



SPIRITUAL CAPITAL:
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Good morning, everybody. I'm as happy as you are to be at this conference again. I think it's my favorite conference. My second favorite is the conference that Peter Senge runs, every November or December, the Soul Conference or the Systems Theory Conference. What's nice about both of these conferences is that they are more than conferences, they've built a community around them and you see old friends and there's a great spirit of community at the conferences, and that makes them both very special. And the theme of servant-leadership brings out the nicest people.

I'm going to talk this morning about servant-leadership and spiritual capital. I think that servant-leadership is a very profound and transformative idea, and you must agree with me or you wouldn't be here. But I think it could be more. I think it is the heart of what could be a whole overarching, all-embracing new philosophy of organizations, and particularly business, a philosophy that could help us do what has to be done, which is to reinvent capitalism. Capitalism and servant-leadership just don't mix—capitalism as we know it. And yet capitalism is a very, very powerful economic system, and we all know that. So I want to turn capitalism on its head today, still calling it capitalism, but giving it a new philosophy to live by. And I call this new philosophy spiritual capital. And I hope to make it clear to you as I talk this morning what that's all about.

I want to begin with a story from Ovid's tales of Greek mythology. These Greek myths have a power to them that our writers today just don't



have. They always manage somehow to say more than the words in them. And I find the myth of a merchant called Aris Kythan, a larger-than-life story, very much to the point of what I want to say.

Aris Kythan was a very wealthy timber merchant. He owned thousands of acres of tree land. But he didn't have much of a soul. To him a tree was so many cubits of wood, and so many cubits of wood was so many dollars. (I don't think he called them dollars in those days, but that's what he would call them if he were around today.) There was on Aris Kythan's land one particularly special tree beloved by the gods. Birds nested in this tree, fairies and spirits nestled in the tree, and pilgrims came and tied their prayers to branches of the tree. But one day Aris Kythan came upon this tree, and having no soul, he looked at it and thought, "This is one of the best trees I've got on my land, this will give me x cubits of wood and it will make me even wealthier than I am today." So he took his ax and he chopped down the tree. Of course the tree withered, its branches fell, the tree died, the spirits had to fly away, the birds had to fly away, the prayers blew away in the wind. The gods were very angry with Aris Kythan. So they decided to put a curse on him. The curse was that Aris Kythan would become insatiably hungry. Nothing that he could eat would ever be enough to satisfy his hunger. Once he was afflicted by this curse, Aris Kythan began by eating all of his stores, but he was still hungry. So then he ate his wife and children, and he was still hungry. Left now with no possessions, no stores, no family, there was nothing left for Aris Kythan to eat but himself. I'll use Ovid's own words for this, because they have the power of the horror that overcame Aris Kythan. "Of a monster, no longer a man, and so at last the inevitable: he began to savage his own limbs. And there, at the final feast, devoured himself."

For me Aris Kythan is the ultimate symbol of capitalism and business as we know them today, a monster consuming itself. Capitalism in pursuit of profit is destroying natural resources on which it itself depends. Capitalism as we know it is destroying our global environment. Capitalism as we know it is chewing up the people within it. And it spits them out when it's



finished with them. Capitalism as we know it all over the world is leading to social and political unrest because of the inequities that follow in its wake, because once again it thinks only of profit, and not of the consequences of its practices. And finally, which is why so many of you are here today, capitalism is causing a crisis of leadership for itself, because many of the best and brightest are leaving business for non-profit organizations, or simply for farming, or crafts—more idealistic ways that they can earn their living and do something good for society. It's difficult in today's capitalism and business as we know them to be a servant-leader. Not impossible, and there are wonderful cases that we hear about at this conference, but it is difficult. And those who are servant-leaders within our present system tend to be lonely and isolated, unless they come to Indianapolis the first week in June. The Oxford English Dictionary describes *capital* as wealth, power, advantage, and profit. But capitalism has taken all these words, wealth, power, advantage, and profit, and turned them into totally material terms. Wealth is how many bucks we can put in the bank, power is our power to accumulate more bucks, advantage is our advantage over our competitors, and profit, of course, is our material profit. It's all about money. In so many of the companies that I have worked for, I meet men and women who express tremendous stress and despair about this. They say that during the weekend, when I'm at home with my family, I go for walks in the country, I play with my kids, I care about the global situation, I worry about the state of American politics, I worry about the state of the world, but when I go into work on Monday morning I have to leave all that outside the door, because work is about making money for the shareholders of my company. This leads to a lot of the stress in business life, and the meaninglessness in business life, that are part of what is chewing up the people who work for business. Capitalism and business as we know them, particularly capitalism, was conceived by the English philosopher Adam Smith. And Smith had a very narrow concept of what it means to be a human being. He said that there were two fundamental things that were true about human beings. First of all, we are economic creatures first and foremost. We are born to truck, barter, and trade. And secondly, we are selfish creatures. We will always



