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Perspectives on Human Nature and Their Implications for Business Organizations

Cover Page Footnote

I want to thank my colleague, Lawrence E. Mitchell, for his most helpful comments and suggestions.

PERSPECTIVES ON HUMAN NATURE AND THEIR IMPLICATIONS FOR BUSINESS ORGANIZATIONS

Lewis D. Solomon*

Introduction

Employing the principles of humanistic psychology¹ and transpersonal psychology² to reform the structure and agendas of business organizations would heighten environmental awareness and increase employee fulfillment. Assuming that society's obsession with economic growth and the possession of material goods thwarts personal and spiritual fulfillment,³ this Essay proposes changes in corporate structure in order to nurture the psychological needs of employees. In improving their employees' mental health, companies will benefit by greater employee productivity and contribution.⁴

The proposed modifications are based on Abraham Maslow's analysis of human needs and psychological development.⁵ Part I discusses Maslow's theory of humanistic psychology and its application to the business context. Part II defines the transpersonal psychology theory of human nature. According to humanistic psychology, humans are motivated by five basic needs.⁶ People who transcend the five basic needs acquire a more selfless existence. These transcendents more closely identify their own well-being with the community's health.

Parts III and IV examine the significance of the humanistic-transpersonal perspective for the lives of individuals in corpora-

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1. See generally ABRAHAM H. MASLOW, *THE FARTHER REACHES OF HUMAN NATURE* (1971) (discussing the development of humans' "higher needs").

2. See generally Abraham H. Maslow, *The Farther Reaches of Human Nature*, 1 J. OF TRANSPERSONAL PSYCHOL. 1 (1969) (discussing the conceptual framework of transpersonal psychology).

3. See *infra* part III.

4. See *infra* parts III and IV.

5. See MASLOW, *supra* note 1; Maslow, *supra* note 2; see also, ABRAHAM H. MASLOW, *TOWARD A PSYCHOLOGY OF BEING* (1968) (discussing man's inborn drive towards self-actualisation).

6. See *infra* note 14 and accompanying text.

tions and for business organizations generally. As we look to the twenty-first century, managers may increasingly be guided by the concepts of transpersonal psychology. The focus may turn from individuals who self-actualize to those who become other-regarding.

Part V addresses ten potential problems with restructuring current business organizations in accordance with the humanistic-transpersonal rationale. Ultimately, this Essay concludes that the decentralization of business organizations and greater employee involvement in decision-making will improve both quality of life and the environment.

I. Humanistic Psychology's View of Human Nature and Its Implications for Business Organizations

The past twenty-five years have witnessed a significant transformation of business organizations in the United States.⁷ The structure of economic institutions increasingly acknowledges that people are capable of directing their own lives, taking the initiative, formulating operating rules and procedures, making choices, and assuming heightened levels of responsibility. Businesses have begun to incorporate aspects of the human potential movement which rests on notions of humanistic psychology. But while managers have sought to improve (and in many instances have improved) the quality of work life, the fundamental character of work is still determined by those higher up in the business organization.

Abraham Maslow played a key role in the development of humanistic psychology.⁸ Maslow postulates a dynamic system through which human potential develops and unfolds.⁹ In his book, *Motivation and Personality*,¹⁰ Maslow sets forth his theory of human motivators which are common to all people. The basic idea behind his theory is that humans develop at different stages and, at

7. See, e.g., David Smith, *Cable T.V. Pioneer is giving up Business*, JOURNAL & COURIER, May 4, 1993 Bus. Sec. (discussing changes in the cable business over the past twenty-five years); Richard Dorkin, *Only Dogs Should be Loyal - The Plight of the Middle Manager/Management*, FINANCIAL TIMES, Sep. 27, 1995, at 14 (describing the radical changes in business tactics over the last two decades).

8. Vanessa Houlder, *Pioneer and Prophets-Abraham Maslow*, FINANCIAL TIMES, Jan. 9, 1995, at 7 (describing Maslow as the father of humanistic psychology).

9. See generally, ABRAHAM H. MASLOW, MOTIVATION AND PERSONALITY (1954) (asserting that human development and maturation is spurred by certain human motivators or needs).

10. MASLOW, *supra* note 9, at 35-47.

each stage, are motivated by different human needs.¹¹ Maslow fashions his view of the different stages and needs into a hierarchical and chronological structure.¹² As each need is more or less satisfied, the needs found at the next level become the most pressing human motivators.¹³ The structure consists of five levels as follows:¹⁴

- (1) *Physiological Needs*: The primary needs that motivate human behavior include hunger, thirst, sexual desires, and personal comfort.¹⁵
- (2) *Safety Needs*: The second level of human needs includes security, dependency, protection, structure, order, law, limits, and freedom from fear, anxiety, and chaos.¹⁶
- (3) *Belongingness and Love Needs*: The third level, often shortened to "social needs," includes the need to belong to social units and to be loved.¹⁷
- (4) *Esteem Needs*: The fourth level of the hierarchy focuses on the individual's ego. Individuals must feel that they are respected by others in order to attain self-confidence, strength, and a feeling of worth.¹⁸
- (5) *Need for Self-Actualization*: Self-actualization represents the highest level of fulfillment that individuals can attain; an individual who realizes self-actualization realizes her full potential.¹⁹

11. See *id.*; see also Lewis D. Solomon, *On the Frontier of Capitalism: Implementation of Humanomics by Modern Publicly Held Corporations: A Critical Assessment*, 50 WASH. & LEE L. REV. 1625, 1629 (1993) (hereinafter Solomon, *On the Frontier of Capitalism*); Lewis D. Solomon, *Humanistic Economics: A New Model for the Corporation Constituency Debate*, 59 U. CIN. L. REV. 321, 329 (1990).

12. MASLOW, *supra* note 9, at 35-47.

13. *Id.* at 35-37, 53-54; see also, MARK LUTZ & KENNETH LUX, HUMANISTIC ECONOMICS: THE NEW CHALLENGE 9-10 (1988) (discussing humanistic economics based on the concept of human needs by building on Maslow's and other humanistic psychologies).

14. MASLOW, *supra* note 9, at 35-47. Some very important human needs, such as freedom, justice, honesty, and orderliness, serve as preconditions for Maslow's hierarchy and are not included at any particular stage. For a more detailed explanation of the hierarchy's preconditions see, MASLOW, *supra* note 9, at 47; see also CHARLES MURRAY, IN THE PURSUIT OF HAPPINESS AND GOOD GOVERNMENT 54 (1988) (discussing freedom and justice as preconditions of Maslow's hierarchy). For empirical research validating and supporting humanistic psychology, see LAWRENCE KOHLBERG, THE PHILOSOPHY OF MORAL DEVELOPMENT (1981); JANE LOEVINGER, EGO DEVELOPMENT (1976).

