

CHAPTER 4***NEITHER RIGHT NOR WRONG***

*How can anything be classified as right or wrong;
good or bad? Can one person's truth be
another's equivocation?*

The killer setting a bomb in a pub, knowing the blast will kill and maim innocents, thinks of himself not as a terrorist, but as a patriot. He is certain that his cause is just and that the murder of defenceless people is necessary and therefore justifiable. It is only one short step from that kind of reasoning to knowing that one's thoughts and deeds are correct. The terrorist knows he is right. The policeman who hunts him is convinced that he does that which is right and just as he fabricates evidence in order to put behind bars a callous murderer. The jury who acquitted the terrorist on a similar charge two years ago did what it believed was right in accordance with the law. The Special Air Service Trooper who shoots the terrorist dead not only knows he does that which is lawful and right, but also may be honoured to have such an opportunity to serve humanity.

The parents who smack a naughty child are as certain that their actions are correct and necessary as is the parent who would never strike a child and who is horrified when adults beat little children. The executive who, with the stroke of a pen, lays off thousands of workers who have scant hope of finding jobs elsewhere, is convinced that the decision is necessary to save the company and therefore the jobs of even more people. The union leader is equally convinced that the executive is a desiccated calculating machine, incapable of human compassion and an enemy of working men and women everywhere.

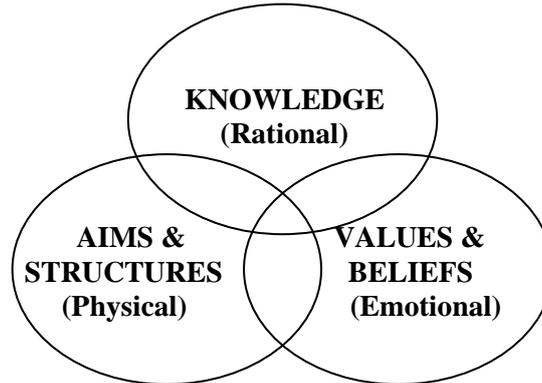
There is neither right nor wrong in our world; not until we express that being judged in terms of our **knowledge**, our **aims** (and structures) and our **values and beliefs**.

DEVELOPING THE PHYSICAL, RATIONAL, EMOTIONAL MODEL

I have found it useful to develop the model one step further to add a more practical dimension. Theory is essential. Without theory we are reduced to the status of lower order animals that can learn only through their experience, which can lead to superstitious knowledge. The cat who stands on a hotplate will never repeat that mistake. It learns through experience; but its experience teaches it never to stand on that plate again, even when it is cold. Still, for most people, theory by itself is frigid and lifeless until practical applications breathe life into the concept.

If we want to change our rational existence, we need new knowledge or new thought processes to either add to or displace that which already exists. Our physical world may be changed by choosing new aims and new or further developed operating structures. Emotional change includes internalising new knowledge, aims and behaviours. Also, it involves changes to our values, relationships and deeply held belief systems. We can show this development diagrammatically, as seen in Figure 4:1.

FIGURE 4:1.
THREE HUMAN EXISTENCES⁽¹⁾



When we sit back and watch others in heated debate, we note that each participant is convinced of the correctness of his or her position. If they were not, the debate would not be so passionate. Wherever we see such impassioned argument we can be reasonably sure that the participants have quite different:

Knowledge. Bill *knows* that the world is round, Sue *knows* that it is flat.

Aims. John's *aim* is justice, Mary's *aim* is revenge. or

Values/beliefs. Sarah *believes* in capital punishment, which Peter *believes* is barbaric and immoral.

KNOWLEDGE

There is neither right nor wrong until the subject at hand is expressed in terms of our knowledge. In business, much debate over whether a policy, procedure or plan is right or wrong continues *ad infinitum* because those debating the subject are possessed of differing knowledge. If we can identify these differences and re-direct the discussion to them, their resolution often leads to more rapid agreement on a plan of action.