look out for our own best interests. And these are the two primary philosophical assumptions that underlie the capitalist philosophy. And business has taken them up and practices them quite ruthlessly much of the time, again leaving very little space for the servant-leader who would serve higher motives and higher ideals. Wherever I go in the world speaking, and I say that business shouldn't just be about money, people look at me, shocked, and say, "Well what else is business about? Of course it's about money." One conference I went to in Istanbul a few months ago broadened its base just a little bit, and it said that business is about getting customers. But why do you want to get customers? So you make more money; so it came to much the same thing. I have a very different philosophy, based on my commitment to servant-leadership: that business indeed is about wealth creation. Of course it is, it's about money and making money, but the question is for whom and for what should that money be made? For whom and for what should all those enormous skills and dynamism of the capitalist system be used? My answer to that is that I see business as society's instrument of wealth creation for the benefit of society as a whole. The taxes that businessmen often try not to pay in fact give us all that we've got in our very well-off Western societies. Those business taxes give us good health care systems, good education systems, and a wonderful infrastructure. The United States—well we'll leave out the education and health because they're not the best in the world, or at least they're not freely accessible to everybody, but we certainly have the best infrastructure in this country. I also see the purpose of business as job creation. It keeps the whole economy ticking over; it provides employees with a source of income; it provides all the stakeholders of business with the wealth they need to develop their higher aspirations and values. This is a very noble purpose for business, but one not actually articulated by businessmen themselves. And it's a pity, because they're missing the boat. Business is good for society, but we need to raise the motivations and the vision of business so that business becomes an instrument through which servant-leadership can permeate throughout society. The stakeholders of business are not just the employees and the customers and the shareholders. The stakeholders are society as a



whole, future generations, the planet, and life itself. What a noble profession to be in, if only businessmen could realize and aspire to achieving these goals with the wealth that they so successfully create! I believe that the definition of capital interpreted from business and capitalism is too narrow. I believe very strongly that there are three kinds of capital that the wealth of business can amass. The first is, yes, material capital. Bucks, hard stuff. We need it, can't live without it, society can't develop without it. But the second kind of capital, which some people in business schools are beginning to talk about, is social capital. The notion of social capital was first introduced by Francis Fukuyama in his book *Trust*, and Fukuyama defines social capital as being measured by the extent to which crime is low in a society, trust is high in a society, illiteracy is low in a society, divorce rates are low in a society, and general sense of well being is high in society. Fukuyama pointed out the obvious: many of our Western societies are not terribly high in social capital. Here in the United States there are millions of Americans without adequate healthcare, and our state education system is a bit of a disaster. The wealth that business is making has not gone into building social capital of the same high standard as the material capital that it is generating. But I'm here to talk about a third kind of a capital, that I call spiritual capital. Spiritual capital is reflected in what we believe in, what we exist for, what we aspire to, and what we take responsibility for. It's captured in the extent to which our business activities reflect our deepest meanings, our deepest values, our most profound purposes, and again, our most serious responsibilities. I argue in my work that spiritual capital is the bedrock of both social and material capital; that without meanings and values and profound purposes and a sense of responsibility we cannot build a society high in trust, low in divorce, low in litigation, low in illiteracy, etc. And I argue further that without spiritual capital, even our material capital is going to be undermined. That monster will end up consuming itself.

I picture this like a wedding cake, if you want a visual image of it, where the spiritual capital is the big bottom tier of the cake, and social capital the middle tier, and then material capital the little bit at the top. The



importance is on that foundational bottom layer; without it the cake collapses. I also believe that each of these kinds of capital is driven by one of three main kinds of intelligence that human beings have. Material capital uses our IQ, our rational, logical, problem solving thinking. We're very good at that — it's what our education system stresses, it's what society has stressed since the seventeenth century in the Newtonian scientific revolution. Indeed it's been there in Western culture ever since Aristotle. "The right man is a rational man. Man is a rational animal," said Aristotle. And our IQ tests, as we know, have always been used throughout the twentieth century to separate the winners from the losers, the high fliers from the guys who are just going to slug along in life. It's used to select those who will be officers in the army, go on to leadership training programs in management, become the heads of school systems instead of front line teachers, and so on. I'm sure that every one of you here knows that Daniel Goleman greatly widened this base of intelligence thinking when he introduced the concept of emotional intelligence in the mid-1990s. Goleman showed that emotions help us think, that without emotional intelligence we don't really effectively use our rational intelligence. Emotional intelligence is mirrored by things like trust, empathy with others, emotional self-awareness, emotional self-control, an ability to notice and respond appropriately to the emotions of others. Many of you may work in companies or organizations that have taken on this emotional intelligence work. It's got really big time throughout the corporate world and through the educational world. There are programs galore all over the globe in emotional intelligence. And emotional intelligence builds social capital. I was very excited when Goleman's book came out in the mid-'90s, because I had never been happy with the IQ paradigm. And I was thinking about this whole issue of wealth and wealth creation and the uses of wealth, and these three kinds of capital. But I couldn't quite at first put my finger on why it was that Goleman's work left me feeling just slightly dissatisfied. I felt there was more to say. This unease was crystallized for me one night, about a year or two after I'd read *Emotional Intelligence*, by my five-year-old son. I was putting my son to bed one evening, tucking him in, reading him his story, and out of the blue