15. MASLOW, *supra* note 9, at 35-38.

16. *Id.* at 39-43.

17. *Id.* at 43-45.

18. *Id.* at 45-46.

19. *Id.* at 46-47.

Maslow categorizes the first four need categories as deficiency needs and the fifth category as a growth need.²⁰ Basic deficiency needs, such as the need for food and water, are cyclical. After being satisfied, they press again for satisfaction.²¹ As compared to deficiency needs, growth needs differ markedly in that their gratification leads to an increase in character strength.²²

Maslow's hierarchy is not fixed and rigid; rather, the importance of each level may change according to each individual.²³ Moreover, Maslow did not believe it necessary for every individual to completely master each level before moving on. For Maslow, "the dominant motivation depends on which of the lower needs are sufficiently satisfied."²⁴

The highest level of achievement for all individuals in Maslow's theory is to become self-actualized.²⁵ According to this theory, self-actualized people are characterized by a superior perception of reality, spontaneity, autonomy, freshness of appreciation, richness of emotional reaction, improved interpersonal relations, increased creativity, increased acceptance of self, of others, and of nature. Self-actualized people are well-suited for their self-determined activities.²⁶

Maslow believes that self-actualization is fostered by a "calling."²⁷ According to Maslow, "self-actualizing people are, without one single exception, involved in a cause outside their own skin, in something outside themselves. They are devoted, working at something, something which is very precious to them — some calling or vocation in the old sense . . . so that the work-joy dichotomy in them disappears."²⁸

The use of humanistic psychology by business organizations has begun on a number of fronts. The human potential movement of the 1960s focused on effecting heightened potentials of human development and well-being. For example, the movement has resulted in encounter groups and more recently support groups

20. LUTZ AND LUX, *supra* note 13, at 11-12.

21. *Id.* at 11.

22. *Id.* at 12.

23. MASLOW, *supra* note 9, at 51-53.

24. *Id.* at 53-54; see also R. A. Goodman, *On the Operability of the Maslow Need Hierarchy*, 6 BRIT. J. OF INDUS. REL. 51, 52 (1968) (discussing whether there is a hierarchical relationship between the five levels in the context of a "normal" job environment).

25. See MASLOW, *supra* note 9, at 46-47.

26. MASLOW, *supra* note 9, at 46.

27. MASLOW, *supra* note 1, at 43.

28. *Id.*

which seek to raise the self-esteem of individuals and release negative patterns of self-invalidation.

Modern business executives have sought to create a work environment in which people are encouraged to self-actualize. Humanistic psychology perceives work as necessary for people to grow and feel worthwhile. Work is life-enhancing.

Business organizations perceive the need to provide opportunities for employees to exercise their inherent capacities. Managers have come to recognize that business efficiency and acknowledgment of human needs are not incompatible. Higher levels of efficiency and profitability can only be attained by taking full account of the need for self-actualization present in every human being.

Maslow's concepts found expression for business managers in Douglas McGregor's Theory Y.²⁹ The theory embodies a management style which allows managers to be more humane without changing their "fundamental theories of management."³⁰ Building on the concepts of humanistic psychology and the need for self-actualization, Theory Y rests on several assumptions, including: (i) it is natural for humans to expend effort on physical and mental work; (ii) punishment is not the only effective method of motivation; (iii) self-direction and control evolve from a commitment to service; (iv) the average human being seeks and accepts responsibility; and (v) the intellectual potential of human beings is underutilized in modern industrial life.³¹ In other words, a Theory Y worker strives for self-empowerment.

Theory Y leads to organizational adaptability to a changing environment, to effective problem-solving, and to greater employee loyalty.³² Techniques for its implementation include managerial efforts to disperse decision-making, to decentralize information, and to enlarge the scope of jobs. In keeping with Theory Y, managers should strive to create conditions that permit workers to best satisfy their own human needs while simultaneously directing their efforts toward the ultimate success of the enterprise.³³ In the context of organizational and human development, the symbiotic relationship between the individuals and the organization is based on the implementation of conditions so that the "members of an or-

29. DOUGLAS MCGREGOR, *THE HUMAN SIDE OF ENTERPRISE* 47 (1960).

30. *Id.* at 46.

31. *Id.* at 47-48.

32. *Id.* at 45-57.

33. MCGREGOR, *supra* note 29, at 53.

ganization can achieve their own goals best by directing their efforts toward the success of the enterprise."³⁴

Thus, integration constitutes another central tenet of McGregor's Theory Y. McGregor does not argue that an organization should seek the perfect integration of its employees' goals; rather, he claims that the institution should create a balance between the needs of the employees and those of the organization. Adjustments would have to be made to accommodate the needs and goals of its employees initially, but as those people embrace the increased responsibility, their goals would naturally become integrated with those of the organization.³⁵

On a conceptual level, Theory Y represents McGregor's prescription for a healthy organization which develops its employees while increasing productivity and profits. Such firms perform better than traditional organizations. In healthy business units, overhead costs are lower because employees contribute more to the company. The organizations experience "less absenteeism, fewer costly accidents, and lower health care costs."³⁶ Productive and reliable employees allow a corporation to reduce costs. This reduction of costs, in turn, permits further training of managers and employees to promote an environment where management and employees work to obtain similar goals.

Theory Y is centrally directed toward employee empowerment. For the past quarter century, the employee empowerment movement has created fertile ground for the implementation of the concepts of humanistic psychology as well as Theory Y. "Organizational revolutions"³⁷ are taking place throughout corporate America and are marked by programs, in the service industries and industrial sectors, geared toward revitalizing profits, customer satisfaction, and employee morale.³⁸ In an organizational transformation, companies shed the excess, hierarchical layers of bureaucratic middle managers and supervisors which often led to institutional gridlock. Post-bureaucratic businesses opt to become flatter, less hierarchical thereby employing a trim, lean, less costly, self-directed labor force which effectively utilizes information tech-

34. *Id.* at 49.

35. *Id.* at 51-53.

