

ROTATING THE PYRAMID: TOWARDS A NEW VISION OF HOLISTIC GLOBALIZATION AND HOLISTIC DEVELOPMENT

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Abstract

Metaphor of 'pyramid' has been widely used in the top down approaches to development. Organizations and societies have been structured around the idea of pyramid. In fact, study of history shows that one type of pyramid has been replaced by another type of pyramid. In many countries, 'Feudal pyramid' was replaced by, 'Socialist pyramid'/'Communist pyramid' and during recent years it has been replaced by 'Market pyramid'.

During the era of 'socialist pyramid', reaching out to the bottom of pyramid was the key note of a responsive State. During the era of the 'market pyramid' we hear a similar echo in the form of 'Fortune at the Bottom of the Pyramid' (Pralhad, 2005). However, for holistic development and holistic globalization, we need to take a new perspective and balance various 'pyramids' and be ready to rotate the pyramid at times by inverting the same. For this we need to understand the dynamics of underlying forces that shape our existence in the contemporary context.

Towards A New Age of 'Holistic Globalization':

Holistic Globalization & A New Social Vision

There are essentially four global forces that influence our societies. The four forces are as follows:

1. Force of Market
2. Force of State
3. Force of People
4. Force of Self i.e. Force of spirituality

These four forces find their manifestation in varying forms e.g. in the form of business organizations, Government institutions, NGOs and religious

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and spiritual organizations etc. Further, there is a dynamic interaction between these forces influencing various nations and societies. These four forces can be presented in the form of a 'global swastika' to indicate their dynamic interaction. When these forces are in harmony, there is synergy. However, when these forces are not in harmony, global growth and development is hampered. Holistic globalization implies a proper balance between these forces. In the context of a nation, it implies that there should be a conscious effort to seek a proper balance between these forces.

Evolution towards the concept of holistic globalization can be viewed in terms of three steps viz. globalization, inclusive globalization and holistic globalization. The concept of inclusive globalization suggested by Amartya Sen and others suggests the need to include the marginalized sections of the society in the process of development. Human Development Index (HDI) can be considered as an indicator of inclusive development. The idea of 'holistic globalization' and holistic development takes us one step beyond the idea of inclusive globalization by incorporating the concept of spiritual dimension as part of human development process.

It may be indicated that in general, social discourse has been centered around the 'State Pyramid' vs 'Market Pyramid' expressed in terms of the ideologies of the 'Left' and 'Right'. "Leftist" intellectuals favor the State Pyramid and "Rightist" intellectuals favor Market Pyramid/ Corporate Pyramid. Experience indicates that State Pyramid could be oppressive and Corporate Pyramid may not be able to reach the 'Bottom of the Pyramid' as advocated by Prof. C. K. Prahalad. There are many examples of the failures of these pyramids. Further this social discourse ignores the other two forces viz. force of self represented by force of spirituality and force of people represented by social movements. State pyramid is dominated by politicians and bureaucrats, Corporate pyramid is dominated by CEOs, social movements are driven by social activists and spiritual movements are guided by new age spiritual gurus. Thus, in the new social discourse we can observe influence of all the four forces. To make the State Pyramid and Corporate Pyramid more responsive and responsible we need to rotate the pyramid. Once a pyramid is rotated, it acquires the shape of a circle and the top of the pyramid becomes the centre of the circle. Circle is a better metaphor as indicated by new ideas in management such as quality circle, decision circles, knowledge circles, creativity circles etc. Once the pyramid is rotated, bottom of the pyramid acquires a new meaning. In social contexts, many social movements have achieved a success because of their efforts in rotating the social pyramid. This

discussion on dynamic interaction between four fundamental forces leads us to the need for a new social vision and a new corporate model for holistic development of society and nations.

The vision suggested here while drawing upon earlier ideas, is rooted in a new integrative approach to balancing forces related to market, society and self. It also extends the earlier ideas in a new framework of 'holistic worldview'. In 'holistic vision' of 'holistic development', survival of all and development of all is the key note of development thinking. Following three components provide conceptual foundations for this vision:

1. Compassionate and Green Economics
2. Social justice with social harmony
3. Transformative & Empowering Humanism & Spirituality

These three components of the holistic vision correspond to the three dimensions of human existence viz. Market, Society and Self and three world views viz. economistic, humanist-economistic and transcendentalist. The concept of 'Compassionate and Green Economics' as against the earlier idea of 'Greedonomics' suggests that economic system should be so designed as to take care of the environmental as well as 'empowerment' dimensions. The concept of 'social justice with social harmony' suggests a non-violent approach to social change and social praxis to create 'empowerment of the weakest'. The concept of 'Transformative & empowering humanism and spirituality' suggests that 'human values' should be foundation for social relationships and a new foundation for integrating lessons from various religions and spiritual traditions. Thus, 'empowering humanism' could provide non-violent foundations for a new social integration instead of 'radical humanism' wherein the expression 'radical' may imply a 'violent' or 'forced' approach. Thus, new social vision integrates these three ideas and strives to achieve a new balance between market, society and self dimensions of human beings.