came the question, “Mommy, why do I have a life?” I was knocked back, as any parent would be by such a question, and was unable to give him an answer immediately. Within Ivan’s question, “Why do I have a life,” I reflected, there were really four subsidiary questions. The child was asking me, in his own way, “What is a human life, Mommy,” i.e., “What is the meaning of life?” He was asking me, “Mommy, what is my life for?”—i.e., “What is the purpose of my own life?” He was asking me, “Mommy, what should I do with my life?” This was about the vision he was going to have, the aspiration he was going to have as he grew up. And he was also asking me, “Mommy, what kind of a life should I lead, what kind of a man should I be when I grow up?” And that reflected a concern with what values he should adopt. So in this question, “Why do I have a life,” the child was asking about the meaning, the purpose, the vision, and the values that lie behind the human life. None of these were things that the *Emotional Intelligence* book on its own addressed, and I thought, this is what is the missing piece—meaning, purpose, vision, and values. I decided to call this, at the time, spiritual intelligence. Not spiritual in a sense having anything to do with religion; I don’t think you have to believe in God, even, or belong to any religious group to be spiritually intelligent. Unfortunately all too many of us know people who *are* religious who are not very high in spiritual intelligence. There is no necessary correlation. Spiritual intelligence, as I define it, is our need for and access to those deeper meanings, those higher values, those more fundamental purposes in life, and the vision that inspires us to lead lives of greater meaning and value. Spiritual intelligence underlies spiritual capital. It’s the intelligence we must use if we are to formulate and enact a new philosophy for business and capitalism. I chose the word spiritual because it comes from the Latin word *spiritus*. *Spiritus* means the vitalizing principle, that which gives life to an organism, an organization, to any entity. It’s what makes it live and breathe. And there has been a great deal of anthropological and psychological research in these last twenty-five to thirty years that has shown that what makes human life vital, living and breathing, is the fact that we have to have some sense of meaning, vision, purpose, and value to live our lives healthily and happily. It’s what makes



us definitively human. In short, I decided that the way to define the three intelligences is that IQ is about what I think, EQ is about what I feel, but SQ, as I call spiritual intelligence, is about what I am. And that's the same with servant-leadership. To be a servant-leader, you must *be* a kind of person. You *live* servant-leadership. Yes, you think it and you feel it, but it's no good thinking it and feeling it if you don't live it. We all know that the servant-leader communicates best to his potential followers by being a walking example of the kind of person he is asking others to be. It's not something you can fake.

I wrote my first book on spiritual intelligence to outline the basic idea. It was a struggle. People have asked me at this conference, "Which of your books do I buy?" Well I think they're both pretty good. [Laughter.] But I think the second one is better. The reason is that in the first one I was wrestling with a new idea; I was stretching myself in every dimension of my being; and as one is doing when carving out a new idea, there wasn't always that crystal-clear clarity of everything falling into place. With the second book, which came four years later and took all of those four years to write, I got clearer about how spiritual intelligence relates to emotional intelligence, and I got clearer about the driving transformative principles of spiritual intelligence and how they relate to this concept of spiritual capital — the capital that, if business were to acquire it and build it, would transform society, business, and capitalism itself, and transform those who work within the large organizations of this world. I looked for the transformative principles. I found twelve. I didn't just pick them out of the air. My first passion in life was quantum physics, and I spent all my teenage years doing mad scientist experiments in my bedroom, and was inspired. I had lost my faith in Christianity by the age of twelve, and quantum physics stepped in to fill the gap for a few years. I looked to quantum physics as a new language, a new set of metaphors, a new set of images, a new set of ideas that could help me answer the kinds of questions that my five-year-old son was asking: Why do I have a life, what does it mean to be here, what is a human life? Later, because of my passion for physics, I also got interested in chaos



