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PEGASUS

A NEWSLETTER FOR THE CAUX ROUND TABLE FOR MORAL CAPITALISM
NETWORK LOOKING AT BUSINESS ABOVE THE CLUTTER AND CONFETTI



Pegasus

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Introduction

This issue of *Pegasus* revolves around the idea of “truth.” The technology of social media seems to have raised concerns about “truth” to new importance in the management of our systems of culture, economics and politics. The “truth” problem is a belief problem. We worry about what other people believe. Differences in belief cause anxiety: can we trust someone with different beliefs? Will they trust us? If their beliefs are different, are mine wrong? Do they deserve my approbation and esteem? Will they upset things? Do I need to educate them?

Beliefs are important because they prompt action. Truth is, therefore, important because it, too, prompts action.

If we want good outcomes, then don't we have to set good actions in motion by insisting that people have “good” truths about, say, global warming or Covid vaccines?

Philosophers and religious thinkers, realizing that truth implicates reality and how we might live our lives, have gone to great lengths to teach us about truth.

If my concern is how you act, then controlling your beliefs can give me more peace of mind and maybe a feeling of righteousness, a balm for my ego, validating my sense of self. If I seek order in the world around me, then I am motivated to stop what, to me, is “disinformation” or “misinformation” and other kinds of falsehoods.

If we differ in our perceptions of truth, do you get to censor me or I you? Powerful political regimes have been quick to censor those they rule to obtain solidarity of mind and heart with the truth as perceived by the leaders. They punish and discipline deviance of thought at variance with official dogmas.

Intolerance hides right behind different ideas about what is true.

Thus, issues around “truth” implicate power and control, which, in turn, call into question the justice of our institutions, as well as the important question of who among us has the right to hold authority?

Michael Hartoonian, Associate Editor of *Pegasus*, contributes his reflections on one's own personal truth and its alignment or not with “common” truth.

Then, we include some reflections of mine on how truth interacts with the moral sense of individuals, which is the foundation of moral capitalism and moral government and how truth plays out in some recent failures in American capitalism.

Stephen B. Young
Global Executive Director
Caux Round Table for Moral Capitalism

AN EPISTEMOLOGY OF TRUTH

Michael Hartoonian

Part One: The Elusiveness of Truth

We have dropped the melancholy burden of the search for truth. The claim has been made that we live in a post-truth world. This assumes, of course, that in the past, we lived in a truthful world. The idea of a post-truth world, however, does make more sense today for two fundamental reasons. First, social media increases the scale of information to limits that defy any sense of veracity and secondly, the level of general education that people receive is inadequate to the complexities of life, as well as inadequate in providing any sense of historic or moral perspectives. The people of the world are essentially rudderless in ever increasing turbulent conditions.

Perhaps truth, like beauty, is in the mind of the beholder. One profound truth is always confronted by another profound truth. Truth is, indeed, a paradox. Whatever we think about truth, the search for it is a necessary condition for any people, any institution. This search is hard work, but without it, life is meaningless, at best.

In any effective society, there is the assumption that people will tell the truth, as they understand it. It's like water to a fish. It's all around and we hardly take notice, until it's not around anymore. For example, across the landscape of American history, there has been a tacit confidence in the people and in their ability to administer civic justice with truth and some degree of wisdom. This would suggest a belief in an elusive enlightenment found in the general education of people, as well as in the goodness of a society that claims a democratic DNA. Both of these conditions are problematic, but provide us with an interesting and on-going apprehension between the public and private lives of individuals and more importantly, a tension between personal and common truths underlying human discourse. The danger to discourse, however, is the larger tension between individual and group truth. This is not just an American or western issue, but is and has been a global problem throughout human history.

The search for truth is and always has been conditional. The pursuit of truth manifests itself in the very nature of being human and permeates all fields of human endeavor. This search is driven by two anxieties: one is between the desire to be comfortable or truthful and the other between being just or being kind. Truth demands less comfort and more justice.



The argument is advanced here that the essence of truth is found in the habit of love, the knowledge and practice of criticism and the search for meaning. These ideas, however, do not represent a taxonomy or layer cake, as it were, but a marble cake, where it becomes impossible to tell where one idea ends and the other begins. Take, for example, the concept of *We the People*, which can be understood as another branch of government within the Constitution of the United States (the Federalist, 51). The people are assimilated with (and are) the legislative, executive and judicial branches. The quality of the first three branches of government is dependent upon the quality of the fourth, that is, the people. That quality is the will of the people to intentionally search for truth, defined in the attributes of love (of knowledge and community), criticism (of claims and self-arguments) and the meaning (of living). These ideas of love, criticism and meaning cannot be found in the consumption of stuff or lifestyles, but only in the quality and character of relationships we have with each other and the earth. These relationships are defined by aesthetic and ethical behavior – by the pursuit of truth.

