

UNIAPAC FOUNDATION



# HUMAN SUSTAINABILITY IN A CONTEXT OF WORLD COMPLEXITY



Report on the working sessions celebrated by the UNIAPAC Foundation Think Tank  
December 13<sup>th</sup>, 2013  
Paris

## Uniapac Foundation Honors Committee

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<b>Dr. Michel Camdessus</b>	President of la Société de Financement de l'Economie Française, former General manager International Monetary Fund, former Governor of Banque de France.
<b>Lord Brian Griffiths</b>	Honorable Member of the House of Lords. Director of the Center for Enterprise, Markets and Ethics (Oxford University).
<b>Bishop Christian Krause</b>	former President of the World Lutheran Federation (Germany).
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<b>Pr. Stefano Zamagni</b>	Professor of Economy, Bologna University, President of the Italian Commission for Non-Profit Sector, Economic Advisor for the Holy See.
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## Uniapac Foundation Board Members

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<b>Burkhard Leffers</b>	UNIAPAC Europe President, Vice President of BKU 5 (UNIAPAC Germany), past Board Member of Commerzbank (France, Germany).
<b>José Ignacio Mariscal</b>	past President of UNIAPAC International, Past President USEM UNIAPAC Mexico), Chairman of the Board, Marhnos SA de CV.
<b>José Maria Simone</b>	President of UNIAPAC International, Past President ACDE (UNIAPAC Argentina), President and CEO Solinfi-Ingenieria Finanzas SA.

<b>Sergio Cavalieri</b>	President of UNIAPAC Latin America, Chairman of the Board the Group Asamar.
<b>Etienne Wibaux</b>	Secretary, Past President UNIAPAC International, Past President « les EDC » (UNIAPAC France), Chairman and CEO of Subrenat.

### Uniapac Invited Keynote Speakers Think Tank meeting 2013

<b>Philippe d'Iribarne</b>	is a French author and director of research at CNRS. He works within a research centre called LISE ( <i>Laboratoire interdisciplinaire en Sociologie Economique</i> or "interdisciplinary laboratorium on economic sociology".
<b>Rolando Medeiros</b>	is a Chilean business leader, Vice President of UNIAPAC Latin America and former President of USEC (the Association of Christian Business Leaders of Chile).
<b>François-Daniel Migeon</b>	founder and head of the firm Thomas More Partners which aims at helping leaders in developing their authentic leadership.
<b>Kim Tan</b>	is the founder Chairman of SpringHill Management Ltd (UK), a fund management company in biotech and social venture capital investments.

### Uniapac Special Invited Participants

<b>Roberto Angelini</b>	Head of the Chile's Copec group, active en forestry, energy and industrials. Chile.
<b>Georges Mallinckrodt</b>	George W von Mallinckrodt, KBE, KCSG. President Schroders plc, UK.
<b>Luis Alejandro Bameule</b>	is Managing Director in Family Office and an active member of Asociación Cristiana de Dirigentes de Empresas (A.C.D.E) in Argentina.
<b>Frank-Dieter Fischbach</b>	is a Protestant Theologian from Germany. Since March 2011 he has been seconded to the Community of Protestant Churches in Europe (CPCE).
<b>Pierre Martinot-Lagarde</b>	is a priest of the Society of Jesus. He is currently Special Advisor at the International Labour Organisation (ILO) where he coordinates external relations with special partners.
<b>Françoise Vintrou</b>	is editor in chief of Dirigeants Chrétiens, the magazine of "Entrepreneurs et Dirigeants Chrétiens - Les EDC", France.
<b>Nigel Wallace</b>	is the Director of Income Development at the General Secretariat of Caritas Internationalis in Rome.

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## Panel I: “HUMAN SUSTAINABILITY IN A CONTEXT OF WORLD COMPLEXITY”

### 1.1 Introduction by Pierre Lecocq

Let me thank all of you for coming to share a day with us and especially those of you who have come from afar. I would especially like to thank our host, Michel Camdessus, for his hospitality in what is such a historical and pleasant setting, here at the *Banque de France*, for a third time.

These Think Tank meetings are very important events for the whole of Uniapac. They provide spiritual nourishment for our Uniapac network on the critical issues facing businessmen and they help our members to see how they can make progress in their goal to serve the human person while being fully part of the complex economy.

Over the last few years, we have deployed the Think Tank by organizing regional Think Tanks. Such meetings were organized last spring in Buenos Aires and in Mexico City, and we intend to further deploy them in Europe and Africa: the goal is to build an international network, allowing each Think Tank to be a source of enrichment for others.

This year, we have chosen the theme of “**Human sustainability in a context of world complexity**”. As businessmen, we permanently live with a challenging paradox: on the one hand, businesses prosper better in a stable and predictable environment – Businessmen like stability. On the other hand, business opportunities and subsequent successes are created by innovation and unbalanced situations, which are the key sources of entrepreneurship. This dichotomy can be a source of stress for business leaders; one which too often can lead them to take shortcuts in management, where the human person merely becomes a means and not an end in itself.

In the last 20 years, uncertainty and complexity have increased. The causes of complexity, particularly in the economic world, include the opening up of the world, the consequent globalization, and the development of communication technologies, which have tremendously changed the basis for business decision-making, and led to the increasing *financialization* of the economy.

The difficulty for companies to grow in this complexity and uncertainty can create a stressful environment for business leaders, which can in turn lead them to rely on a top-down controlled type of management which completely deprives the human person of his freedom.

On the one hand, high technologies are a fantastic way for opening doors in terms of communication freedom. On the other hand, such progress can lead to a top-down management controlled management as never seen before.

As businessmen, we want a stable world, but also appreciate that creation and entrepreneurship can only grow in an unstable environment. The technologies currently

being deployed in the context of globalization are tremendously increasing the level of uncertainty, and, at the same time, these technologies allow us to practice a common controlled type of management. However, **as Christians, should we not consider this world complexity as a unique opportunity to promote a management style built on the dignity and freedom of the human person?**

In other words, **how can we manage our businesses in an even more complex and uncertain world if we cannot rely on the wonderful ability of the human person to adapt and to deploy his creativity, when this is recognized and trusted?** Is it not true to say that the social thought of our churches has never been so in keeping with the times as it is in the present context? These are questions that we would like to share with you today, so as to help our members, and, perhaps to some degree, the business world at large, to recognize that a management model based on respect for the human person is not only morally desirable, but is also virtually the only way for businessmen to succeed in this present uncertain and complex world.

During this morning, we shall address the current cultural complexity of the world and will see how **managers** can adapt to this complexity. We will be able to listen to the presentation of Philippe d'Iribarne. In the two sessions of the afternoon, we shall look at how **businessmen** can adapt to this complexity and uncertainty, and finally we will consider the meaning of responsible leadership.

Before giving him the floor, let me present the speakers for the morning session to you:

- **Philippe d'Iribarne,** Director of research at CNRS and researcher at the interdisciplinary laboratory on economic sociology, France.
- **Lord Brian Griffiths,** Chairman of the Trustees of "the Centre for Enterprise, Markets and Ethics" (CEME), UK.
- **Jacob Winter,** Director of Finance & Administration for Caritas Internationalis
- **Michel Camdessus,** former General Manager of the IMF, and former Governor of the Banque of France.

## 1.2 Cultures and meaning: Presentation by Philippe d'Iribarne

### The Desire for a Kind of Management that is More Respectful of Employees

*"An important part of this tradition for business has been [...] a vision of a business as a **community of persons**".*

*"Because work changes the person, it can enhance or suppress that **person's dignity**".*

*"Good work gives scope for the intelligence and **freedom of workers**, its context promotes social relationships and **real collaboration**".*

*The Pontifical Council for Justice and Peace, "Vocation of the business leader; a reflection"*

We all know that UNIAPAC intends to foster the development of a world where the dignity of the human person is respected. But one important point should be noted here: **we often use abstract words, and these words can have different practical meaning from one culture to another**. For instance, if we examine the reflection of Justice & Peace "Vocation of the Business Leader", we find sentences like "An important part of this tradition of business has been a vision of business as a community of persons"; or "community of persons or persons", "dignity or freedom of workers", or "real collaboration".

Terms such as "Human dignity", "community of persons", "personal development", "freedom" and "real collaboration" have very different practical meaning and imply different kinds of behaviors in different cultures. For instance, we can look at the meaning of freedom. We certainly all agree that we all desire **freedom**. Recalling the time when Georges W. Bush spoke about the intervention of the United States in Iraq, he said that everybody in the world desires freedom, and that it is the role of the USA to foster the development of freedom all around the world. But the notion of 'freedom, even in western countries like the Anglo-Saxon world, Germany or France, can have very different practical meanings. For example, if we think about the Anglo-Saxon world, and look at what John Locke says in his two treatises of government, he says that "*man hath by nature a power to preserve his property. That is his life: liberty and estate against the injuries and attempts of other men*",<sup>1</sup> or that "*Men are willing to join in society with others, for the mutual preservation of their lives, liberties and estates, which he calls by the general name, property*"<sup>2</sup>.

For John Locke, freedom is a part of property. For the French, it is very surprising for these notions to be placed in the same "package". In the overall vision

### The Work of a Free Man

*"A free man makes himself a servant to another, by selling him for a certain time the service he undertakes to do, in exchange for wages he is to receive: [...] it gives the master a temporary power over him, and no greater than what is contained in the contract between' em. But there is another sort of servants which [...] we call slaves, who [...] are [...] subjected to the absolute dominion and arbitrary power of their master.*

**John Locke**, Two Treatises of Government, II, § 85.

<sup>1</sup> Two treatises of government (§ 87), John Locke

<sup>2</sup> Two treatises of government (§123), John Locke

of life, liberty and estate, what is the link between these three notions: life, liberty and estate? John Locke says that the idea is to preserve against injuries and attempts of other men to their life, liberty and estate. If we look at the Anglo-Saxon world, in Great Britain and in the USA, we see that the vision of freedom is closely linked to the desire to be protected from other people who try to command an individual's destiny, and this desire to be protected is very central to the way companies and the society in general function.

With regard to this idea of freedom, we could look at the relationship between the work of a free man and that of a slave. There is a contrast between the work of a free man and that of a slave. We can see that one of the characteristics of the work of a free man is that a free man works for somebody else, but the relationship between a free man and his boss is very well defined by a contract. Indeed, this contract gives a very precise definition of the rights and duties of the individual, who is an ordinary worker. If you look at the American management model, you notice that the idea of contract lays out the various rights and duties very accurately. It is very central to the way management is organized. If you have the opportunity to look at a contract between an American company and a unionized company, you will see that everything tries to be defined in a very precise way, so as to avoid any kind of arbitrariness. **For Americans, the contrary of freedom is arbitrariness, and to avoid arbitrariness**, it is necessary to define very precisely what everybody has to do.

#### A French vision of freedom

*So one would be quite wrong to believe that the Ancien Régime was an era of servility and subordination. There was a great deal more freedom then than in our time; but it was a kind of irregular and intermittent freedom [...] still bound to ideas of exception and privilege, which permitted some defiance of the law and arbitrary authority as well.*

L' Ancien Régime et la Révolution,  
Tocqueville

In France, we also have a strange notion of freedom. But it is a different one. Alexis de Tocqueville spoke about the French vision of freedom (he was referring to the *ancien régime*), but this vision is still very much true in France today. It would seem that **freedom in France** is very much related to an individual's position in society. **In France, to be free means to ensure respect for an individual's duties and rights, which are very much linked to the position the individual holds in society.** An aspect very much linked to this vision of freedom is the desire to have a "*métier*"<sup>3</sup> or

professional occupation. I think that, in France, all workers even those at a low rank of an organization desire to be shown the same kind of respect from other people and to enjoy the same kind of freedom as would receive people exercising a 'profession' as used in English.

If we look at Germany, we can see yet another vision. We can see a strong link between the ideas of the philosopher Kant and the practical organization of work. **In Germany, we find a way of organizing work that is related to a notion of collective negotiation.** It clearly does not have the same relationship with contracts as is the case

<sup>3</sup> The term *métier* is very difficult to translate into other languages. It can refer to a profession, but profession in English is commonly only used for lawyers, doctors, etc., whereas the term *métier* can be used for most types of occupation, be they professions or trades.



#### A German vision of freedom

*Therefore only the concurring and united will of all, insofar as each decides the same thing for all and all for each, and so only the general will of the united people, can be legislative.*

The Metaphysics of Morals, Kant

in the USA or Great Britain, and there is not the same link with “trade” and “métier” that we have in France. In Germany, the difference between a free man and a man who is not free is that a free man is member of the group that collectively decides on what the group has to do.

Consequently, **companies seeking to develop good relationships with people**

**and to create an environment where people feel respected have to take account of these cultural differences.** For example, some years ago, I studied how the French multinational company, Lafarge sought to develop its values in different cultures and cities. It was interesting to compare the way the company’s principles of action were expressed in French and in English, and it provides insight into how to successfully work together in a French city and American city. The Lafarge employees in the two cities thought that the texts outlining the principles of actions were exactly the same, i.e. that they were direct translations of each other, and on the whole, they did use the same word, but in many respects the texts were different. I would just like to give you 2 little examples:

- In the English version, it was written, “*we want all our employees to be key players in the formulation of their own personal objectives*”.
- In the French, however, it was written “*nous attendons*”, meaning “we expect employees to be, and not “we want”.

So, why was there this difference? Because in an American context, it is important to accurately define an individual’s duties. The company indeed has the right to define an individual’s duties, but this right has to be well defined, so as to avoid any arbitrariness on the part of the company.

But if, in France, the company had said “we want”, it would have meant that the employee was not free, because it would mean that the company was the one to decide and not the employee. If we say “*nous attendons*”, however, it is in the hope that it is the worker himself who really decides what he has to do.

Another example, in the American version it was written: “*these rules should be known by everyone in the organization and implemented consistently*”, whereas in the French, it was written: *ces règles doivent être connues, acceptées et appliquées*: these rules should to be known, accepted and applied.

Why does the French version include the word “accepted”? In the English, we do not have the word “accepted” because it is the company that defines the rules, and the

worker has to follow the rules; he does not necessarily need to accept them. However, in France, this is not the case, and indeed it would be offensive to act in such a manner: In France, workers have to also accept and show that they are ready to cooperate with the company, as well as to follow the rules.

### How a company can implement humanistic values according to the cultural context: three examples: China, Mexico, and Morocco.

These differences are even more apparent when we consider other countries around the world such as China, Mexico and Morocco. There are cultural differences and different visions. Along with my team, I have worked in about 50 different territories. In all the territories, we have found visions for ways of successfully living and working together. But there are two important points that need to be made.

- The visions were different from one country to the next.
- In many companies, what actually happens in the company can be very different from any vision for a way of successfully working together.

For example, in **Mexico**, I carried out research into a subsidiary of the French company, Danone. This company was very surprised to see that this subsidiary was extremely effective and demonstrated technical and economic performance; the parent company did not really understand why.

#### Mexico: mutual help in a group of equals

*Everyone shares a close relationship in order to attain success. Everything should be done in the way little ants work together. Everyone needs to carry exactly the same small loads (parejitos), and it's these little loads that together build a large and solidly cemented fortress.*

“Successful Companies in the Developing World”, **Philippe d'Iribarne**

They asked me to go there to try to see what was happening. They presented me their vision of a way of successfully working together. This vision entails that we are all weak people, but if we all help each other, (they refer to the notion of “ayuda- apoyo”), we can, together, be very strong. **We are like very little ants, each ant alone is small and weak, but all together, carrying a little load, they can build a strong fortress.** In this vision, the company is made effective through the ability to create a form of

cooperation, a way of organizing work that was similar to the image of a kind of family of brothers within Danone. There was a very strong sense of cooperation and respect among a group of equals, thereby creating an efficient and humane way of working and organizing work.

The company wanted to show that it really sought to help everybody, including people within and outside the company. For instance, it created a program to help disabled

### Mexico: Growing with the community

*It is this dual commitment that we are referring to. To the fact that Danone Mexico is not just concerned with Danone, with Danone's growth in Mexico, but also with the growth of everyone as a worker, of the society where the plant is located, of the community it lives in.*

"Successful Companies in the Developing World", **Philippe d'Iribarne**

children. Every worker in the company participated in the program, and the boss of the company personally met with everybody. This enabled ordinary people to feel that the company truly wanted to help everyone. At the same time, it sought to foster a positive relationship between the different people within the company, between the boss and the subordinates, between different people from different departments – a relationship where people could feel as equals: for example, everyone eats in the same dining room,

which was not the case before, or people used the familiar form for 'you' in Spanish, "Hablar de tú": they avoided recruiting people from major universities like the University of Monterrey, because when such people arrive in a company, they want to be treated as bosses. They recruit ordinary people, and create successful cooperation, where the workers feel they are being well treated, avoiding the type of master - slave relationships that we can find in many companies.

In **Morocco**, I work in various subsidiaries of many companies, for instance in one very efficient and productive company, which manufactures microchips, there is a vision of successful cooperation based on Islam and the Koran, and the notion of a "good power" which seeks to help and respect people. We do not necessarily find this vision in other companies, and even when we do find the same ideas in the management style developed by the company, the workers say they have such ideas but do not apply them. The problem lies in finding a way to apply, within a company, something which exists outside of it, but which is generally not used in the company. The American anthropologist Clifford Geertz, who has extensively studied in Morocco, says that "in businesses in Morocco, we can find a combination of personal piety and the brutality of American racketeers (mafia), people who pray to the Virgin Maria and at the same time are able to shoot other people without any problem!"

In Morocco, piety and business are two very different things. What could the company do in this context? The company introduced a vision of working together based on a strong moral, with a man at the top who was a strong man and a holy man at the same time. The CEO of this company behaved in a very unusual way for a Moroccan. For instance, in the restaurant, he joined the queue with everybody else. He told me that the

### Morocco: a code of moral conduct

*When someone tells someone: 'this is not your business', the other person answers: 'that is not TQM.' [...]; someone comes to see me about breaking a rule, I tell him that it is not TQM and that's accepted.*

"Successful Companies in the Developing World", **Philippe d'Iribarne**

first time he did so, someone in the queue asked him who he was and what he did in the company. He replied "I am the general manager", and the person laughed - for them it was a joke to see someone in such a position behave in such a way.

The context is not the ordinary context of life that you would find inside business or politics, but it functions as a kind of religious brotherhood: the boss appears as a kind of leader of a religious brotherhood who has the strength to decide, but at the same time, he respects the same rules as the ordinary members of the religious brotherhood and ensures that these rules are respected.

In Morocco, the tool used to develop this kind of relationship was "total quality management" (TQM). When they refer to the notion of "total quality management", they don't mean the technical aspect of total quality management, but a kind of set of rules of conduct. They speak about the "TQM person", who is somebody who abides by the rules, and such a person is seen as a good Muslim.

In **China**, there are two different ways of living together: in general society, there is what the Chinese call the "*guanxi*" relationship: it is the relationship between relatives or between friends who are associated through interest. Generally speaking, in Chinese companies, the way companies operate is based on the "*guanxi*" relationship within the company. If you are "in *guanxi*" with a boss, it is good: you can have a good salary, a good promotion, if you are not "in *guanxi*" with a boss, it is bad.