36. ROBERT H. ROSEN, *THE HEALTH COMPANY: EIGHT STRATEGIES TO DEVELOP PEOPLE, PRODUCTIVITY, AND PROFITS* 12 (1991).

37. Thomas A. Stewart, *The Search for the Organization of Tomorrow*, *FORTUNE*, May 18, 1992, at 92-93.

38. *See id.*; see also John Case, *A Company of Businesspeople, INC.*, Apr. 1993, at 79.

nology. Catchphrases such as "high involvement workplace"³⁹ and "managing businesses not departments" have become part of corporate vernacular.⁴⁰

Executives seek to split organizations into smaller, more autonomous units where employees feel they belong and where they work closely with all colleagues. Self-managing teams have come to form the heart of these organizational revolutions characterized by a more egalitarian, collegial work style. Tapping employee initiative and creativity, self-managing teams place the additional responsibility of responding more directly to customer praise or criticism thereby creating an incentive other than the allure of a paycheck. In the most innovative corporations, workers rotate jobs and have more control over those decisions at the shop, office, or plant level which affect their lives. Employees increasingly manage themselves, take on responsibility and demonstrate initiative in proposing rule changes, monitoring their own work, and using managers and supervisors as facilitators and teachers.⁴¹ As employees are grouped into self-managing teams, the focus of management can shift to the overall flow of business processes instead of a series of departments like purchasing and manufacturing. Organizing around processes facilitates self-management and permits firms to discard unneeded supervisory structures.⁴²

In addition to helping attain the goals of increasing productivity and profits, the trend towards abolishing of old-style authority in business organizations also results in increased access to information. The recent developments in information technology have

39. Stewart, *supra* note 37, at 93.

40. *See id.*

41. JOHN NAISBITT & PATRICIA ABURDENE, RE-INVENTING THE CORPORATION 83 (1985).

42. Stewart, *supra* note 37, at 94; *see also* NAISBITT & ABURDENE, *supra* note 41, at 96; Alvin Toffler, *Revolution in the Workplace: Workers Will Make Tomorrow's Big Decisions*, TORONTO STAR, Nov. 20, 1990, at A19 [hereinafter Toffler, *Revolution in the Workplace*]; Alvin Toffler, *Powershift*, NEWSWEEK, Oct. 15, 1990, at 86, 90 [hereinafter Toffler, *Powershift*]. Case, *supra* note 38, at 87 (noting that "people at all levels have to be able to make decisions [within certain boundaries and constraints], and the company must be structured to encourage it."). For an analysis of the pitfalls of translating management theory into reality *see*, Aimee L. Stern, *Managing by Team Is Not Always as Easy as It Looks*, N.Y. TIMES, July 18, 1993, at F5; Fred R. Bleakley, *The Best Laid Plans: Many Companies Try Management Fads Only to See Them Flop*, WALL ST. J., July 6, 1993, at A1; *see generally* MICHAEL HAMMER & JAMES CHAMPY, REENGINEERING THE CORPORATION: A MANIFESTO FOR BUSINESS REVOLUTION (1993); Steven Pearlstein, *A Rage to Reengineer*, WASH. POST, July 25, 1993, at H1 (stating that "[i]nstead of performing simple tasks in complex processes, workers perform more complex tasks in a simplified process.").

helped to undercut corporate pyramidal power arrangements. Information disperses rapidly through these technological advances to create instantaneous communication and knowledge as well as a greater degree of accountability throughout the organization. The nonhierarchical communications networks leap departmental perimeters and link users among specialized departments up and down the organizational hierarchy.⁴³

Despite the conceptual revolution brought about by the empowerment movement and its implementation by various business organizations, Maslow and other commentators saw the weaknesses of humanistic psychology. As discussed in the next section, Maslow realized that humanistic psychology fell short in several respects of what he characterized as "the farther reaches of human nature."⁴⁴ First, humanistic psychology subscribes to an individualistic or egocentric view of human existence which may be resilient to outside influences.⁴⁵ Focusing on individual autonomy with self-actualization as the ultimate goal results in a high price being paid in terms of loneliness, the longing for a sense of community, and a pervasive isolation in an indifferent universe.⁴⁶ In other words, human nature should be grounded in our relationships to each other, our families, our communities, and our institutions. Second, commentators also felt that humanistic psychology failed to give sufficient attention to the role and the involvement of humanity in nature.⁴⁷ The groundwork was in place for the conceptualization of transpersonal psychology.

II. The Transpersonal Psychology Theory of Human Nature

Transpersonal psychology connotes exceptional mental health that enables an individual to evolve to states of consciousness that transcend the normal limitations of the ego.⁴⁸ The notions of transcendent potentials and transpersonal orientation espouse the ben-

43. Toffler, *Powershift*, *supra* note 42, at 88. According to John Case, "people need the information [such as, cash flow, budget projections, cost of capital etc.] necessary to make intelligent decisions." Case, *supra* note 38, at 87.

44. MASLOW, *supra* note 1.

45. See generally C. WILLIAM TAGESON, *HUMANISTIC PSYCHOLOGY: A SYNTHESIS* (1982).

46. Maureen O'Hara, *When I Use The Term Humanistic Psychology*, 29 J. OF HUMANISTIC PSYCHOL. 263, 270-72 (1989).

47. See Anthony P. Sutich, *The Emergence of the Transpersonal Orientation: A Personal Account*, 8 J. OF TRANSPERSONAL PSYCHOL. 5, 7 (1976).

48. See generally Frances E. Vaughan, *The Transpersonal Perspective: A Personal Overview*, 14 J. OF TRANSPERSONAL PSYCHOL. 37, 38 (1982).

efits of human growth towards wholeness through interaction with others. It combines new levels of psychological growth with a spiritual quest designed to explore the higher dimensions of human existence. According to one transpersonal theorist:

Transpersonal psychology has attempted to expand the field of psychological inquiry to include transpersonal experiences and their relationship to the spiritual dimension of our lives. The term "transpersonal" means, literally, beyond the personal or beyond the personality. It recognizes that who and what we are is not limited to personality and that, if we are identified exclusively with the body, the ego or the personality, we have a very limiting and restricting view of ourselves.⁴⁹

As individuals detach themselves from their work-a-day roles, possessions, activities, and relationships, they confront fundamental questions about human meaning and purpose. Inquiry leads to the essential nature of being. This quest will hopefully help illuminate the goals and values of individuals and business organizations in the twenty-first century.

As he did with humanistic psychology, Abraham Maslow played a key role in the empirical and theoretical development of transpersonal psychology.⁵⁰ In his writings toward the end of his life, Maslow added a higher need beyond the need for self-actualization, namely, the need for self-transcendence.⁵¹ Maslow identifies a drive to a mode of being which transcends the usual ego states of consciousness and the limits of human experience.

Maslow characterizes two groups of individuals who possess exceptional mental health.⁵² Based on the premises of humanistic psychology, the first group consists of the healthy self-actualizers.⁵³ Members of this group assess other people and institutions in terms of their usefulness for satisfying an individual's basic (deficiency) needs and her self-actualization needs.⁵⁴ Maslow views this group as having a narrow, ego-oriented sense of self.

Maslow's second group of individuals, so-called "peakers" transcend self-actualization.⁵⁵ The illuminations or insights generated in a peak experience led the individuals Maslow studied to change

49. Vaughan, *supra* note 48, at 39.

50. *The Roots of New Age Business*, HARV. BUS. REV. Mar.-Apr. 1994, at 54.