To illustrate, I *know* that sales fell by five percent in the last month and I demand both an explanation and corrective action. You *know* that the difference in the sales figures for the past two months is random variation and that we should take no corrective action but should stick firmly to our sales strategy. Also, you know that to react to monthly fluctuations in sales will only increase the variability in future figures. Which of us is correct? For a start, is it really important? For most of us, it is, because our knowledge, be it sound or erroneous, guides our actions. The manager who tracks every variance to its origins takes very different actions to the manager who sees only random predictable variation. Both managers could have the same aims; they might have similar values. Nonetheless, for as long as what they know about variation is so completely different, they will do different things. In the end, our actions count for more than our words. As Koestenbaum noted:

The business executive knows one thing, something that academics and scholars often overlook; understanding a business problem and knowing its solution is not enough. Action is the key. Ethics is the imperative to act. And persistence is what is required of action.⁽²⁾

However, action for the sake of action, or action based on incorrect knowledge can, in some cases, do more harm than inaction. In those cases, a better motto for business would be: "Don't do something, just stand there!" This sounds absurd to the executive hardened in the crucible of the marketplace or the factory, but if our knowledge is poor, incomplete or erroneous, decisive action can be disastrous. Of course, action is important, but correct action is more important.

Our knowledge base guides our action, or inaction, profoundly. For teamwork to be effective, a common knowledge base is required. We can't even communicate well unless we at least understand the basis of

knowledge each participant operates from. Common knowledge would be best; an understanding of each position is the minimum requirement. I *know* that to treat each department, factory and distribution centre as a cost or profit centre is the best way to create accountability and improvement. You *know* that my position is absurd and that one should work towards optimising the entire process. We will act very differently. However, if we at least understand why we have different truths, we can communicate; can discuss the issues; have a chance to arrive at a agreed plan.

AIMS (and structures)

My *aim* is to defeat my competitors in the marketplace and to capture market share. Your *aim* is to work with your competitors to reduce costs in common areas; to share some of the burden of research and development and to further drive down cost to the consumer thereby creating market growth. In short, my *aim* is market share, and your *aim* is market growth. For so long as our aims are different, we will do different things. There is neither right nor wrong until we state the aim. No policy, procedure or plan can be termed right or wrong until it is expressed in terms of the aim.

I create a pay for performance scheme that promotes competition between divisions, departments and individuals; I'm sure competition will generate optimum performance. You create a pay scheme that encourages managers to work together in pursuit of a single goal. In this case our common aim is to maximise performance. However the physical structures we create are quite different and they will stimulate different responses from people. Every physical structure implies an aim, and expresses the state of our knowledge and values. No structure, be it a pay or organisational structure, is right or wrong until we express it in terms of our aim, knowledge and values and beliefs. Here such structures are included with aims under the physical part of the model, because they are largely physical by nature. The fact that they also reflect our knowledge and values serves to highlight the interdependency of the rational, physical and emotional components.

My *aim* is to meet my monthly budget targets; your *aim* is to reduce variation in your revenue and costs figures. My *aim* is to prove that I am right; your *aim* is to open your mind to new possibilities. My *aim* is to improve the product; your *aim* is to create a new one. My *aim* is to achieve good grades in school; your *aim* is to learn. My *aim* is to hold people accountable for results; your *aim* is to improve the process they work in. My *aim* is to cut costs; your *aim* is to improve quality. Our plans and actions are neither right nor wrong until they are expressed in terms of the aim.

One glaring example of how the aim profoundly affects our actions can be seen everywhere in business. It is the difference between the approaches taken by a capitalist and an athlete. The aim of an athlete is to win. The aim of the capitalist is to make money. Many who would call themselves capitalists are in fact athletes. They struggle daily to conquer their opponents. Sometimes they win, only to discover that the battlefield they are now possessed of is a wasteland laid barren by the conflict. The battle is won; our market share has been protected; but there are no profits! On other occasions, we observe local companies locked in naked competition. As they exhaust themselves, a freshly arrived overseas company strolls onto the battlefield and puts them both to the sword.

When General Motors, Ford and Chrysler competed, Honda, Toyota and Nissan won.

Too often we confuse winning with capitalism. Many Western managers are athletes. Their fundamental belief that competition is an unqualified good affects the framing of their aims as well as the physical structures they create. Sadly, winning and profits are not always mutually inclusive. Sometimes they are mutually exclusive. It is the responsibility of leadership to know which applies in any given situation.