#### China: a good power

*The state-run companies in the past operated largely according to a logic of networks, just as do privately-run companies now. Lafarge is seen, on the contrary, as exercising the form of strong, fair and nurturing power over its personnel, which corresponds to the ideal image of "celestial bureaucracy."*

"Managing Corporate Values in Diverse National Cultures", **Philippe d'Iribarne**

Then, there is another style, what the Chinese call the "*son of heaven*" (emperor), who is in charge of the collective good. Ordinary people are not in charge of the collective good. Only the "*son of heaven*" can be in charge of it, and this is what they see as "bureaucracy", i.e. the administrative body which is in charge of making the rules that allow the collective good to function properly.

Regarding the company I studied, they developed a set of policies that led the people working in this company to have a vision of the company whereby it functioned, not in *guanxi*, but in accordance with the image of the "*good power*", that is the power of the "*son of Heaven*".

And what is surprising is that we also see the reverse, state-owned companies in China which work according to the private logic of *guanxi*.

**China: a system**

*Everything takes place according to specific, carefully developed procedures [...]. At Lafarge, performance plays a decisive role in determining salaries, [...] which we very much appreciate.*

*The objectivity of an assessment system is one of the key ingredients in human management.*

“Managing Corporate Values in Diverse National Cultures”, **Philippe d'Iribarne**

The private company Lafarge, which was in no way related with the State, operated as a “good power”, which is normally the role and remit of the State. We can see cultural differences and different visions in many countries

**Humanistic companies can help societies to modernize both economically and socially, not by disowning their own culture, but by remaining faithful to the best they have.**

To conclude, the companies which respect the ways of Uniapac and the Council for J&P are able to succeed in every culture, but do so, not by operating as ordinary companies in each country but by practicing their own values within each culture – values which ordinarily are not used by the business world. In ordinary companies, there are more brutal relationships, there is more fear, more mistrust. Our companies are able to build trust and successful human relationships; not by imposing what is believed to be a successful human relationship in France or in the USA, Germany or somewhere else, but by drawing on and taking advantage of the local way of building good relationships.

**Pierre Lecocq:** I will now let Brian Griffiths moderate the debate and present the Anglo-Saxon way of managing a business!

### 1.3 Open discussion moderated by Brian Griffiths

May I say that my wife is a sociologist, and I think that to be a sociologist you really have to be a polymath. We don't teach sociology at school, which in a way is crazy. Because when I taught economics at the London School, we had a very good sociologist. In sociology, in order to do it properly, you need a background in so many different areas, and Philippe, you brought that out beautifully. Max Weber wrote on the origins of capitalism, but most people don't realize that he also wrote tons on China and India; and in a way there is a kind of contrast. I thought what you said was fascinating. There are two points which can introduce the discussion: you made the point convincingly that cultures affect company structures, and do so in a major way. Back in 1970, when Japanese companies came to Europe and America, they came to my country Wales. They organized a sort of ritual in the morning with dance. The Welsh people really loved this. It was really different and greatly contrasted with Welsh culture.

When thinking about the subject and reading what you wrote, the first thing which struck me was: if we were to look at the subject of culture within a Christian perspective of a

community of persons, and what a culture was, what a community was, I think we go back to probably the most difficult issue of all, which is the Trinity, because **the Trinity is a community of people. If you think of a Christian view of a society as opposed to an Islamic view or a Jewish view, it is different because we are a community of persons, we have a family.** Jesus had the disciples.

And **the idea of the New Testament is the body of Christ, and creating the body of Christ is for people who believe and who are committed.** But nevertheless, it is a sort of ideal for society. To me, the Christian insight is that, on the one hand, there is the ideal of the community of the body of Christ, which, in some way in human society, we should be moved towards, and on the other hand, there is also a tragedy, which is sin. So we need contracts; we need John Locke, regulations are necessary for human society. And even in a corporation, we need to hold both these things in tension as we think of what a corporation is.

Third point, one thing which also interests me, is that you talked a great deal of John Locke, contract and property etc. One thing which is interesting is to look at the variations in companies within a particular culture. I was on the Board of two companies in America about 15 years ago, one of those called Herman Miller grew out from Christian roots. It is the kind of company, if I read your conclusion which I completely agree with, which are models of moving in our direction, in the way they show respect for the environment, the way they respect people's values, in their environmental responsibilities.

For example, we were building a new factory for Herman Miller in Georgia, and we went to look at the model; the Chairman asked us what we thought of it, and we said it was good. He said: *"I don't think it is, because we have a principle at Herman Miller that in any facility we build every person who works in it should have access to nature, to natural water, trees."*

That made a strong impression on me. When in 2008 and 2009, the office furniture in America revenue fell throughout the industry by 40%, affecting Herman Miller in the same way, the question was: *"how do we respond to it?"* All the management accepted a cut in their compensation of 15%. They developed a program allowing people who wanted to take a break of 6 months to do so; it was an example of a real human community there.

We have examples in Great Britain as well, starting in the 18<sup>th</sup> or 19<sup>th</sup> century with the Quakers' movement. What you say to me is very important because **"whenever you test the universal, it always sounds true"**, and therefore I understand the human person in such a way that when I speak to a Chinese person, when we talk about the human person, we can agree because it is what we both experience in life.

And what you say in your conclusion, with regard to the Christian view, is true for the human person, it is true to what we find in reality, and when we have companies constructed like this, people who work in them really respond to these values. I am very happy to meet a French sociologist.

**Philippe de Woot:** Living in Belgium, I am very sensitive to what Philippe d'Iribarne said about the differences between cultures, in light of the perpetual fight between Walloons and the Flemish. And you are very right to emphasize these differences. I was struck by the last sentence of your presentation: *"Humanistic companies can help societies to modernize both economically and socially, not by disowning their own culture, but by remaining faithful to the best they have"*: how would you define that?

**Brian Griffiths** mentions the universal: when you refer to the Universal always sounding true. What does that mean exactly?

**Philippe d'Iribarne:** I think that in every country we encounter the desire of people to have better relationships, to have just the right amount of power to help people develop and to respect ordinary people. At this level of general values, we can find the same things all over the world, we all have the desire to have both a good community and a successful way of organizing our companies.

However, when we go to a country, when we discuss what they want, the problem is not that what they want is different but lies in the fact that they don't manage to organize themselves according to what they want, as Saint Paul says *"I do the bad I don't want to do and I don't do the good I want to do."*

I would like to go back to what Brian said about Christianity. I wrote a short article on the reception of Christianity in many cultures for a Jesuit review *Christus: Conversion et résistance des cultures*, N°229, January 2011. I can safely say that French Christianity is really French, American Christianity is really American.

At the Cathedral Notre Dame, they hand out a little booklet before mass with passages from the Bible translated into different languages. Often it is very striking to see how different the translations actually are. I remember a translation of the epistle to the Romans: in the French version it said: *"vous n'êtes pas sous l'emprise de la chair, vous êtes sous l'emprise de l'Esprit"*: If I were to translate this, I would say the flesh is not your boss but the spirit. But, in the English, it is translated: *"your interests are not in the unspiritual; they are in the spiritual."* The English translation speaks about interest: but looking at the French, it is impossible to see how it could be translated in such a way.

In the German version, it is different yet again. When we look at American Christianity, we say that the devil tries to take control of you. This is very American; the devil is your enemy, he tries to control you and he works in such a way that you are no longer in control of your own destiny. I also remember a little booklet trying to teach little children about forgiveness. If you forgive, you take your own destiny in your own hands. If you don't, it is the person who offends you who is the master of your own destiny. In France we adhere more to the idea that it is nobler to forgive.

**Philippe de Woot:** Does that mean that there are some universal values? The American system produces very capitalistic values based on maximizing profit and contracts. More

often than not, they do not really respect people. That was the meaning of my question. Will Uniapac one day be in a position to define the true values it is fighting for, moving beyond the very general word of human dignity in order to create a new world, beginning to speak about the economic creativity, entrepreneurship, innovation, business people have in their hands? The kind of theology that can be given to this tremendous power of creating a new world and the concept of co-creation is lacking in the message of Uniapac. This was the meaning of my question, but maybe it takes us much too far.

**José Ignacio Mariscal:** In our company, Bimbo, we have very strong values. Our company is nearly 65 years old; it is the leader of the bread industry, and the largest in this sector. But what is interesting is that we have grown thanks to the attention we show to people. Even if we are very well organized in Mexico, it is very complicated to buy a company in the USA, (we have bought a lot of US companies, as we sell more in the USA than in Mexico). We usually start by introducing the culture of respect we have in Mexico into the new corporation. In Mexico, we believe that we are also responsible for the family. But when we talk about family values in the USA, they usually say *"no, this is not your job; your job is just to work"*. And we have seen over the last 10 years how the whole process of changing this attitude among the workers and the management team is unbelievable. And they are really adapting to our culture. These are companies which have already been sold 5 times, but when we get there, they know we are not going to sell them; they know we are there for the long term.

The attitude of people does change slowly; the first problem is to make sure that they really believe that you will fulfil what you say, but it requires time. Everybody told us *"it is very difficult in the United States"*, but for us, it is more difficult in Brazil, for instance. Brazil is a very complicated country, given the whole history of the country and the labor policies; it is not so easy given that Mexico and Brazil are two worlds apart. And we have been working in Venezuela, here again, it is also another world: we have two divisions there: production and sales. We have had a tremendous success with sales, but it is very complicated with production because the government intervenes and tries to control production. But the people that sell the products earn of course a percentage of what they sell. They need products to sell. It has required a lot of effort. We have had to lay people off in Production. We feel that when government policies come into play, it can get really complicated. So, **I am convinced that when the whole concept of Christian Social Thought is applied to business, it can be very successful.** Sometimes in China it becomes complicated because the concept of human dignity is different. But we work there, and now we don't have any Mexican managers anymore in China, they are all Chinese. We are improving, but it has been a long struggle.

**Stefano Zamagni:** I enjoyed Philippe's presentation. I am someone who is very keen on reading what is written in the newspaper every day. But why do we keep on talking about corporate culture? A recent study has measured corporate culture or better said the value of it.



One possible answer to this question is perhaps the following: In 1829, a famous professor of Economics at Oxford, Richard Whateley presented the NOMA principles: it is an acronym which stands for non-overlapping magisteria. These principles played an important role in the development of the Western world.

According to the NOMA principles, the economic sphere should be separated from both the political sphere and the ethical sphere, and he justified this on the grounds of a particular epistemological consideration. At the beginning, these principles were considered to be irrelevant. But they nevertheless played a major role. In 1911, when Frederick Winslow Taylor published the "Scientific Management of Labor" in the United States, he was referring to these NOMA principles. There is a passage in the book that says: *"Workers in assembly lines are not supposed to think, because otherwise it decreases the productivity"*.

We know that today this is no longer true because real entrepreneurs teach us that unless everybody thinks, there is no possibility of progress. So now this is the reason why today we keep on talking on corporate culture because **corporate culture is a sort of bridge between values and principles of action**. When we talk about this, there is general agreement: I have never met anyone who says *"I am against human life, human dignity"*. The real difficulty lies in the way we translate these values into principles of action and ways of organizing business. This means achieving this through culture, and that is exactly what you have said Philippe. That is why it is so important today, particularly for an organization like UNIAPAC to stress this point.

Finally, nobody believes in the NOMA principles anymore, and the Taylor's production model has become obsolete. This has opened the way to a new start in the near future. The principles of the Christian Social Thought are being resurrected, as they were at the beginning, which is good news.

**Georges Mallinckrodt:** I always find it very stimulating and rewarding to learn new things. Some valuable points have been made, but I have some comments with regard to today's working environment and the words we use, such as *"Partnership"* and *"Leadership"*. If we look at these words and what they mean in terms of how people work together, I find that in many ways, although there are indeed some indications that we are all working in the same direction, we are nevertheless suffering, to some extent, from an excessive degree of bureaucracy.

In my opinion, bureaucracy represents an interference in today's environment. If we take the UK itself, forgive me for saying this, if we effectively have 90% of the civil servants concentrated in the city of Whitehall, then this is just not healthy. In France, there is a better culture than in the UK in this respect, when you look up and down political France, there is a better spread of civil servants across the country.

If you look at the young people who are starting to work, who among them really wants to work together? Because to me, if you basically nurture a culture of partnership, we

move away from what we need. Leadership, yes, but leadership has to be shared. I find that we still have an environment today that focuses on the 'I'; there are too many aspects of culture that we haven't actually dealt with. How do we reduce this 'I' culture and replace it with the word 'we'? I am just simply saying that from a cultural point of view, we have to work on a broader basis to be sure that we include everybody, the Chinese and the Mexicans.

For example, Germany has a lot to be proud of, but when it comes to finding five managers who all respect each other, which is not very often the case, the ego factor is too strong. To really nurture mutual respect and a notion of working together, it has to come from the top. From that point of view, if we want to have a broader influence, we really need to talk about "we", involving 5 people rather than 2. We have already made constructive efforts, but we still have to share more in terms of responsibilities.

**Pierre Lecocq:** In the examples you gave us in Morocco, in Mexico, in China, in different countries, you very clearly demonstrate that within a given culture, a company, even a global company, is able to build on local characteristics. What from your experience is the triggering factor that has allowed you to achieve this? In other words, how did it come about? What role was played by the local leader and the general leadership which helped this to happen? I am running a very multinational company, and I can see how much local managers even within a given culture would sometimes be successful to do so, and some would not. In your practical example with Lafarge, what was the triggering factor that helped the local subsidiary, the local company, to be able to work taking into account the local culture?

**Philippe d'Iribarne:** To be honest, in many cases, it would seem that it came about a little by chance. There is a similar move by different parts of the company which have mixed different aspects in a successful way by chance: for example, in the case of Morocco, the cultural mix was achieved by a semi-electronics company; they are developing a Total Quality Management system all over the world. The general manager who was French was seen by the Moroccan as a very religious man and a Christian. He was considered as fair, modest and ready to behave in a modest way, yet strong at the same time. His character fitted very well with the Moroccan context. And the third thing was that the "TQM person" was a Muslim, who bridged the gap between the idea of TQM and Islam.

In Mexico, it was the same: the general manager was a German Swiss who wanted to introduce a flat management model. He also had the idea of "*hablar de tú*". The Human Resources Manager was Mexican. They developed a quality system allowing managers to behave like managers without being considered in the same way as a boss: **"my boss is not a boss, my boss is my friend, and we are equals"**. It was a kind of combination of human relationships and this kind of model, and it was serendipitous insofar as it came from two different sources.

In the Chinese case, it was not really by chance. The principles of a company like Lafarge advocating the idea of being a good power, developing safety, training, with a fair evaluation system, equity, values, fits very well with the Chinese image of a good democracy. In some countries, they hate bureaucracy, but in China, they love bureaucracy because, for them, it is democratic and therefore human. The system is more human than the people themselves. Lafarge did not know that it was going to be successful in China. There is a lack of understanding among companies as to what is the right way to succeed in human management, not just by relying on chance but ensuring that it is systematic. I met people of the World Bank yesterday; they intend to issue the next work report on this aspect of culture. They intend to develop this kind of vision inside every country, but it will probably take a long time.

**Pierre Lecocq:** Just to give one interesting example in Japan: we have been in Japan for 13 years, we acquired a local business from Nissan at that time, and we struggled hard for years, losing money, finding it difficult to keep employees; I was tempted several times to shut down the factory, which we did not do. Today, they are doing an extremely good job, they are growing rapidly and are very productive. Last week, we were chosen by Suzuki, which is a very traditional Japanese company, to build a factory for them, by developing a joint venture with them, which is quite unique. I was discussing with the son-in-law of the CEO of Suzuki, and I thanked him. He said that they were doing that because they thought we were a Japanese company; well, we do have Japanese people in the organization. He said *"No, the two things which convinced us that you were Japanese are that, unlike many other foreign companies, you stayed during the 2009 crisis, whereas many foreign companies left and then returned. During the Fukushima crisis, within one week you were here."*

Indeed, I flew to Tokyo and met my people. Some expatriates wanted to go back in France, they were afraid to stay there with their families. And I said *"no, you are going to stay there to show by example."* And we stayed there, we decided to do it intentionally. Today, we are considered as a Japanese company because the top management shows concern for its people. Every time I visit Suzuki or Toyota, they start by thanking me for having visited the factories where we manufacture. They know from their network exactly which companies I have visited, and the boss of Toyota has the list of the factories where I visited. So for them, we are Japanese. Since then, the efficiency of the last four years has been outstanding. People have suddenly come together and they do a fantastic job; it is the most profitable subsidiary I own today.

**Sergio Cavalieri:** I would like to ask if it is possible to gauge, from the studies you have carried out in a lot of different countries, which management models are best in terms of productivity and efficiency. We have different ways of managing people: some countries have a very bureaucratic model, some countries prefer a more family-style approach to operating a company, like in Mexico. There are people that opt for a more top-down system. Is it possible to ascertain or measure this in some way?

**Brian Griffiths:** In your research, are there differences between small companies and large companies, or engineering companies or foreign companies or companies like Goldman Sachs in London which employs 3 000 people of 96 nationalities, so, very multinational companies?

**Philippe d'Iribarne:** Firstly, the companies that are interested in the kind of research we do are generally large multinational companies like *Danone*, *Lafarge*, *Saint Gobain*, and *Renault*. We have very few examples of very local companies; because we are not involved in that kind of research. I don't suppose there is a universal model. For example, if we compare Morocco and Mexico, in Morocco, the general manager really behaved like a 'boss'. In Mexico, on the other hand, the company structure was very flat, there was cooperation between equals. The first way was successful in Morocco but probably would not succeed in Mexico, and vice versa. When we move from universal principles such as dignity, humanity, good cooperation, to more practical matters, then we have to introduce the difference. We don't measure or gauge that. We would need a set of companies to compare and measure, it would be too difficult. Each case calls for a lot of work, we do not have a sample of companies in each country. Perhaps we will do it in future research.

**Richard Turnbull:** I have some comments about the differences José Ignacio made in relation to family in United States. That is a very good illustration of the cultural question, because we all think and imagine that, on the basis of what we know about United States, family is a very important institution, and people are very committed to the family. So why did you have the sort of difficulties that you mentioned? It is primarily for cultural reasons. The American culture very much identifies the family in an individual way. It is very much the responsibility of the individual to care about one's own family. But a more catholic, more universal, or more European culture may have a different approach to the word "cooperate".

My second point is about culture and faith: it has been fairly comprehensively demonstrated now that the major faith traditions both shape the culture that they are in and are shaped by it. Even the most counter-cultural Christian traditions that would claim to stand over or against the world are actually shaped by the world or by the culture in which they are set. If you translate that into the business world, if you have an institution, a commercial company, a commercial enterprise, and whatever the culture where the enterprise is placed, they are going to be both influenced by that culture and those local things we talked about, but also they are going to influence the culture. That is particularly true if there is a faith component. The consequence of this is that we do need to work hard on some universal values because if we had no universal values, everything would be shaped by the local culture.

There needs to be some effort to say that there are some universal values that come from our faith but which are applicable in whatever culture circumstances. We need to keep that dialogue. If you go too far that way or too much the other way, we will run into some difficulties. We must not go too far away from the universality of some of our faith values.

**Pierre Martinot Lagarde:** Everything I have heard today is very inspiring. It has resonated a lot with the work I am doing at ILO. I must confess that I don't know much of the business world myself, but the ILO, being a big political "animal", which has lived through different phases of industrialization and so on, has many questions in this regard. One of the big questions that the Organization has is derived from its enshrinement in Western cultures, cultures which had been Christianized and in which a strong sense of dialogue between governments, employees and workers' organizations had been developed and is aiming at developing a sense of justice in the area of work.

