

UNIV 2009 - 42nd Forum UNIV  
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**Leadership in difficult times:  
the global economic crisis  
and the role of University**

# Global Crisis according to Financial Times, March 2009

- The madness of crowds
  - A failure to control the animal spirits
  - Crowd behavior cries for intervention
  - Herding instincts
  - Irrational exuberance
  - The disaster myopia
- ... Is it about Economics ?????

# Epistemological Depression

Jerry Z. Muller, The American, March 2009

The more persuasive theory about what happened to the global economy revolves around ignorance and stupidity. The primary problem is that overconfident bankers didn't know what they were doing. Instruments got too complex to understand. **Too many people were good at math but ignorant at history.** What's new about this crisis is the role of opacity and pseudo-objectivity.

The most interesting factor is the way **instant communications lead to unconscious conformity.** You'd think that with thousands of ideas flowing at light speed around the world, you'd get a diversity of viewpoints that would balance one another out. Instead, global communications seem to have led people to adopt homogenous viewpoints. They made the same one-way bets at the same time.

John Paul II to UNIV 81:

Whoever does not want to align his freedom with that decisive truth about the nature and destiny of man risks being swallowed up by what I would call the “mechanisms of social adaption.” **Freedom or conformity? Freedom or submission?**

If, in his academic preparation, the student is satisfied with merely pragmatic truths, he will arrive to the professional world **like a spectator entering a darkened theatre, guided only by the dim light of the usher.** Others will be the ones to assign him his place and his career path – the only ones allowed by a system of false values that, with its rigid laws, reduces all ideals to success, prestige or money.

# Are b-schools to blame?

Financial Times, February 3, 2009

It is clear that we as business schools bear some responsibility for the global financial meltdown; but it is equally clear we are not alone.

Most students in my courses have never had an ethics class before. To me this **is a glaring omission in their 15-plus years of education**. Starting at age 24 or 28 is a bit late.

Prof. David A. Bainbridge, School of Management, UC San Diego

*Questions of Character: Illuminating the Heart of Leadership,*  
Joseph L. Badaracco Jr. (2006)

MBA students perhaps need a little more in the way of good judgment and self-knowledge, as well as a **deeper understanding of human nature.**

We pay far too little attention to our inner lives.  
Leaders should learn more about themselves.  
Before you set out to manage other people, you should look inside yourself and reflect on how well you can manage yourself.

## Negative view of human nature

There were countless individuals within Enron who could have quit their jobs and alerted regulators to what was going on. Brave souls were in short supply.

Call me a pessimist, but my view is that **human nature being what it is**, we can expect more Enrons to come.

Paul Barrett, Harvard Magazine, Oct 2008

# The solution needs to stem from different anthropological foundations

Now, most discussions of the stimulus package also rest on a mechanical, dehumanized view of the economy. You pump in a certain amount of money and “the economy” spits out a certain number of jobs. But an economy is a society of trust and faith. A recession is a mental event.

Mechanistic thinkers on the right and left pose as rigorous empiricists. But **empiricism built on an inaccurate view of human nature is just a prison.**

David Brooks, NYT January 16, 2009

# Human beings are not mere selfish agents

At its deepest level, the crash arose because people and markets did not behave in the way described in economic textbooks.

We have grown up with a **caricature of economic man as perfectly rational and self-interested**. We are daily conditioned to think of human beings as “economic agents”: as purely selfish, endlessly calculating costs and benefits and highly sensitive to marginal gains and losses.

We secretly know this picture is wrong. We yearn endlessly for the things money famously cannot buy: love, friendship, happiness.