51. See, e.g., Maslow, *supra* note 9; see also THOMAS ROBERTS, BEYOND SELF ACTUALIZATION, REVISION 42 (1978).

52. See MASLOW, *supra* note 1, at 280.

53. See *id.*

54. See *id.* at 281.

55. See MASLOW, *supra* note 1, at 280-81.

their view of the world and of themselves. Maslow characterizes his "peakers" as relatively selfless and egoless.⁵⁶ Maslow describes the notion of a peak experience as follows: "[P]erception in the peak-experience can be relatively ego-transcending, self-forgetful, egoless, unselfish. It can come closer to being unmotivated, impersonal, desireless, detached, not needing or wishing."⁵⁷

According to Maslow, individuals who transcend self-actualization find it easier to surmount the ego/the self and thus go beyond self-actualization and attain a more expansive sense of self.⁵⁸ Maslow reconceptualizes his growth model so that self-actualizers, in addition to being well-integrated, healthy, and effective, transcend the limitations of personal identity.⁵⁹

Maslow's transcendents embrace the intrinsic values of being which Maslow labels as B (Being)-values.⁶⁰ Such values include truth, goodness, beauty, perfection, and excellence.⁶¹ They speak easily, naturally, and normally the language of B-values.⁶² They become more consciously and deliberately metamotivated, that is, the values of Being become their main or most important motivation.⁶³ They see people and other institutions in the world as valuable in and of themselves, rather than in terms of their instrumental use value.⁶⁴

Maslow's transcendents closely identify their own good with the good of humankind.⁶⁵ They surmount the dichotomy between selfishness and unselfishness.⁶⁶ Maslow's transcendents are strongly

56. ABRAHAM H. MASLOW, RELIGIONS, VALUES, AND PEAK EXPERIENCES 67 (1970).

57. *Id.* at 62.

58. MASLOW, *supra* note 1, at 292. Maslow noted, "[t]he fully developed (and very fortunate) human being, working under the best conditions tends to be motivated by values which transcend his self." Maslow, *supra* note 2, at 1, 4.

59. *See generally* MASLOW, *supra* note 1, at 269-92 (discussing transcendence and self-actualization).

60. MASLOW, *supra* note 56, at 64-65 (discussing eternal verities and spiritual values encompassed in Maslow's B-values).

61. MASLOW, *supra* note 56, at 92-94 app. G (setting forth a list of B-values as descriptions of perception in peak-experiences).

62. MASLOW, *supra* note 1, at 283 ("They (the transcendents) speak easily, normally, naturally, and unconsciously the language of Being (B-language) . . .").

63. *Id.* at 287 ("That is, the values of Being, or Being itself seen both as fact and value, e.g., perfection, truth, beauty, goodness, unity, dichotomy-transcendence, B-amusement, etc. . . are their main or most important motivations.").

64. *See id.* (contrasting transcendents and non-transcendents).

65. *See generally id.* at 269-95 (discussing transcendence and self-actualization).

66. MASLOW, *supra* note 1, at 287 ("[S]ynergy transcends the dichotomy between selfishness and unselfishness and includes them both under a single superordinate concept."); *see also id.* at 274 (discussing transcendence of dichotomies).

motivated by meta (or higher) needs including: a desire to contribute to and serve others, fewer material attachments, a greater sensitivity toward others (characterized by enhanced love, compassion, empathy, and generosity), appreciation of the awesomeness and mystery of life (marked by attitudes of reverence, gratitude, and wonder), as well as a wholehearted participation in life and an openness to the joys and sorrows of the human condition.⁶⁷ According to Maslow, transcendent aesthetic, creative, and religious urges are as basic and permanent a part of human nature as thirst or sex.⁶⁸

Maslow's self-transcenders approach a non-striving, non-desiring, and non-controlling existence.⁶⁹ They are motivated by a higher order of needs—self-transcendence and selfless service. Transcenders fuse with the ultimate of what humanity can conceive. They perceive the sacred dimension of life in their everyday activities.⁷⁰ According to Maslow:

There is now less differentiation between the world and the person because he has incorporated into himself part of the world and defines himself thereby. He becomes an enlarged self, we could say . . . [H]is self no longer has his skin as its boundary. The inner light now seems to be no different than the outer light.⁷¹

Maslow's transcenders seem saintly; they inspire awe, provide the rare, profound feeling that one is in the presence of a greater human being.⁷²

67. BEYOND EGO: TRANSPERSONAL DIMENSIONS IN PSYCHOLOGY 120-21 (Roger N. Walsh & Frances E. Vaughan, eds., 1980) [hereinafter BEYOND EGO]. Maslow's B-values (or meta needs) are "not arranged in a hierarchy of prepotency, but seem, all of them, to be equally potent *on the average* . . . [E]ach individual seems to have his own priorities or hierarchy or prepotency, in accordance with his own talents, temperaments, skills, capacities, etc." MASLOW, *supra* note 1, at 324.

68. BEYOND EGO, *supra* note 67, at 121 ("[Maslow] first describes the hierarchy of needs and suggests that higher needs (metaneeds, B-Values) for truth, beauty, transcendence, etc., are just as biologically based as are the lower, more obviously physiological ones such as thirst and sex.").

69. MASLOW, *supra* note 1, at 276-77 ("It is the Taoistic feeling of letting things happen rather than of making them happen, and of being perfectly happy and accepting of this state of nonstriving, nonwishing, noninterfering, noncontrolling, nonwilling. This is the transcendence of ambition, of efficiencies.").

70. MASLOW, *supra* note 1, at 283-87 ("[T]hey see the sacredness in all things *at the same time* that they also see them at the practical, everyday D-level.").

71. *Id.* at 312.

72. *Id.* at 274-75 ("Transcendence also means to become divine or godlike, to go beyond the merely human. . . . [T]his becoming very high or godlike is part of human nature even though it is not often seen in fact."); *see also id.* at 278-79 (discussing the transcendence of human limits and the resulting sacred or divine feeling).

Over the last quarter century, Maslow's notions of these transpersonal, transhuman individuals have been further developed and refined.⁷³ Through study, reflection, and meditation,⁷⁴ Ken Wilber, one of the leading transpersonal theorists,⁷⁵ formulated an elaborate conception of the structures of consciousness and the development of these structures.⁷⁶ Wilber's spectrum of consciousness spans the ego, the humanistic, and the transpersonal. Wilber's developmental psychology envisions stratified stages of increasing complexity, integration, and unity.⁷⁷

Maslow and Wilber's transpersonal theories are analogous to Eastern religions and non-Western psychologies.⁷⁸ Transpersonal psychology, drawing on Western science and Eastern wisdom, strives to expand the range of psychological inquiry to include areas of human experience and behavior associated with exceptional mental health and well-being.⁷⁹ These theories perceive the healthiest individuals as evolving to and experiencing a range of transcen-

73. See generally Donald Rothberg, *Philosophical Foundations of Transpersonal Psychology: An Introduction to Some Basic Issues*, 18 J. OF TRANSPERSONAL PSYCHOL. 1 (1986) (offering a philosophical critique of hierarchical approaches to transpersonal psychology).