Thus, love, criticism and meaning are parts of the same whole. Each of the three ideas defines itself in terms of the others. The notion is not unlike the trilogy advanced by Plato in regard to the concept of justice. In the dialogue between Meno and Socrates (e.g., Jowett, 1937), Socrates defines justice in terms of temperance and courage. He asserts that an understanding of justice is possible only within the context of temperance and courage; that to be just is to be courageous and temperate; that to be courageous is to be just and temperate;

and so on. The defining qualities of one value are held within the other values. This notion of defining one value in terms of other values holds for the qualities of truth, as well as for the elements developed within the discipline of philosophy (see any edition of Aristotle's *Nicomachean Ethics* and Plato's *Republic* and their other works). If we address the three themes of love, criticism and meaning as an inclusive set that defines the necessary attributes of truth, we can better understand the significant concepts and issues that tie together, as well as tear apart, self-truth and common truth.

The notion of complementary and opposing forces that define living were developed before 2000 B.C. as two opposing, but intertwined, cosmic forces. The ancient notion underlies both Taoism and Confucianism, two of the major strands of Chinese philosophy and religion. The Japanese also adopted Yin and Yang, calling them In and Yo.

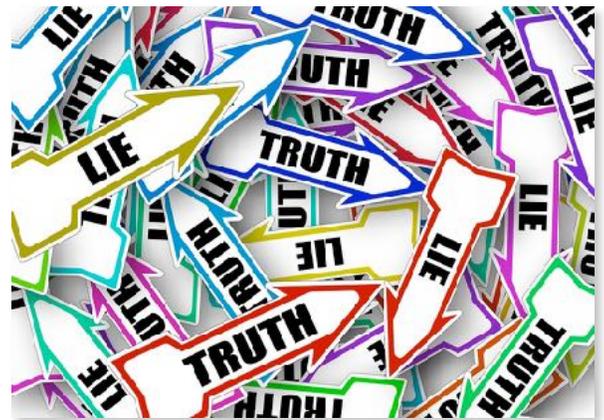
The Yin and Yang of truth suggest that it (truth) is in tension with self and common notions of reality and it is always provisional. That is, the search is an experiment. However, the experiment is conducted within the context of love of knowledge, where all claims of truth are open to falsification. The search must also be open to criticism, where love's loyalty is limited and people listen to each other. Criticism yields a more comprehensive understanding of self and others. It presupposes a worldview that lends direction and predisposes methodology in pursuit of certain goals and relationships between the individual and the group. Criticism is concerned with judgements about self, existence, values and thinking itself. Criticism is not for the lazy or superficial. Solid and essential reasoning is hard work and difficult to come by, however, as we know people are prone to follow the easier course.

Meaning is achieved through engagement. Engagement means being intensively involved with others in common activities, commonly perceived as good for self, as well as for others so engaged. Meaning may be at the heart of happiness, as well as the heart of truth. Meaning and truth are linked, as well as limited in two significant ways. One has to do with settings of time and place (the necessary elements of comprehension) and the other with rhetoric. Conceptual limitations are defined in terms of receiving meaning from the utterances of others and by convention and circumstance. Meaning resides in what the speaker is engaged in and what the hearer is counting on. To be meaningful, communication must rest on

truthfulness and comprehensibility, but these elements of rhetoric will only “work” within a homogeneous context where norms and expectations are shared. We also need to add discipline and logic to rhetoric to obtain a more complete notion of discourse and in order to understand meaning as the link between love and criticism. Meaning within this more complete sense addresses not only the context of discourse, but discloses those human visions or theories of social systems that illuminate, as well as disguise and conceal the ethical acts of people. Meaning cuts through to the moral bone of society, baring the collective nerve and exposing the question: what is the truth here?

Part Two: Self-Truth Versus Common Truth

The discussion of self and common truth is made problematic by the concept of *groupness*. There has been significant research on human physical and linguistic evolution to make clear that individual “truth” holds not to a common or more universal notion of what is true, but what is believed and accepted by the sub-culture (group). Once there is buy-in to a certain worldview held by the group, more universally held facts, generalizations and rationality are either ignored or aggressively denied. At one time in our past, many believed the earth was flat, as some today believe that Covid-19 is some government conspiracy. This was and is the truth to individuals who belong to a group with a particularly narrow worldview that disallows the pursuit of truth. This behavior is in exchange for certainty, comfort of mind and intellectual laziness. Further, groups ritualized their fears with references to religion, untested assumptions and even other worldly interventions. These patterns of thoughts are most often found at the margins of rationality, both conservative and liberal. What we do know from history and the observation of human behavior is that as the mind embraces the margins of whatever ideology, that sane mind closes to the world. This occurs in futile attempts to fight existential fears, forcing the mind to seek refuge in like-minded groups; a high price to pay for comfort. What’s more, one’s identity is branded by the group and individualism shrivels, cries of freedom notwithstanding. This rendering of freedom is the antithesis of truth.



We also know from research evidence (see Edward O. Wilson and others) regarding the evolution of *Homo sapiens* and their ancestor that we likely evolved along two paths: individual and group. There was individual-level selection and group-level selection and there still is. The point, however, is that when discussing the evolution of the mind, the individual mind tends to evolve or give into a sort of groupthink, where, with the exception of a few brave souls, freedom of thought and expression are truncated. Giving in completely to the group turns us into thoughtless robots, unsuited for moral thought and ethical behavior. Maintaining an intentional balance between the potent powers of both paths would be most beneficial to the development of the civic arts so necessary to moral capitalism (and democracy).

