



**Business and Public Policy Round Table  
June 22, 2011  
University Club of St. Paul**

**“How Minnesota Can Encourage Leadership across Sectors – in Politics, Business,  
Education and Civil Society”**

Introductory presenters: Marilyn Carlson Nelson, Chairman, Carlson; Mark Ritchie, Minnesota Secretary of State; Laura Bloomberg, Executive Director, Center for Integrative Leadership, University of Minnesota

Chair: Mike Harris

Facilitator and rapporteur: Steve Young, Global Executive Director, Caux Round Table

Participants: Stuart Albert; Bea Bakke; Barb Bergseth; Matt Bostrom; Deb Cundy; Sue Engelmann; Jim Eppel; Luella Goldberg; Ellen Goldberg Luger; John Grunewald; David Hane; Mike Harley; John Hasselberg; Denise Hauge; Tricia Haynes; Doug Hepper; Warren Hoffman; Dahir Jibreel; Holly Johnson; Carrie Johnson; Jeanette Lehr; Bob MacGregor; Jeanne Markell; Elizabeth McGeeveran; Kim Nelson; Sam Owen; Priscilla Pope; Dick Primuth; Jerry Reedy; Bob Sixta; Cathy Smith; Wanda Sommers Wall; Xang Vang; Ann Waltner; Mike Wold

We should think of leadership always in context.

First, is the context of our histories – our cultures. We should think of leadership as creative and building, but also as coming at a cost in confronting risks. The poet Carl Sandberg spoke of what it cost to build this nation, that to do so took men throwing in all they had. So, the present time reflects a heritage. What has been inherited can dissolve away. Why civilizations perish is because they forget where they came from and the struggles undertaken to achieve what they now have.

Today, many cultures with their differences assert diversity as a striking fact. Differences tend to be much more striking than similarities. The challenge is to find common ground among different cultures, despite the value in diversity, and build a new culture of leadership – a set of shared attitudes, goals and practices that characterizes an institution/organization/community/etc.

The task of leaders is to build culture – shared attitudes, values and goals. Culture predicts our response to change. It is formative of our behaviors and leaders must drive the culture. Culture is what you do without premeditated calculation. It permits others to know you in a deep way as to what you will most likely do. A constructive culture is a basis for trust and comfortable reliance on others.

Marilyn Carlson Nelson reflected on her challenges in building the right culture at the Carlson Companies – promoting a credo that was meaningful around the world. Discussion and dialogue were necessary to instill the credo in employees. The Carlson culture is to dream and to serve. When inconsistencies arise, it becomes a “Carlson Moment” to stop, ask and examine: is this what we really want to do? After 9/11, Carlson made certain that their employees were taken care of, in addition to their customers, competitors’ customers and surrounding communities. In case they lost communication, employees were instructed to follow the Carlson credo, the company template for decision-making/what they valued, which was a benefit of discussions on what leadership/integrity meant. When a culture is strong, senior management can provide templates and frameworks for decision-making across the company with confidence that line managers will properly customize the company’s core values in response to immediate demands and particular needs.

Values come out of conversations, so leaders must be adept in promoting conversations around core values.

Second, the context of leadership requires having strong, peripheral vision to see unforeseen, unintended consequences to have the broader perspective that can support decisions for long-term sustainability.

Third, having a variety of experiences – having different voices and perspectives in the conversations – expands peripheral vision. In dialogue, advocates for special interests and narrow constituencies are transformed into leaders who find values that can prioritize community needs. These settings permit decision-makers to think collectively about their responsibilities to the greater good.

A cross-sector approach helps to promote leadership by shifting focus to the long-term. Leadership goes into hibernation when short-term drivers, such as election cycles and length of CEO appointments, dominate.

The effectiveness of this approach has been demonstrated for Marilyn in the health care sector, at the Davos World Economic Forum and in Minnesota with the Itasca Group. This vision lies behind the Center for Integrative Leadership at the University of Minnesota to provide re-training for senior managers, as well as for high potential young professionals.

Mark Ritchie noted that leadership understands leadership structures/cultures/practices within sectors so that you can learn how you/your interests operate within them. In a recent award for public policy achievement themes that emerged in the nomination process were transitions from role to role, cooperation and coalition building to get things done. One sector does not impose itself and its culture on others but, needs modes of translation back and forth with others.

Second, leaders don't wait to be asked. They reach out first with insights and suggestions. They hand off knowledge and experience. There is a responsibility to reach out. An example is U.S. Army recruiting where the Army has reached out to high schools with help in preparation for ACT/SAT tests to increase the pool of young people qualified to volunteer for military service.

Laura Bloomberg suggested that we focus on "acts" of leadership, not on positions of formal authority. It is everyone's responsibility. She has 5 operating assumptions: lead for the common good; leadership is needed where contrary views intersect; empower and inspire others; have capacity for courage; and leadership is a flow from person to person.

The character to act as leader elevates courage; has a core that acts as a compass (having a map is nice, but maps are not always available in the wilderness); has passed through adversity and rose above it (no self-victimization); cares and understands common humanity; and responds to a call.

We should train for competence, but select for character.

Yet, the structures of our professions put up obstacles to leadership: there are no incentives to lead as recommended. In business, it is dangerous to fall between departments. Organizations act according to budgets. Money to act is allocated to silos, not to pursue larger visions.

Greed is another driver of bad leadership. We have the lowest level of trust in our history. The people are hungry for those who show leadership. Maximizing profit is like eating – necessary, but not the point of life. Can we reverse the course of modernity – from engaged citizen to passive consumer?

And the media: should not much that is now background be moved to the foreground?

In business, shareholders are the legal drivers of corporate actions. An investor environment favorable to leadership for the long-term should be created.

Since business and markets fuel improvements in the quality of life, it would be fitting if non-profits acknowledged the source of wealth creation, respected those who create jobs and held up the good that is done by business.

We need to elevate opportunities in our lives to talk about the value of having values, find the language that is comfortable to speak of acts of courage and practice finding people doing the right thing and saying “that’s good.” This is a bottom up approach to training leaders. We need to feel a power to speak up for what we believe to be right and about what we see as wrong.

Three needed skills are 1) building trust; 2) using responsible dialogue and debate; and 3) negotiating to achieve shared values to care for stakeholders. Such skills have to become commonplace.

Data plays an important role: it is a public good and is needed to measure results. We are each entitled to our own opinions, but not to our own data.

The Caux Round Table (CRT) is needed more than ever. The message of Moral Capitalism is relevant. The time is right for advocacy as a base of trust is needed to build mutual respect. Vulnerability needs to be acknowledged with openness and honesty to move towards win/win relationships.

The CRT should uphold good examples/models of moral, capitalistic behavior in order to attract the attention of ethical people who want to make a difference. The CRT should inform constituents to look for these worthy organizations.

There is also the movement in some business schools to promote an oath of professional, ethical conduct in business.

The golden rule of treating others by the standard of how one wants to be treated should be replaced by a “platinum” rule of treating others as they want to be treated. This is giving respect. To respect means, by the Latin origins of the word, to “look again.” Respect is to really see the other, to take another look and see things anew. Young George Washington’s first rule of good character was to respect others: “Every action done in company ought to be with some sign of respect to those that are present.” His last of 110 rules was “Labor to keep alive in your breast that little spark of celestial fire called conscience.”

It is the better angels of our natures that we should always heed. The soul of leadership lies there.