As we look at development today, one of the big issue is how values supporting such vision of dialogue are also present in other places of the world and can in this sense support a normative system. Integrating the international normative system in any country is something deeper than just a matter of adjustment or of capacity building. It is often a question of interpretation or hermeneutic. Some words about the situation in Morocco have resonated for me. In the ILO, We have had experience of engaging religious leaders in predominantly Muslim countries or countries where there were Muslims and Christians. Very often, Muslim leaders come to us with really the same type of analysis. If we look a little further, I think it would be interesting to discuss the subject with them and to go one step further. My perception, which is not a question of judgment, but more an analysis, is that, although we agree on the importance of the dignity of work and of the worker, our understandings and contexts to understand labor of work are different. In many countries, work refer to very small businesses and trade. Understanding and applying the notion of dignity in complex production and trading systems requires complete new thinking. How can we develop a hermeneutics that could help us together go one step beyond? Is it possible? Is it a question of economics or politics? One of our projects, I hope, is to hold a seminar to bring together Muslim and Christian theologians to reflect on this. I hope that it will help developing a common understanding.

**Philippe d'Iribarne:** I would just like to add a word on these differences between small and large companies. We have many pages on these differences in relation to Iran, and we noticed that the way the 'Bazar' worked was very different. There is a kind of relationship, and there is a kind of culture in the bazar which is totally different from the culture of large and global companies. We have studied the relationship, which was successful, between the French company, Total and an Iranian company. It is true to say that they are two different worlds.

#### 1.4 Presentation by Jacob Winter, Director of Finance & Administration for Caritas Internationalis.

##### At Caritas Internationalis We Believe:

The major challenge before the process of globalization is how to globalize solidarity. Our priority is to enable the poor to have access to basic needs, which is their right. In our increasingly globalized society, building people and communities is a path to social harmony and building peace. Human sustainability can be achieved only if the human person is at the center of economic, political, social, cultural and spiritual activities.

##### Human sustainability:

The concept of Human sustainability revolves around economic, social and environmental factors which contribute to define the prime place that each human person has the right to have. We must maintain the balance between social equity, environment and economical demands as they contribute to define human sustainability in dignity.

##### How does Caritas Internationalis meet this Challenge?

The strategic framework 2011-2015 of Caritas Internationalis has four orientations: compassion in action, advocacy for a better world, promote Integral Human Development, and a strong and more effective Caritas confederation.

##### One human family. food for all.

A concrete example to put into action the human sustainability incorporating the three pillars of social equity, environment and economical action will contribute to build a human society, devoid of hunger with human dignity retrieved.

##### Caritas Internationalis brings answers to injustices and inequalities.

Caritas Internationalis is the official humanitarian and development organisation of the Catholic Church. A family of 164 national organizations working both locally and globally. Caritas national members range from small entities to some of the world's largest social, humanitarian and development organizations. Combined, they have over a million volunteers and staff. Caritas Internationalis also has delegations representing the confederation at the United Nations in New York and Geneva. The Caritas delegations work with other international institutions and nongovernmental organisations, in close association with the Permanent Missions of the Holy See. Caritas Internationalis is made up of seven regions: Africa, Asia, Europe, Latin America and the Caribbean, the Middle East and North Africa, North America and Oceania.

##### Emergency Response:

We Rebuild lives, We Rebuild Life: Coordinate immediate response. Provide aid such as clean water, shelter, food, primary health care. Pave the way for long-term programs. We are there before and after.

#### Emergency Appeals:

Last year, CI launched 44 emergency appeals. Over 3.5 million people received humanitarian support through these emergency appeals. The total amount pledged was over €39 million. In 2013: 26 appeals launched to date. Pledged: €19 million.

#### Welfare Programs:

Set up structures to take care of people. Show the government ways to move forward. Train. Mobilize volunteers. **Accompany the most vulnerable: children, the elderly, the handicapped.**

#### Development Programs:

- 1) Minimum management standards: Accountability, Transparency, Processes and System.
- 2) Coordinate the organizational and capacity development support of our Member Organisations
- 3) Analyze the needs of the Caritas throughout 7 regions
- 4) Map and assess what is done by the Caritas member organisations and ensure coherence of activities
- 5) Support to Caritas member organisations who find themselves in challenging situations.
- 6) Fundraising training and support of the Caritas members.

#### Lobbying and Advocacy:

Influence policy makers, Influence business leaders on the basis of The Social teachings of the Church and the analysis of the issues by the local actors. Through media action, lobbying, campaigning.

#### To reach these goals:

Caritas Internationalis has a General Secretariat in Rome, which coordinates ALL, these activities and supports members and advocates with them for a better world, based on justice, compassion and fraternity.

#### The General Secretariat: Governance:

**President**, Cardinal Oscar Rodríguez Maradiaga.

**Secretary General**, Michel Roy

**Executive Board**: 7 Members.

**Representative Council**: 24 Members.

**Staff**: 30.

**Budget**: €3.6 million.

**Membership Dues & Programme Support**: €2.4 million.

**FUNDRAISING NEEDS**: €1.2 million

## Conclusions and final remarks by Michel Camdessus

When I came this morning, and when I heard Pierre Lecocq saying that entrepreneurs like stability, I was happy to see all of you in *the Banque de France*, which is a temple of stability. You are truly at home here!

I was very impressed by the positive tone of these discussions, I agree with the remarks we have heard. While we could see culture as an additional factor of complexity, in reality, we can see here that **cultural diversity is not an obstacle for the development of business in the world, but if well managed, it can indeed represent a 'plus' for enterprises**. When Bimbo buys a company in the USA, we could imagine Bimbo trying to introduce a successful corporate culture. I wonder if the enrichment is not in fact mutually beneficial. Bimbo is certainly also enriched by the culture encountered in whatever new culture in the world. This provides a very positive view of globalization. It is not a western model that is spread around the world, but a model of businesses finding a new dimension to the richness of human beings, to their culture in a diversity of settings. And all of that comes together to create a global 'plus'.

It is probably a very idealistic view, but nevertheless something similar is probably indeed at work, and I think it has to be said more often and made better known, as we do not frequently see these kind of ideas in literature.

My second remark, which is a very personal reaction, relates to the Trinity and the human person: In a minute, I will tell you an anecdote about a conversation I had with Patriarch Alexis the Second when starting to help the Russians to introduce market principles into their economy.

But before I do, I would like to say that something important for me is the dialectic between the concept of Trinity as a family and the person with his arms, his mind, and his ability to face the world. Here you have developed a kind of *personalistic* and communitarian view of companies. Of course, "*personalisme communautaire*" refers to Emmanuel Mounier: it is something which is not very fashionable at the moment, but which is slowly coming back into the life of our societies and businesses.

I was very impressed when I read *Caritas in Veritate* for the first time in the Vatican literature, we find a reference to "*personalisme communautaire*". In our reflection, we should possibly come back to this and appreciate that there is no contradiction whatsoever between these principles and the efficiency of the enterprise. But it is precisely in the way we introduce this vision of man into the company and into the community that will determine if we are successful!

I would like to share with you now my anecdote about the Trinity. I was in a business between 1990 and 2000 to allow the market economy to spread out into the former Soviet Union. Something I usually do in all my travels around the world is to make contact



with the religious authorities, not because I am Christian, but because they always have something different to tell you about the real situation of the society. When you have only official interlocutors, it is always refreshing to experience this kind of contact. So, very rapidly, I made contact with the Patriarch Alexis, and we became almost friends. Each time I went to see him, we had lunch and dinner together and engaged in some very serious discussions. After 2 or 3 years perhaps, something became obvious to me, we would end up by establishing a market economy in Russia, but this market economy would follow the most recent liberal model without any ethics in the economy. So I went to see Patriarch Alexis and told him: *"Your Holiness, you must face up to the real problem, namely that if you have a market economy, going back to Adam Smith, you also need ethics, and you need to have a response of the Church to these issues, possibly to have a kind of written Social Doctrine."*

He replied *"I see you coming, you are a Frenchman; and the French are certainly educated by the Jesuits, you want me to have a Christian Social Doctrine, come on, I don't need that. We, the orthodox Christians, believe in the Trinity, when you have the Trinity and when you live with this, your mind is concentrated on what the trinity is as a family, we don't need a Social Doctrine. The entrepreneurs are like a family, and see what the family is, with a father and a son and a spirit there uniting them".* "No", I said, *"believe me, between that level of consciousness and the principles of action, you need a kind of mediation, something to show to these entrepreneurs for instance that the people in the factory are human beings, you need to know that some kinds of intermediary body are necessary".* I tried to develop a kind of Social Doctrine with my poor words. He told me: *"well, I will think about it..."*

I did not know this at the time, because I only met Jean Yves Calvez afterwards, the Jesuits were already working to introduce the Christian Social Doctrine into Russia. With some deal of humor, I went back once more to see the Patriarch on this subject and we did not discuss it further. And when I left the IMF one or two years later, I went to Moscow to deliver a speech and I went to see him; he received me very pleasantly and after ten minutes he called his secretary. She came in with a silver tray with a document on it. The Patriarch gave it to me telling me *"Here you have the Christian Social Doctrine according to our Holy Church. I must tell you that it is better than the one by my friend in Rome because we dare to speak about ethics. I must tell you that to have it voted by our Holy Synod, I had to use the old soviet method!"*

## Panel II: “BUSINESS LEADERS FACE GLOBAL COMPLEXITY AND POLITICAL AND ECONOMIC UNCERTAINTY”

**Pierre Lecocq:** It is a good transition because that proves that we have to be practical in front of complexity: it is the theme for the second session. Etienne Wibaux will introduce it.

### 2.1 Introduction by Etienne Wibaux

After the discussion we have just heard, it is certainly a challenge to ask a leader of a small business to introduce the subject “**Business leaders face global complexity and political and economic uncertainty... ”** ? We are nonetheless going to try to do so.

We know that the planet Earth is our village. We also know from Hervé Syrieix that the beating of a butterfly's wings in one corner of the planet can cause a tidal wave on another continent, and we are aware that, in our economic world, the key words are: more and more – faster – cheaper.

Moreover, we note that instability can spread for various reasons including: recurring political instability in the Middle East, the gap between the rich and poor and the difficulty of international coordination to tackle crises.

Yes, business leaders are indeed confronted with a global complexity and political and economic uncertainties. At this point, they might feel drawn towards denial, nostalgia, or withdraw into themselves and their own small world; when in actual fact, the challenge requires something quite different. **Business leaders should indeed put aside their glum macro-contemplations and get involved in micro-projects that can bring hope for us all**, as we have been asked to do by Michel Falise. We need to learn how to decipher this world so as to do what's right, and live out this change by finding beauty, goodness, authenticity, meaning and a source of hope for us all.

This is what we are now going to consider, in two different parts:

- In the first part, we will talk about the **company and change**, where we will look at the realities faced by companies;
- In the second part, we will illustrate **the need for a new awareness and understanding with regard to this reality so as to draw implications for business leaders**.

#### I - The company and change

If I could start by speaking from my experience as a business leader in a small family company.

##### a) **Change is the reality:**

I can truly say that change has been a reality in our family company through all these

years, in technological, managerial and geographical terms.

In technological terms, the speed of production was multiplied by a factor of more than 1,000 within 50 years, shifting from products woven on shuttle machines to non-woven products manufactured using melt spinning processes.

In human terms, factories with human-sized automatic machines are now crammed with different technologies and electronics that are able to precisely control production and development. The work of human beings has been transformed.

The geography of production has spread out across the planet following hotbeds of specialization and the markets, bringing know-how and employment along with them.

**b) Today, change is a reality for us all in technological, human and geographical terms:**

What has long been true for the textile industry is now also the case for other companies. I heard an expert recently say that he could no longer think of a company that was not in permanent change. Nobody can dispute today that the learning of languages and cultures, or the keeping abreast of developments across different fields is not a necessary reality for all branches of industry.

**c) Other instabilities:**

Alongside international economic competition, we can add legal and political instability, which is understandable, since it entails continuously facing up to the difficulty of men as they face these new situations and these permanent imbalances.

**d) Principle of reality:**

At this point, I would like to mention a recent exchange I had with Kofi Annan, which seems to me to be very enlightening. In response to the question: *"What do you think about the contrasting geopolitical situation?"* He told me that *"it is extremely complex, even inextricable, in particular in the Middle East"*. Here, he has revealed a reality, which is important for us all.

Moreover, another key figure said: *"the current French government, faced with the permanent shortfalls of the different systems, does not have the will to change them"*. This is also somewhat of an unusual remark.

In their search for common, long-lasting and democratic ethical, accounting and strategic standards to lead their company, aren't then business leaders experiencing a paradoxical situation when they are confronted with this economic, political and legal environment, in which the rules are applied differently by different people?

To accept this paradox, isn't it necessary to take a new look at the extraordinary developments that our planet has seen over these last years, then to accept to change what we know and how we act for ourselves?

## II – A change of mind, a new awareness and understanding with regard to change

Business leaders can adopt several possible attitudes: either they hold adamantly onto the benefits they have acquired and take refuge in nostalgia, without managing to come to terms with the end of a bygone era or, on the contrary, they can engage in new realities, sometimes ones that are unknown, even difficult, accepting them as fact, and freeing themselves from their apparent paradox, so as to gain a new awareness and understanding, with a sense of awe of the beauty, the quality and authenticity as well as a new awareness of the scientific, human, and cultural advancements at work in our century.

Doesn't Christiane Singer tell us while going through the ordeal of cancer: *"Our most pressing duty is perhaps never to let go of the thread of wonder". Didn't she need to put the past behind her to be able to live the present to the full?"*

And didn't Einstein keep in mind that *"the world [...] cannot be changed without changing our thinking"*.

### **a) New ways of doing things:**

To illustrate this acceptance of the unknown, and taking the opposite view of the Promethean attempt developed by Philippe de Voot to control everything, let us use the real case of this company which wants to conquer a new market, Russia; a market the company is content to know nothing about but of which it comes to gain an understanding. It then decides to send 100 young trainees for one year to observe the consumer habits in detail. These young people will settle in the Russian target city so as to absorb the culture and the local life. This plunge into the unknown with open eyes is a success.

### **b) New generations, new modes of being:**

Michel Serres talks to us about the Petite Poucette, a reference to Tom Thumb (*Le Petit Poucet*) who tries to find his way back by dropping small pebbles, but the Petite Poucette finds her virtual way on the screen by moving her thumbs on the keyboard. Someone told me recently that a 15-year old young girl was watching 2 different films at the same time as doing her math homework, perhaps demonstrating new-found cerebral capacities in young people.

### **c) Centering on the individual person, a new management model:**

To take account of these developments and ensuring respect for these values, **UNIAPAC has reiterated the management model with the Protocol: this systematic evaluation which places Man at the center of business activities.** It asks you to verify precisely how the interests of all the company's stakeholders- shareholders, employees, competitors, suppliers, subcontractors, trade unions, the civil society, and future generations- are taken into account, aiming to provide a 360° view. The methodology takes account of and evaluates all the dimensions of the business activity.

**d) Quick initiatives and decisions:**

New additional decision-making processes are also being introduced into small independent and responsible business units, which also contribute to this vision, bring their ideas, take the initiative, and assume their results. We therefore move beyond hierarchical structures to foster more flexible, decentralized, responsible and more autonomous organizations. The teams are reactive and take on projects functioning in the same way to how schools of fish orientate and find their way. We are also reminded of flocks of starlings flying without a leader, circling in the sky without ever colliding with each other, very quickly reacting to the decisions taken by the others. Some leaders also provide their employees with a computer and training, entrusting them with tools that help the initiative and all the employees to be involved with the vision and the projects.

**Don't we have here the beginnings of a new promising management model?**

**Are we not founding here the basis for a new company model where everyone can share in the decision making process?**

**e) Let's take the gamble and trust people**

At this point, we may want to recall the words: *"the only genuine form of wealth is people"*; or to follow Bertrand Martin, requesting us to *"dare to trust"*, where the manager makes himself less available for things and more available to serve people.

**Conclusion:**

We are currently living through, it is true, an unprecedented change - the sometimes paradoxical consequences of which are beyond our control, even though they greatly affect all the aspects of our life. As business leaders, we have to live through this transition, at the very forefront of these changes. Living this experience forces us to accept the loss of the benefits of the past.

There are already many visible signs of emergence; pioneers are already here to stand by us, and work by our teams is already underway. It is up to us, to be responsible conveyors of meaning, to alert everyone to the role they have to play. It is up to us to give meaning to progress and economic life, if possible for man, the whole man and every man.

**Pierre Lecocq:** I am very happy that Kim Tan has accepted to spend the day with us. Your presentation yesterday was a shock for all of us, and we are very grateful. I am pleased to give you the floor.

## 2.2 Using Business to bring transformation to the world's poor: A Vision for Social Venture Capital, presented by Kim Tan

The Chinese word for challenge or threat is exactly the same word as for opportunity. So the Chinese view of threat is an opportunity – they are two sides of the same coin. When we talk about the challenges and the complexity businesses face, we can see them as threats, but I prefer to look at them as opportunities. We live in a world where there are a lot of inequalities. While we have very nice figures from the United Nations, it has to be said that in terms of lifting people out of poverty, most of these figures apply to China and India; Africa is hardly affected, South Asia has hardly been affected, so there is a lot more we need to do. We live in a world of inequitable and unjust consumption. What we spend on perfume a year is sufficient to provide clean water to half of the world's population. That is what people spend on perfume! So consumption is very, very unbalanced. We live in a world of unfair trade and subsidies: we give 1 billion dollars a year in aid, but we give 1 billion dollars a day in subsidies to our agricultural sector. In the EU (Europe), the subsidies are equivalent to 2.5 dollars per cow per day and yet, 2.8 billion people live with less than 2 dollars per day. Are European cows worth more than human beings? This cannot be right for us as Christians.

We also live in a world which is unsustainable in terms of the destruction that is going on. Every year, we lose the size of New Jersey in forests. That is unsustainable! The degradation is incredibly fast, and it is frightening. So these are the kinds of challenges that we face around the world, and the destruction leads to the destruction of our biodiversity as well.

In South Africa, the challenges are coming from China and South Asia where there are consumers of Ivory: we are losing 1000 elephants a year, soon we will have nothing.

### Unjust Consumption

- \$7 billion is needed to provide 2.6 billion people with access to clean water annually
  - Less than we spend on perfume
  - Less than Americans spend on elective corrective surgery
- 3 day's global military spending (\$4.5b) could send every child to school for a year

### Obscene Inequality

"One-fifth of humanity live in countries where many people think nothing of spending \$2 a day on a cappuccino.

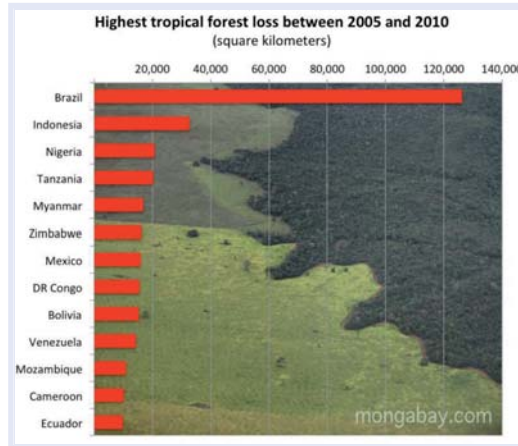
Another fifth of humanity survive on less than \$1 a day and live in countries where children die for want of a simple anti-mosquito bed net"

Source: UN Human Development Report 2005

### Unfair Trade & Subsidies

- \$1billion a YEAR on aid for agriculture in poor countries
- \$1 billion a DAY on subsidies of agricultural overproduction at home
- EU dairy subsidy is \$2.50/cow/day whilst 2.8b people live on <\$2/day

Source: UN Human Development Report 2005



### Consequences

- Social & Political unrest
- Hotbeds for terrorism
- Migration – brain drain
- Human exploitation & trafficking
- Destruction of environment
- Negative health impact
- Negative economic impact

Some people haven't taken up the cause and are trying to educate the Chinese about their responsibility. We all know the consequences of poverty, political social unrest, and terrorism.