This is easier said than done. A society shares common values, like love of family and doing the right and often the good thing for your neighbors and your neighbors' children. But you can have all these common values in place and still experience different truth claims or in some cases, even witnessing truth as irrelevant. How can that happen?

Feelings of being hurt, feeling “less than” or believing that you are irrelevant, feed on misinformation. Being told you are a victim of circumstance denies agency and leads to more misinformation, which leads to more feelings of being ignored and hurt. And so truth fades deeper and deeper into the background. This situation creates more people without agency and still more victims. By definition, victims have no agency and must rely on “leaders” to tell them what to believe. They simply cannot be citizens, only subjects, willing to follow orders. This phenomenon, while not exclusively state or nationwide, invades and influences groups therein. This does not necessarily mean that a group or individuals within it see themselves as unpatriotic to their conception of nationhood. Indeed, as in the January 6th siege of the U.S. Capitol, many of the participants believed they were saving the country. Likewise, groups who argue that only government can address issues of poverty, inequality, ignorance or civility also believe they are saving the country. In this example, both believe truth is on their side.

Groups get to their own truths in many ways: using information that only supports their viewpoint, simply repeating a lie and by the creation of exaggerated theories devoid of

supportive research or rationality. The situation in the “United” States is believed to be so broken that in a recent interview with Ryan Williams of the Claremont Institute, Emma Green (The Atlantic, September, 2021) observes Williams as believing that there are at least 2 Americas because only a minority of Americans support the principles upon which the republic was founded. He concludes, therefore, that less than half of the people living in the United States are Americans.

This kind of simplistic analysis and language creates more hatred and less truth. But the rhetoric is only a reflection of the deep tribalism that exists among people everywhere. Divisions of language, religion, group loyalty and conceptions of the nature of being human color our understanding of the world. These separate and several tribes hold to their own truths, to their own mythical thoughts. These worldviews originate from unique geographies and histories. Comprehension is always a function of time and place. Therefore, these are not



just any geographies or histories, but sacred places, stories, traditions and magical landscapes that give people unique identities. These identities “will not go lightly into that good night.” They resist any attempt to damage their comfort with any truth not aligned with their stories of “reality.” These stories or theories of how the world works are so entrenched and sacred that they can never be self-examined, which, of course, is a prerequisite for pursuing truth. Even universal

norms and laws about not killing, lying or committing larceny apply only within the tribe or group. Even this behavior is weakening. We know from long human history that a tribal group defines its truth, common truth notwithstanding. When it comes to tribal reality, believing is seeing. The group takes precedent over family, nation and even self. This is why totalitarian states need to control the media, education, legal systems and religion. They must use, as any Marxist or post-modernist understands, institutions to control the culture and, more importantly, the conception of truth.

The issue here is that whatever the tribal, individual or group truth, it must be examined in the light of the common truth. That is the first argument of ethical behavior. Likewise, the common truth must be examined in the light of the group truth. That is the ongoing argument of developing and keeping a civilization. The individual and group's process of finding truth must be held up to the light of how larger truths are discovered. If this two-way process breaks down, society will not survive.

A people cannot build a good society without pursuing truth, but truth-building is hard; tearing down or lying is easy. To build means having the skills and attitudes needed to search for truth – understanding truth as an ongoing argument encased in civility, rationality and grace.

All good things come by grace and dignity and dignity comes by art and art does not come easily. Humans, in the end, may not be interested in truth, not because truth is beyond their reach, but because we are simply too lazy and comfortable to engage in the hard and smart work needed to search for it.

From Alfred Lord Tennyson:

***...That which we are, we are;
One equal temper of heroic hearts,
Made weak by time and fate, but strong in will
To strive, to seek, to find and not to yield.***

Michael Hartoonian is Associate Editor of Pegasus.

COMPANY TRUTH

Stephen B. Young

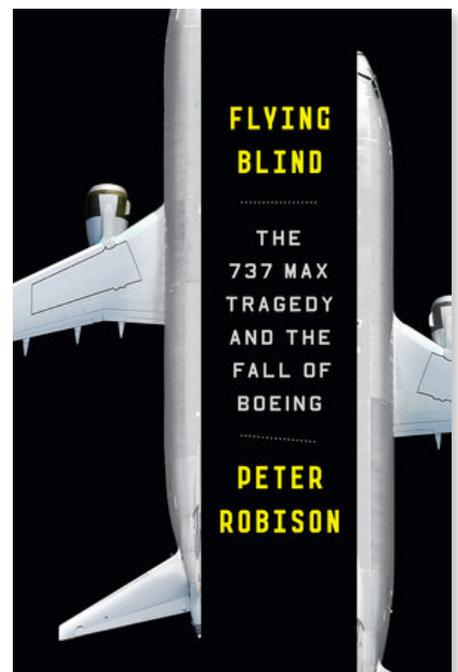
My colleague, Michael Hartoonian, in his essay above, has encouraged us to think about truthfulness – self-truth, common truth and group truth.