**We need a richer conception of humanity. Such a vision starts by recognising the limits of human nature. But it rejects the idea that humans are merely passive vehicles for utility, in favour of a far more dynamic conception of human capability.**

Jesse Norman, FT, December 4 2008

## Positive Notion of Person (more than just individual)

- Emphasis on **FREEDOM**: person is the being who decides upon his ends, *causa sui* → **PURPOSE**
- Self as **UNITY**: body, mind, and soul
- Intrinsically **TRANSCENDENT**, able to exceed oneself (self-consciousness, self-irony), open to others, to the universe, and to God
- Thus, essentially **RELATIONAL** (interdependent): **capable of LOVE and BEING LOVED**

# Positive View of Human Nature

**SER PERSONA ES PODER SER MÁS**

*Julián Marías*

**L'HOMME DÉPASSE INFINITEMENT  
L'HOMME**

*Blaise Pascal*

**BECOME WHO YOU ARE**

*Delfos Temple*

# Paradoxical Thought: Capable of Best and Worst

## L'UOMO QUESTO SQUILIBRATO

*Michele F. Sciacca*

Developing your character is  
to practice the difficult art  
of being who you are...  
and becoming who you could be.

FT, March 13, 2009

# Time for the next generation

People are at their most creative, it is said, in their 20s and 30s. Yet, your selection of 45 men and 5 women whom you expect to frame the future has a grand total of three persons between 47 and 49, none below 40. I wonder if you have identified those who got us into the mess, rather than those capable of leading us out of it.

**Wouldn't it be time for the next generation to step forward?**

Prof. Klaus Meyer, Univ. of Bath, UK

# Generation Y

- Lucky because born (in spite of contraceptive culture)
- Longer perspectives of living, but not always hope for the future
- Best-educated generation in history, especially for women
- ICT fluent, inter-connected, travelled
- Overexposed to information, and to virtual images and sensations
- Democratic, multicultural and tolerant, though secularized
- Yearning for meaning and purpose

# New Generation or **NOW** Generation ?

- Impulsiveness
- Short-term driven: shortcuts to results, at times with the risk of “end justify means”
- **NEED FOR IMMEDIATE GRATIFICATION**
- As a consequence, epidemic of **Low Resistance to Frustration Syndrome**

Boredom, Routine,... → Frustration

Criticism, Feedback,... → Frustration

Failures, Setbacks,... → Frustration

Adversities, Difficulties,... → Frustration

# Millennial Generation

- Me-We Generation
- Multiple Personalities (more than one unique identifiable self), Multiple Mes: “DIVIDUALS”
- No need for consistency (very good at adapting to one’s own contradictions or lack of coherence)  
..., Double standards (for me / for others) ??
- No Absolute Values: Authenticity is about Versatility, Loyalty depends upon circumstances
- Paradoxical, unpredictable..., unreliable ???

# VALUES and VIRTUES

- What is a VALUE?  
It is what makes life valuable, worth living
- Not in abstract or theoretical principles, but in practical terms → VIRTUES  
*Honesty is about “nitty-gritty” behaviour, like keeping a secret, respecting one’s word, avoiding gossip, refraining impulsive reactions, etc.*

From theory to practice:  
From VALUES to VIRTUES

COHERENCE, CONSISTENCY

Either you live according to your beliefs, or you'll set your beliefs by how you live.

# From VALUES to CRITERIA

What is normal, good, right...?

What is success?

What is happiness?

Which are the indicators?

Who chooses them?

What is first? → PRIORITIES

# From VALUES to MODELS

Who do I admire?

Who do I try to imitate?

Who do I trust?

Who is my mentor, my adviser?

To whom do I look, listen, pay attention...?

Which biographies have I enjoyed?

# Thomas More

Happiness is not success.

It is the compass that guides our daily engagement.

It is the blissful joy of he who listens to God's music and dances at its rythm.

# The Madoff Economy (A World Gone Madoff)

Paul Krugman

The New York Times, December 19, 2008

How much has our nation's future been damaged by the magnetic pull of quick personal wealth, which for years has drawn many of our best and brightest young people into investment banking, at the expense of science, public service and just about everything else? [...] Why?

The answer, I believe, is that there's an innate tendency on the part of even the elite **to idolize men who are making a lot of money**, and assume that they know what they're doing. After all, that's why so many people trusted Mr. Madoff.

