



2011 ANNUAL MEETING

September 19 - 22, 2011 ★ Sheraton New York Hotel and Towers

Keynote Lunch: Values-based Leadership

Tuesday, September 20, 2011: 12:00 – 1:15 PM

I. Session Objective:

This keynote lunch will present diverse stories of action on the theme of values based leadership.

II. Summary of Discussion:

MODERATOR:

Michael Porter, *bishop william lawrence university professor, Harvard Business School*

SPEAKERS:

Caroline Casey, *founder, Kanchi*

Dov Seidman, *chief executive officer, LRN*

Professor Porter:

- How do we incorporate new models to tackle societal challenges like food security, poverty, and environmental degradation? How do we better engage business in this process?
- Today, there is more awareness of these problems on a broad scale, but official institutions are not succeeding rapidly enough in solving them. NGOs find it hard to reach scale and raise enough money, while governments face political challenges.
- We must engage business. Traditionally, business was forced to do things, leading to painful progress. Philanthropy and corporate social responsibility are only peripheral to what a company does and thus prone to cuts. The most powerful way to mobilize business is by creating shared value by tying together social and economic value generation. In order to mobilize capitalism, we have to rethink the way we manage companies.

Mr. Seidman:

- Shared values can create shared value.
- Half of employees are not engaged on the job, the lowest figure ever reported. 20 percent are negatively engaged, actively hurting their employer's bottom line. Why is this? Too many companies use "blind obedience" or "informed acquiescence" organizational approaches, limiting the creativity and freedom of employees.
- Businesses manage what matters. "How much" is a question too frequently asked: how much profit, how many website clicks, how much savings in cost. We need, instead, to ask "how?"
- "How" is not just the question, but also the answer. All progress in creating shared values depends on "how" things are done. The best fit for the interdependent world and global economy is a self-governing organizational structure, but only three percent of companies are self-governing.
 - Advantages to self-governing: less misconduct, more innovation, loyalty, and satisfied customers.
 - Inspirational leaders pursue the significance of how things are done – not just for productivity, but for creativity and communication.
- President Clinton set the tone for this closing: be in the business of "how" and leave "what" to others.

Ms. Casey:

- Several months ago, the WHO released a report about the most marginalized billion people. This billion is often invisible in high-profile settings. I am one of those billion. Instead of getting my license at 17, I got a label: legally blind. I have 10 percent of my vision. I did not want that label; I wanted to be normal. So I chose to be

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someone else, calm on the outside and paddling like crazy underneath. I got through business school and got a good job. Then I lost my vision temporarily. I was exposed. I ran away, and I started to learn about disability.

- 78 percent of disabled people are unemployed. 80 percent of children with disabilities do not receive a formal education.
- Kanchi was founded to get the elephant of disability out of the room. Why is disability invisible? It is complex, varied, and stigmatized, even though we each know someone living with a disability.
- There is a need to move from charity and dependency to recognizing value. There is a need to include the most powerful agents of change: business. Businesses can be engaged by speaking business' language.
- Making the case:
 - Market: 1 billion people! 3.3 trillion spending power in US alone.
 - Talent: if you employ people with different skills, you attract the best.
 - Retention: 85 percent of disabilities are acquired in one's working lifetime – people already employed are becoming disabled. How do you keep them?
 - People are disabled in communities served by all businesses.
- Kanchi's initiative is the Ability Business Awards. Kanchi provides excellent communication to its business partners: the impact of what you are doing and what works elsewhere. 400 companies are affiliated, and 70 percent of companies have changed their procedures.
- From here: Imagine if there were 10,000 companies engaged. The goal is to allow everyone to be themselves all the time, not to be scared to say "I can't see" or to apply for a job.

Audience Member: What particular values do you hold dear to leadership?

- **Mr. Seidman:** Sustainable values – the universal ones that allow for enduring human relationships – include transparency, respect, truth, and integrity. They are the values that help people build relationships that last beyond a certain set of circumstances.

Audience Member: How do you change the stigma attached to disability? What tips do you have for employers?

- **Ms. Casey:** We change stigma when we are all asking the questions and the conversation is streamlined. We need powerful, inspirational people like CEOs to come out and say when they're disabled, say the word disability. Inspirational people should be upfront with the challenges they've faced.
- **Mr. Seidman:** I was severely dyslexic as a kid and teenager. I landed in my work because moral philosophy rewarded close thought on a few pages. The world needs adaptation and resilience these days more than ever. People with disabilities already have this skill.

Professor Porter: Many issues that look purely social are in fact economic: environment, employee safety, and disability. Transforming how you act as a capitalist is entirely possible. But this is also valuable for nonprofits: you can inspire business to consider these different approaches.

III. Opportunities for Action:

- Find a meaningful way to give trust away, as trust's value lies in giving it away.
- Reward someone for how they did something, not just for getting it done.
- Ask the disability question – in rebuilding Haiti, is it accessible for everyone? When building a school, can everyone learn there?
- Stop thinking of disability as something hidden away. To change the culture around disability, we have to believe before we see results.
- Work to overcome the stigma of disability. Hire disabled people for your organization. Many of the skills they have had to develop will serve them in their professional careers.
- Identify the connections between seemingly social issues and their economic components. Keep these linkages in mind when managing your business.

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