But what about a company truth? Such truth would implicate concerns of social responsibility. Are employees, stockholders and customers bound, to any degree, to accept and honor a company truth?

The recent saga of the Boeing Company and its 737 Max airliner presents facts we can consider about the process of a company deciding on a company truth, in this case, that the 737 Max was safe to fly.

There is a new book by Peter Robison on Boeing and its production of the 737 Max titled *Flying Blind*.

Two crashes, one in Indonesia and the other in Ethiopia, killed 346 people. As a result, Boeing has paid \$2.5 billion in criminal penalties and compensation for the deaths caused and has set aside \$500 million for the beneficiaries of those who died in the crashes, not to mention reputation loss and loss of sales to Airbus. Hearings were held, lawsuits were filed and the CEO was sent packing. The crashes also sent Boeing's reputation and equity spiraling downward, as well.



Flying Blind by Peter Robison

In the early 1990s, Boeing adopted what one reviewer called “The business school approach to maximizing shareholder value,” including cost-cutting and share buybacks. Robison concluded that Boeing focused on metrics that “tend to favor investors over employees and customers” and as a result, focuses on the short-term, where

the interests of shareholders diverge from those of customers and employees, rather than the long-term, where those interests tend to coincide.

In any case, Boeing forgot that its long-term profitability depended on the truth that such long-term success depended on its reputation for superior engineering. Engineers were passed over for the CEO position by the board. The metamorphosis of the company's truth about shareholder value was accelerated by the company's acquisition of McDonnell Douglas. The new CEO, Harry Stonecipher, expressed the company's truth as running Boeing "like a business, rather than a great engineering firm."

Accordingly, another CEO, Phil Condit, pushed his managers to quintuple the company's share price in 5 years.

To paraphrase a famous quote from the Christian New Testament, your truth can get you into a lot of trouble.

By 2010, the 737 was proving Boeing with 1/3 of its revenues, but needed an overhaul to compete better with Airbus aircraft. So, Boeing decided to go cheap, continue using the 737 airframe, adding upgrade, rather than design and build a completely new aircraft using cutting edge technologies. "It was," said one employee, "push, push, push, shove, shove, shove, to get the airplane into the hands of customers."



Cutting corners proved to be, as one commentator noted, not only tragic, but very bad for business.

Robison concludes that the Boeing Company truth was that shareholders took priority. Once run by engineers, the company moved its headquarters from Seattle to Chicago. Thereafter, a new culture became dominant. Boeing acquired McDonald Douglas, but as with many mergers, the company truth of the acquired company was taken over by the acquiring firm and in this case, a company truth about the importance of profits and through them taking care of shareholders.

A recent criminal indictment of Boeing Chief Technical Pilot, Mark Forkner, focuses on the special software called MCAS, which is designed to take over control of a 737 Max if its angle of approach became dangerously steep.

The indictment does not address the question of why Boeing did not discover, in a timely manner, the risks associated with MCAS.

Forkner's failure was to have not blown the whistle on his employer – find his own truth and make it public to challenge the company's truth. In one of his emails quoted in the indictment, Forkner wrote of the MCAS that it was a system “designed by clowns who in turn are supervised by monkeys.”

One commentator said the mystery still is why the organization let the MCAS be redesigned without examining every likely and unlikely effect, especially when the company knew that planes equipped with the MCAS would be flown by pilots not that well trained or working for world-class airlines. This was a failure of the company to find the “truth” and live by it.

Shareholders of Boeing have sued the company's board of directors, as representatives of the company itself, in the Chancery Court of Delaware. Last September, Vice Chancellor Morgan Zurn upheld their right to seek monetary damages from members of the board, saying, in part:

“A 737 Max airplane manufactured by the Boeing Company crashed in October 2018, killing everyone onboard; a second one crashed in March 2019, to the same result. Those tragedies

have led to numerous investigations and proceedings in multiple regulatory and judicial arenas to find out what went wrong and who is responsible. Those investigations have revealed that the 737 Max tended to pitch up due to its engine placement, that a new software program designed to adjust the plane downward depended on a single faulty sensor and therefore, activated too readily and that the software program was insufficiently explained to pilots and regulators. In both crashes, the software directed the plane down.

The primary victims of the crashes are, of course, the deceased, their families and their loved ones. While it may seem callous in the face of their losses, corporate law recognizes another set of victims: Boeing, as an enterprise, and its stockholders. The crashes caused the company and its investors to lose billions of dollars in value. Stockholders have come to this court claiming Boeing's directors and officers failed them in overseeing mission-critical airplane safety to protect enterprise and stockholder value.

Because the crashes' second wave of harm affected Boeing as a company, the claim against its leadership belongs to the company. In order for the stockholders to pursue the claim, they must plead with particularity that the board cannot be entrusted with the claim because a majority of the directors may be liable for oversight failures. This is extremely difficult to do. The defendants have moved to dismiss this action, arguing the stockholders have failed to clear this high hurdle.