A different approach currently gaining favour is one where competing companies work together to maximise the effectiveness and efficiency of the industry. They may: share facilities; produce product for each other to improve efficiencies of scale; conduct joint research on common problems, or to maximise the performance of their product and service in the hands of the customer, or create industry standards. All of this is done to give the customer the best possible product and service, at lowest total cost, and to grow the market. Within this framework, they compete for customers. Here we see duality of aim:

Aim: To optimise the performance of the industry. To produce the best possible result for customers at best possible profits for the industry, now and in the future.

Aim: To compete amongst each other for customers in a growing market.

There seems little point in being the number one company in any industry if that industry is failing. A better, more capitalistic approach is to be number two or three company, making profits in an industry poised to make profits for years to come. I can see nothing wrong with a company attempting to increase its market share, but it makes no sense to make

defeating a competitor a higher priority than better serving customers and shareholders. It is a matter of priorities; a matter of knowing at any time which of the dual aims should be superordinate and which should be subordinate.^{(3) (4)}

For years, Australians watched General Motors, Ford and Chrysler locked in mortal combat. We followed the battle both on the racetrack and in the marketplace. The battle was won by the Japanese, and a major reason that only Chrysler pulled out in defeat is that trade barriers protected local producers. In an open and free market, it is doubtful that any cars would be designed and built in Australia. Australians are fond of explaining how their small market makes it impossible to compete. They carefully avoid the fact that Sweden, with not much more than half the population of Australia, sends products to the world that bear names such as Volvo, Saab and Scania. Is this avoidance rational or emotional?

What is the aim? Is it to win; is it to attract and keep customers; or is it to make profits, now and in the future? No plan or action can be judged as right or wrong until it is expressed in terms of the aim. If we choose an aim that causes sub-optimisation, no amount of effort will recover the position. Even if we survive financially, look at the wasted efforts and the customers or profits that could have been.

In response to the question, “What is the *aim* of a school”, most educators reply, “education”, or “to teach”. At Amy Beverland Elementary School in Indiana and at Riverside Primary School in Tasmania the response would be more like, “to facilitate learning”. Teachers at these schools would add that as the core work done is learning, that the students do the core work. The teaching and school staff are there to help and guide the students as they work. Setting the *aim* is critical. Most teachers would agree that once the *aim* is changed to make learning the core work, their approach changes significantly.

My *aim* is to refine and improve the entrance examinations for university; your *aim* is to abolish them and provide an education for anyone who wants to learn. My *aim* is to maximise my share of the Australian market. Your *aim* is to hold one third of the local market and then to expand overseas. My *aim* is to win the next election; your *aim* is to create a better future for our children’s children. We do different things. To discuss which of us is taking the correct action is futile. The discussion will be more fruitful if we centre it on the aims themselves and the reason for their selection.

.....and structures.

Edward de Bono created the word “ludacy”.⁽⁵⁾ It is derived from the Latin word *ludo*, to play. de Bono uses the word to describe behaviour that makes playing by the rules the *aim* of the game, or at least one of the aims. In business this leads to managers working very hard to meet their departmental targets, and perhaps achieving them, but failing to either make a profit or to win customers. They have played the game according to the rules, but because they are focussed on these rules with all the intense concentration of a myopic peeping Tom, they have lost sight of the aim. The larger and more hierarchical an organisation is, usually the more common will be ludacy.

Another example comes from the children’s game, musical chairs. Ask any group what they think the *aim* of this game is. In the great majority of cases the overwhelming response will be, “to win”, or “to be the last person with a chair”. Now, given that we are discussing a children’s game, it is highly likely that the original aim was “to have fun”. The structure of the game is such that many of the children do not have fun. Those eliminated early in the game are reduced to mere spectators for most of the time that they were supposed to be having fun. Are the first couple of kids knocked out of the game having fun?

In many children’s games “to have fun” has been replaced with “to win”. In business, “to make profits”, or “to attract and keep customers” has been replaced with “to meet departmental targets”. If we change organisational structures, we change organisational behaviour. Pay and information systems are two such physical structures which impact on organisational behaviour to varying degrees. In factories, specifications can become the de facto customer, and we make the mistake of assuming that meeting specifications guarantees customer satisfaction. In a similar way, often we mistakenly assume that a lack of customer complaints indicates a high or satisfactory level of customer satisfaction.