# The Unknown Young Rebel, Tiananmen Square, 4 June 1989



IN THE MIDST OF DARKNESS AND  
DESOLATION THE YOUTH OF  
1976 PIERCED THE DARKNESS  
AND RESTORED HOPE.  
REGINA MUNDI WAS THE REFUGE

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AZAPO SALUTES YOUR  
COURAGE!

# Nelson Mandela

The human heart is merciful and generous. No one is born hating another person because of the color of his skin, or his background, or his religion. People learn to hate, they can be taught to love, for love comes more naturally to the human heart than its opposite.

Even in the worst moments in prison, when my inmates and I were pushed until the edge, you could see humanity in the guards. It might be just for a second, but it was enough to confirm the human goodness. There I learnt to direct my energy at controlling bitterness and strengthening my commitment to freedom and reconciliation. Thus, I came out **mature**.

FINANCIAL TIMES, March 12, 2009

# Mature Leaders

What we most need is a greater mix of qualities in our leaders. Personal qualities such as curiosity, so often neglected in favour of being “all-knowing”.

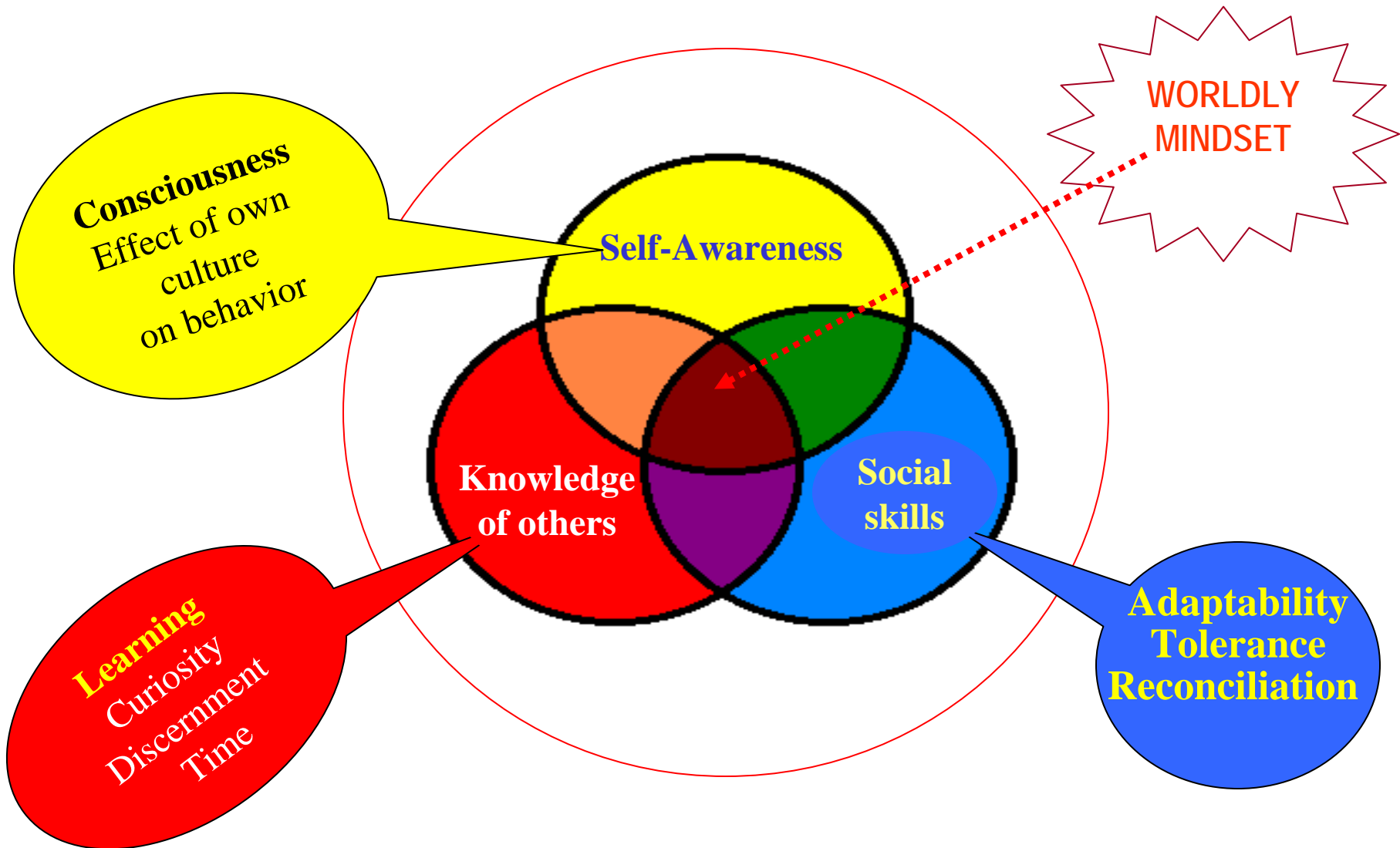
A powerful combination of humility and self-confidence.  
And grounded personal maturity, not ego.