and complexity science. I don't know how sophisticated you people are about these new sciences, but the new sciences of the twentieth century give us a radically new paradigm for thinking about physical reality. Instead of thinking about discrete atoms that bump into each other and conflict with each other, it talks about patterns of dynamic energy being the basic building blocks of the universe. And these patterns of dynamic energy overlap and combine and self-organize and have power from within; they're in constant dynamic dialogue with the environment around them, as well as with each other; they thrive on mutations, difference; they have a sense of purpose about them; they are self-organizing in a particular direction that builds ever greater complexity. I did a bit of research and found that, as a complexity scientist or a quantum scientist would define us, we are complex adaptive systems, biologically, without question. All of life is called a complex, adaptive system, because it has these properties of creating more order, more information, being self-organizing, holistic, thriving on mutation, etc. Totally different from the old bleak Newtonian picture that had inspired Adam Smith when he defined the principles of capitalism. Recent neurological research has shown that there is both quantum and complex activity in the brain, particularly when we are thinking creatively. Complex systems are poised at what they call the edge of chaos. Not like the edge of this lectern, but the meeting points between order and disorder, between something being so boring that it loses us completely, or something being so chaotic that we can't deal with it. And as I said, they're the point in nature where new order and new information, i.e. where creativity, take place. Ten principles define the behavior of these complex adaptive systems, which we in fact are walking versions of. I felt that these, because of the characteristics they have and the role they play in creativity, were the ten principles that underlie spiritual intelligence. I added two more, drawing from the great spiritual traditions of all the peoples on this planet. I think that these twelve principles, which are conscious complex adaptive systems, are the driving forces that allow us to raise our motivations, to transform ourselves, our institutions, and our business lives, and to become creative in the way that is necessary in these times of ours, which are themselves



poised at the edge of chaos. I want to run through these twelve principles for you as the building blocks of how you create spiritual capital.

I want to begin by saying that it is my opinion and that of others whom I have read, that our society, and business in particular, is driven at present by four negative principles: fear, greed, anger, and self-assertion. Fear, greed, anger, and self-assertion. There is a great deal of fear in business life. Fear of making mistakes, fear of losing money, fear of the anger of the boss, fear of losing one's job, fear of getting it wrong. There is, behind the entire capitalist system as we know it, nothing but craving, and it drives this whole consumer materialist society. Business is constantly trying not to meet our genuine needs with quality products necessarily, but to create false needs in us where we will crave the products that it spews out. Our teenagers today dress themselves in Nike shoes and, oh, I don't know what all these various brands are, but someone has written a book, *Brandchildren* I believe, I mean a child these days, a teenager, goes around as a sort of mobile advertising unit. They define themselves in terms of products, spewed out by a consumer-driven, materialist system that has created in them the notion that to be a man today, you wear Nike shoes. And if we're to get beyond this, to raise our motivations to what I call the first four positive motivations, to move from fear to situational mastery, to move from craving and greed to integrity and self-mastery, to move from anger to cooperation, and to move from self-assertion to exploration, we've got to put some kind of energy into the system. You can't change people's basic behavior if you don't change their underlying motivations. Motivations are kind of attracters of energy within the human system, and you can't change those attracters of energy unless you pump more energy into the system. In my book on spiritual capital I use the image of a pinball machine, where the holes in the pinball machine are the attracters that define particular motivational states: there's fear, there's anger, there's greed, there's self-assertion, and the balls are falling into them, and if we want to shift those balls out of those holes, we pull back the string and fire a new ball in and then all the balls go like this [makes wild gestures with hands] and they can fall into



new and higher pockets. What is the energy that we shoot into a motivational system to shift those motivations? My answer is, these transformative principles of spiritual intelligence. So if we want to shift organizational culture, we do so by finding ways to embody these twelve principles.

The first transformative principle of spiritual intelligence is self-awareness. Not in the emotional sense—that's necessary, but it's not enough for what I'm talking about. I'm talking about awareness that I have a self in the first place, that there's more to me than my ego coping mechanisms and my ego strategies and my ego cravings and my ego games, that within me lie deeper levels of consciousness that aspire to and are in contact with higher things. So self-awareness is literally awareness of the self—not the ego, but the self, which ultimately connects with the field of consciousness in the universe as a whole. It's what puts us in touch with the deep stuff. When you are self-aware at that level, you become authentic. You know who you are, and by knowing who you are I mean you know what you live for, what you would die for, what you fight for, what you want to achieve in life, what your values are, what gets you out of bed in the morning, what gets you through the pain that every one of us carries in our complex human lives. You cannot be real, you cannot be effective, if you are not authentic. We all ultimately pick up a fake. Now the fake is not always a nasty, conniving person who's trying to pull the wool over other people's eyes; the fake often, more tragically, is just someone who simply has not reached this level of self-awareness and authenticity, but it's available to every one of us.