In every large organisation we see ludacy in action. People are playing the game according to the rules, but often they have lost sight of the *aim*. One way ludacy manifests itself can be seen in those cases where the boss has become the most important customer. When the boss uses the information system to judge performance, often this system becomes the de facto customer. All one needs to do is keep the right numbers flowing up the information system, never mind how they got there, or what had to be done to get them there. A similar effect can be found with pay systems. Many will concentrate most efforts on those aspects linked to a bonus or pay rise. This might sound like a great idea, until we find sales representatives selling very difficult jobs to impossible deadlines, or overselling customers

who later discover this fraud and take their business elsewhere. The sales staff are not to blame, they played by the rules.

In schools ludecy results in “to learn” being replaced by “to get good grades”. There is no shortage of students who are adept at obtaining good grades, but who are hard pressed to apply those subjects because their ability to pass examinations is not matched by their understanding of that subject. One example is the teaching of statistics. Many students manage to pass the course, but fewer understand what they are doing well enough to successfully apply it in the office or the factory.

My eldest son is not noted for his tidy work or his spelling and grammar. A few years ago, his marks for science projects were less than excellent. The following year a new teacher gave his first five projects a grade of A- or better. Was the difference brought about by the new teacher, or was it due to the fact that we had acquired a new computer complete with graphics and a spell checker? We will never know for sure. The addition of a scanner further enhanced presentation, and maybe his marks will rise again. This technology is a boon to humanity. My son and I would not willingly surrender it, but has any of this wonderful technology changed his level of knowledge in the subject area? What do the grades mean?

Most of us can recall learning examination techniques at school. Why? How are examination techniques related to learning? I submit that no such relationship exists; that the teaching of such skills is a symptom of ludecy. We want children to learn. In order to know whether they have learned, we conduct tests or examinations. For reasons I do not quite understand, we then grade the learners. We teach examination skills to help improve grades, but in this sequence of events, improving grades is somewhat removed from the initial aim of “learning”. Even if the grading was meaningful, any increase in grades achieved in this way is a sham because the students have little or no increase in knowledge of the subject matter. That is, it’s a sham if our *aim* is to learn. If our *aim* is to get good grades, it’s a perfectly valid approach.

There is neither right nor wrong until we couch that being discussed in terms not only of the aim, but also in terms of the physical structures such as those described above.

VALUES AND BELIEFS

According to your *values*, people are more important than profits. My *values* state that profits provide new investment and new jobs, and that temporary unemployment caused by new technology is a necessary and acceptable part of progress. You *believe* that humans have intrinsic

motivation, and that leaders need only break down barriers to unleash a torrent of human potential. I *believe* that without some form of extrinsic motivation, few people will stir themselves out of mediocrity. I *believe* that controlling students or employees is an essential and central part of teaching or management. You *believe* that learning and achieving are completely natural human behaviours, and that leaders need only guide, enable and above all, lead. We will behave very differently because our values and beliefs are different. Again, our actions cannot be judged as right or wrong until expressed in terms of our values and beliefs. Again, rather than conduct debate about which set of actions is correct, we would do better to examine the beliefs and values from which they spring. Again, we can't even communicate effectively unless we understand each other's values and belief systems. Commonality of beliefs makes for even easier communication, and, just as importantly, unity of action.

Several years ago, I read a letter to the editor in a prominent newspaper. The woman who wrote the letter argued strongly that Western women in general, and feminists in particular, had made some fundamental errors. She argued that it was right and proper that a woman be chattel of her father until she be married, after which time she should obey her husband absolutely. This, she wrote, was the law of God. Whenever this tale is told at a seminar, one can watch the women bristle. Usually they calm down when it is explained that the author was Islamic, and a native of Iran.

There is neither right nor wrong in our world. The woman from Iran *knows* she is right, and according to her *values and beliefs*, she is. Who amongst us would relish the task of convincing her that she is wrong? How much logic and rational argument would it take to change this woman's thought processes?

INTERDEPENDENCY

There are obvious links between our beliefs and values, our aims (and structures), and our knowledge. A management team that understands variation would never build an information system that reported weekly or monthly variances and encouraged action on each variance. Similarly, new employees who find an information system that clearly separates random and non-random variation learn something about variation without any formal training whatsoever. If our true internal values state that customers come first, then this should be evident in our pay, promotion, and information systems. Most companies state that their employees are their most important asset. Is this claim reflected in their physical structures, or do they indicate something else? When a company abruptly lays off many

employees to preserve its profit margins, a value statement is made so loudly that those expressed in the formal documentation are drowned out. In addition, our organisational structures and information systems clearly reveal the knowledge base used to construct them.