74. Ken Wilber, *Odyssey: A Personal Inquiry Into Humanistic and Transpersonal Psychology*, 22 J. OF HUMANISTIC PSYCHOL. 57 (Winter 1982).

75. TONY SCHWARTZ, WHAT REALLY MATTERS: SEARCHING FOR WISDOM IN AMERICA 340 (1995) (Ken Wilber is "[a]cknowledged by most colleagues as the leading theoretician of consciousness . . .").

76. See generally KEN WILBER, EYE TO EYE: THE QUEST FOR THE NEW PARADIGM 92-96 (1990)[hereinafter WILBER, EYE TO EYE]; Ken Wilber, *The Evolution of Consciousness*, in BEYOND HEALTH AND NORMALITY: EXPLORATIONS OF EXCEPTIONAL PSYCHOLOGICAL WELL-BEING 338-70 (1983)[hereinafter Wilber, *The Evolution of Consciousness*].

77. WILBER, EYE TO EYE, *supra* note 76, at 92-96; Wilber, *The Evolution of Consciousness*, *supra* note 76, at 344-47.

78. Roger N. Walsh & Frances E. Vaughan, *Towards an Intergrative Psychology of Well-Being*, in BEYOND HEALTH AND NORMALITY: EXPLORATIONS OF EXCEPTIONAL PSYCHOLOGICAL WELL-BEING 407-08 (1983). See generally ALDOUS HUXLEY, THE PERENNIAL PHILOSOPHY (1945); FRITHJOF SCHUON, THE TRANSCENDENT UNITY OF RELIGIONS (1984) (discussing Eastern religions for purposes of analyzing the unity of religions from a purely inward and spiritual way and without prejudice to any particular form).

79. See Frances E. Vaughan, *Transpersonal Psychotherapy: Context, Content, and Process*, in BEYOND EGO: TRANSPERSONAL DIMENSIONS IN PSYCHOLOGY 182 (1980); see also, Ken Wilber, *Psychologia Perennis: The Spectrum of Consciousness*, in BEYOND EGO: *supra* note 67, at 85 ("Thus it is possible to see the grand complementarity of Eastern and Western approaches to consciousness and 'psychotherapy.'"); see generally Wilber, *The Evolution of Consciousness*, *supra* note 76, 338-70 (discussing the integration of Eastern and Western philosophies in developmental psychology); SCHWARTZ, *supra* note 75, at 339-74 (discussing Wilber's integration of Eastern and Western philosophies).

dent states of consciousness beyond the usual limits of the individual, the ego, and the total self. Ultimately, human awareness experiences itself as being nonspatial and outside of time.⁸⁰

According to this wisdom, the obstacles to the uncovering of the essence of one's self turn on the removal of certain stimuli—attachments, greed, and desire—that are said to cause human suffering.⁸¹ The nonfulfillment of desire results in pain and suffering. Eastern religions assert that the lower desires of humans fail to provide any ultimate or permanent satisfaction.⁸² Rather, they result in transient satisfaction.⁸³ This transiency demands a continual supply of stimuli in the form of objects, persons, and experiences.⁸⁴ Individuals base their sense of well-being on access to a regular supply of external objects of preferably increasing value or intensity.⁸⁵ However, this situation is self-limiting and frustrating and forms the basis for the levels of decreasing satisfaction which characterize affluent cultures.⁸⁶ The consumption of ever-increasing quantities of goods and services does not fulfill our ultimate needs and desires. Thus, letting go of such attachments is central to the cessation of human suffering.⁸⁷

In contrast to the situation in which lower order motives predominate, the psychological constructs of the transpersonal perspective view fundamental human motivation as open, formless, transcendent, a kind of free floating available energy. The healthiest individual is unmoved by egocentric desires and identifies with others, with humanity, and with the cosmos rather than with the self as an isolated entity.⁸⁸ Such an individual responds effortlessly, compassionately, and selflessly to the needs of each situation;

80. See MASLOW, *supra* note 1, at 269-70, 276 (discussing transcendence of space and transcendence of time separately).

81. See generally SOGYAL RINPOCHE, *THE TIBETAN BOOK OF LIVING AND DYING* (1992) (suggesting removal of various attachments in order to live a peaceful life and eventually have a peaceful death); JOANNA MACY, *DHARMA AND DEVELOPMENT* 38-40 (rev. ed. 1985).

82. Walsh & Vaughan, *supra* note 78, at 409-10.

83. *Id.* at 409.

84. *Id.*

85. *Id.*

86. *Id.*

87. Theoretically, behavior motivated by higher order desires should reduce the number and strength of our attachments. However, we may become attached to new desires, such as self-transcendence, and suffer anew. Walsh & Vaughan, *supra* note 78, at 409-11.

88. See MASLOW, *supra* note 1, at 277-78 ("This is a special phenomenological state in which the person somehow perceives the whole cosmos or at least the unity and integration of it and of everything in it, including his Self.").

thereby most effectively contributing to others' well-being.⁸⁹ Selfless service, which functions as a key guiding principle in these perennial theories, may "warrant a position above self-transcendence as the highest in the hierarchy of motives."⁹⁰ To return specifically to the theme of transpersonal psychology, development beyond the ego "assumes that healthy personal growth evolves into selfless service. Thus a transpersonal orientation is basically an orientation of service in the world."⁹¹

III. The Significance of Humanistic-Transpersonal Perspective for Individuals in Business Organizations

What do humanistic and transpersonal perspectives mean to us as individuals enmeshed in business organizations? Who are we? What is the meaning and purpose of our lives? What are we doing with our lives? More broadly, what constitutes "progress" for us as individuals, as families, as communities, and as an industrialized society? Because corporate life is part of life in general, these questions and the answers have universal significance.

As society reevaluates permanent and enduring values, the twenty-first century may witness movement away from a materialistic definition of our life progress to a more spiritual definition. However, I do not predict a broad range of the American people directing their lives completely or predominantly to spiritual-inner growth and self-mastery in the coming decades. Rather, material wealth and possessions will slowly fade as the gauge by which we measure success for individuals, for families, and for society. As more Americans perceive that material craving is not successful as a search for meaning,⁹² we will move toward a balance that integrates the material and the spiritual aspects of life as well as a philosophy of life rooted in transpersonal psychology.

We, individually and in groups such as families and business organizations, need to achieve a better balance between materialistic and spiritual aspects of life. Throughout the twentieth century, most Americans have sought ego and spiritual satisfaction in consumption which has been reinforced by business organizations

89. Walsh & Vaughan, *supra* note 78, at 407.

90. *Id.* at 408; *see also id.* at 407-08 (discussing Eastern philosophies' central theme of selfless service).