Somalia is going to be a real problem not just for Africa but for the whole world. For instance, the hijacking of ships can be very destructive. The kind of poverty and destruction of the environment we can see there leads to emigration. Talented people are leaving. There are more talented

Ethiopians leaving in New York than in Ethiopia. So there are so many consequences for economies and societies; the destruction of the environment has a negative impact on health, on the economy.

Regarding my view of business as a Christian, what is the purpose of business as a Christian?

For me, the purpose of business is to build strong and safe communities and societies, and we can achieve this through the creation of an environment which allows humans to prosper.

### Role of Business

- Building strong and safe communities and societies
- Create environments allowing humans to prosper – developing human potential
- Stewardship of environment and natural resources
- Restoration business – human dignity, *imago dei*, environment
- Wealth creation – creativity, hard work, stewardship
- Wealth distribution – taxation, philanthropy, stewardship
- Leadership

Just as God placed man into a beautiful garden so he could develop his full potential, as businessmen we ourselves have a role to play so that our factories, our offices can be places where humans can prosper and where human potential can be developed. If we fail to do so, then we are not being true to our calling. Secondly, God has given us a natural environment and natural resources. The principles in the Old Testament tell us to give rest to our land, once every 7 years. We should not over-exploit the land and the environment that God has given us. We should treat the environment properly and sustain it over the long term.

This is all to do with restoration or co-creation; for me **business should restore human dignity**. When we conduct business in a creative way, when we restore the environment, we behave as co-creators. We help to create wealth. For too long now, we have been afraid to talk about wealth creation amongst Christians. **We should talk about wealth creation. We have to talk about creative ways through innovation, creative genius, through hard work, to create new wealth. Building strong communities is also about wealth distribution, through taxation.** We have to talk about taxation, to look at how it is distributed, because if we don't, it leads to unsafe and unstable communities. It is important to think about that. When the Gini index of national income distribution grows, society is automatically fractured.

Finally, **we need strong leadership if we want to build strong and safe communities. We need role models, such as Jesus.** We need a servant-type leadership in our business.

#### Impact Investing/Social Venture Capital

- Investing for profit but also for social, environmental returns
- Intentionally building for-profit businesses among the poor/disadvantaged to address social needs with measurable impact metrics
- Profitability, Intentionality, Locality, Accountability
- Beyond CSR, ethical investing, SRI and ESG
- 'Shared values' (Michael Porter)
- Quaker capitalism (CEME, Oxford)

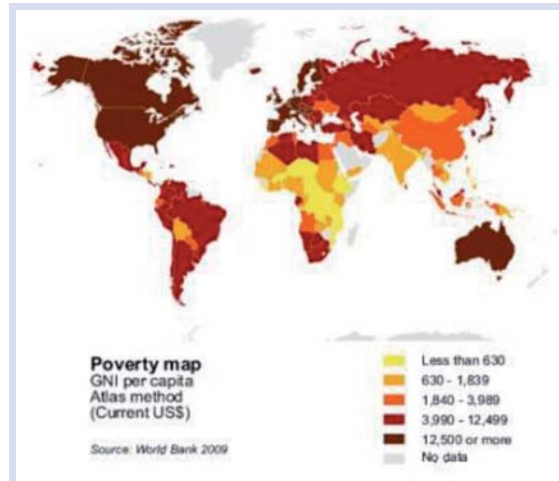
The example of Japan is interesting for Asia. It is quite "schizophrenic" because, on the one hand, there are very strong hierarchical communities among the Japanese, but on the other hand, if you look at the way they behave in the company, the way they wear a uniform, the way they eat in the same canteen, this has been a very strong message for us in Asia. That is about servant leadership. They are leading by example. In terms of government, where you see good leadership at government level, the country prospers. If not, countries don't develop at all.

Yesterday, I spoke a lot about this new type of ethical impact investing or "**social venture capital**", where we are intentionally building for-profit-businesses among the poor, amongst the disadvantaged. They are usually designed to address some kind of social need or social problem, but we can measure what we are getting from our investment through a set of metrics on social and environmental return. This is not Charity, this is a for-profit business. But instead of a single borrowing line of credit, we are looking for a double borrowing line, sometimes a triple borrowing line. These are businesses that are needed to create strong and safe communities, countries for the future. And this is done very intentionally, and we tend to locate them in places where most of us don't want to go and visit, because that is where the poor are, where they live; but we have to be there: **it is the principle of incarnation. God came among us to live among us. This is the incarnation principle that business people should be adopting, too.** And it goes beyond CSR, which for many companies is just corporate public relations: corporate PR is not Corporate Social Responsibility. We were thinking about Quaker capitalism in our programs because Quakers used to think in a more holistic way of building businesses, principles that we should perhaps return to, for some of our companies today.



### Where are the big global challenges?

Here is a map from 2009 and it shows that the Sub-Saharan Africa is unfortunately still a big problem. This is the elephant in the room; we cannot run away from it. Africa receives 3 trillion dollars in aid, that is the equivalent of 6 Marshall Plans, and it is still a problem today. We need to be tackling the problem here, maybe we need to tackle it differently. Just to give us an understanding of how difficult the problem is. **Africa has a land surface equivalent to the USA, Western and Eastern Europe, India, China, Mexico and Japan together** - so it is not an easy problem. It is like having all the problems of all these countries in one. We won't tackle it overnight. Many people think of Africa as one place, but it is huge. The problems are immense because of the geography.



### Africa: The size of the challenge



Unfortunately, the first thing we need to do is to change people's perception of Africa. People perceive Africa as rural, they think of it as primitive, people without clothes or a continent of dictators: for instance, Uganda and Zimbabwe for people are associated with genocide, the migration of people, refugee camps, and pictures of babies looking weak and poor. That is the image of Africa; we need to change this image because Africa is also a wonderful place - amazing, beautiful and developed; every area has its own assets, Africa has 40% to 50% of the planet's resources, it has 40% to 50% of the planet's minerals we need. So it is a strong place for businessmen and investors to come to do things to change the situation.

For example, Johannesburg is beautiful, like Nairobi, Addis Ababa, and Kampala. There is another side to Africa, this is the brighter side of Africa. However, most business people are afraid of Africa. They do not invest in Africa because, even for me, it is easier to invest in the

US, China or India than to go to Africa. We need to change the perception of the big brains and persuade them to go and start investing in Africa. They are needed to change the continent. Africa needs investment. Again, the IMF figures show clearly that, over the next 4 to 5 years, the GDP growth of African nations is going to outgrow that of Asian countries.



This is another strong case for us to think seriously about the challenges in Africa. Don't think of them as challenges or threats but as opportunities, because they are indeed big opportunities.

Rodrigo Whitelaw asked me to talk as well about the challenges in terms of health care technologies and so on where I come from. I will speak beyond health care. I will speak more generally about health. My industry, the pharmaceutical industry is not interested in sick people except to sell them drugs. Health is a much broader issue than that: health is about nutrition, preventative medicine and prevention, it is not just about treatment. But there are 3 major trends appearing in the world of health care:

The first is **personalization**: health treatment is becoming more and more personalized.

The second is **miniaturization** within health care. All the big machines are becoming smaller and smaller thanks to technology, and more and more affordable for the poor. We need to think about how to get this new type of equipment into places where it is needed. No longer do we need a big center with big expensive machines. Now to perform a blood analysis, we only require small readers, and the patient or the village can obtain the answer in only 10 seconds: we need to think about the opportunities this can create for us. We need creative ideas about how to bring these kind of technologies and make them affordable for the poor.


We also need to think about the third trend appearing in health care, which is **decentralization**. Again, the Western model has been to build big hospitals and to centralize everything. We, in the poor developing countries, need to think about ways to decentralize everything. An example of that in India is the creation of a 'dream train' in India: a train that has converted into a hospital. They are bringing the hospital to the people. The surgeons, volunteers, services are all there: it is a fantastic kind of model.


There are more and more mobile clinics, mobile pharmacies going into the rural areas, and all this has been made possible thanks to technologies. So technology is creating complexity and challenges, but it is also providing us with opportunities to deliver health in a way which was impossible before. Everything can be done with a smartphone, it can do all kinds of analysis, or you can use it to send information to a central laboratory, and it will do the analysis for you. We need to seize these opportunities, not see these challenges as threats but as opportunities. Yesterday, I talked about a particular project to supply efficient cooking stoves. This is a health issue. The old way of cooking with open fires is terrible: it is the equivalent of smoking 40 cigarettes per day: it has a huge impact on our women's and our children's health. Taking out 80 % of the toxins is a big improvement for their health. These kind of businesses are opportunities as they are about building stronger, healthier and safer communities; while we only supply 55,000 stoves now, we need to increase this number much more, and help to decrease the deforestation, as well.


If we don't tackle the deforestation issue, we will have to make some radical changes to the way some of these countries manage their citizens.

I also mentioned the toilets business in Kabera, yesterday because it is also a matter for health care: We employ a 'company' in charge of taking human waste away with a view to converting it into organic fertilizer that farmers then pay for.

## Jikopoa Cookstove







- 20-30% of income spent on wood or charcoal
- Respiratory ailments
- Fire hazard
- Deforestation/environmental damage
- Increase rape incidence

- 40-60% saving on fuel cost
- Reduce smoke & toxins by 85%
- Local (Kenya) manufacturing
- Target sales: > 700,000 stoves
- Carbon offset
- 20-30% IRR

**JP THE PARADIGM PROJECT**  
 Founders: Neil Bellefeuille/Greg Spencer

Once you see how horrible the toilets are, you realize that it has to be done on a sustainable commercial basis. Otherwise, the waste is dumped straight into the river. This business has 300 toilets like this one, which are used by 11,000 people every day, and we have now removed 1.3 tons of human waste: it has created jobs, and it is a sustainable business. We need to build 1,000 toilets like these. We need to create an environment where humans can prosper. We can tackle this problem of hygiene through enterprise.

## Sanergy




- **Franchise toilets & waste to organic fertiliser in Kibera, Nairobi**
- **299 toilets; 11,000 daily users**
- **1,426 metric tons waste removed,**
- **350 jobs**
- **Founders: Avi Vallabhaneni/David Auerbach**



I also spoke to you about rescuing children from human trafficking: this is also a health issue because our women who have been forced into prostitution are emotionally traumatized. They require 6 months of counselling, they suffer from depression, even commit suicide – these are hidden “diseases” that we don’t talk about. It is a serious problem, a serious mental health problem. Mental health among the poor is a serious problem that people don’t talk about. When you don’t have any money, when your wife or husband dies of HIV/AIDS, and you have a new born baby, you cannot cope, you cannot go on. We have developed a program to help them with their mental health. We need to give them pastoral care even after we have found jobs for them. We have over 600 of these ‘traumatized’ women employed catering for the US embassy in Phnom Pen: we run the canteen there for the Intercontinental hotel, with food programs which will employ 400 people – these are the kind of jobs these women can do. My concern is with poverty but also the number of people infected with HIV/ AIDS, currently standing at 25 to 30% and with a President who denies the problem, saying that a shower after sex is enough to protect people against HIV.

We intentionally develop training programs: we are in the business of restoration, so I have discovered conservation. It concerns God’s creation. We need more business people to be involved to help to restore the environment; people are so good at destroying. That is part of it.

Rodrigo asked me to talk about social measures and the metrics we use to measure all the investments we make, including the average salary, including managers, because we want to see what is happening at the bottom level.

## Social Metrics: Kuzuko

	2010	2009	2008	2007	2006
<b>Direct Employees:</b>	<b>51</b>	<b>46</b>	<b>42</b>	<b>25</b>	<b>12</b>
Men:	32	30	32	23	10
Women:	19	16	10	2	2
<b>Av Monthly Income/worker (excl managers)*</b>	<b>R 3522</b>	<b>R 3100</b>	<b>R 2800</b>	<b>R 1860</b>	<b>R 1800</b>
<b>Contractors/Part-timers</b>	<b>72</b>			<b>120</b>	<b>150</b>
<b>Av monthly income/contractor</b>	<b>R 2000</b>			<b>R 2500</b>	<b>R 2300</b>
<b>Number of Beneficiaries</b>	<b>590</b>	<b>200</b>	<b>180</b>	<b>725</b>	<b>810</b>
<b>Total tax paid per annum</b>	<b>R170623</b>	<b>R138640</b>	<b>R47285</b>		
<b>Standard Housing</b>	<b>70%</b>	<b>70%</b>	<b>60%</b>	<b>60%</b>	<b>30%</b>
<b>No. of children in tertiary education</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Employees owning houses</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>2</b>

And we also measure the taxation that we pay because if we don't help to enlarge the tax basis of the people who pay, we can't help the country to transform.

We could have a separate discussion about the right level of taxation. We could have a separate discussion on how wise the government uses taxpayers' dollars, but the fact of the matter is that if, as is the case in South Africa, the tax dollars only come from 10% of the working population, then this is not and cannot be sustainable. We need a broader tax basis. We measure the standard of housing because housing is correlated to health; for us a standard housing is a brick-building, with an indoor bathroom, a flush toilet, clean water, electricity.

We measure what percentage of our people are starting to have standard housing. By 2011, 100% of our people will indeed have this kind of housing. We measure the number of children who are in tertiary education and we help them to save money for them to be able to invest in the children's university education. If every family had one university graduate, the economy would be transformed.

I'll give you two other stories about the investments we are making in Indonesia: I would first like to add that the founder of this business was arrested and sent to jail at the age of 16 and then became a Christian, and his life was totally transformed. He has now built up a really good business. He has been relocating all his factories from Bandung to a rural town with a population of 50,000 where he came from. This is very intentional, it creates jobs in this area where there were no jobs. The way he shapes his business is very integrated: the production of garments is carried out in rural areas, creating jobs for women and houses for sewing, they are paid by item. I visited one of the factories, and I saw a woman enterprising with 15 sewing machines. The founder finances them, and after one year and half they will have paid for these sewing machines. Now, there are 35 sewing machines. There is a major problem in Indonesia, as men are leaving their villages and going to cities for work. They are divorcing their wives. There, it is very easy



for a husband to divorce his wife, and it represents a real problem for us. In the villages, we now have many, many single mothers who have no income. This kind of business is great, and we like to invest in this kind of business.

Another business offers home catalogue shopping: in many parts of the world, we still don't have Internet services. They still use old-fashioned catalog shopping: every year, 5 catalogs are printed, the women go out and sell the fashion items they would otherwise buy in a mall, because there are no shops in rural areas; this business currently has 100,000 agents, 30,000 of whom are active: again, single mothers, whom we very intentionally go out to look for in rural areas, training them to become sales agents, as they get a 25% discount on the catalog price, which constitutes their profit, their earnings.

#### Conclusions

- Enterprise is best way to address poverty
- Business can address social needs as well as create wealth, and alleviate poverty
- Possible and critical to 'do good and do well' in developing economies – "Compassionate Capitalism"

Regarding these two examples of business, we will measure in a few years' time the impact they have had on health. As people start to increase their income, we will see health care improve as well. As a conclusion, **we should see the complexity and challenges around us not as threats but as opportunities.** We are Christians, and God has gifted us in Business, and we should look at how to use these business gifts in the best ways possible.

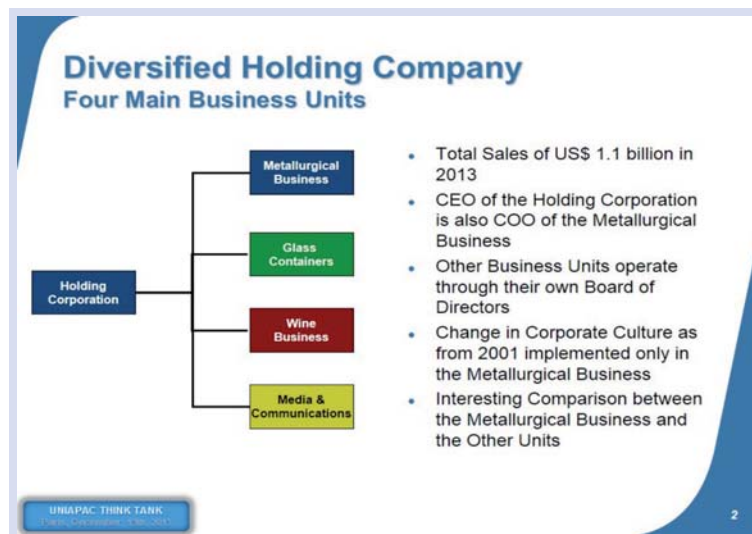
**Pierre Lecocq:** Thank you for your testimony that was both moving and full of hope. Our Chilean friend, Rolando Medeiros, will now talk to us on the situation they are facing in Chile.



### 2.3 Business case in Chile: Impact of a Radical Change in Corporate Culture, presented by Rolando Medeiros.

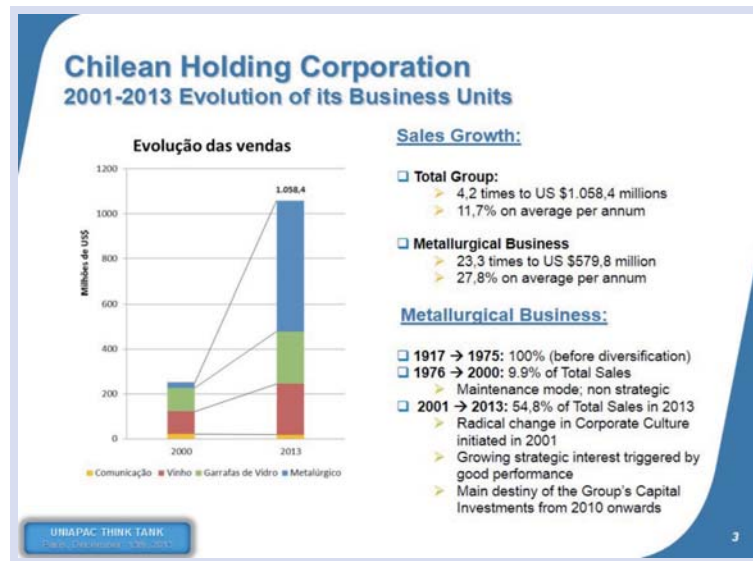
Most Corporations claim in their Annual Reports that have made significant progress in terms of CSR and believe themselves to be Socially Responsible Corporations. Many of them, however, still consider CSR as mainly a “public relations” exercise, a legal compliance requirement or as a preventive tool against protests and boycotts, adverse media coverage, etc., and CSR is treated as if were a mere “add-on” and an end in itself. However, in order for CSR to be truly sustainable (i.e. moving beyond profit-making sustainability or merely environmental sustainability to include long-term, future-oriented social sustainability, as well) it must be integrated into the core business, with a view to ensuring that the corporation not only does “no harm” but also does “what good it can”. CSR must truly be integrated into the company’s vision, mission, strategy and core business and it has to motivate employees and all stakeholders to take the enterprise to the next level in ways that sustain resources for present and future generations. In other words, rather than being an end in itself, **CSR has to be the result of a radical change in Corporate Culture.**

I’m very grateful and honored that the UNIAPAC Foundation is giving me this opportunity to share with you what I believe is a successful deployment of a CSR initiative that places the human being at the center of the company’s endeavors. It is an example of a radical change in corporate culture of which I feel very proud.