The narrow question before this court today is whether Boeing's stockholders have alleged that a majority of the company's directors face a substantial likelihood of liability for Boeing's losses. This may be based on the directors' complete failure to establish a reporting system for airplane safety or on their turning a blind eye to a red flag representing airplane safety problems. I conclude the stockholders have pled both sources of board liability. The stockholders may pursue the company's oversight claim against the board."

Under American law, derived from English precedents, a corporation's board of directors, in a very real sense, creates the company's truth and sustains it. The board is, therefore, always responsible for the quality of that truth: its "truthiness," its morality and its practicality. The

company truth of a corporation arises from the authority of the board to run the affairs of the firm. If the owners of the corporation don't like what the board does, they can supersede board "truth" with their own, either with a vote at a meeting of shareholders or by the election of new board members.

It is helpful in thinking about truth that truth and authority are closely intertwined. Truth creates authority, while authority is often presumed to be the source of truth. It is often said in a crisis or when opinions vary in times of stress and conflict that one must "speak truth to power." This is a sound reminder that political, organizational, social or cultural authority may not be sufficient to make the truth preferred by such authority unquestionable and blind obedience to its directives necessary.

Stephen B. Young is Global Executive Director of the Caux Round Table for Moral Capitalism.

The Genealogy of Truth

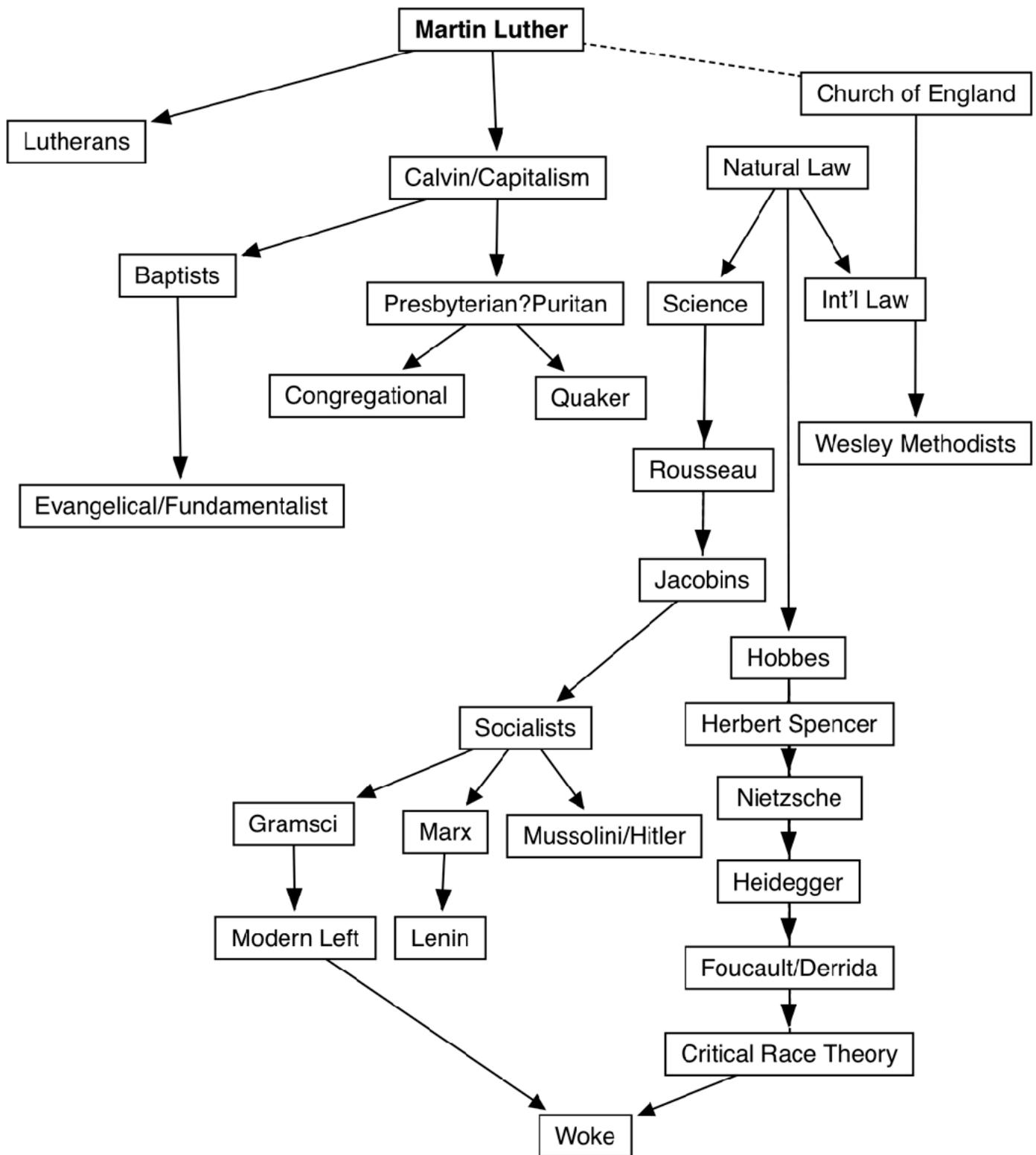
Stephen B. Young

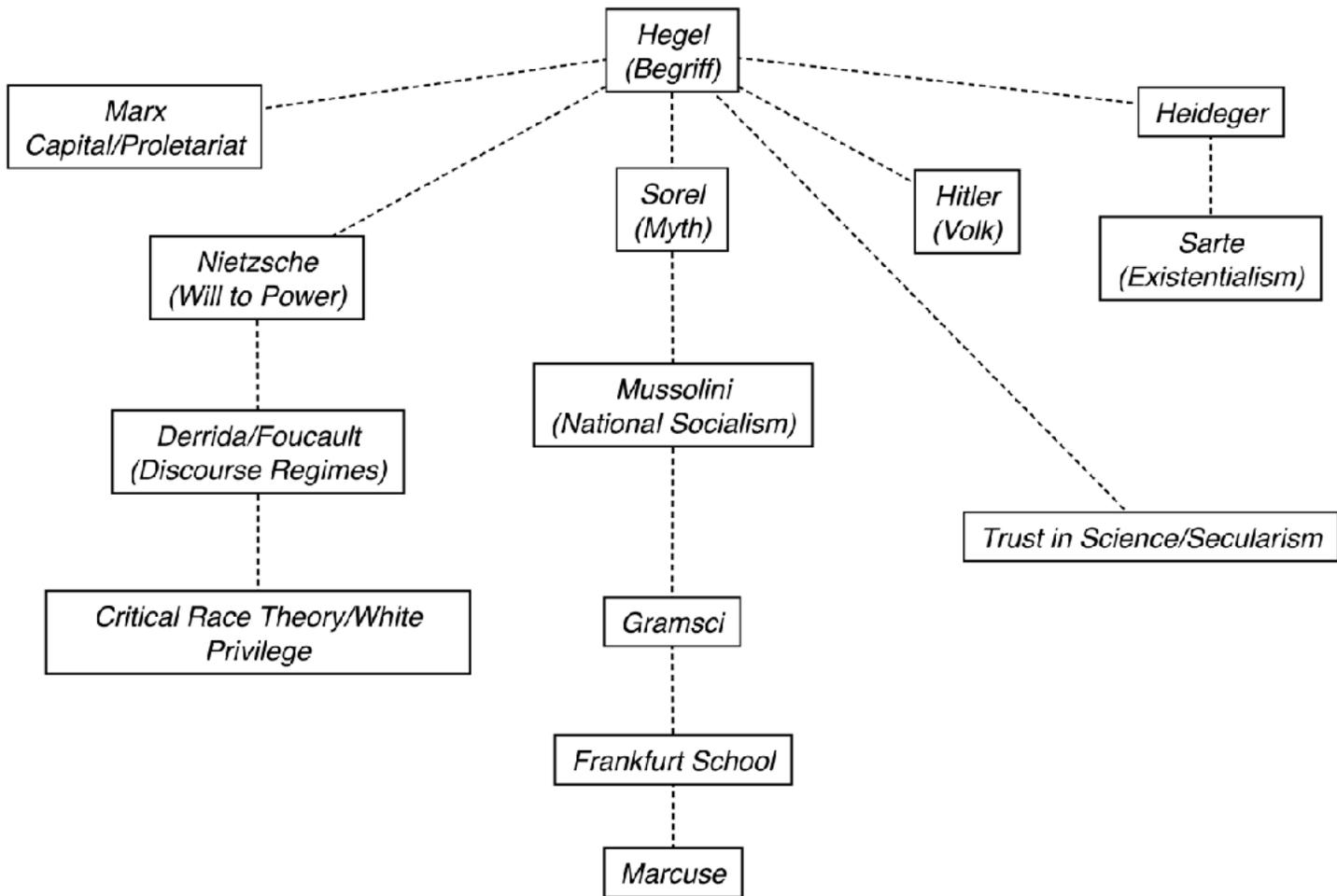
It has been said that there is nothing new under the sun, but that is not true. Many ideas which we accept today as truth are new. They were not around, say, 1,000 years ago.

But it is true that many ideas have antecedents. They have ancestors and rest on the shoulders of older ideas, intuitions, observations and speculations. Thinking relies on precedents, on past writings and words of others.

And, reversely, ideas may have descendants. They may influence the thoughts and beliefs of those in the future who follow their meanings or who incorporate their meanings in new, more subtle or sophisticated reasoning and advocacy.

Here are two charts which map the descent of ideas from Martin Luther and Georg Friedrich Hegel down to our time and reversely, the ancestry of modern frames of discourse in older philosophies and descriptions of reality and good morality (*Continued on the next two pages*):





Opioids and Truth

Stephen B. Young

Looking into the “impacts” of firms has become quite the trend. It is said that some \$14 trillion of investment assets is seeking to invest in companies which create favorable impacts on the environment, society or governance. Our colleagues in The Netherlands are thinking strategically about how to measure the ‘impacts’ of a company. A project of the British Academy advocates that companies should have a purpose, in my terms, providing public goods as part of their intentional business model. The recent COP26 conference to line up actions to slow global warming also focused on certain impacts which would remediate having too much CO₂ in the atmosphere or reduce adding more CO₂ to the atmosphere.