91. Vaughan, *supra* note 48, at 38.

92. *See, e.g.,* James K. Glassman, *For Most People, Real Wealth Doesn't Come in a Wallet*, WASH. POST, Oct. 23, 1993, at B1.

through promotion of these values, explicitly or implicitly.⁹³ Shopping has emerged over the past forty years as America's pastime.⁹⁴ In America's shopping malls, our modern center, we see people both young and old motivated by material progress. As individuals, we long for more possessions; we assume that things will bring us prestige and respect from our families, friends, and our community.⁹⁵

We depend on a "good" (i.e., growing) economy to get an interesting job, commensurate with our educational attainments. We continue to value economic growth as a necessity to provide high paying jobs throughout our work lives. A series of jobs ensures our financial survival, provides for our immediate consumption of goods and services, and, if we are lucky, enables us to build a college education fund for our children as well as a retirement fund for our old age. We calculate our standard of living in material terms. Our lives are oriented to our material possessions, our house, our cars.⁹⁶

In the 1980s, many seemed satisfied with the surfeit of consumer goods and services and did not look for alternative paths.⁹⁷ We found it difficult to imagine any limit to economic growth. In the 1990s we see, in part harkening back to the 1960s, more of a questioning of traditional notions of material life as a status symbol of achievement and as a sense of individual worth.⁹⁸

What are the roots of our present unease, of our searching? At least four forces are at work: (i) ecological awareness; (ii) the economic realities of the 1990s; (iii) increased knowledge regarding

93. See, e.g., Janice Castro, *The Simple Life: Goodbye to Having it All: Tired of Trendiness and Materialism, Americans are Rediscovering the Joys of Home Life, Basic Values, and Things that Last*, TIME, Apr. 8, 1991, at 58 (stating that the values of the 80s "were kind of empty" and "showed how ugly this country could be.").

94. *America's New Lifestyle is Just Hard Work*, CHI. TRIB. Nov. 1, 1994, at 23 ("Shopping is already one of America's most popular pastimes."); Shelly D. Coolidge, *Bloomingtondale's Bargain Basement to Shopping Meca*, THE CHRISTIAN SCI. MON., Dec. 29, 1993, at 10 ("Next to baseball, shopping has become the great American pastime.").

95. See generally PAUL WACHTEL, *THE POVERTY OF AFFLUENCE: A PSYCHOLOGICAL PORTRAIT OF THE AMERICAN WAY OF LIFE* (1983) (observing that material gains do not necessarily lead to happiness but is an attempt to replace the sense of community its very growth has torn apart); HERBERT MARCUSE, *ONE-DIMENSIONAL MAN: STUDIES IN THE IDEOLOGY OF ADVANCED INDUSTRIAL SOCIETY* (1964).

96. See generally WACHTEL, *supra* note 95.

97. See, e.g., Castro, *supra* note 93, at 58.

98. See, e.g., Castro, *supra* note 93, at 58; Ronald Henkoff, *Is Greed Dead?*, FORTUNE, Aug. 14, 1989, at 40.

the humanistic-transpersonal perspective; and (iv) the perception of the impermanence of the "material" aspects of life.

First, we are reevaluating the impact of our consumption-oriented lifestyle on the ecosystem. The quest for economic growth leads to resource depletion, ecosystem damage, and congestion.⁹⁹ We devote additional resources to spurring consumption by creating dissatisfaction with our existing possessions. Rapid obsolescence and replacement with new goods characterizes the twentieth century's throwaway economy. Our pattern of consumption, which is unrelated to maintaining life or well-being, reflects the view that economic growth is synonymous with the good life. A society based on consumption has much broader social and ecological consequences.

Our century-long pursuit of economic growth now faces and will increasingly encounter the limits nature imposes. The planet is nearing its capacity to handle the ramifications of our economic growth policies. The environmental concerns that most significantly impact upon humans include: (i) global warming;¹⁰⁰ (ii) natural resource depletion and energy shortages;¹⁰¹ (iii) air pollution;¹⁰² (iv) fresh water shortages;¹⁰³ (v) loss of crop and grazing land due to desertification, soil erosion, conversion of land to non-farming uses; (vi) depletion of the world's tropical forest,¹⁰⁴

99. See, e.g., Donnell Meadows, *How Much Nature Shall We Leave?*, NEWS & RECORD, Nov. 16, 1995, at A17 ("At some point the busy human economy will have to stop expanding into wilderness, either because we decide to leave some bit of nature untouched, or because there will be no untouched nature left.").

100. See, e.g., Robert Lepert & Michael Schlesinger, *Perspective on the Environment; a Global Warming Middle Ground*, L.A. TIMES, Nov. 16, 1995, at B9 (stating that changes in the climate are difficult to predict, and suggesting that more government funded research on environmentally benign technologies is needed). But cf., Thomas G. Moore, *Why Global Warming Would be Good for You*, THE PUBLIC INTEREST, Jan. 1995, at 83.

101. See, e.g., Nicholas Lenssen, *A New Energy Path for the Third World*, TECH. REV., Oct. 1993, at 42 (stating that "the old path, based on ever-higher consumption of fossil fuels, is leading developing countries to environmental ruin.").

102. See, e.g., Reuter, *Illegal Emission Device Will Cost GM Dollars*, FINANCIAL TIMES, Dec. 2, 1995, at 3 (reporting that illegal devices used by General Motors to pass emissions tests "cause enough additional air pollution to blanket a major U.S. city . . . with a 10-foot layer of carbon monoxide.").

103. See, e.g., Mike Williams, *Traffic Takes Toll on the Keys—so Keys May Levy a Toll on Traffic*, ATLANTA CONSTITUTION, May 11, 1995, at 5C (noting that local residents of Florida Keys complain that allowing more cars on their highways would only exacerbate fresh water shortages by increasing tourism).

104. See, e.g., Peter Norman, *Europe Spearheads Drive for Action on Emissions; EC Seeks Political Impetus from Summit*, FINANCIAL TIMES, July 11, 1990, at 6 (reporting European leaders push for targets to reduce carbon dioxide emissions and their drive to save the world's tropical rain forests).

(vii) overfishing, habitat destruction, and pollution in the marine environment;¹⁰⁵ (viii) acid rain;¹⁰⁶ as well as (ix) the effects of a complex mix of air pollutants on fisheries, forests, and crops.¹⁰⁷

These environmental threats built up so slowly that in the past we failed to perceive the danger to life on Earth. We now can perceive these dangers because we are faced with their aggregate effects. We are increasingly concerned with and exhibit a greater degree of stewardship for the Earth and all its inhabitants. We are taking steps to recycle more materials.¹⁰⁸ We acknowledge the need to switch from fossil fuels and use solar energy.¹⁰⁹ Agricultural practices (for example, the use of life-destroying chemicals which are economically self-defeating in the long-run) must be revamped.