This Business Case is of a corporation –of which I am its CEO–headquartered in Chile, but with active operations worldwide and sales of more than US\$ 1 billion. It is a conglomerate involved in 4 main business segments: metallurgy, glass containers, wine and media & communications. With the exception of the metallurgical business, where the CEO is also its COO, the other businesses are managed through their own Boards,

which, despite being under the guidance of the Corporate Board, operate rather independently. The change in corporate culture within this Group was only implemented in the metallurgical business, and therefore offers us a good source of comparison in terms of results against the other business units... The next slide shows the change in the contribution of each segment over a 13 year period: 2000 – 2013.



The Group as a whole has exhibited a significant growth in this period: sales have increased more than 4 times at an annual pace of about 12%. Moreover, the metallurgical business has grown even faster at a 28% yearly average rate to a level more than 23 times that of the year 2000.

The metallurgical business was at the origins of the Group almost 100 years ago and remained the only business line until 1975 when the company started a diversification process.

By the year 2000, the metallurgical business accounted for less than 10% of the total sales of the Group, and there were no specific intentions to develop it. On the contrary, the intention was to maintain it without any significant capital contribution. In 2001, however, this unit initiated a radical organizational culture change that resulted in dramatic performance improvements which triggered a renewed strategic interest by the shareholders in this activity. Since 2010, this business segment is receiver of the largest proportion of the capital investments of the Group and, this year, it will account for 55% of the total sales of the Corporation.

Obviously, there are several other factors that contribute to the explanation of this very impressive trend. However, the change in the corporate culture is a major contributor and it is at the heart of this evolution. Let's now review it in more detail.





The metallurgical activities of the Corporation are mainly directed at the worldwide mining activity. It is a global provider of integral solutions for the mining industry in more than 40 countries. Its product lines include ground engaging steel tools, wear parts for ore crushing, milling and concentration, grinding media, engineering and equipment repair services, etc., which are used in all the stages of the hard rock mining activities. As part of its corporate cultural change, the company positioned itself to become a globally competitive supplier recognized for its excellence and leadership in the delivery of integral solutions, which add value to the mining processes and other target markets.



At the core of the change in organizational culture there, was a significant **redefinition of the Corporate Mission** initiated in 2001. In this redefinition, the following 3 key conceptual changes were addressed:

- From the instrumental approach to its stakeholders that was characteristic of the way it conducted its businesses before, **they were now viewed as human beings with needs to be satisfied and requirements to be met and exceeded.**
- Consequently, **the person was placed at the center of the decision-making process at all levels in the organization to drive the 3Ps “triple bottom line” (people, planet and profits)** throughout the core business so that the company would be aligned with society and the expectations of all stakeholders.
- **The products and services provided by the company were now considered as means for achieving the corporate purpose**, as defined in the new Corporate Mission Statement:

*“To satisfy needs and exceed expectations of customers, employees, shareholders and the community through excellence in the supply of integral solutions to the market”*

The redefinition of the Corporate Mission entailed very significant practical consequences in the daily activities of the company at all levels. Some of these consequences are:

**Redefinition of Corporate Mission**  
**Some Consequences**

- **Employees:**  
Means of production → Focus on the person and on his integral human development
- **Market:**  
Demand satisfaction (anonymous) → Opportunity to serve the client and to provide solutions (persons)
- **Management:**  
Maximum return for the shareholder → Conciliation of interest of the different parties ("Stakeholders management")
- **Profit:**  
Primary goal → Consequence of motivated and committed employees, loyal customers, shareholders willing to invest, etc.
- **CSR:**  
End in itself → Result of placing the human being at the center of the decision making process

UNAPAC THINK TANK  
... Long term project

- The employees were no longer seen as a means of production and of sale of the products and services of the company but as persons whose work was, beyond any other consideration, a source of fulfillment.

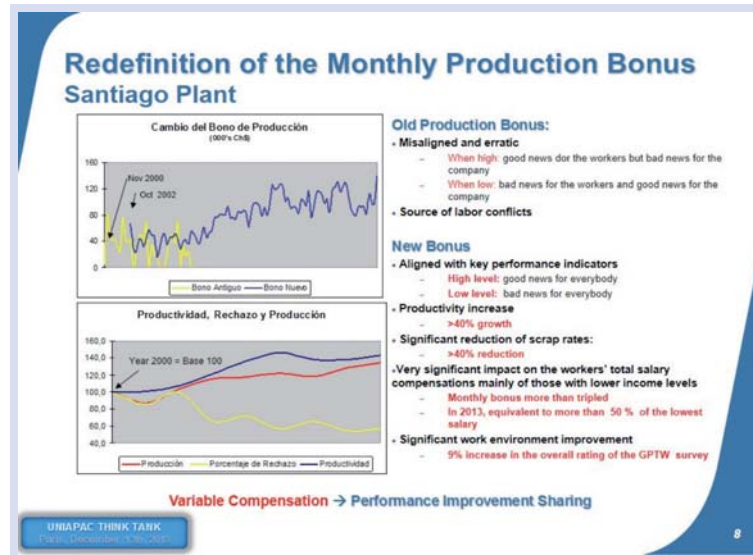
- **The market**, rather than being an anonymous entity for making profits, **was seen as a community of persons with needs to be satisfied** and whose loyalty to the company was based on a **long-term 'win-win' relationship**.
- **The role of management** changed from a short-term focus on profit-maximization **to the reconciliation**, in the long run, **of the interests of the different stakeholders**.
- Thus, **the making of profits** was seen no longer as an end in itself but **as the consequence of committed and motivated employees**, satisfied and loyal customers, shareholders willing to invest, etc.

CSR resulted from ensuring the centrality of the human person in the decision-making at all levels of the organization instead of being an end in itself.



We will now review 5 practical application examples of this new culture with their meaningful impacts in key business areas: employee compensation, relations with the labor unions, customer focus, innovation and the long-term impact on financial results.

Regarding employee compensation, we will analyze the conversion of a production bonus from variable pay into performance improvement sharing as well as **the impact of moving from a tactic relationship with unions (zero sum negotiations) to strategic win-win cooperation**. In the area of customer focus, we will discuss one aspect of what we called "The Client First" project and, in innovation, we will present the results from switching from the "Guru" concept into a culture of innovation. Finally, we will show, the evolution of some key financial indicators over the 2001-2013 period.



The redefinition of the monthly production bonus in one of the Santiago foundries is shown in the upper graph where the yellow line is the old bonus and the blue line the new one, with one year of overlap of both systems. This year of trial was needed to overcome the lack of trust prevailing back in 2001 and to deal with the fear generated by a change in a well-established procedure. In simple terms, the change consisted in fully aligning key performance indicators of the company with the compensation expectations of the employees. As a result, as shown in the other graph, the production (red line) of a plant that was thought to be at its maximum capacity grew significantly as also did the productivity (blue line), reaching levels not seen before; at the same time, the scrap rate (i.e. the percentage of rejects or off-spec products) (yellow line) drastically diminished. These improvements more than financed a significant increase in the value of the bonus which grew more than 3 times to reach a level that is equivalent to 50% of the lowest base salary of the company (or, in other words, it means that a third of the monthly compensation is provided by this bonus to the lowest salaried employees). These are clear examples of win-win solutions which also resulted in a meaningful increase in the morale and working environment of the company.

**The definition of the relations with the labor unions is directly derived from the new Corporate Mission:** when the labor unions are fully representative of their workers, they help the company to fulfil its mission by helping it to more accurately understand the employee's needs and expectations, allowing these to be taken into consideration when deciding matters that affect the employees. **The application of this business philosophy has resulted in significant achievements over the years.**

For example, it allowed us to obtain the blessing of the US Steel Workers of America, one of the strongest nationwide unions in the US, for the acquisition in 2001 of the assets of 2 corporations through the US Chapter 11 procedures.

## Relations with Labor Unions

**Business Philosophy:** When labor unions are fully representative of their workers, they collaborate with the Company's fulfillment of its mission by helping it to better understand the employees' needs and expectations.



**2001 Acquisition in the US through Chapter 11 Procedures**

- Transfer of assets, work contracts and hourly workers
- Approval by Steel Workers of America required :  
**Confrontational relationship → Cooperative Relationship**
- Successful bargaining contract renegotiations: longer terms and improved agreed upon conditions



**2004 Acquisition of 60% of FTL from the Copper State Owned Corporation (Codelco)**

- Privatization challenged by the Union
- Strike to show up their rejection
- Transformation of the relation to our Business Philosophy
- Acquisition of the remaining 40% in 2007 with the support of the Union
- Successful labor contract negotiations:  
**Last one: July 2013 for the maximum legal period**

- **2011: Winning of Carlos Vial Espantoso Award**
  - **The most prestigious business award in Chile**
  - Recognition of labor relations of excellence and the Company's ability to add value to its shareholders, the communities and, especially, its workers.

UNIAPAC THINK TANK  
Policy Development (2010-2013)


In 2004, we acquired 60% of a State-owned company, the privatization of which was opposed by the Union. The union declared a labor strike to demonstrate their opposition. Four years later, as a result of the application of this business philosophy, the remaining 40% of the company was bought with full support of the union.

In 2010, the company was awarded the most prestigious award in Chile: the *Carlos Vial Espantoso* award which recognized the company's labor relations of excellence and its ability to add value for its shareholders, the communities and, especially, its workers.

## Customer Focus

### The Client First project

**Perfect Delivery:** purchase order delivered complete and without any minor discrepancy with the agreed upon terms and conditions, quality standards and specifications.



**Year 2001:**

- August: 1,7%; September: 29.0%

**Year 2012:**

- Year end: 92,3%
- New Industry Standard

**Customer Benefits:**

- Better maintenance planning
- Less Working Capital
- Peace of Mind

**Company Benefits:**

- Lower manufacturing costs
- No consignment stock
- Geographic proximity turned into a Competitive Advantage

- In 2010 the Company achieved a **worldwide leadership** position in SAG Mills

UNIAPAC THINK TANK  
Policy Development (2010-2013)

The Company started in 1917 as the first company in Latin America to introduce a break-through technology (arc furnaces for the production of specialty steels) that had just been introduced in Europe and the US. As a result, the pride associated with this beginning translated into a very inward focus of the whole organization: the arc furnace was "the king". As part of the cultural change, a program to change the focus toward its customer base was introduced in 2002. One element of this program was the "Perfect Delivery", which, from being the exception to the rule, became the rule that changed the industry standard for this business of tailor-made products, as can be seen in the graph. As a result, the company's customers benefitted by improving their ability to properly plan, in advance, their preventive maintenance programs, coupled with a significant reduction in working capital tied into spare part inventory, all this as a result of a more trustworthy relationship. In turn, the company benefitted from lower manufacturing costs (JIT management practices), a lower level of consignment stock and, more importantly, they were able to convert the geographic proximity to its customers' operations into a real competitive advantage.

In 2010, the company achieved a worldwide leadership market position in the SAG mill-liner business. This is another good example of win-win relationships.

**Vision of the Future Realization**  
**Culture of Innovation**

☐ Engraining a culture of innovation is essential for the Company's realization of its Vision of the Future:

"To become a globally competitive supplier recognized by its excellence and leadership in the delivery of integral solutions which add value to the mining processes and to other target markets."

☐ Examples

 <b>NASA</b> <input type="checkbox"/> 2004: Approved Supplier <input type="checkbox"/> 2005: Preferred Supplier <input type="checkbox"/> Casting of the Year award by SFSA "Steel Founders Association of America"	 <b>ANGLO AMERICAN</b> <b>2011 Worldwide Innovation Award</b> "Recognizing outstanding achievements based on groundbreaking innovation that has delivered measurable value for Anglo American and its stakeholders"	 <b>New Products &amp; Services</b> In 2013, more than 35% of the total sales correspond to products and services with less than 4 years of introduction to the market.
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UNIPAC THINK TANK  
Programa de Innovación y Desarrollo

11

As part of its change in corporate culture, **the company shifted into high gear with respect to innovation, mainly as a result of making employees feel strongly associated with the company's vision of the future:** "To become a globally competitive supplier recognized by its excellence and leadership in the delivery of integral solutions which add value to the mining processes and to other target markets".



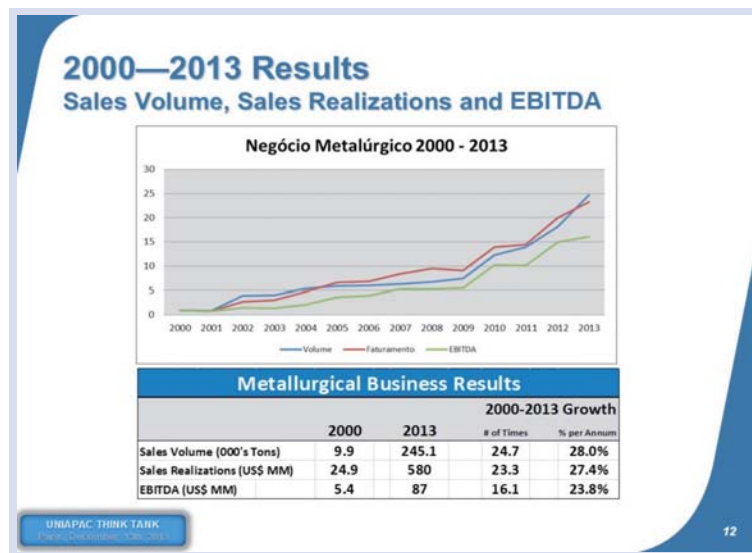
The company's commitment to innovation compounded the individual creativity of its employees and teams who were motivated by a positive work environment which promoted sensitivity to the needs of customers and employees, employee generation of new ideas, willingness to take risks, etc. but, more importantly, by treating people well and inspiring them in a manner that made them feel valued.

The evolution of the relationship with NASA in the US is a good example of the results arising from this new culture of innovation. From an "Approved Supplier" status achieved in 2004, it was awarded the "Preferred Supplier" status in 2005, which allowed the company to develop a new product that went on to be distinguished as the "Casting of the Year" by the Steel Founders Association of America.

Another example is the Anglo-American's Worldwide Innovation Suppliers Award granted to the company in 2010.

But a clear reflection of what innovation means now for the company is the fact that, this year, more than 35% of the Company's sales will correspond to products and services introduced onto the market in less than 4 years.

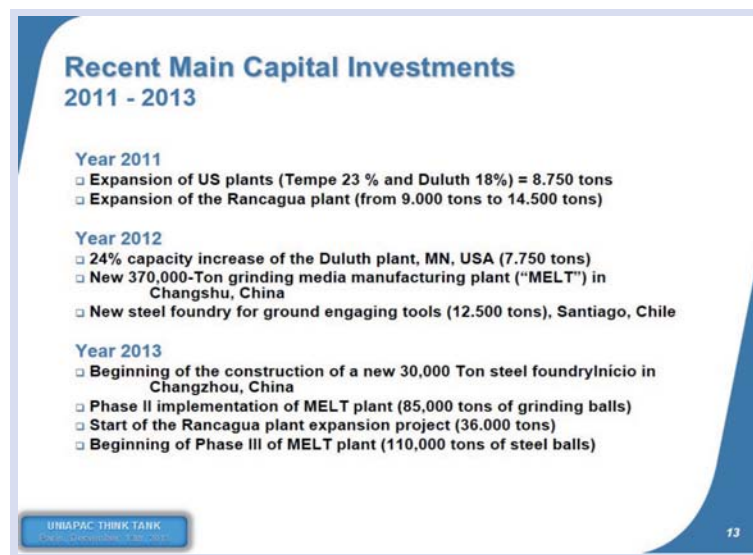
We have reviewed several initiatives aiming at improving the level of employee motivation and commitment, customer satisfaction and loyalty, the pursuit of win-win outcomes and the promotion of a culture of innovation. All these initiatives would be worthless should they not translate into financial results that are at the very least sufficient for self-sustainability.



Fortunately mere sufficiency is not the case: on the contrary, the results have been outstanding over the period 2000-2013, as can be seen in the graph above.

Sales volumes have grown almost 25 times or at an annual pace of 28%; total sales have reached a level of US\$600 million from less than US\$25 million at the beginning of this period; and EBITDA has multiplied by 24 times to US\$87 million this year.

And this outstanding financial performance level has triggered a renewed interest in the shareholders to reinvest heavily in the metallurgical business, which now accounts for more than 55% of the total sales of the Corporation. The following slide summarizes recent capital investments in this business segment.



As you can see, in the last 3 years, the company has significantly increased its capital investment in the metallurgical business aimed at:

- Production capacity expansions in Chile and the US
- New greenfield plant projects in China and, through a joint venture with a US partner, in Chile
- New grinding media plant in China with a Chinese partner.
- other projects

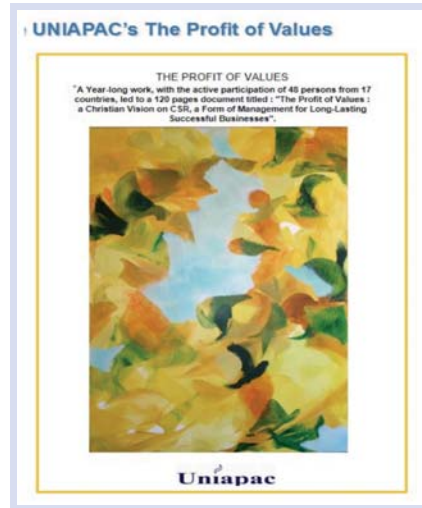


This investment level is a good indication of the shareholders' satisfaction with the outcome of the radical change in corporate culture and the ability of the company to exceed their expectations.

Overall, this business case is deemed to be a good example of UNIAPAC's CSR approach as described in "The Profit of Values".

The Profit of Values:

- A Christian vision of Corporate Social Responsibility
- A form of management for long-lasting enterprises.



## 2.4 Open discussion moderated, and conclusions, by José Ignacio Mariscal

I really believe that we have received two totally different testimonies. This is testament to the richness of this Think Tank. This morning, Pierre, Etienne, José Maria and I had a discussion, and we said that our objectives for this Think Tank were very clear: as we have worked very thoroughly on the Profit of Values and this way of management, we can see that there are indeed results, and we feel very proud that this form of management is working. The point I would like to make is that we have 2 concepts that we are seeking to achieve: **"Subsidiarity-based management"** and **"entrepreneurship"**.

With regard to Subsidiarity-based management, I think that we have to continue organizing seminars and Think Tanks in different countries in order to pursue this concept and produce related documentation, as we did with the Profit of Values. In actual fact, that is what we are trying to develop. It reflects what Rolando just mentioned on the whole process; we have to have something that we can disseminate and that people will understand. So we have established different Think Tanks in different countries in order to study the matter further and have documents accordingly. Thanks for your impressive testimony, Rolando.