Institutions Required To Realize 'Holistic Vision':

The following institutional framework would be needed to convert the above discussed 'holistic vision' into a new social reality:

1. Responsible Corporates
2. Responsive State

3. Harmonic Democracy

When corporates are socially responsible, they would lead to compassionate and green economy. Responsible corporates are compassionate and green in their functioning. Compassionate & Green Corporates (CGCs) follow the triple bottom line approach rooted in the philosophy of Profit, People and Planet. It may be observed that 'Responsible Corporates' assess their performance in terms of economic performance (profit), social performance (people) and environmental performance (planet).

Responsive State acts as a facilitator for empowerment and development of people thereby acting as a facilitator for social justice with social harmony as well as an instrument for creating social harmony among people.

Harmonic Democracy implies creating necessary ambience for a 'harmonic society' by promoting 'human values'. In a society based on 'harmonic democracy', an attempt is made to integrate various sections of the society rather than treat them as mere 'vote banks'. This suggests that there is a need to transform 'electoral democracy' into 'harmonic democracy'.

Fig 1 presents this new social vision of a harmonic and democratic society.

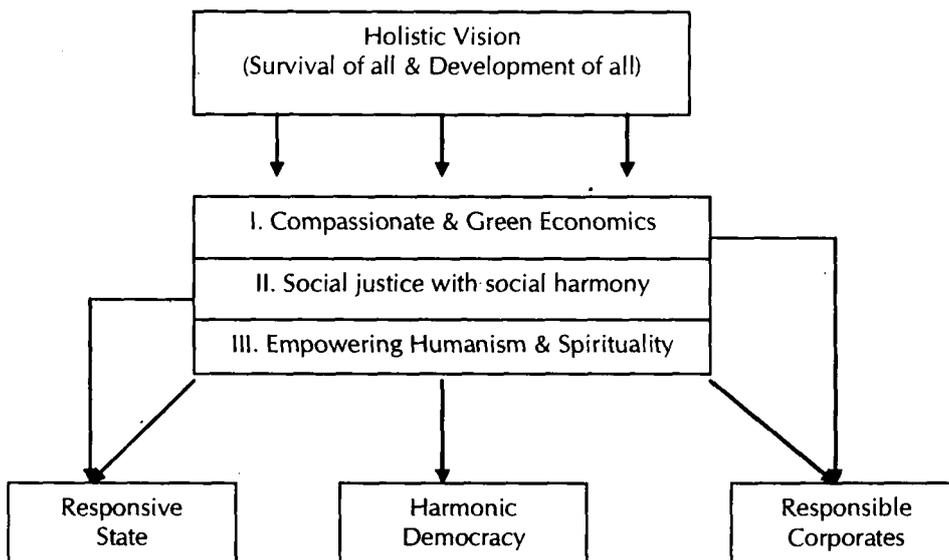


Fig 1: Towards A New Holistic Vision of Harmonic & Democratic Society Rooted in 'Holistic Globalization'

The new social vision presented above can be operationalized by rotating not only the 'State Pyramid' but also the 'Corporate Pyramid' thereby making them responsible and responsive to the society. This requires a change in mind set as well as a new corporate model.