Second, our quest for a new balance also stems from the reality of economic stagnation of the 1990s in the wake of the economic boom years of the 1980s. Easy money no longer flows to many professionals and business executives. Middle managers and white-collar workers are being displaced. Professionals, including

105. See, e.g., Nicholas Schoon, *Half All Birds and Mammals "Extinct Within 300 years,"* THE INDEPENDENT, Nov. 15, 1995, at A17. ("The single most important cause [of extinction] is the clearing of forests and other natural habitats for timber and crop production."); Science Desk, *Fishing and Pollution Imperil Coastal Fish, Several Studies Find*, N.Y. TIMES, July 16, 1991, at C4 (stating that "many fish species are threatened by overfishing and an advancing tide of pollutants and urban development on the coastline have degraded habitats and wetlands, which fish use as spawning and migrating grounds.").

106. See, e.g., Yancey Roy, *Solomon Acts to Clear Skies of Acid Rain*, THE TIMES UNION, Nov. 29, 1995, at A1 (discussing the seriousness of acid rain in Adirondacks, New York, one of the most seriously affected and endangered ecosystems in the United States).

107. See, e.g., Lewis D. Solomon, *Humanomics: A Model for Third World Development*, 25 GEO. WASH. J. OF INT'L L. & ECON., 447, 459-65 (1991). But cf. RONALD BAILEY, *ECO-SCAM: FALSE PROPHETS OF ECOLOGICAL APOCALYPSE* (1993); DIXY LEE RAY & LOUIS R. GUZZO, *ENVIRONMENTAL OVERKILL: WHATEVER HAPPENED TO COMMON SENSE?* (1993); see also, William K. Stevens, *Scientists Confront Renewed Backlash on Global Warming*, N.Y. TIMES, Sept. 14, 1993, at C1 (discussing the renewed assault on the idea that global warming is a serious threat to our environment).

108. *Soda, Milk Bottles Lead the Way: State Mandates Spur Creation of Alliances that will Focus Initially on Easiest Plastics to Recycle; Earth Day 1990 Special Report*, PLASTICS WORLD, Apr. 22, 1990, at 6 (stating that eventually most plastics will be included in the recycling process).

109. See, e.g., Mark Schultz, *Solar Users See Ray of Hope; Photovoltaic System Offers Renewable Energy Source*, THE CHAPEL HILL HERALD, Apr. 22, 1995, at 3 (students of Solar Energy International, a center dedicated to remote energy sources, install a photovoltaic panel as an alternative method of energy in the home of a conservationist.)

attorneys, engineers, and architects, are in less demand.¹¹⁰ "Good" entry-level jobs are not available for recent college graduates.¹¹¹

These harsh economic realities serve as a wake-up call from the excessively "high" levels of consumption exhibited in the 1980s. We now face the crushing personal debt burdens in the form of the home mortgage, car payments, and credit card debts. Stress and an inability to meet life's multiple demands are additional by-products of our quest for material success.¹¹²

Third, we search for meaning in life and in the problems brought about by our materialistic orientation. As we search for our deeper needs, increased knowledge and awareness provide a means to rethink our values and our goals. As we become aware of our potential and essence, we become cognizant of the trade offs we make daily in our quest for material progress.

Those of us fortunate enough to have a job perceive the magnitude of the societal alienation and powerlessness which are manifest in many ways. We see the people who hate their dead-end jobs and their meaningless work, as well as those who resent the authority imposed in their work and over their lives generally. We search for and find it difficult to locate a calling to do something meaningful and significant. Many seek a "right livelihood"¹¹³ which will enable them, fully using their capacities, to make genuine contributions not only to their personal development, but also to the well-

110. Rocco Cammarere, *Sign of Tough Times: Out-of-Work Lawyers Taking Paralegal Jobs*, THE N.J. LAWYER, Sept. 11, 1995, at 1 (reporting that lawyers "unable to find work practicing law in today's market are signing on as paralegals for about one-third of what they could expect to earn as attorneys."); see also Editorial, THE AUSTIN AMERICAN-STATESMAN, July 28, 1995 at A14 ("Instead of the expected shortage, the job market for engineers entered its worst period in history. Unemployment for engineers doubled between 1990 and 1993 while the number of engineering jobs declined by 135,000."). But see, *Some Engineers Gain Salary Edge: Booming Industries Will Pay More for Qualified Candidates*, DALLAS MORNING NEWS, Nov. 12, 1995, at D1 ("Electrical engineers, radio frequency engineers, software and design engineers are highly sought after as companies race to be the first, biggest players in the new world of wireless multimedia communications.").

111. See, e.g., Louis S. Richman, *When Will The Layoffs End?*, FORTUNE, Sept. 20, 1993, at 54; Peter T. Kilborn, *Working Is Harder, Not Working Harder Still*, N.Y. TIMES, Sept. 5, 1993, § 4, at 1; Richard J. Barnet, *The End of Jobs*, HARPER'S, Sept. 1993, at 47.

112. See generally JULIET SCHOR, *THE OVERWORKED AMERICAN* (1992); see also, Elinor J. Brecher, *Toll and Trouble: Crisis in the American Workplace*, MIAMI HERALD, Mar. 21, 1993, at J1.

113. E.F. SCHUMACHER, *SMALL IS BEAUTIFUL: ECONOMICS AS IF PEOPLE MATTERED* 53 (1973) (observing that the Buddhist concept of a "right livelihood" has universal relevance because it places spiritual health as a goal along with material well-being).

being of humanity. In searches to overcome their routine and rather empty lives, many devote time to volunteer endeavors and community involvement which offer the possibility of transcending their egos. In these activities, we identify with other humans.¹¹⁴

When we open our minds to new theories of human nature as well as the depth and breadth of our own personalities, we are pointed toward new goals and values. We have to begin a search for an individual and a family standard of "enough" so we may enjoy what we have in the material world. On a very practical level, we must ask ourselves how much money and how many material goods we need to help us fulfill our path in life. We must also determine the essential as opposed to the excess in our lives. Finally, our expenditures should be brought in line with our values and our life purposes.¹¹⁵

Fourth, in conjunction with our questioning the meaning of life, we acknowledge the impermanence of the "material." This impermanence ranges from our possessions to our physical bodies. Despite the technological advances of modern medicine, we will all die someday.

Consumerism has not provided Americans with a sense of fulfillment. Opinion surveys repeatedly show that the proportion of Americans reporting that they are "very happy" with their lives has remained at about one-third of the U.S. population since 1957 even though personal consumption has doubled.¹¹⁶ We increasingly ask whether more material possessions are "better." We realize our identity transcends our level of consumption. Simply put, we cannot purchase happiness.