The other point I would like to make concerns Kim's view of entrepreneurship: it is a second concept that we also have to pursue. Regarding the poor, we have to go look for them and find special ways to get them out of this situation. I was talking with Kim a while ago, and there are different ways of approaching the issue, and we, of course, have different ideas depending on our own experiences. I would like to tell you about one experience we have

had in Mexico. We have established a way to involve communities in a Foundation in Mexico. And it is a very small organization involved in saving and loans: we give them a little support, they manage the money, and every year they return the money to all the participants, so they can lend money to other people: this is an organization that really works for communities, it is different from a micro-credit organization. They start again every year, as the loan is for one year. We now have around 140 saving & loans groups that are working strong. I would now like to open the floor to comments and questions:

**Etienne Wibaux:** My experience is a bit different. For example, in Cambodia, we have tried to employ very poor people. From 100 people, we managed to find jobs for 100% of them, because they had the passion and the desire to succeed. My question is: how can we 'stick' to the culture of poor countries with very new technologies? Is it not necessary to combine all the elements that have been discussed today in order to succeed? This is one way, ours is another way, the way of José Ignacio is a third one... everything can work. What is your opinion on the enculturation of the people, which in my opinion is the most important?

**Kim Tan:** I agree, and what we do is that we always go on the ground, we listen and learn to try to understand the culture. We should learn to try to understand the culture and see what will work. We should learn from our past. I spent two years flying down to the Eastern Cap to listen, to visit before I started the project, so I fully agree. In terms of your experience in Cambodia, it is good; it won't be the same in many other countries, not in Africa, not in Indonesia, and there are differences in the culture in terms of work ethics and responsibility. As far as leadership is concerned, sometimes we are very happy to find good leaders to lead the organization. For me, it is always about people, always about leadership. It is not so much a process, because if they are good leaders, they will make it work. But if they are not, it does not matter the kind of system you put in. I am pleased that your experience in Cambodia was a positive one, because the garments' industry is very important.

**Etienne Wibaux:** How do you go about educating the people so as to have good leaders? Where do you find good leaders?

**Kim Tan:** We tend to find them from the Church because, if we talk about transforming communities, you can't get anywhere until the individuals transform themselves first, so the transformation has to come from within. We try to find more people that we can work with within the church community, because they have attributes and skills that we think are important. That is not always true, however. In the venture capital, for instance, we take competence for granted. After this, we look at the integrity and what their values are. It will help us to decide who the right leaders for the local businesses are. Sometimes we win, sometimes we lose. The most important thing is leadership. That is the fundamental problem with developing countries, there isn't the capacity for good leaders because of a lack of education.

**Professor Zamagni:** I totally agree with your arguments. Indeed, we have lost too much time in the past talking about aid programs. I totally agree that business is the real way to develop and make these people prosper. On the other hand, we have to consider the

following: I am not an entrepreneur myself, but I am very close to them. I interact with many of them, and recently talking with a group of entrepreneurs operating in Africa, they said they had come back frustrated because they had made a lot of effort, but they weren't successful. I tried to understand and I made it clear to them: *"if you want to succeed in implementing an aid-program strategy, (because the strategy of aid is a very simple one) you just need to send them money or food or whatever, (it is enough to have an NGO which will distribute) but if you want to implement a business strategy, as I think we should do, we have to make it clear that unless the businesses reach a critical mass, they will never succeed"*. Never send an industrial businessman to that territory, because it will only lead to frustration. They lose their personal capital, their faith, their trust. So we probably have to teach our potential entrepreneurs who we are willing to work in these underdeveloped countries that, before going there, they need to reach a critical mass. Why? - Because if they reach a critical mass, then corruption will not affect them. The local government always blackmails entrepreneurs, saying: *"you can come here but you will have to give us a bakchich."* But if you have a larger group of entrepreneurs, the local ministers won't be able to take this attitude, and a larger group can be effective in changing the local culture. If you go alone, you will never be able to change anything.

Particularly in African countries, they don't fully appreciate the idea of development, they understand growth but not development; development is a Latin word meaning to get rid of shackles. Only if somebody loves freedom, can he develop. Otherwise you can grow, because growth is a materialistic business, like increasing production. We need to bring the local people to love freedom. In this sense, you are right because the Christian vision is very effective. We also have to take into consideration that any process of change does not follow a linear path. That is our fault as economists, as we keep on teaching the wrong economic theory. My supervisor was the only economist (Nobel Prize winner) who introduced traverse analysis. All the other economists, in particular the Americans never did. Traverse analysis means that in the initial stages of a process of change, the path is underneath: you have losses and only after a certain while can you recover them. Unless we prepare a sort of special funds to cope with the difficulties that lie underneath, nobody will take the risk to start this process of change. So we have to consider that the development path is never linear. And we have to tell this to entrepreneurs, because otherwise we run the risk that they will have to come back frustrated, and this is very bad.

**Pierre Lecocq:** We have mentioned the issue of leadership, and I really believe that when you look at the positive experiences and the good results, when you get to the very roots of why success was achieved, most of the time, you will find the role of the leader. Selecting a leader is difficult. You mentioned that investment funds take technical competency for granted and that they are trying to find those values that really motivate people. In our corporation, we are aware of this. When we hire people, for instance, we look at their résumé and we try to see what is behind the human person - what their values are. This is always difficult to assess. I really think that the values based on our faith, on our Social Doctrine of the Church, which we are trying to defend as Christians, are really the kind of things that make it possible to be a leader. **One of the issues we have is that many Christians in business think that these Christian values are still something that only**

**exist outside of the business; they are not proud to be Christians, they don't realize that being a Christian gives you the very values that are necessary to be successful in today's complex world.** One of the difficult issues we are trying to tackle at Uniapac is

to pass on the belief that the faith we have is indeed a fantastic tool that can help us to be successful leaders. It does not mean that we are here to give lessons to others and to tell them *"you have to be Christian to be a good leader"*, but as Christians you have the basic tool to be good leaders. One of our difficulties has always been: how do we convey the message to our Uniapac membership that the convictions they are trying to live by and live out within their associations can help them to be a good leader.

**Professor de Woot:** You mention the role of a leader. I would like to add the role of the entrepreneur, because the very interesting presentations by Caritas, by Kim Tan, with the Chilean case all placed emphasis on innovation. My point is that the way you look at your capacity to innovate, to take initiative, to be an entrepreneur will structure your leadership and your attitude towards society as a whole. I would like to come back to my previous opinion of this morning: I strongly believe that an association like Uniapac should go deeper into the values of entrepreneurship, toward this role of co-creation, as mentioned by Kim Tam. We have to look at science and technology in a specific way and give it a direction, an orientation, which is very important and represents a way for entrepreneurs to contribute to the advent of the Kingdom of God. This is a dimension, which, to my mind, is too little developed in Uniapac. After tremendous discussions in Rome, the Church for the first time in its principles for the Catholic leaders has accepted the role of co-creator, which is essential to my mind. And we had to wait more than 100 years to think about that. What a shame!!!

**Richard Turnbull:** I have a question further to the excellent presentation by Rolando Medeiros, it made me think of a particular problem. Our stories are very optimistic. However, sometimes, it is good to see the other side of the coin: what happens when things don't work, what happens when there is failure? The Chilean experience was a tremendous success. But I was looking at page 12 of the slides, where Rolando pointed out that sales revenue had gone up 23 times, a bit had gone up 16 times. I know I can be a bit old-fashioned as an accountant, but that told me that the cost base must have gone up 27 or 28 times. My question is not a criticism, but doesn't that make you a ripe target for a takeover. So how do we protect the values that you have built in your company?

If I were sitting in an investment bank, then you would be a ripe right target. My question is: you have built these values, how do you protect them against predators, how do you generate the capital for investment. What have you actually done? I think that you generate capital investment for your growth, but how can that continue? How do you ensure the protection of these values when you might need to raise capital or you might have people coming in and seeking to take over the company - people who may not share these values?

**Luis Bameule:** The three presentations we have seen, in my view, bring out one of the issues we have been discussing in our Think Tanks in South America, which is a concept defined by our friend Stefano Zamagni, i.e. the civic responsibility of the businessman. For many of these issues, in order to have a ground on which a Business leader can grow and

bring prosperity and on which it is possible to redistribute wealth and bring people out of poverty, what you ultimately need is a set of institutions which can help you. You need to ensure that the ethic work culture and, in particular, the political forces don't act against it, often in tandem with the economic forces there. In many cases and particularly in the case of Argentina, which is a classic example of how an institution can be turned the wrong way to actually work against the transformative power of companies, institutions prevent companies from bringing people out of poverty, which unfortunately bestows business with the worst image possible. We see a call for businessmen to start to work and participate in the political life of this society and to help build an Institution which can provide a framework that enables businesses to prosper. Any attempt at advocating populism could make all of this collapse and lead the very machinery needed for increasing prosperity to go the wrong way, even when there are good businesses operating within. Because people can decide to invest, to set up a company in a certain place, hire people, innovate, and they can also decide to leave because they don't feel comfortable in these places. The vacuum that this creates is very difficult to refill. It is a mission that we have very much taken to heart at Uniapac Argentina. We need to voice this concern and actually try to do something on the political stage, because it is the only way we can fight. I am sure that in the Venezuelan case, we will see the same problem. It is clear that something like that needs to be done, not only in individual countries but on the international level. We may have to play a stronger role within the Catholic Church, and there are views of the new Pope that are heading in this direction.

**Georges Mallinckrodt:** The issue that bothers me quite often is the attitude of pension fund managers, which is a point we never discuss. With a view to making improvements, where can we draw insight, where can we learn? I do think that somehow we have to act where we have a chance. I don't want to be provocative, but if you look at big organizations such as the Federation of German Industries or the CBI, these bodies are very often quite distant from what is happening in our daily life, because a pension fund manager is only interested in the returns he will have tomorrow, which is terrible! From that angle, as businessman, we all look at the long term. The long term is 10 years. We need to think about the short term and not all the time about the long term. That is the debate. In many ways, if you take the federation of many organizations (Chamber of Commerce), we need to get the message across. To be certain that we all participate in the kind of discussion that we are engaging in here today, we need to think about how we basically can bring these big organizations around the table so that they can actively participate in this kind of discussion. The question is where we can have an influence in order to ensure that we all begin to think more collectively as a group.

**José Ignacio Mariscal:** When working with the poor, the challenges are not focused on activities and programs but on instilling principles and values, and this is a very long-term issue that we really have to pursue. The same applies for businesses, it is essential for the leadership in a company to transmit values and principles, in order to remain strong over the long term. All the activities have to be transversal. Without values, we don't do the right things. It is very easy to fall into the trap of just creating programs, undertaking activities but not instilling values.

### Panel III: “RESPONSIBLE LEADERSHIP: BUSINESSMEN’S INFLUENCE IN THE SOCIETY”

**Pierre Lecocq:** Now we will go directly to Panel III, with José Maria talking about responsible leadership.

#### 3.1 Introduction by José Maria Simone, President of Uniapac International

As Christians, nourished and constantly enriched by Christian social thought, we believe that the economy, built on relationships with others, should be based on moral and ethical principles that culminate with the respect of the human person. The economy, in addition to its focus on production, trade and wealth, is directly associated with making decisions based on human behavior. Therefore, ethics is necessary in order to deal with the aims and means of man to achieve this goal. Economic activity, understood as a set of actions that are intended to satisfy human needs with the use of limited resources, comprises an action performed by individuals who must direct their efforts to serve man. Summing up, the **man is the source, the focus and the goal of socio-economic life.**

**Ethics is a compass that indicates the "right" direction.** The force that guides the compass requires a “power source”. As Christians, we believe that this “power source” is our faith in a God who created, in his own image, a man who is responsible and free.

As leaders, based on our experience, we believe that **an economy and a company which is inspired and motivated to serve man as an end in itself, from a social as well as from an economic perspective, is more efficient at generating added value than an economy or business that is only driven by the financial interests of a few who consider man as a tool to serve their individual interests.**

As managers, we also recognize the essential role of leadership in conducting business. Whatever the laws and regulations (which are unquestionably crucial for securing references, guidance and protection for the weakest in society), **ethical behavior can only exist within a company in which there is persistent and effective leadership.** Business leaders are those who can guide companies toward specific ethical values and principles, and above all, his encouragement can help organizations to maintain ethical behavior over time.

The founding principle of Christian Social Thought, the preeminence of personal dignity that has been created free by God, implies special attention towards the weak, and leads us to believe that the best economic system is a socially responsible economy based on the freedom of the ‘actors’ or the different players and their responsibility to link them to the different human groups inside or outside of the company through the different stakeholders. This freedom recognizes limits. National and international regulations are some of those limits. These can be measured with the use of several different indicators relevant to each zone.

There are different reasons why we are not always able to apply our ideals in the pursuit of the common good (lack of regulations, corruption, greed, mismanagement of resources), one of which is our own ambiguity. The separation of faith and daily actions has led to an imbalance where devotion has been disrupted. There is more interest in the economic success of development than in the development of the person and the common good. The founding principle of Christian Social Thought leads us towards a way, an attitude, of "servant leadership" that provides leaders with a perspective that balances the demands of the business world with those of the social ethical principles mentioned in the Gospel.

Pope Francis stressed the value of austerity of the walking man. What does this mean for businessmen and entrepreneurship? And how can we live out this austerity within our roles as entrepreneurs and wealth generators?

Austerity is a value that must be lived out as a virtue. What does this mean for the life of the company and the people? In corporate life, austerity is a form of management based on the way we conduct business. It means generating results and using them in a balanced way in the company for the development of people, and in such a way as to be sustainable for both the company and the employees. Being prudent and serving man in companies is part of our way of managing business. Being an austere entrepreneur meaning leading a project that allows the development, i.e. the integral development, of employees and the business as a whole.

### 3.2 Responsible leadership: Businessmen's influence in the society, presented by François-Daniel Migeon

It is indeed an honor for me to share with you my thoughts on how we can grow as leaders. I very much like the discussion we have had on the criticality of leadership in what we want to see happening in our society and in our organization models. I have deeply felt this myself through my personal professional experience, as a leader of the French administrative reform. Basically, I asked myself how we can conciliate the needs of leaders and the personal development of employees, and how we can help the Kingdom to grow. How can we put all these pieces together? How can we accomplish all three? What I want to share with you are a few specific examples of triggers that can help a person to actually discover the sources of his own leadership. What I mean by leadership is to actually make sure that we implement appropriate initiatives for the good of the society and bring people together around them. So it is a very generic approach to leadership. Is being a good leader just a matter of luck or can it actually be developed?

**Helping leaders develop their own source of leadership through three learning experiences: the anamnesis of their authentic moments, the anamnesis of a return-to-the source moment and the analysis of leadership failures.**

At the beginning, it is important to consider **what it means to be a leader**. In essence, the leader is a person followed in his or her undertakings. It is when the first follower

appears that someone turns into being a leader. The challenge to quickly develop leadership is then to help everyone find their own way "to make people want to follow". Many definitions have been given, often suggesting that the leader must either excel in certain behaviors "communicate, embody a vision, drive performance ..." or radiate some sort of "charisma" we cannot really define. With such approaches, we are facing an alternative: either to give into an anxious quest of the adequate leadership behaviors in an uncertain and volatile environment or the picking of "born leaders". Our claim is that leadership comes from beyond behavior, that it can be learned. I do not proclaim that I am a leader, but I can be a leader when somebody actually decides to follow me. If each of us takes a few seconds to think about the people we lead and who want to follow us, then there are three important aspects to consider:

- i) Providing sense: it must make sense to those who follow us,
- ii) Fostering self-development: there must be something for their self-development in it,
- iii) Building trust: they must trust the person they are to follow

Providing sense, fostering personal development and building trust are the three ingredients that actually trigger the desire in others to follow. When we want to help a leader to grow, it basically means helping him to provide meaning, foster the personal development of his employees and to build trust. Based on the experience we have gained with more than 400 executives, we basically apply the following rule: **you cannot give anything that you have not already received and that you have not appropriated**. If you want to ensure that what you do makes sense and to provide sense for others, then you need to have received this 'sense' at some point, so as to be able to share it. **The source of one's leadership is then the existential point where one receives what he needs to give in the leader-follower relationship.**

**Personal development:** I need to have fostered my own personal development to be able to do the same for others; and likewise the same applies to trust: I need to have experienced trust in order to be able to understand my responsibility to build it in others. Helping a leader to grow is to make sure that these three steps of receiving, appropriation and giving become systematic. To do this, we need to work on sense, personal development and trust.

With regard to providing **sense or meaning**, we created the notion of *authentic moments of leadership*. These are the experiences that we have been able to live and that have been given to us. I have sometimes had the experience in my life that I have been the right person at the right time doing the right thing, and it was very profound inside. If we help others to recall this moment, and help them to realize the service that they have actually delivered at that very point in time, it can help them to find a sense, a meaning and to discover their "professional calling". What we call "professional calling" is the service a person feels she has to deliver to the community. Such an experience, the leader is then



able to reach - at any time - this "existential place" and turn any moment into an *authentic moment of leadership*, and he can then offer meaning to somebody else.

With regard to the notion of personal development, we ask leaders to focus on what we call the *return-to-the-source moment*, whereby we help the leader to recall the moment when an influential person in his life had actually had the most positive influence on him. Then, we allow him to experience that the source of his influence on others is not his behavior but what we call his "way of being". After such an experience, he will learn to reach - in any relationship - the "existential place" of such a state of service.

The third element is **trust**: we work with the executive on an experience he has had where he did not give any meaning, or where he did not ensure the personal development of those following him. We help him to realize that it is actually a matter of choice not to have done so. Failing to be the leader, when he could have been, was a choice; he preferred not to be one, which is what we call an attractor, a self-image that he wants to protect, instead of being faithful to his professional calling or seeking to serve those following him. Having these three experiences and actually going through these experiences with the executives actually helps the person to have a much better understanding of his life, and of these three aspects. And it enables him to decide freely to provide sense, foster personal development and build trust. And it works! These executives have actually managed to change their position towards society, towards their job, towards their organization, towards their employees. This kind of authentic leadership is the sort of servant leadership that you were mentioning, José Maria, in your introduction. Because the professional calling is for everybody, it seeks to foster the development of others, and the human person is really placed at the center. The leader is here for others. And the person comes to realize that these kind of moments involving meaning, personal development and trust he has experienced thus far have actually been the most gratifying of all the moments he has experienced. Following the knowledge the executives gain on leadership, comes their desire to actually live out that leadership and take initiative.

What are the consequences for our society and organizations? Typically, it means giving more meaning and energy to what leaders undertake. It also entails a lot of teamwork and agility because this type of leadership offers a lot of possibilities, because it places you in situations where you always feel very little in comparison to what you need to achieve. It makes you more humble and appreciative. And since it is based on personal and interpersonal relationships, there is no way we can forget the well-being of the person who is standing right in front of us, and we actually prefer it to any other objective. So in order to put the person at the center, to seek the development of the person, the whole person, and never forget this regardless of what we want to achieve ultimately, it is built on the posture of authentic leadership. If I may just conclude by adding that there is a link to the fact that we are Christians, and that we are trying to live this intimacy with the Trinity. Basically having the experience, realizing that we indeed have a professional calling is not a surprise to a Christian, because a **Christian knows that he has been created by his Father and that he has been called upon to develop his talents; so we have been sent by our Father into our society to bring something, to make his our little**

**contribution and bring this work of charity to the world.** Discovering this professional calling actually means discovering what the Lord has told us: "why wouldn't you bring this to my world?"

Be able to developing these return-to-the-source moment and the experience that we can give something, produce joy and foster personal development by serving those that follow us is not a surprise to a Christian either, it was the last testimony of Christ on Holy Thursday when he washed the feet of his apostles: the Lord told us "*you will find joy in doing this*". Having this experience of personal development helps us to remember that Christ also invited us to do so. Ultimately, the Holy Spirit is the last of the pieces we need to be able to be true to our professional calling and to ensure the development of those that follow us, rather than choosing our attractors, our self-image. It is actually the work of the Holy Spirit within ourselves which brings about the completion of our own sanctity.