In the U.S., there has been litigation to address the deleterious effect of the consumption of opioids using a legal doctrine of creating a public nuisance. The issue for the courts is what is a public nuisance and in what sense can it be said as a “truth” that the manufacture and sale of opioids is a public nuisance.

Seeking that truth drives the search into a dense thicket of facts, confusion, different perspectives and a multiplicity of causes and outcomes. Maybe there is no one truth to be found. One thinks of the old take on three blind men describing an elephant – one describes a foot, another an ear and a third the mouth and tusk. Each tells a truth, but at the end, none has the whole truth about the elephant as a complex whole.

A jury in Cleveland, Ohio, recently determined that the actions of pharmacists working for three large firms – CVS, Walgreens and Walmart – had violated Ohio’s public nuisance law by failure to stop opioid pills from flooding communities and also to stop fulfilling false prescriptions. The companies will appeal the “truth” supporting the jury’s verdict on the grounds that it is not authorized by the statute, that their behavior was not and could not have been a “public nuisance,” as defined.

A spokesperson for CVS said the “truth” was rather that “Pharmacists fill legal prescriptions written by licensed doctors who prescribe legal, FDA-approved substances to treat actual patients in need.”

A “truth” would seem to be that for some people, opioids are beneficial in helping them overcome pain. This “truth” does not conflict with another “truth” that other doctors, called “pill mill” doctors, provide access to pills to those who use them as harmful drugs, leading to deaths from overdoses and expenses for county health systems.

Can either one of these smaller “truths” be the common truth for the community? It is the role of the courts, by the way, to answer this question. What emerges from litigation and appeal is, provisionally, at least, a “common” truth.

When an appellate court in Oklahoma looked at a jury award of \$465 million imposed on drug maker J&J for making a product – an opioid medication – which was a public nuisance, one noted American legal commentator wrote that a public nuisance protects an interest of the public at large to be safe. Public health nuisances are, he said, acts that involve unreasonable conduct exposing others to harm.



Another area of the law – product liability – provides “truth” regarding defective products. Companies can be held liable for making and selling products which are defective in design, manufacture or warnings about their possible harmful outcomes. With opioid pills, J&J was producing a lawful, non-defective product. Over-prescription of opioid pills would be the fault of doctors, not makers of the pills.

Stephen B. Young is Global Executive Director of the Caux Round Table for Moral Capitalism.

Self-truth: Real or Imagined?

Stephen B. Young

When it comes to thinking about the self – my self, your self, our selves – I have grown accustomed to falling back on the insights of Aristotle, Mencius and Adam Smith that each of us is born with a faculty of judgment, often called our “moral sense.” This faculty, which comes to each of us at birth and of which we have stewardship all of our days, powerfully shapes our self-truths during each one of those days. I have recently run across some empirical evidence of this in various media articles about business.

For example, there was a short note in the Harvard Business Review on employee happiness. Those who think of their jobs as providing experience goods, rather than material goods, tend not to stress out over whatever comes their way.

Brad Stulberg, writing in the Wall Street Journal, gave us all his best advice on how to cope with life. In effect, he counseled that our moral sense should be trained to respond to reality, whichever context we might find ourselves stuck in. Reading between his lines, we can detect his rejection of our following a group truth, of inspiring and girding ourselves not to be so much ourselves, but instead, to be that kind of self which others want us to be.

But his advice, nevertheless, is to rest in context, in something credible beyond our own self-truth.

First, accept where you are.

Secondly, focus on the present.

Thirdly, be patient with yourself.

Fourth, embrace your vulnerability.

Fifth, find community.

Thirdly, I read in the Economist that people with more religious faith infused into their self-truths are less dependent on personal income for their sense of status in community and their psychological well-being. In short, something about religious faith inoculates them against a sense of insecurity, of being at a loss, of falling short, of needing external props to buttress what otherwise would be a thin shell of personal identity and resilience.

Fourth, in a recent issue of Newsweek, there was an essay on the advantages of drawing up a profit and loss statement for our life to gain clarity on our assets and our liabilities. In short, this would be a statement exposing various components of our self-truth. The balance sheet would be organized in sections: one for personal characteristics, another for material possessions, a third for energy sources and a fourth for conditions impacting our prospects.

The assets on our personal balance sheet enable us to acquire more resources or, to put it more precisely, to put our resources where they will do the most good and avoid detrimental reliance on our liabilities. Our resilience to the effects of setbacks, challenges and threats turns on the depth of our personal resources, in particular, those resources of social capital which enable us to access social support from others.