WHAT YOU DO.....

We all express our values and beliefs, sometimes freely. Sadly, there is often a chasm between words and deeds. If you want to know what your values really are, check to see where you spend your time and money; examine what you do, and who you are. I believe it was Ralph Waldo Emerson who said:

What you are stands over you the while, and thunders so that I cannot hear what you say to the contrary.

A more common version of this quotation is: “What you **do** rings so loudly in my ears, I hear not what you **say**”. The same can be said of organisations, and their management teams. There is little purpose writing down a values statement if the actions of senior managers do not reflect those values, on a daily basis. In the midst of a crisis, how many stay true to their stated values? We do tend to stay true to our internalised beliefs and values. These shape our aims and govern much of what we do. Most of us don’t notice the mismatch between our stated beliefs and values, and those which are deeply held and so intricately woven into the fabric of our existence that we barely notice them; the ones we actually live by, as opposed to the ones we espouse verbally.

What you do.....

“Our people are our most important asset.” How often we read those words. They are almost mandatory on a mission and values statement. Walk into almost any corporation’s offices and those words, or words to that effect, jump off the walls at you.

rings so loudly in my ears.....

My bank used those words. In the clean up that followed the economic mess caused by the excesses of the eighties, it issued a press statement designed to calm nervous investors. The statement simultaneously announced the retrenchment of thousands of staff and the creation of a new executive share/bonus scheme.

I hear not what you say.

Nor do our spouses; nor do our employees. How could they? It’s no good telling them differently. We must show them! It’s the only way they can understand us; the only way they can grasp our aims, our knowledge and

our beliefs and values. Of course, regardless of whether we intend to show others our deeply internalised beliefs or not, that's exactly what we do. We can't help doing otherwise. We may fool many for a while with superficial deeds and high sounding words, but our true colours always show through sooner or later.

If I believe that a commercial enterprise should operate with as few staff as possible, I should say so. I may choose a gradual, continual downsizing over the occasional bloodbath. I may choose to provide assistance to displaced people; but I should say what I believe. One definition of wisdom is that it is the matching of words and deeds.

CHANGE - A RATIONAL PROCESS?

Our emotional and physical sides govern our actions to a greater degree than does our rational side. The evidence of this surrounds us. Part of the reason for this phenomena is that even rational constructs, if deeply believed, become emotional issues. This is especially true if that construct is attacked by a change agent. Once we have examined an issue and come to a conclusion, we internalise that "fact" on both a rational and an emotional level. An example of this is Einstein's conclusion that the universe was in a steady state, neither expanding nor shrinking. I am inclined to believe that this conclusion was not arrived at lightly. Nonetheless, when Einstein's own relativity equations indicated that the universe was expanding, he altered the equations to prevent their logical conclusion from stating that which he found repugnant. He reacted emotionally. We all do.

Life would be impossibly difficult if every issue that presented itself required a rational thought process to arrive at a decision. We seek and detect patterns in the data with which the universe bombards us. Out of these patterns come our understandings of how the universe works, which become our paradigms. This is an immensely useful process because once the paradigm is formed, it simply is. We don't have to think about it any more. We simply use it, and we use it automatically. It just **is**. The down side of this very useful phenomenon is that we occasionally form understandings that are incorrect. These become part of our operating paradigms; part of our belief systems. The error will likely go undetected until someone points it out. Because the error is internalised as part of our belief systems, our reaction is nearly always emotional rather than rational, despite the fact that the construct being challenged is rational and perhaps purely scientific in origin. Once an idea, fact or concept is internalised into our belief systems, we are likely to use denial and emotional rejection as an automatic defence measure, as well as filtering and avoidance. Denial

and rejection are by far the most effective defence mechanisms, because having used them, we have increased our emotional investment significantly. Having increased the investment, we will have even greater cause to defend that which is challenged, and so on, and so forth, *ad infinitum*.

For many people, the change process seems to have two or more stages. If we use the SARA model, we note that when one of our beliefs is challenged, most of us pass through Shock and Anger to Rejection very quickly. Having overtly rejected the new paradigm, only a few are likely to admit that their rejection was in error, or more correctly, only a few will find themselves able to make that admission to the change agent who challenged their internalised paradigm. Having looked the iconoclast in the eye and outright rejected his or her challenge to our “truth”, very few of us are then able to look that same change agent in the eye soon afterwards and admit that our emotional denial and rejection was irrational.