So basically in this way of approaching leadership, we do have a very specific human-oriented tool offering a very tangible way of managing that we can use to actually make a difference in the world. We lead people and achieve very real things and help to enlighten them. We propose a very intimate way for a Christian to actually live by the Trinity.

**Why is all this even more critical for us as Christian leaders? Because the "source" of authentic leadership is the trace of the Holy Trinity in ourselves**

*God the Father created us for a particular purpose and He sends us to His vineyard with a specific mission to accomplish. We are not surprised to experience that there is a service for which we feel profoundly adequate, our professional calling. It is the specific shape of charity through us.*

*God the Son showed us the example of what we should do, namely "to wash each other's feet ". We are not surprised to experience that it is not our behavior that makes the difference, but our "way of being", the profound intent we put in the relationship and that we lead when we serve.*

*God the Holy Spirit completes any sanctification, any improvement, He wants to build in us the image of Christ, He helps us leave our human shackles to deploy our professional calling to everyone, in any circumstances, at any point in time.*

We see here that authentic leadership is an effective and adequate attitude for anyone. For a Christian, *authentic leadership is a powerful way to let God work through the leader in the world.* It could almost be seen as a duty, at least a calling enabled by the grace of our christening since it means living a *generous obedience to our Father, a delicate imitation of the Son and a diligent cooperation with the Holy Spirit.* And in this way, while being able to meet the requirements of this complex and volatile world, we also bring a very 'actionable' answer to the ambition of Paul VI in which all of our deeds are aimed at "the integral development of the human person and the development of all mankind".

In his ***Invitation to authentic leadership*** (Eyrolles, September 2013), **François-Daniel Migeon** describes a structured journey to help each leader - from his own experience - to go straight to the point, the "place" of his or her authentic leadership.

### 3.3 Open discussion moderated by Stefano Zamagni

Thank you very much for your very interesting presentation. I think that your presentation provides a lot of insight for our discussion. Let me start with a comment made by Thomas Elliot who had a very nice metaphor when he likened culture to a tree. He said **you cannot build a tree, you can only seed it, put water, fertilizer and allow the process of growth to happen**. This metaphor can be applied to leadership. We cannot create leaders in a laboratory. But what we can do is facilitate their development. Regarding the three major characteristics of a leader that you mention, I would like to focus your attention on the following three pre-requisites. In other words, if someone asked me how I would define a leader. (What he **is** not what he does), I think that there are three characteristics:

The first one is the **loving of risk**: a leader loves risk; risk is not the same thing as uncertainty. Uncertainty is bad. A risk-lover is somebody who takes the initiative to start a process even though they do not know the end results, like an explorer. An explorer does not know where he will end up on his journey.

The second characteristic is **creativity**: an entrepreneur is a creator, an innovator, as Philippe was saying, he is someone who does not like to copy. In this regard, the best definition I have found for a leader is by Gilbert Chesterton who said: *"What is the difference between a constructor and a creator? - A constructor is someone who loves what he is doing only after he has done it. A creator, on the other hand loves before he has done"*. For instance, he says that a mother is a creator because a mother starts loving the baby even before the baby is born.

The third human characteristic is the **art of combining**: a leader is somebody who is able to combine, not combine inputs to get outputs, which is the method of a manager, but to 'combine' human beings. In this regard, I think it is important to consider that all human beings are different. We have anti-social, asocial and pro-social people. Why is combination an art? - it supposes that you are an entrepreneur; if you put an anti-social together with a pro-social person in the same office or in the same factory, you will have a disaster, you can be sure that you will go bankrupt. You have not made the right combination. From this point of view, a leader is like a *'chef d'orchestre'*, a conductor of music. Most of the entrepreneurs I have met in my life fail because they don't know how to 'combine' people; because they never try to understand the internal character of their employees. They look at the CV, which is ridiculous because all CVs look the same anyway. What you have to ascertain is whether someone is anti-social, or envious: if you have an envious person, it is a disaster because envious people destroy the job done by others, and they enjoy doing so. It is a capital sin as we all know, one of the seven capital sins. A good leader is someone who can detect who is who, and who tries to find the proper combination.

To conclude, what Luis Bameule said before is important. The notion of corporate social responsibility is important, but it is not the ultimate target. The ultimate target is

corporate civil responsibility. By corporate civil responsibility, I mean that entrepreneurs should be involved not only in making good businesses, which is obvious and necessary, but they should also consider working to change institutions of capital, because most of our economic institutions are detrimental to freedom and development. The banking systems, the labor market, and the civil commercial law are economic institutions. Indeed, it is not enough that an individual leader behaves properly. Because even if I behave properly, I still cannot succeed if the institutional set-up is designed in the wrong way. We should ask our leaders to take this extra responsibility to cooperate with all these institutions in our society in order to bring about a major institutional change, because there really are too many of them. We have to move from extractive to inclusive economic institutions. Luis Bameule was right when he said that we should push to promote Christian Social Teaching. Two years ago, we started with the J&P document, which is very important because even in the social Encyclical, entrepreneurs were never mentioned, never; only Trade Unions and workers were mentioned but not entrepreneurs. It is only in the Caritas Veritate that entrepreneurs and enterprises are mentioned for the first time (they are mentioned 47 times.) We have to insist on this point, this path has to be taken within Uniapac.

**Philippe de Woot:** The conclusion I draw from your definition of an entrepreneur is that it is not about doing but about being; it is a very important point. Kim Tan was saying that the first thing we have to change is ourselves. The second point is that, in his description, Kim Tan speaks about ethics, caring for people, feeling responsible for their development, not abandoning them: indeed, this is ethics. In Rome, Kenneth Goodpastor defined the role of a leader as the architect of collective ethics. That is very important because in our business schools, ethics is seen as a 'bad product'. It is an option. If you agree with the fact that the leader is the architect of the collective ethics, how do we define ethics? The best definition I have found was given by a Jesuit: **ethics starts at the first cry of human suffering.**

Our company, our system and our strategies sometimes lead to suffering for our employees. But very often, due to their "creative destruction", they create suffering for others living outside the company in under-developed countries, as they destroy a lot of things around them, as Kim Tan told us about. Now, my question is: what is the ethical role of the business leader *vis-à-vis* the outside world?

**Francois Daniel Migeon:** On that topic, obviously you have to consider personal responsibility in relation to the company. From my experience, it is very important to have authentic leaders at pivotal points within companies, so that the company does not end up doing this. My vision is one where a business structure does not have leadership *per se*; you only have people at pivotal points within the structures. If we have authentic leaders at pivotal points, for instance, who say "*I am here to look after the people who follow me*", "*I try to be consistent with that approach*", then the person in charge of the structure is actually going to pay attention to what you are saying. This is my experience: I have been launching a program since last year, and what are we seeing? I am working with an executive, a "number 1"; the number 1 discovers that he has got leadership. After

that, he tells me: *"I need to share that with my team, because I want to promote this kind of leadership within my structure, and make sure that we work according to this kind of authentic leadership."* This sharing can give hope that shows that at least the organization is not blind to the suffering.

**Pierre Martinot-Lagarde:** I would like to connect this session with the previous one, as there are important connections that can be made in my opinion. I have just got back from Addis Ababa after being there for four years listening to religious people. I was surprised when I looked at the map of Africa. *Ethiopia is not the poorest country.* In terms of poverty, it is situated somewhere in the middle. This country is changing a lot, as it finds itself in the middle of a very deep conflict of civilization. There are a lot of capitalists coming from China; so Addis Ababa is totally changing. You don't see any Chinese in the cities, and yet everybody says that all the construction work and subways are being made by the Chinese. At the same time, the country is much attracted to the Gulf. There was a big issue in the news last week when Saudi Arabia sent back 200,000 migrants. There is a big issue of human trafficking within the Ethiopian society: a number of people send their daughters to Saudi Arabia, paying a fee to send them, and then they receive the salary from people in Saudi Arabia. This model of business is also emblematic of the way the country looks at life and society. We can shift the boundaries a little within our societies. To what extent do Christian or social democrats really think about values when they are conducting business? What kind of society do we want to live in? Also the Church, the religious leaders, the Muslims, the Orthodox, the Buddhists, the Protestants and Catholics told me that their people are just totally lost – lost in terms of their values, in this context of changes. There is the attraction of Saudi Arabia, the attraction of a consumerism model with an access to goods. And we cannot even speak about creating jobs, or trying to eradicate poverty. They told us *"you cannot do that without looking at the values you want to convey, and how you are you going to invest in the communities?"* To connect that to the leadership issue, with regard to these types of changes, we really need to invest in the communities. If we think of giving direction to people, you can nurture leadership, but basic investment in the community is very much needed, just to give values and provide orientation. This is very critical outside the Christian world. It is something that is helping to shift the boundaries of Christianity. The business system is part of that. The way we do business is a part of it. The countries we represent around the table are exactly, from the ILO's perspective, the type of countries which support the model that we inherited from the industrial revolution. The change in culture and values is more an issue in Asia and in Africa at the moment: that is where we have a responsibility. It is connecting the two things – values and investment.

**Etienne Wibaux:** That was also my first reaction regarding our implementation of microcredit: it is very important to take time to improve the lives of people, and to instill values. We need time to make people understand what we are doing and why. It takes us time, sometimes six months, to explain to them that it will provide people with pure water, and that it is necessary to have good trees. It takes us time to teach mothers why they have to allow time between their births, because they currently lose 20% of their babies. We explain to them that if they have dirty water in front of their houses, they will

get malaria, they won't be safe. All our work helps to foster values and human dignity. Leadership, in this sense, is also about transmitting some values, giving time to people to make progress, and it is not an easy task. This experience will be a positive one, if we can achieve a situation where the women show initiative and accept to work, so as to be strong to stand up to their communities that do not agree to women taking a job. We need to take the time to implement values, to let the people grow and learn gradually.

**Pierre Lecocq:** I have some comments on Philippe's comments with regard to the definition of ethics. There is another definition which I like very much, from a friend from *Les EDC*, a protestant man: **Ethics is like a compass, it shows us the direction enabling us to orientate our actions:** it guides our actions in a certain direction. An engineer would say, for a compass you need a force, in this case a magnetic one. Otherwise, you can have no compass. Behind this force, you need a source of energy. The same applies to ethics. We have to remember what the source of energy is behind the direction that the compass is showing us. We have to be careful to never lose track of what the roots of our ethical values are. And in the case of the Christian faith, we know what the roots are. Why do we follow a particular direction? What is the source of the force which gives a sense of direction to our actions and keeps feeding the force? Jean Daniel Migeon mentioned that the point of receiving is to be able to give to others - that is the basic definition that Pope Benedict XVI gave about Charity. **Grace is received so as to be given.** If we forget this, then we surely will lose our sense of direction, becoming instruments instead of appreciating that we have received so much that and we have to give to others.

**Father Edouard Herr:** Ethics is important for everyone. For Christians, as Cardinal Daneels said, ethics is central! But like a flower, it needs to be nourished from underneath. If you cut flowers, they die. Spirituality is the living nourishment for our ethics. Let us try to keep hold of our ethics, the Doctrine of Church, but also let us never forget that our spirituality is the root of everything. I was very happy to hear so many of us articulating this today, speaking of the Trinity, of Jesus Christ, the Creator. Regarding what Philippe said about the relation between persons and a structure, I don't think that we can separate the two. I feel that a structure is like an extension of our body. If I try to express myself, to love others, I have also created structures because structures are an expression of our relationships; our friend Paul Ricoeur emphasized the importance of our relationships. More and more, we should remember that, as Pope Pi XI said, the largest place for charity lies in politics. I think that we are truly persons when we are engaged in relationships. As Christians, we are building the body of Christ; so that it is for eternity.

**José Maria Simone:** Flowers can die in two ways: One way is to cut them, the other one is to stop watering them. You have to water them constantly. So in ethics, you have to constantly feed your reflection, because if you don't the ethics die. This is why we are trying to build the spiritual path to support ethics. This is something extremely important for businessmen and women.

**François Daniel Migeon:** Maybe I can give a quick testimony on the position of our values: my experience over the last years throughout the development of authentic leadership has been that whenever I put the theme of values on the table, it was seen as an added complication. When I express what we believe in, it is difficult: and why is this? Because the people I deal with have their own words, their own language, their own cultural context – the conversations have always been complicated. But what I have seen is that when we talk about their own authentic moments they have experienced, their personal development then we can articulate them. And we can get past these barriers, regardless of whether they are Hindu, Catholic, or Muslim... It relates back to the discussion we had this morning. What is universal? What is culture? For me, **human experience is universal**. Cultures grow around language structures. Yes, we do need spiritual nurturing to be fulfilled, to blossom and have a charitable experience, and sometimes this experience can be passed on to others much more quickly than the time it may take us to convince somebody on values.

**Richard Turnbull:** I feel a little nervous about drawing universal values from experience because that is a very subjective matter. Regarding the faith tradition that unites us, whether it is western and eastern or catholic and protestant, one of the things which unites us in terms of ethical values is at least some understanding that it is done from an objective source. I am not suggesting that one's own experience has no place, but your experience that sharing values was difficult is very interesting. I think that it is due to the fact that people are very reluctant to recognize that there is an external objective source to our values. From our faith traditions, we would want to hold to that at least in dialogue, to center it on the experience, otherwise you replace objectively by subjectivity.

**Philippe de Woot:** Regarding the issue of experience, living in an academic milieu, I know what scientists think about feelings of the heart. When you want to teach ethics to your children, the finance or accounting technicians just laugh, saying that nothing has been proved. Yet, one of my colleagues in the *Académie des Sciences Morales et Politiques*, Bernard Despagnat, a physician and philosopher wrote in his book that there are two modes of knowing: the scientific mode and the experimental or existential mode. At the age I am now, I know that the scientific mode does not reveal anything important about human nature, anything about love, anything about the heart, anything about good and evil, anything about destiny. From a human point of view, it does not say anything interesting. So we come back to experience; life is interesting for everyone, and I like your conclusion that human experience is universal: people suffer, people love, people fear. We must talk about that!

**Stefano Zamagni:** I think you are quite right. Perhaps there is a way to bring all that together. In fact I remember a famous essay written from a French political philosopher, Jean Bodin in the 17<sup>th</sup> century. He wrote "the dialogue of the seven", where he places 7 people including a Catholic, a Calvinist, a Jew, and a Muslim and an atheist together: they were quarrelling about fundamental principles. At a certain point, they started talking about their experience on what they were doing in terms of charity, upon which they were in total agreement.

**Kim Tan:** Within our businesses, we have stopped talking about ethics, preferring to talk about character. I remember that the code of ethics was 64 pages. In the business world, everyone signs up to it, nobody would disagree with it. But a good character keeps us walking in the right direction. Regarding what Father Herr said about our own spiritual life, without roots, without deep roots, we will never form a good character. With the form of leadership we have talked about, we seek to achieve human fulfilment, personal development, human capital, to create the right character: how do we help these people to build a strong character because, like everyone, these people are going to be tempted, challenged, unless they have the right character: **ethical standards are not enough, we need them to build character.**

**Michel Camdessus:** Kim Tan's presentation was extremely inspiring and I think we have to be careful before putting aside the concept of ethics because if you do, you decide alone, and this can lead to crisis and universal collapse.

**Stefano Zamagni:** We have to set an objective, because we have different types of ethics: we have utilitarian ethics; we have contractual ethics, deontological ethics, ethics of virtues or Christian values. The term ethics is too vague a concept because we can even be utilitarian in our ethics. You referred to Aron, but Aron wrote the ethical codes according to utilitarian lines. From their point of view, it was fine: if you want to disagree, you have to say: I follow a different ethical approach such as the Christian one. Michel Camdessus is correct: if we forget the ethical roots, it will lead to collapse.

### 3.4 Synthesis of the Honors Committee and Uniapac Foundation Board Think Tank Meeting presented by Pierre Lecocq, Chairman of Uniapac Foundation.

I will not try to summarize everything, but what I would like to do is to take three points which have particularly struck me. I completely accept that you may agree with some of them or not. This morning, we have learnt about the importance of culture, societal culture and corporate culture; I really appreciate the rich definition of corporate culture as being a bridge between the principles of action and the common values shared in our society. The diversity of cultures, the world complexity is not an obstacle, but on the contrary it can be a real plus, if integrated as a source of human wealth. The second point is that we also see thanks to Kim Tan's presentation that business can indeed be a wonderful way of getting people to stand up and act. As a businessman, that is something which goes straight to my heart. Business can only help people to stand up if, through this business process, those people are recognized, are trusted as human beings, through this process of profit-based activity. Indeed profit-based activity can help people to feel trusted and recognized. It is a 'give and take' situation. Business is about creation, about being a co-creator; the promethean role of entrepreneurship should not be understated. That is what we see everywhere when conditions are right for entrepreneurship to prosper. The key point of this whole afternoon has been the importance of leadership "**being** but not doing". There are two key questions:



The first is: **how can we find values-based leaders?**

And the second is: **how do we get values-based leader to stand up and act?** This is also an issue. **What is a values-based leader?** – It is a leader that is fully conscious that he has received so much that he also has to give. Again, as I said, it is for me the most beautiful definition of charity: Grace received and grace given.

We see our servant role. As servant leaders, we will be true values-based leaders. In conclusion, our theme was centered on the challenge of facing the high level of complexity and uncertainty in the present world. I would like to conclude by taking Kim Tan's explanation about the fact that, in Chinese, the words threat and opportunity are the same word. We can see today that this complexity can indeed be a great opportunity for us to grow as human beings. I would like to thank you all for your presence here. Thank you again Michel for accommodating us, and I wish you all a safe return. I would like to wish you all a very merry Christmas and a happy new Year and look forward to seeing you again next year.

## UNIAPAC Think Tank Meeting 2013 Participants List

### LUIS BAMEULE

Luis Bameule is President of QUICKFOOD S.A. He holds a Degree in Business Administration UCA in Argentina. He is a former President and current partner of Asociación Cristiana de Dirigentes de Empresas. He was also Vice-President of Coordinadora de Industrias de Productos Alimenticios and member of the Comisión Directiva de la Asociación Empresaria Argentina (AEA). Mr Bameule is member of the board of Editorial Kriterion S.A. Luis Alejandro Bameule, son of Mr Luis Bameule participates in the meeting on behalf of his father. L.A Bameule is Managing Director in Family Office and in the past has worked as Franchise and International Development Manager en Fredo S.A., the European Representative en Quickfood S.A and Manager en Accenture, London, UK.

### MICHEL CAMDESSUS

Mr. Camdessus was educated at the University of Paris and earned postgraduate degrees in economics at the Institute of Political Studies of Paris and the National School of Administration. Following his appointment as Administrateur Civil in the French Civil Service, He joined the Treasury in the Ministry of Finance and Economic Policies in 1960. After serving as Financial Attaché to the French delegation at the European Economic Community in Brussels from 1966 to 1968, he returned to the Treasury and went on to become Assistant Director in 1971, Deputy Director in 1974, and Director in February 1982. During the period 1978-84, Mr. Camdessus also served as Chairman of the Paris Club, and was Chairman of the Monetary Committee of the European Economic Community from December 1982 to December 1984. In 1984, Mr. Camdessus was appointed Governor of the Bank of France. He served in this post until his appointment as Managing Director of the IMF. Mr. Camdessus was named Governor of the IMF in 1984. Michel Camdessus assumed office as Managing Director and Chairman of the Executive Board of the International Monetary Fund (IMF) in 1987. In 1996 the Executive Board of the IMF unanimously selected Mr. Camdessus to serve a third five-year term as Managing Director, beginning in 1997. Mr. Camdessus retired from the IMF on February 14, 2000.