The second principle of spiritual intelligence is spontaneity. Spontaneity has a bad reputation sometimes because it's been translated by many people to mean "do my own thing, let it all hang out, act on whim," which can be incredibly selfish and incredibly irresponsible, but it's almost the ethos of the times. All of psychotherapy is about this. Learn to be me (by which they mean my ego); learn to express myself (by which they mean my ego); put my interests first, because that's what's authentic. It's all stuff that's got turned on its head.



Spontaneity comes from the same Latin word as the words response and responsibility. To be deeply spontaneous first of all requires a great deal of discipline and hard work. It isn't whim-like at all. It's more like the spontaneity of the martial arts warrior that requires incredible discipline that gives you a poise, like the poise of the Zen archer or the tightrope walker. And when you have that kind of poise, you are responsive to the moment. Think, later today, when you have a chance to digest today's session and reflect, how much baggage you bring to each moment and to each meeting in your life. There's your childhood experience, your prejudices, your assumptions, your fear, your fear of vulnerability, your fear of consequences if you show too much or respond too much. You don't really *meet* other people from here [gestures to belly] when you're carrying all that baggage, and therefore you're not truly being responsive. Children are. That's what's so special about children, or one of the many things that's special about children. They're just there, in the moment. They don't have any baggage, they just want to learn, they just want to meet people, they just want to see what you're like. And then they explode with these embarrassing comments when they see what they do.

The third word linked to spontaneity, responsibility, means to take responsibility for what I see in that moment. Make it mine, own it, and act on it. We live so much today in a victim society. It's somebody else's fault if I smoke cigarettes, so I should sue the tobacco company because those nasty men sell me this poisonous stuff. It's somebody else's fault if my gums bleed because I use a new toothbrush, so I sue the toothbrush manufacturer because he hasn't warned me. There are the most ridiculous examples in the American litigation system of people passing the buck of responsibility. We could go right up the ladder to the top in Washington where we say, "It's Bush's fault that America's not on a healthy path today." Well who is the American government? We elect them. You have to own your actions, and those actions need to happen spontaneously, from response to the moment, without the baggage.

The third quality of spiritual intelligence is to be vision- and value-led.



This is the aspirational part: to live what you believe in. Which requires in the first instance to know what you believe in, and that's going to require a lot of reflection. But to live it, to aspire to it, to want to leave the world a better place than you found it, to want to make a difference. That was the answer I gave my poor five-year-old son a few weeks after he asked his question. I said, "Ivan, you're in this world to leave it a better place than you found it. You're in this world to make a difference." The poor child was probably expecting me to say something like, "Oh, we want you to grow up to be a doctor, or "We want you to grow up to be a scientist," or something like that, but this is what he got. But it is basically what human life is about: to make a difference. It's what servant-leadership is about. To leave the world, in whatever aspect of it you live, a better place than you found it. And you don't have to be Mother Teresa or Mahatma Gandhi to do this. You can be a taxi driver, a mother, a father, a cook, a shop floor worker, or a great leader. It's to make a difference in whatever sphere of the world you operate in. Consuela told so many inspiring stories yesterday of people making that difference for their own children or for their fellows. One human being who lives by vision and values to make a difference changes the world.

The fourth principle of spiritual intelligence is to be holistic. This is a buzz word—these days everything is holistic. I imagine Nike shoes are holistic in their advertising campaigns, but it does have a real meaning. In quantum physics, which is where the sense of holism originally comes from, the great quantum physicist David Bohm said there is no such thing as separation in this universe. Everything is intertwined with, interwoven with, and impacts upon everything else. I am defined in terms of you, you are defined in terms of me. We are in a field of consciousness, a field of meaning. And in energy fields, everything impinges upon, everything is defined in terms of, everything else in the field. What is the meaning of this holism? It means that I know that what I do matters. What I think matters. What I feel matters. If I want to change the world, I change myself first. Transformation begins right here. And there's nothing unimportant or use-



less about it, and no excuse for saying, “I can’t make a difference in this world because those guys are in charge and they don’t give me the chance. . .” One person can make one hell of a difference, at least to those around him. It’s like dropping a stone in the water and watching that circle grow. Only in holism, it’s all of a piece. We’re one large system of meaning, consciousness, and value, so what I do can harm society or what I do can help society, but what I do does make a difference.