TOWARDS A NEW CORPORATE MODEL:

Towards Compassionate & Green Corporates

In general, Corporates have undergone an evolutionary process in four stages. The traditional corporate model rooted in the capitalistic vision was centered around the key concepts of competition, efficiency and profit. Its primary objective was to maximize the wealth of the shareholders by maximizing profits. Subsequently the model evolved into multiple stakeholder model as it was recognized that there are many stakeholders besides shareholders. These included employees, customers, suppliers, Government and society at large. This was their second stage of evolution. In their third stage of evolution, the corporates have been conceptualized as corporate citizens. Hence, the expectation of ethics and environment concerns has gained importance. Corporates are expected to follow the 'principles of ethical business' and not merely 'principles of business'. In their fourth stage of evolution, corporates have become 'social institutions' with a dominant influence on society. Hence, the expectations have further gone up and corporates are expected to achieve synergy between efficiency, equity and ethics. While stage I model was largely an efficiency model. In stage II model equity concerns were incorporated and in stage III model, ethics were also considered important for conduct of business. Now in their stage IV evolution, as social institutions, corporates are expected to achieve an appropriate balance between efficiency, equity and ethics and also be concerned with transcendental values of environment, women's equity, psycho-spiritual advancement, etc. This is the New Age Model of corporates presented in Fig. 2 wherein corporates are viewed as social institutions and not merely business entities i.e. in addition to bottom line concerns they have a social purpose.

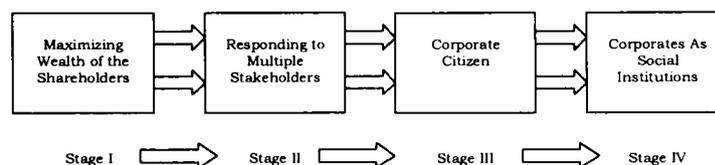


Fig. 2: Four Stages Model of Corporates' Evolution As Social Institutions

The framework of corporates as social institutions suggests that the corporates should be driven not merely by efficiency paradigm but also by equity and ethical concerns. Thus, ethicotarian view should be incorporated within the corporate philosophy. Management ideas in general have their roots in the efficiency paradigm. For example, Prahlad & Hamel's (1991) concept of core competence has arisen from the efficiency model of the corporates. Now, the need is for an expanded definition of the role of corporates in society. The concept of 'corporate social responsibility' has been gaining acceptance during recent years. Sharma (2002) suggests the concept of 'character competence' as a supplement to the idea of core competence. The idea of corporate governance has also assumed significance. These ideas are in consonance with the 3Es framework of Efficiency, Equity and Ethics. Thus corporates as social institutions should focus on the following three dimensions:

- 1) Core competence and similar other strategic management tools in consonance with efficiency paradigm
- 2) Corporate Social Responsibility (CSR) to meet the equity requirements
- 3) Character competence in consonance with ethics requirements

In addition to the above, the corporates should articulate their Higher Order Purpose of Existence (HOPE) to express their transcendental concerns of environment, gender-justice etc. In essence, corporates should be concerned with their 'social dharma', because corporates have now acquired dominance in the social life of societies. They are no more mere business entities, but have become 'social institutions'. Hence, the expectation of 'corporate social dharma', which they can fulfill by following ethicotarian vision. For example, corporates should not disturb the natural equilibrium of five gross elements but should operate keeping the harmony within the five elements. Through an integration of three visions reflected by synergy between efficiency paradigm, equity paradigm and ethics paradigm, we can arrive at a new corporate model wherein corporates are viewed as social institutions.

In this model of corporates as social institutions, we find an integration of core competence, corporate social responsibility and character competence. We refer to this framework as corporate social dharma, because it is the social dharma of the corporates to perform efficiently and contribute towards social betterment through corporate social responsibility and to operate within the framework of ethical functioning. It is also a social expectation because corporates have acquired the status of social institutions. It may be indicated

that the framework of value chain links gives emphasis to the egalitarian and ethicotarian values expected from the corporates. It may also be indicated that most of the management tools and techniques have their origin in efficiency paradigm. It is time that the tools and techniques are modified suitably to incorporate the other dimensions. The emergence of the concept of triple bottom line is a pointer in this direction. More efforts are required e.g. the Balanced Scorecards, Managerial Scorecards and Performance Scorecards could incorporate the ethicotarian perspective. Thus, we need to develop Holistic Achievement Scorecard or Holistic Performance Scorecard for the corporates to assess their performance as social institutions. Such a scorecard would measure economic performance, social performance, environmental performance and ethical performance of the organizations and motivate them to become compassionate and green.

Who Will Rotate the Pyramid?

Above discussion leads us to an important question- Who will rotate the pyramid? This implies a new type of leadership viz. CEOs who are Creative, Enlightened and Organic (CEO) leaders. Such leaders would be able to achieve a proper balance between four forces and thereby make their organizations as responsible and responsive citizens.

Where are such leaders? Can India's B-Schools produce such leaders? This is indeed a new opportunity as well as a new challenge.

Note: This paper is based on earlier writings of the author.

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