Real depth and breadth of experience of the different situations in the world.

Jackie Orme

# GLOBALISATION

Understanding Diversity: Cultural, Socio-Economic, etc.



# Level 5 Leadership, by Jim Collins

The enduring and flourishing  
leadership is the result of  
the paradoxical combination of

**HUMILITY**  
**and**  
**FIERCE RESOLVE**

# HUMILITY

Discover where your **intellectual arrogance** is causing **DISABLING IGNORANCE** and overcome it.

Discover where your **weak [lazy] willpower** is causing **DISABLING CONFORMITY** and overcome it.

# Yes, We Can

## Yes, We Want To

Many brilliant people believe that ideas move mountains. But **bulldozers** move mountains. Ideas show where the **bulldozers** should go to work.

*Peter Drucker, 1999*

“**I want to...**” is not exactly the same as “**I wish ...**”,  
nor synonymous of “**I like ...**” / “**I would like ...**”

# Leadership: a force for change

- Leadership is the set of activities required to **articulate an organization's mission and vision**, and ensure that all of its stakeholders support them. These activities include: **setting the organization's direction and envisioning its future**; aligning the stakeholders whose efforts are necessary for success; and inspiring and energizing people throughout the organization.

(John Kotter, 1990)

- **LEADERS ARE DIFFERENCE-MAKERS:** they are prepared to swim against the tide.

## Difference-makers are much needed

Today's society needs the impact of your ideals, your enthusiasm and your energy. May no one feel exempt from this responsibility! [...] Don't be afraid of your youthfulness! Don't be afraid to run the risk of freedom! Don't suffocate the generous impulses of love calling you to make your life a service to others.

John Paul II to UNIV 86

You can be like leaven in the dough, people who are capable of changing entire professional cultures, who can create a better future... May you change the world, improve the world!

John Paul II to UNIV 82

## Through One's Work

**JOB:** Focus on income (money). Aimed at SUSTAINING.  
Job is seen as a means to a financial end.

**CAREER:** Focus on growing one's own talent and role (recognition). Aimed at SUCCEEDING.  
Marks achievements through advancement within their field.

**CALLING:** Focus on fulfillment (meaning). Aimed at TRANSFORMING.  
Passionate commitment to “work for its own sake” because of its contribution to a greater good.

# Professional Vocation

One's calling is not easy to discover. It requires much reflection and dialogue with others.

It needs openness to discover one's calling, and love for the effort required.

It arrives through trial activities and persistence. Fear of failure blocks this ongoing journey.

**Three things get in the way, and I can't  
imagine you being held back by them:  
doubt, hesitation, inconstancy.**

**Don't leave things for later or for tomorrow.  
'Later' and 'tomorrow' are two bad words,  
symptoms of a pessimistic and defeatist  
attitude, which, along with that other one,  
'impossible', we have erased for good  
from our dictionary. Today and now!**

**Saint Josemaria Escrivá, 19-06-1939**

# Afraid of trying the impossible?