### SERGIO CAVALIERI

President of ADCE Brazil and Uniapac Latin America, Sergio Cavalieri, Civil Engineer, postgraduate in Finance, Advanced Management Program at INSEAD France. Sergio is one of the members of the third generation of the family who founded the ASAMAR Group in 1932. The Group holds stakes in companies in fuel distribution, real estate and construction, steel structures fabricator and components for the steel construction, Data Center, renewable energy from wood and a new project in wind power generation. He is Chairman of the Board the Group, and member of the board of several companies of ASAMAR Group. Past President of ADCE - Association of Christian Businessmen of Montes Claros and Belo Horizonte, both in state of Minas Gerais. He is Vice-President of Industry Association of Minas Gerais, member of the Council for Social Responsibility of National Association of Industry, University Council of the Catholic University of Minas Gerais, International Advisory Council of Dom Cabral Foundation.

### FRANK- DIETER FISCHBACH

Frank-Dieter Fischbach is a Protestant Theologian from Germany. Since March 2011 he has been seconded to the Community of Protestant Churches in Europe (CPCE) and to the Church and Society Commission (CSC) of the Conference of European Churches (CEC) which is a platform of about 120 Protestant, Orthodox, Anglican and a few other churches in Europe (however, without the Roman-Catholic Church) based in Brussels and Strasbourg. Frank-Dieter Fischbach presently serves as moderator of the "CPCE Expert Group on Ethics". At the same time he serves the Church and Society Commission in being responsible for the work area on social, employment and economic issues.

### BRIAN GRIFFITHS

Lord Griffiths joined Goldman Sachs as an international advisor in 1991. He is Chairman of the Europe, Middle East and Africa Audit, Business Practice and Compliance Committee of the board of Goldman Sachs International. Lord Griffiths started his professional career in academia; he taught at the London School and he was Dean of the City University Business. Lord Griffiths was a director

of the Bank of England from and also served at No. 10 Downing Street as head of the Prime Minister's Policy Unit. As special advisor to Margaret Thatcher, he was responsible for domestic policymaking and was a chief architect of the government's privatization and deregulation programs. He has been a member of various Select Committees in the House of Lords including the Select Committee on Economic Affairs and he serves on several company boards. Lord Griffiths is a trustee of the Archbishop of Canterbury's Lambeth Fund and chairman of Christian Responsibility in Public Affairs. He has written and lectured extensively on economic issues and the relationship of the Christian faith to politics and business, and has published various books on monetary policy and Christian ethics; Lord Griffiths was educated at Dynevor Grammar School and the London School of Economics.

#### **EDOUARD HERR S.J.**

Edouard Herr, born in Luxemburg, 1943. Priest in the Society of Jesus. Master in Economic and Social Sciences and Doctor in Theology (Catholic University of Louvain) Professor em. of the Jesuit University in Namur (Belgium). Social, Economic and Business Ethics Professor and former President of the Jesuit Faculty of Theology in Brussels. Social Doctrine of the Church. Fundamental Theology. Spiritual Adviser to UNIAPAC and ADIC (Belgium) Publications, Conferences and Participation in different Associations about Church and Society.

#### **PHILIPPE D'IRIBARNE**

Philippe d'Iribarne is a French author and director of research at CNRS. He works within a research centre called LISE (*Laboratoire interdisciplinaire en Sociologie Economique* or "interdisciplinary laboratorium on economic sociology"). He graduated from École polytechnique of France and from Institut d'études politiques de Paris. Iribarne's interest is on the influence of national cultures on the way organisations function. He and his team within the LISE have so far surveyed organisations in 40-odd countries in Europe, Africa, America and Asia. He published several books including: *La logique de l'honneur*, Seuil 1989 ; *Cultures et mondialisation* 1998 ; *L'étrangeté française*, Seuil, 2006 ; *Penser la diversité du monde*, Seuil, 2008 and *L'islam devant la démocratie*, Gallimard, 2013.

#### **ROBERT LEBLANC**

Robert Leblanc is graduate from Ecole Polytechnique of Paris and titular of a PhD in organizational strategy (Paris-Dauphine University). He was a firstly management consultant at Andersen Consulting (now Accenture) from 1979 to 1987, and Vice President of SBF Bourse de Paris (now EURONEXT) from 1987 to 1990, Robert Leblanc joined Meeschaert Rousselle, stockbroker, subsidiary of AXA Group as Managing Director, He was Managing Director of UNI EUROPE, insurance company dedicated to brokers. He joined SIACI insurance broker dedicated to corporate accounts in 1998 as Managing Director and became Chief Executive Officer in 2001. Since October 2009, he has been CEO of Aon France, a subsidiary of the world's leading insurance broker and reinsurance. Robert Leblanc was also president of the French Insurance Brokers Association from 2005 to 2008. Since 2008, he has been chairing the MEDEF Ethical Committee. He has been part of Les EDC since 1998. He led a working group on collective redundancies which resulted in a publication in 2003 in the collection "Les Cahiers des EDC." From 2004 to 2010, he was in charge of the Committee dedicated to foundations of faith in the EDC. He has been president of Les EDC since 2009.

#### **PIERRE LECOCQ**

Pierre Lecocq has an extensive international experience in the automotive industry in a variety of engineering and senior management positions in the USA and in France. After starting his career in the USA, he was responsible for Alcatel industrial battery global activity and then joined Valeo as CEO of the Friction Materials and Engine Cooling Branches, both world leaders in their fields. Since 2002, he serves as President & CEO of Inergy Automotive Systems. Inergy is an automotive component manufacturer supplying all car manufacturers. With sales of 1.2 billion Euros, Inergy is the world leader in its field with 26 factories worldwide employing 4500 people. Pierre Lecocq graduated as Mechanical Engineer from ENSAM, Paris, France, and completed a Master of Economic Science from Paris University and an MBA from Harvard University. Since 1984, he is an active member of the French Christian Executive Association, "Les EDC" (Les Entrepreneurs et Dirigeants Chrétiens) which he headed as National President from 2002 to 2006. He serves since 2009 as International President of UNIAPAC (International Association of Christian Executive Associations), present in 30 countries. He is President of Uniapac Foundation created in 2010.

#### **GEORGES MALLINCKRODT**

George W von Mallinckrodt, KBE was a Director of Schroders plc from 1977 to 2008, having joined Schroders in 1954. He was Executive Chairman of Schroders plc between 1984 and 1995, and President from 1995 onwards. He has been closely associated with the World Economic Forum for 40 years and was Chairman of the Council of the World Economic Forum. George W von Mallinckrodt was President and is now Vice President of the German-British Chamber of Industry & Commerce and President of the German YMCA. George W von Mallinckrodt is a Member of The INSEAD Circle of Patrons, The Advisory Board of The Institute of Business Ethics, The British-North American Committee, The Finance Committee to the Foundation of the College of St George (Windsor Castle), and The Chancellor's Court of Benefactors, Oxford University. He is a Trustee of Christian Responsibility in Public Affairs (CRPA), the Christian Association of Business Executives (CABE), and a Patron of the Three Faiths Forum. He received an Honorary Doctorate of Civil Law, Bishop's University, Quebec 1994, and in 2011 he received an Honorary Degree of Doctor of Laws, Washington University in St Louis. He is a Member of the Dean's Council at the John F Kennedy School of Government, Harvard University. Her Majesty the Queen appointed him an honorary Knight Commander of the Most Excellent Order of the British Empire in 1997, in recognition of outstanding services rendered over many years to banking and finance in the City of London. In recognition of George W von Mallinckrodt's contribution towards the enhancement of Anglo-German relations, the German President awarded him the Officer's Cross of the Order of Merit of the Federal Republic of Germany in 1990, and the Commander's Cross of the same Order in 2001. In March 2012 he was conferred a Knight Commander of the Order of St Gregory the Great for services to the Holy See through his support of the Vatican Library. He was made a Freeman of the City of London in 2004 and awarded the Annual Sternberg Interfaith Award in 2005.

#### **JOSE IGNACIO MARISCAL**

Since 1974, Mariscal has been the CEO of Grupo Marhnos in the construction sector. At present, Mariscal is Director of Grupo Bimbo (a leader food industry) and President of its Planning and Finance Committees, Director of Capital Investment Society of Posadas de Mexico (largest hotel operator in Mexico), Director of Grupo Calidra (leader lime stone producer in Mexico), member of the Executive Committee and Chairmanship's Office of COPARMEX (the most representative business union in Mexico) and President of the Committee of Only One Economy, Everyone within the Law, of the Mexican Business Council (CCE for its abbreviation in Spanish).

Mr. Mariscal is Member of the BIAC Executive Board from 2010 to 2012 (Observer and Associate Experts Group Organisations). He was President of UNIAPAC International from 2006 to 2009, President of National Confederation of the Associations of Christian Mexican Businessmen (UNIAPAC Mexico) from 2002 to 2006, President of Mexican Institute of CST (IMDOSOC) and Vice-president of FINCOMUN, a micro credit institution.

#### **PIERRE MARTINOT-LAGARDE S.J.**

Pierre Martinot-Lagarde is a priest of the Society of Jesus. He is currently Special Advisor at the International Labour Organisation where he coordinates external relations with special partners: Faith based organisations, International NGOs, international organisations or parliamentarians and local governments as well as academias. He holds a PhD in Demography (University of Pennsylvania, Philadelphia, USA), a master in Theology and Social Philosophy. Prior to his assignment at the ILO. Between 2003-2008 he was director of Centre de Recherche et d'Action Sociales (CERAS), the Jesuit Center for Social Ethics in Paris, and Director and Chief editor of the journal *Projet*, (2000-2008). In that position, he published extensively in the journal *Projet* ([www.ceras-projet.com](http://www.ceras-projet.com)) and has more recently coordinated the project leading to the publication: *Convergences: social justice and decent work in religious traditions*.

#### **ROLANDO MEDEIROS**

Rolando Medeiros is a Chilean business leader, Vice President of UNIAPAC Latin America and former President of USEC (the Association of Christian Business Leaders of Chile). He has an extensive senior executive experience in Latin America (Argentina, Chile, Colombia and Peru), USA and China and in several business sectors (metallurgical and industrial manufacture, oil and gas, energy and power distribution, amongst others). He is the CEO of ELECMETAL S.A., an international holding company headquartered in Chile, and of ME Global Inc., a US Delaware corporation. He serves as Chairman of the Board of Fundición Talleres Ltda. and is member of the Board of several domestic and international companies. He actively participates in business associations in Chile (he is member of the Consulting Board of the Industrial Association of Chile, SOFOFA, former Vice President of ASIMET

and member of APRIMIN) and Non Profit Organizations (he is currently member of the Board of Fundación Arturo Lopez Pérez, a foundation devoted to the prevention, diagnosis and treatment of cancer). He was educated at the University of Chile and earned postgraduate degrees in quantum chemistry and physics at the University of Uppsala, Sweden, business administration at the University of Chile and philosophy at the Alberto Hurtado University of Chile.

#### **FRANÇOIS-DANIEL MIGEON**

François-Daniel Migeon, after graduating from X-Ponts, began his career 20 years ago at the World Bank, worked for the French Ministry of Equipment for 5 years, and then worked as a consultant for McKinsey & Co for 6 years. More recently he became General Director of the Administration Reform Initiative (*Révision Générale des Politiques Publiques*) between 2007 and 2012. Capitalizing on this comprehensive experience of more than 500 reforms in various contexts in both public and private sectors, he designed an original method to develop leadership. On this basis, he founded the firm Thomas More Partners which aims at helping leaders in developing their authentic leadership.

#### **GWENOLA ROBIN**

She has been working for 6 years for Uniapac assisting the President Pierre Lecocq. Since 2011, she has been sharing her time between Uniapac association and the Uniapac Foundation assisting both Pierre Lecocq and Eduardo Aninat respectively President and former Directeur Général of Uniapac Foundation. Mother of 4 children, she has a Franco-Iberian master in International trade (IAE, Bordeaux).

#### **JOSE MARIA SIMONE**

José María is President of Uniapac International. He holds an Industrial Engineer degree from UCA (Universidad Católica Argentina). He has over 30 years of experience in international financial business as well as experience in corporate management. Founder and Managing Director of Solinfi - Ingeniería en Finanzas SA, Buenos Aires. Has been founder member and Vice president of NF Developers SA company devoted to the development and management of agribusiness projects in the South of Latin America. Since 2010 Mr Simone is partner and board member of Impulsar Soluciones Agroempresariales SA - Buenos Aires - Argentina for the management of investments in agribusiness in South America. Vice-president of Citibank in Argentina, Brazil and USA, as head of the corporate business. Vice-president of Uniapac Latin-American. Board member of Uniapac Foundation. Former President of ACDE (Christian Businessmen association-Argentina). Vice-president of Fundación Valores para Crecer - Argentina. Foundation dedicated to train in values and ethics to managers and staff in corporations and schools. Board member of Banco de Alimentos de Buenos Aires (Buenos Aires Food Bank).

#### **KIM TAN**

Dato Dr. Kim Tan brings to the Centre extensive experience in micro-finance and social venture capital investment overseas. He brings insight from both Asia and Africa on the positive role of the market and development. Dr Tan is the founder Chairman of SpringHill Management Ltd (UK), a fund management company in biotech and social venture capital investments. He serves on the board of several other companies. He is an expert in biotechnology and is the inventor of sheep monoclonal antibodies and a Fellow of the Royal Society of Medicine. Kim Tan is the co-founder of Transformational Business Network, the UK charity with social transformational businesses in developing countries, including the Kuzuko Game Reserve (South Africa) and the Hagar Social Enterprise Group (Cambodia). He was a former director of Saracens Rugby Ltd (UK) and the former Chairman of Jubilee Action, the UK-based human rights organization working with street children in India, Africa, Philippines and Brazil.

#### **RICHARD TURNBULL**

Richard brings to the Centre a wide range of experience in business, the church and public life. He holds a degree in Economics and Accounting and spent over eight years as a Chartered Accountant with Ernst and Young. He also served as the youngest ever member of the Press Council. Richard also holds a first class honours degree in Theology and PhD in Theology from the University of Durham.

He was ordained into the ministry of the Church of England in 1994. He has served on the General Synod and was a member of the Archbishops' Council of the Church of England; the Chairman of the Synod's Business Committee and chaired a number of church working parties including a review of the remuneration of the clergy. Richard served in the pastoral ministry for over 10 years before being appointed Principal of Wycliffe Hall, Oxford, a Permanent Private Hall of the University of Oxford, in 2005 where he served until becoming the Director of the Centre in 2012.

#### **FRANÇOISE VINTROU**

Françoise VINTROU is currently editor in chief of *Dirigeants Chrétiens*, the magazine of "Entrepreneurs et Dirigeants Chrétiens - Les EDC", French member of UNIAPAC. She is also responsible of the communication and public affairs of this organisation. She is president of APMS (*Association de la Presse des Mouvements et Services d'Eglise*), vice-president of *Fédération Française de la Presse Catholique* (FFPC) and member of the Council of communication of CEF (French Bishops Conference). She has a thorough knowledge of being an editor in chief of several magazines. She is the author of several books: *Francis of Assisi*, *Marguerite-Marie Alacoque*, *Mother Theresa* and co-author of "50 words for Christians".

#### **NIGEL WALLACE**

Nigel Wallace is the Director of Income Development at the General Secretariat of Caritas Internationalis in Rome which he joined in December 2010. He is also responsible for the Human Resources function and fundraising capacity building with Caritas members. Prior to moving to Italy, he was a partner of Campaign Coaches, a fundraising firm near Toronto where he provided the charitable sector with fundraising counsel, campaign counsel, marketing, and management services for over 20 years. In Canada, Mr. Wallace also held executive management positions with a number of non-profit organisations.

#### **RODRIGO WHITELAW**

Rodrigo Whitelaw is the General Delegate of the UNIAPAC Foundation. Mr. Whitelaw holds a Bachelor degree in Economics and Business Administration and a PhD in Political and Social Sciences from the Catholic University of Louvain, Belgium. Specialist in Innovation-based socio-economic development, his areas of expertise are the spatial dimension of the innovation process, the analysis of Global Value Chains and cluster competitiveness at a global level. In 2009, he has published his PhD thesis entitled "Mechanisms of cooperation in industrial clusters: the cases of the tile industry in Spain and the salmon farming in Chile". He has worked in the financial, academic and public sectors in Europe and Latin America. His research interests are in corporate social responsibility, business ethics and corporate governance.

#### **ETIENNE WIBAUX**

Since 1978, Etienne WIBAUX has been CEO of SUBRENAT, a textile family company. He holds a MBA from CPA in France. Since 2004 he has been Chairman of the Supervisory Board of the Company and President of SUBRENAT SAS and WX Investissements SAS. From 2004 to 2012 he was Chairman and Member of the Supervisory Board Financial Group SIGEFI North (Siparex Group - Private Equity). From 2007 to 2011 he was President of IFTH (Institut Français Textile et Habillement) and Vice-President of UIT (Textile Industry Union). Mr. Wibaux was President UNIAPAC from 2003 to 2006. He has also developed Social and humanitarian activities such as act as Administrator of the Foundation OK World (Groupe Okaïdi), and the creation of the Family Foundation Cassiopée. He is Member of the Board of ICAM at Lille (Mechanical Engineers). In May 2003, he received the Medal of the Légion d'Honneur awarded by the Ministry of Economy and Finance.

#### **PHILIPPE DE WOOT**

Philippe de Woot is Emeritus Professor at Louvain Catholic University in Belgium. He has led multidisciplinary research in the fields of Business Policy, Strategic Management and Business Ethics and is committed to the research and promotion of CSR. The author of many books and articles on these subjects, he is a former Dean of Louvain School of Management. He is a member of the Royal Academy of Belgium, the International Academy of Management and the European Academy for Arts and Sciences and correspondent of the Institut de France.

#### **STEFANO ZAMAGNI**

Professor Stefano Zamagni graduated in Economics from Catholic University of Milan. Professor of economics at University of Bologna and Adjunct professor of International Political Economy at Johns Hopkins University, and, he has spent a research period in Oxford. He has been Director of the Department of Economics at the University of Bologna from 1985 to 1993 and Dean of the Faculty of Economics from 1993 to 1996. Member of the Board of LUMSA University, Rome. Since 1991 he is a member of the Pontifical Council Justice and Peace. He is a Fellow of the Academy of Sciences of Milan, the Academy of Sciences of Bologna and the Academy of Sciences of Modena. He was appointed (2007) President of the Italian Commission for Non Profit sector, Milan. Member of the Advisory Board of EURICSE, Trento, and of UNIAPAC Foundation, Paris. He is a member of the scientific committee of various economic journals and reviews. Professor Zamagni is the author of several books, including *Microeconomic Theory and Civil Economy and Paradoxes of Growth*, both published in 1997. *The Economics of Common Good*, 2008, *Avarice*, 2009 and *Family and work* in 2012.





UNIAPAC Foundation - Honors Committee and Foundation Board Think Tank Meeting - Paris - December 13, 2013

UNIAPAC FOUNDATION HONORS COMMITTEE and BOARD THINK TANK MEETING 2013



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