

## Virtues and Business

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The document from the Baha'i World Center entitled *Prosperity for Humankind* states that mankind has now come of age. It clearly sets out how to change thinking and behavior and how people on earth can advance to a new level. It is a call for action now and a vision of how people will develop to the next level of civilization.

How do companies and work fit into this new civilization? Humans have always worked, but companies have a short history. Less than 200 years ago, nearly all people on earth were farmers. There were a few craftsmen. There were a few shoe shops or vegetable stores whose employees were nephews or cousins of the owners. Throughout most of the world there were no institutions similar to corporations. What are the some of the optimum ways to use this new institution of the corporation to bring about the age of maturity?

Athletes from 202 countries joined the Athens 2004 Olympic Games. Many athletes were from countries that have fewer people and a smaller GNP than a large company. Large international companies affect peoples' lives everywhere in the world. How can these companies grow spiritually?

Justice, unity, excellence—these are some of the virtues brought up in *The Prosperity of Humankind*. These are necessary assets for corporations in the age of maturity. Other assets that are important for companies and the people who work in and with companies are service, respect, trustworthiness and humility. Are excellence, trustworthiness, service and unity company assets? Land, buildings, factories and inventory are traditionally thought of as assets for companies. These are assets that are reported to the tax office. These are items that economic newspapers discuss at length. One rarely sees an article in a business magazine about the virtues of a company. What happens to companies that try to increase the assets of their virtues? What happens to companies that increase traditional assets of land and other “tax office” assets?

There are good examples in Japan that serve as long-term tests for the effectiveness of these two types of assets. For a fifty-year period after World War Two, many companies in Japan made great efforts to buy more land. This was considered the most important asset that a company could have. At many companies, much money, time and human resources were used to build up the amount of land that the company owned. This was considered the best investment and safest in terms of traditional management. The business culture in Japan for hundreds of years has emphasized that land was the best asset. But for the past 12 years, land prices have fallen. So companies that put a lot of assets into buying land now have difficulties.

In 1950, Dr. W. Edwards Deming came to Japan to teach about quality and excellence. Many Japanese companies carried out the ideas of this American business consultant. When a company strives to make excellence the goal of the company it becomes a never ending, continuous process. Dr. Deming said there would be many positive results if a company used the virtue of excellence. By continuously striving for quality and excellence, the workers experience pride of workmanship. Workers feel good when they are part of a process of making the best possible product. There is unity in the effort, all staff members, workers and management work toward the same goal of making the best possible product. If a company

has a goal of buying more land or making 10% more products, the workers have no pride of workmanship.

Dr. Deming said that when the goal is excellence, the customers benefit and are happy. Sales increase because of the continually increasing quality. The company's financial results increase. The company and workers can benefit financially. When the quality of the company's product is constantly increasing, the production costs go down. Again the company benefits financially. There are continual benefits from following the virtue of excellence.

The most famous example of a company following excellence as a company-wide policy is the Toyota Motor Company. For 50 years they have had a policy of continual improvement. The results for this company are higher profits than other auto companies, worker satisfaction, and steady growth of the company. Fujio Cho, President of the Toyota Motor Corporation, said, "Once we improve something, another thing we need to improve comes into sight. [Striving for excellence] never ends."

Other practical results of using the virtue of excellence at Toyota are lower costs of supplies, fewer man-hours of work to make each car, and employees offering thousands of ideas for improving quality every year. Toyota has found this virtue to be international. They use the same system of continual improvements in every country where they expand. It is effective in every culture and country.

Quality and excellence are effective at Toyota because the company is united in this one point. All levels of management and all workers are involved in the effort to carry out the process of continual improvement. Following the virtue of excellence helps the company also follow the virtue of unity.

Dr. Dorothy Marcic, business consultant, author, and professor of management at Vanderbilt University, suggests that seven virtues are especially important for the work place: Trustworthiness, unity, respect and dignity, justice, and service and humility. Trustworthiness is perhaps the key asset of a company. Customers want to be able to trust the company they deal with. The employees need to trust their managers. A company built on trustworthiness has a solid foundation and will have a long future.

Companies that follow the virtues of respect, dignity, justice and trustworthiness have less employee turnover, higher moral and more loyal customers. These companies also have higher revenues and profits. Professor Kim S. Cameron of the University of Michigan Business School estimates that if a company follows virtues, it will have a 15% higher value for its stockholders.

Dr. Marcic feels that companies need humility. How does the virtue of humility help a company? Companies that have humility will listen to their customers. They will be able to follow a program of service to their customers. Companies that understand humility will be able to practice respect for all employees and customers. This will enable the staff to work in an environment of dignity and unity. Carefully following one virtue helps people and institutions to practice other virtues.