old models of charismatic leaders to help us understand the beginnings of such great efforts and the relational processes

and inquiry methods that are required to generate designs that will allow shared visions for the future of the planet to be put into action.

In response to our invitation we received enthusiastic responses from more than sixty managers, consultants, and scholars eager for dialogue about what they each believe can generate transformative cooperation and about what we still need to learn. In the remainder of this chapter we preview some of the threads of that dialogue that are captured in the papers drafted before the conference and revised afterward for inclusion in this handbook.

The resulting chapters are organized into five clusters. The first cluster focuses on the reasons why transformative cooperation is needed to face our current global challenges, and on the early signs that it is emerging, particularly with the involvement of the business sector. The second cluster focuses on what it takes at an interpersonal level to open up the possibilities for transformative cooperation, exploring the barriers of ego and identity and the levers of compassion, positive emotions, and transformative leadership. The third cluster highlights some exemplars of transformative cooperation and draws out from those exemplars some additional principles of creating space for this powerful process to emerge. The fourth cluster focuses on design principles, especially in educational contexts, that create the space needed for cooperation and learning to occur. The fifth cluster focuses on the generative capacity of cooperative processes, identifying some initial propositions about the dynamics of transformative cooperation and signaling some promising directions for future research. In the remainder of this introduction we preview the chapters to help readers locate the most logical starting points for exploration of the topic of transformative cooperation at the intersection of business and society.

The Call for Transformative Cooperation

To set the context for our study of transformative cooperation, Riane Eisler spells out why we must go beyond the current rules of business and makes a case that a new vision of work, values, and caring is an economic—not merely a social—imperative. Eisler's chapter highlights the ways in which current economic theories and business practices have devalued caring and caregiving behaviors and made it more difficult to

recognize, value, and honor care for other humans and for our environment. She identifies actions that have been taken in some societies to redress the devaluing of caring and move toward *partnership economics* through the use of economic inventions, the development of new economic measurements, the revision of practices to promote gender equity, and seven other steps focusing on research, education, business, and policy. Eisler spells out how partnership-oriented organizations build on a different type of hierarchy that rewards relations based on mutual benefit, respect, caring, and accountability rather than on competitive and fear-dominant relationships. She provides examples of how businesses and societies benefit from organizing around partnerships, and lays out an agenda for the work needed to continue this transition.

Hazel Henderson's chapter, which follows Eisler's, reinforces the critique of traditional economics and the ways in which business schools have reinforced economic assumptions, pointing out how that discipline has minimized the cooperative elements of human nature. She spells out the ways in which a focus on competition has highlighted fear and conflict and persisted in political and banking models of economic development. Her chapter details the scientific critiques of economists for engaging in advocacy rather than observation, including the origins in 1969 of the Nobel Memorial Prize and the revolt against the use of the Nobel name in association with the prize in 2004. She also outlines the early successes of the movement to hold businesses accountable for their ethical performance and social impacts, arguing that cooperation for the common good is becoming a condition for our survival, even as human collective behavior evolves toward moral altruism. Continuing her critique, Henderson outlines the ways in which psychologists and neuroscientists are uncovering evidence that challenges fundamental economic assumptions. She also documents recent efforts to account for previously nonmonetized assets by making adjustments to traditional measures like gross domestic product and to properly account for social investments and social assets. Brazil's challenge to the International Monetary Fund's (IMF's) accounting rules for public assets is highlighted as an example of how accounting practices should be revised around the globe. Henderson encourages the IMF to expand those revisions so that developing countries can make investments that will help them achieve the UN Millennium Development Goals.