The next quality of spiritual intelligence is a celebration of diversity. We all talk about tolerance; tolerance is built into the American constitution. Tolerance is a mean concept, in a way, because when I tolerate you I say, “That’s o.k. with me, you be yourself, I’ll let you do it, I’m generous, be different, be yourself.” Celebration of diversity is so much stronger. Celebration of diversity is saying, “Thank God you’re different from me, thank God you rattle my cage, thank God you challenge my assumptions, thank God you make me reconsider my values.” Because when I meet you spontaneously in that moment, I meet your values, I meet your needs, I meet your difference, I respond to it, and it makes me question myself. My definition of man (and by this I mean man and woman, I’m just from an old school that uses old grammar) is that man is the questioning being. The ultimate questioning in this world is self-questioning. And a celebration of diversity is a celebration of the fact that people who are different from me make me question myself. That literally makes me grow new neurons in my brain. When I change my assumptions, when I shift my values, when I question myself, literally, the brain grows new neural connections to cope with the new information. If I don’t, if I spend my time with people who agree with me, if I read newspapers that just ratify my point of view, if I go to business meetings expecting my subordinates to agree with me, my brain shrinks. It doesn’t have anything to thrive on. There’s nothing there to make new neurons develop. So the best companions are the companions that aren’t like myself. The best fellow workers add richness to the mix by being different, by bringing in new ideas, new styles, new visions, new values. One of the things that I loved about my country when I was a young American was its



diversity. It's one of the things that we're somewhat losing touch with today, when there are people in America who want us all to believe the same thing and impose that on everybody. Diversity is one of the things that made this country great. Diversity is a fundamental cornerstone of freedom. Everybody has a point of view for some reason; you got it from somewhere. Everybody's point of view, again this comes from quantum physics in a way I don't have time to describe, but everybody's point of view has value. It's another stone in that pool with the ripples. So as many points of view as I can take in, the larger my brain gets and the more creative I become.

To celebrate diversity, I need another of the principles of spiritual intelligence, and that is compassion. Emotional intelligence talks about empathy. Empathy is my ability to understand another's feelings. Compassion is a stronger word. Compassion means, from the Latin, "to feel with." When I am compassionate toward another who is different from me, I literally feel that person's feelings. That person may be my enemy. That person may belong to Al Qaeda. That person may be someone who took my wife or husband away. There can be awful things about this other person that I'm asking that we have compassion for. Because compassion doesn't mean giving into. Doesn't mean being defeated by. Doesn't mean becoming weak in the face of. Compassion simply means being able to wear my neighbor's moccasins. To feel his or her feelings, to know where he or she is coming from, and to know that those feelings, from that person's point of view, have a validity, and I say this even about Al Qaeda, which is a very dangerous thing to say in this country. President Bush described those hijackers as cowards. Not many cowards give up their lives for something they believe in. They were wrong-headed. They did bad, evil things. But I don't myself believe there is such a thing in this world as an evil human being. There are men and women who do evil things. But there is goodness in every one of us, because there's a self in every one of us, and ultimately that self is in contact with the basic principles of the universe.

That's why I personally am against capital punishment. I saw this very profoundly a few years ago when as a journalist I went into a maximum



security prison and spent the morning with “ordinary” maximum security criminals. These were people who had killed people, but only for money. Then I spent the afternoon with sex offenders. These were men who had abused, raped, and in some cases killed children. I was frightened going into the second group. The “nice” prisoners in the morning who only killed people for money told me, “They’re the scum of this establishment. You don’t want to go spend your time with them.”

I walked into this dialogue session in the prison, walked into a room of fifty sex offenders. I was the only woman and there were four guards. I got a blinding headache; all my assumptions and prejudices came to the fore. I saw them as ugly, distorted men. Literally, they looked to me like they had distorted faces. I was terrified and I wanted to flee, but I knew I wouldn’t get my story, so I stayed.

As the two hours of the dialogue session passed, I saw something that changed me profoundly and gave me this notion of compassion. Those men, though they could only express themselves through four-letter words, they hardly had language, all had a center. They said to me—they wanted this woman in the audience to understand them very much—“I’ve done bad things, but I’m not a monster, please understand that.” They’re called monsters. “I belong in here, I should be in here, but there’s more to me than you think.” They came up and wanted to be hugged, and I found by the end of the two hours I could hug them, men who had killed children, because, through compassion, I found myself able to relate to that deep kernel that is in every human being. I wouldn’t let them out. God forbid. But I went away loving them. Not loving what they had done, and not feeling they should be anywhere but where they are, but loving them nonetheless, and they haunted me when I’d left the prison. There are no scum of the earth. There’s scum in this world, without question, but there are no scum of the earth, and when we feel compassion we realize that.

The next quality of spiritual intelligence is to be field independent. This is a psychological term that means to stand against the crowd, be willing to be unpopular, be willing to stand up for what I believe in even if



everybody else says you're wrong, you're crazy, we exclude you. It means to fight for what I do believe in. But this principle requires the next principle in combination. The next principle is humility. There are a lot of people walking this earth who stand against the crowd, who make themselves unpopular, who fight for what they believe in who do enormous harm. They're bullheaded, they're stubborn, they don't listen. In combination with humility the whole thing is very different. If I am humble, I question myself deeply. I listen to others. I listen to why they say I am wrong and I assess myself: could I be wrong? And only when I have gone through the deepest process of gut-wrenching self-questioning do I then say, Yes, I'm right to fight for what I'm fighting for; yes, I stand by what I believe in. If I'm arrogant, I become a dictator, a monster, someone who doesn't listen, who causes a lot of harm. If I question myself, I become a woman of integrity and authenticity who stands by what I believe in and fights for it no matter what the consequences.