However, all is not lost. The challenge is to avoid rejection in the first place. If it happens, we need ways to help people overcome their emotional rejection to the final stage of the SARA process, Acceptance. Here is a suggestion. Give the people in question a little breathing space. Remove the original change agent and ask them to do some reading or research that relates to the new paradigm. If possible, bring them into contact with some people who are already making the change. Then, introduce a new change agent; one who has the same basic message, but a different approach to the subject. It is remarkable how effective this method can be. I have watched many managers who vehemently opposed the first change agent subsequently attend a seminar conducted by a second such agent a year or two later, and emerge transformed. Nearly always this transformation is accompanied by statements like:

“No.1 did not say that,” (he did).

“No.1 made things so complex no-one could understand. No.2 was great at keeping it straightforward, free of esoteric frills, and concrete.”(Actually they said almost the same things, only the case studies differed substantially.)

“No.1 was full of academic theories. No.2 was a down-to-earth, how-to type of bloke.”(That’s interesting, because others have the reverse opinion of both of them.)

“It’s a shame we did not hear No. 2 a couple of years ago instead of No.1. We’ve wasted those years that could have been so much more

productive.” (Actually, you probably would have rejected No.2 two years ago and accepted No.1 now, had their sequence been reversed.)

In these cases we may need two change agents. One to take people through Shock and Anger to Rejection, and one at a later date that allows people to change their position without appearing to do so; without losing face. In some cases the same change agent can be used on both occasions, especially if there are several years between occasions. I have found that it is not uncommon to be approached at the conclusion of a seminar by a delegate who is intent on complimenting me about how much the content and the delivery of the seminar has improved during recent years. Some even comment on the much improved OHP transparencies or the vastly upgraded handout materials. Whilst in most cases I am hard pressed to find those significant changes, I am learning to accept the compliment and ask for further advice. A slow learner I may be, but, like most, I do eventually learn.

We have all experienced situations when we either did not understand (filtering) or simply rejected a new idea or concept. Equally we can all cite examples where hearing the same message from another person, or reading a different author's book on the same material created understanding or acceptance. Certainly I have many personal examples.

The only ways I know to largely avoid denial and rejection or avoidance in an organisation are to either bring about change in an evolutionary rather than revolutionary manner or to avoid change altogether. I choose to ignore the latter approach. An evolutionary approach means avoiding any method that tells people that their current beliefs are wrong. It means modifying or building over that which exists and steadily making many small changes, or presenting information in such a way that people are not offended by it and arrive at their own conclusions. The drawback of this approach is that like evolution of species, it can be slow. Sometimes, corporate survival demands a fast change process because the time to take a slower, step-by-step approach does not exist. In these cases leadership must steel itself for turbulent times. Here the challenge is neither to avoid emotional turmoil, nor to resolve it. It is to create it with rapid and profound change to the new paradigm; where departure from the company is the only option available (sometimes called a significant emotional event). Machiavelli's advice to his prince seems relevant here:

It should be borne in mind that there is nothing more difficult to handle, more doubtful of success, and more dangerous to carry through, than initiating changes...

The innovator makes enemies of all those who prospered under the old order, and only lukewarm support is forthcoming from those who might prosper under the new...

Men are generally incredulous, never really trusting new things unless they have tested them by experience.⁽⁶⁾

How does one test by experience an idea? There is only one answer. Do it! Perhaps Susan Jeffers put it more appropriately in the title of her fast selling book, *Feel The Fear And Do It Anyway*.⁽⁷⁾ All new paradigms are revolutionary by nature. Only leaders can decide whether or not their organisation will adopt a new paradigm, and if they decide to make the change, how rapidly to proceed.

Every statement or idea expressed in this book is neither right nor wrong. What the reader finds here are my conclusions, according to my current knowledge, aims, values and beliefs. It is my hope that, at least initially, readers will neither agree nor disagree. Rather, I hope that they will re-examine their own knowledge, aims, values and beliefs, and draw their own conclusions. Also, I hope that all of us are able to resist holding these conclusions above question.

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