A few years ago, the Caux Round Table proposed a more particularized, individual balance sheet with asset and liability entries as shown below:

Annex 1

Human Capital Balance Sheet (Individual)

Intangible Assets		Intangible Assets		
Assets	Liabilities	Assets	Liabilities	
<ul style="list-style-type: none"> Self-confidence Self-respect Courage Education Character Mindfulness Patience 	<ul style="list-style-type: none"> Pride (hubris) Co-Dependency Low Social Intelligence Afflicting Emotions 	<ul style="list-style-type: none"> Loyalty Humility Love/Friendship Transparency Trust Gratefulness Leadership Creativity Engagement with Task 	<ul style="list-style-type: none"> Manipulation Enmity Low Emotional Intelligence 	Investments in Self
<ul style="list-style-type: none"> Skills Money Managerial Power 	<ul style="list-style-type: none"> Irrational Exuberance Narcissism 	<ul style="list-style-type: none"> Servant Leadership Stewardship Charity Invest in Enterprise 	<ul style="list-style-type: none"> Bribery & Corruption Rent Extraction Fraud 	Societal Investments
Tangible Assets		Tangible Assets		

Our self-truths are often driven by one of these three powerful motivating desires: a need for achievement, a need for power or a need for affiliation, popularized in the 1960s by the psychologist, David McClelland. These different needs provide individuals with their own particularized self-truths.

The need for achievement (N-Ach) includes: “Intense, prolonged and repeated efforts to accomplish something difficult. To work with singleness of purpose towards a high and distant goal. To have the determination to win.” Need for achievement is related to the difficulty of tasks people choose to undertake. It has been reported that those with low N-Ach may choose very easy tasks in order to minimize risk of failure or highly difficult tasks, such that any failure could be explained away as inevitable.

Those with high N-Ach tend to choose moderately difficult tasks, feeling that they are challenging, but within reach. They are also the employees that want to constantly be challenged to learn new things. Such employees become very absorbed in their work.

McClelland suggested these other characteristics and attitudes of achievement-motivated people (their significant self-truths):

- Achievement is more important than material or financial reward.

- Achieving the aim or task gives greater personal satisfaction than receiving praise or recognition.

- Financial reward is regarded as a measurement of success, not an end in itself.

- Security is not prime motivator, nor is status.

- Feedback is essential because it enables measurement of success, not for reasons of praise or recognition (the implication here is that feedback must be reliable, quantifiable and factual).

- Achievement-motivated people constantly seek improvements and ways of doing things better.

The need for power (N-Pow) is the motivation to gain power either 1) to control other people (to further one's own goals) or 2) to achieve higher goals for the greater good. People with a high N-Pow motivation seek neither recognition, nor approval from others – only agreement and compliance. In his later research, McClelland refined his theory to include two distinct types of power motivation: the need for socialized power or the need for personal power. Compared to people who value affiliation or achievement, individuals with high N-Pow scores tend to be more argumentative, more assertive in group discussions and more likely to experience frustration when they feel powerless or not in control of a situation. They are more likely to seek or hold a position in which they have control over others and to engage in conspicuous consumption.

A high N-Pow drive predicts greater career success for men and for women who report high satisfaction with the power-related aspects of their workplace. When combined with a low desire to assume responsibility as part of their moral sense faculty, a high N-Pow drive predicts higher rates of externalizing self-destructive behavior, such as binge drinking and physical aggression. Men who need power and won't assume responsibility are more likely to divorce, separate or physically abuse their spouses. However, individuals with average or high willingness to assume responsibility are disproportionately likely to report positive life outcomes, like being appreciated and recognized for taking on social leadership roles.

The need for affiliation describes a person's desire to feel a sense of involvement and "belonging" within a social group. Such people require warm, interpersonal relationships and approval from those with whom they have regular contact. Having a strong bond with others make such individuals feel as if they are a part of something important. People who place high emphasis on affiliation tend to be supportive team members, but may be less effective in leadership positions. That is their particular self-truth.

People with a need to affiliate have a self-truth which emphasizes the ability to like others. They easily respond to requests for help. Secondly, perceiving that one is similar to another can also lead to fondness for and potential friendship with that person. Thirdly, management through ingratiation of how others perceive us – presentation of what is supposed to be our self-truth – permits people with a high need for affiliation with means to activate a likeability bond with another.

The second major impact of the need for affiliation on our self-truth is to enhance willingness to reciprocate. This personal disposition builds confidence and fairness in relationships.

However, we become alert for signs that another is not sincere in what they say or intimate. We suspect that what they present as a self-truth is a lie. A recent sidebar article in the Economist played with the topic of how fellow employees dissemble and disguise their real feelings and thoughts to hide the self-truths from us. The comment offered this advice:

When you want another to shut up, say: “I hear you.”

When you never want to speak of this again, say: “Let’s discuss this offline.”

When you are unhappy with your job, just say: “We should all learn to walk in each other’s shoes.”

When you think you and a colleague have made absolutely no progress, say: “It’s great to have started this conversation.”

When you are in trouble, say: “Do you have five minutes?”

Not really meant at all: “Bring your whole selves to work!”

Truth, therefore, becomes a complex field of study to discern what is more true than false, when cognitive biases are at work and when they are not, but we think they are and so another is being hindered from knowing the supposed truth of “our” self-truth.

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