The next principle is a biggie, and that's asking fundamental questions. "Why?" My son's "Why do I have a life?" was a profoundly emotionally intelligent question, and perhaps the ultimate question. But this "why" goes through every aspect of our leadership. Why am I making this product rather than that product? Why am I using this design process rather than that process? Why am I treating my workers this way rather than that way? Why am I distributing my wealth this way rather than that way? Constantly undermining my own strategies and assumptions with questions. These questions are subversive. That's why senior management and senior politicians don't like them very much — they subvert authority. But I will remind you that this country was born of revolution and grew great on dissent. This country was the most subversive phenomenon to happen in the political world when it was founded. Subversion made America. Questioning authority, not just for the sake of questioning it, not just for the sake of raising banners and upsetting people and undermining people, but questioning because I deeply question the reason, the value, the vision behind everything, because I want to get to the real heart of things. It becomes a practice.



My definition of man—where Aristotle said “Man is a rational animal,” I think man is a questioning animal. I think it is this questioning that has defined us, and this questioning which is driven by this need to understand, this need for meaning, this need for purpose. When we stop questioning, we stop living human lives. Children ask millions of questions, we know that, they drive us mad with it. Parents tell them, “Please stop barraging me with all these questions.” Teachers tell them, “Stop asking questions, sit down and shut up and listen to what I’m trying to teach you.” When Einstein was an old man he was asked what he most enjoyed about being a famous scientist, and he said, “Well, you know, when I was in school I was always in trouble because I was always asking what the teacher called ‘foolish questions,’ and the teacher was always saying, ‘Albert, be quiet and listen.’ But now that I’m a famous old scientist and everybody respects me I can ask all the foolish questions I want to.” Foolish questions don’t exist! There are no foolish questions! There are no inappropriate questions or wrong questions. Questions have a kind of integral value.

The next principle of spiritual intelligence is to reframe. That means just what it sounds like, to broaden the frame that you look at. Don’t look at what’s just under my nose, but look at what impinges on it and what I impinge on. Look at the bigger picture, both in space and in time. One of the biggest problems of capitalism and business today, and it’s affected life throughout society, as capitalism does, is short-termism. The idea that we look three months down the road when planning our activities—when those shareholder value accounts come in. Businesses don’t take the long view. They aren’t looking five years down the road, ten years down the road. Japanese companies look two hundred years down the road when they run a transformation program. We look three months. You can’t take care of the environment, you can’t take care of your people, you can’t take care of the planet and life and use your best resources and use your creativity if you live in a short segment of time. We’ve got to learn to take the long view.

And the same spatially. To realize what’s outside the window. I



addressed a group of executives from a power company in Britain. I got a little bit fed up with these men, the narrow things they were saying, and I sort of challenged them, I said, “Do you guys know what’s going on outside the window?” You know what they said? They said, “We don’t know what’s going on outside the window and we don’t care. Our job is to take care of our customers’ needs now, our job is to look after our profits now, taking care of society and the environment is the government’s business, it’s not our business.” They didn’t reframe. They just thought of their own immediate needs, their own immediate profits, their shareholder value.

The positive use of adversity is the next principle. We’re all vulnerable; we all carry pain in our lives; every one of us has a story; every one of us has a history. Many of us will be ill and many of us have lost loved ones to death. Every one of us has made a mistake, or many mistakes in my case, and I suspect yours. The positive use of adversity is to see these as growing points, to see them as opportunities. Doesn’t make you feel any better at a funeral. But it’s adversity in life that makes us strong. It’s adversity in life that makes us grow. I had an Irish grandmother when I was a little girl; she raised me. And she used to say to me, “Danah, you must eat a peck of dirt a year,” because I’d complain that the vegetables weren’t very clean sometimes. She literally believed that I should eat this peck of dirt a year because it cleaned out my system. She had some other medical theories that were even wilder than that, but anyway. But a peck of dirt does clean out the system. A peck of dirt makes us stronger. So that pain we bear in life, those mistakes we make in life, those setbacks, those losses, are there for a reason. We’d be such dull people if we didn’t have them. To use them creatively is one of life’s greatest challenges.

And finally, the last principle of spiritual intelligence, which is the one closest to servant-leadership itself, is a sense of vocation. *Vocare*, the Latin word, means to be called, vocation, a sense of vocation, is to feel called to serve. To feel called to make a difference, to feel called to do something good, to feel called to cook that excellent meal for my family, or to make that quality product for my customers, or that new thing that nobody’s ever



had that's going to change people's lives. It's a sense of mission in life. It's like the sense of mission that monks used to have when they were called by God to serve. And I do think ultimately when we have a sense of vocation, it is by God whom we are called. Not necessarily the God of any religion, not necessarily a being in the sky—God is whatever I hold most sacred in myself, whatever I most value, whatever I most cherish. When I serve that, then I serve my people, my community, my products, my customers, the planet, and life itself. A sense of vocation, which is what drives the servant-leader, is the ultimate driving force to build spiritual capital. That's where our passion is, that's where our commitment is, that's where our engagement is. In the sense of, "I have to. It has to happen. I dedicate myself to this. I'm going to make this happen."

There are two things I want to finish with.

I told you I see this as a new philosophy for business and capitalism, and in my book I call the servant-leader a knight. The reason I call him a knight is that I have always been very inspired by the Knights Templar, those medieval monks who served their God through military activity. I'm not lauding the exact purpose of the Knights Templar, but their style and their deep purpose. Unlike the knights who mostly fought in the Crusades who dressed themselves in rich garments and plumes and satin and fought for ladies and wealth, the Knights Templar took vows of chastity and poverty. Their cloaks were simple white cloaks with red crosses on them, they shaved their heads, they eschewed all wealth, though their order was the wealthiest in Christendom. Their purpose was to guard Christian pilgrims wanting to visit the Holy Land. My admiration for the Knights Templar is not to judge whether the Crusades were a good or bad thing; but that men who were men of the world, fighting men, strong, capable men, could give all that up to serve their God—that's what I admire about them, and that's why in this book I call the servant-leaders knights.

I've written a credo for business knights that I would like to share with you. Indeed I would like to challenge you to adopt this credo. I wish it would become the credo for business. If it did, business would join the



professions. Business would become a vocation rather than a sleazy running after money. Business would become like practicing medicine, practicing teaching, practicing law. It would have codes and standards, ethics and values. I'll read you this and see what you think of it. It's called the Credo of the Business Knight.

I believe that global business has the money and the power to make a significant difference in today's troubled world, and that by making that difference it can help itself as well as others. I envision business raising its sights above the bottom line. I envision business becoming a vocation, like the higher professions. To make this possible, I believe that business must add a moral dimension, becoming more service- and value-oriented, and largely eliminating the assumed natural distinction between private enterprise and public institutions. I envision business taking responsibility for the world in which it operates, and from which it creates its wealth, and I envisage myself becoming one of those business leaders who are servant-leaders—leaders who serve not just stockholders, colleagues, employees, products, and customers, but leaders who also serve the community, the planet, humanity, the future, and life itself.

I would love to see that credo on the wall of every institution of business in this country. I would love every one of you to be willing to take that vow of the knight. Some people say this kind of talk is naive. Some say, "It's hopeless, there are all those bad guys out there who want to carry on as they have been doing because the profits are so great, the opportunities so prevalent. People aren't going to change; I try to do this and I'm going to make a fool of myself, I'm going to get undermined, I may lose my job if I talk like this in the company." I want to finish with something Mother Teresa wrote about just this. It's about doing something no matter what the consequences are. It's about doing something because you think it's right, and because you think it's worthwhile. It's called "Do It Anyway."

She says,

People are often unreasonable, illogical, and self-centered. Forgive them anyway. If you are kind, people may accuse you of selfish ulterior



motives. Be kind anyway. If you are successful, you will win some false friends and some true enemies. Succeed anyway. If you are honest and frank, people may cheat you. Be honest and frank anyway. What you spend years building, someone may destroy overnight. Build anyway. If you find serenity and happiness, people may be jealous. Be happy anyway. The good you do today, people will often forget tomorrow. Do good anyway. Give the world the best you have and it may never be enough; but give the world the best you have anyway. You see, in the final analysis, it is all between you and God; it was never between you and them, anyway.

Thank you very much.

Danah Zohar was born and educated in the United States. She studied Physics and Philosophy at MIT, and then did her postgraduate work in Philosophy, Religion & Psychology at Harvard University. She is the author of the best-sellers *The Quantum Self* and *The Quantum Society*, books which extend the language and principles of quantum physics into a new understanding of human consciousness, psychology and social organization. In 1997 she published *Who's Afraid of Schrödinger's Cat?*, a survey of 20th century scientific ideas, and her business book, *ReWiring the Corporate Brain*. Her latest book is *SQ - Spiritual Intelligence, The Ultimate Intelligence*. Zohar is a Visiting Fellow at Cranfield School of Management. She also teaches in The Leading Edge course at Oxford Brookes University and in the Oxford Strategic Leadership Program at Oxford University's Templeton College, London, Great Britain.