Questioning the impermanence of the "material" leads in several directions. We increasingly should realize that we are spiritual beings in a spiritual world. Furthermore, we are beginning to think about the interrelationship between our egocentric desires and the

114. See generally RAM DASS & MIRABAI BUSH, *COMPASSION IN ACTION: SETTING OUT ON THE PATH OF SERVICE* (1992) (stating that through volunteer service we may come face-to-face with our inner motivations as many forms of desire, impatience, anger, and greed are revealed to us. We may drop our self-serving motivations and experience a higher and more frequent contact with the source of deeper compassion).

115. See generally JOE DOMINGUEZ & VICKI ROBIN, *YOUR MONEY OR YOUR LIFE* (1992).

116. Alan T. Durning, . . . *And Too Many Shoppers: What Malls and Materialism Are Doing to The Planet*, WASH. POST, Aug. 23, 1992, at C3; See generally WACHTEL, *supra* note 95.

roots of our suffering and our pain.¹¹⁷ As E.F. Schumacher surmises:

But what is wisdom? Where can it be found? Here we come to the crux of the matter: it can be read about in numerous publications, but it can be *found* only inside oneself. To be able to find it, one has first to liberate oneself from such masters as greed and envy. The stillness following liberation—even if only momentary—produces the insights of wisdom which are obtainable in no other way.

They enable us to see the hollowness and fundamental unsatisfactoriness of a life devoted primarily to the pursuit of material ends, to the neglect of the spiritual.¹¹⁸

What can trigger a more balanced approach to life? What will propel the transformational fulcrum? It would be comforting if the answer were knowledge, pleas to reason, appeals to the spirit, the evolution of a new consciousness, or the evolution of new institutions.¹¹⁹ More likely, a great social trauma, a depression or a dramatic, long-term climate change will result in the establishment of new lifestyles and philosophies. In the midst of traumatic experience, many undergo a transformation of their consciousness and values. Alternatively, others may regress to earlier beliefs or retain traditional political ideologies, economic structures, and patterns of behavior. Certain individuals may want the opportunity to climb up the established economic hill, and may oppose the efforts of those who want to lead more balanced lifestyles and create economic institutions designed to implement their new goals and values. Individuals from both schools of thought convene in the business organizations and must strike a balance.

Americans are beginning to evidence a change of attitude with respect to corporate life. It is worth repeating that Americans are not going to turn, en masse, into ascetics in the twenty-first century. Society is not going to turn the clock back to the eighteenth century, to the era before the Industrial Revolution. We are not

117. According to Buddhism, there are three poisons in life: greed (increasing material basis of life); hatred (increasing power); and delusion (measuring results strictly in terms of quantity). SULAK SIVARAKSA, SEEDS OF PEACE: A BUDDHIST VISION FOR RENEWING SOCIETY 8 (1992). Sivaraksa notes that Buddhist development rests on need and inner realization concerning greed, hatred and delusion, and an outer realization concerning the impact these tendencies have on society and the planet. *Id.* at 47.

118. SCHUMACHER, *supra* note 113, at 38. As a noted contemporary Buddhist scholar observed, “[t]here are many descriptions of the religious experience, but they all come back to becoming less and less selfish.” SIRAVASKA, *supra* note 117, at 61.

119. This last factor is considered in the next section. *See infra* part IV.

going to give up our material base (food, clothing, shelter, health, and education), our creature comforts, or our technological advances.

Yet, we should turn away from our modern one dimensional approach to life.¹²⁰ A new consciousness hopefully will lead us to a better balance which combines a sound material base with a striving to achieve human development and spiritual fulfillment. The search for this balance will involve an ongoing, personal reexamination of the "right" use of our time, our energies, our money, and our possessions. Striving to live a life of greater balance, many will increasingly ask what material base we require to meet our needs while enabling us to give fully of ourselves. We may lessen our urges for conspicuous consumption and our desire to try to impress others by spending and consuming. In short, Americans increasingly may turn to a new path beyond private consumption and materialism, namely, to creative frugality and voluntary simplicity.

In a thought provoking book written more than a decade ago, Duane Elgin examined over six hundred social pioneers who voluntarily chose a life of greater simplicity characterized by less emphasis on material success.¹²¹ These pioneers did not retreat to communes; rather, they continued to pursue all walks of life as attorneys, teachers, factory workers, social workers, white-collar workers, carpenters, and firefighters. Elgin's pioneers, 56 percent of whom lived in cities and suburbs, 32 percent in rural areas, and 13 percent in smaller towns, chose this path because they regarded it as more fulfilling than modern materialism. Rather than transforming their work organizations, these pioneers followed a mode of living that was outwardly simpler and inwardly richer.

For Elgin, those following the path of "voluntary simplicity" have consciously chosen to live a life of aesthetic (not ascetic) simplicity—a life that, though materially more modest, is overall more satisfying and enriching. They follow a life affirming and liberating path in a life-serving and life-sensing manner, taking no more than they require and giving more fully of themselves. Less identification with material possessions enables Elgin's pioneers to live more simply, to reduce their needs, to resist the temptation of letting luxuries become their needs, and to be less greedy and envious. Voluntary simplicity encourages them to identify their true needs, to satisfy these needs, to bring their individual attention to their

120. See, e.g., MARCUSE, *supra* note 95.

121. DUANE ELGIN, *VOLUNTARY SIMPLICITY* (1981).

passage through life, to live more self-consciously, and to explore the deeper psychological and spiritual dimensions of life.¹²²

Based on the experience of Elgin's pioneers who follow a path of "voluntary simplicity," more Americans should strive to live a life characterized by a greater degree of balance within the context of our institutions that maintain the complexity of our life. We may increasingly strive to develop not only our inner potentials—our spiritual side—but also our exterior potentials of social and material growth. To achieve this balance, we need more spiritual growth and maturity in place of the false needs and the destructive desires engendered by the consumption of spurious goods and services. We may achieve a greater degree of integration of our inner awareness with our material lives so as to create a more fulfilling life. With a reduced desire for material possessions, we could simplify our lives, relinquish superficial activities and possessions, and focus on deepening and intensifying those aspects of life felt to be most central and significant. The combination of an adequate material base together with interior growth will increase our individual capacity for compassion and self-regulation and eventually filter through to transform corporate life. However, the overt restructuring of business organizations will dramatically increase the pace of change.

IV. The Application of Humanistic-Transpersonal Perspective to Business Organizations

A greater awareness of human nature, of human potentialities, and of the ecological consequences of economic institutions raises profound questions for business organizations. This section focuses on two aspects: (i) the need for business institutions to implement a strategy of ecological preservation; (ii) the importance of scale—an effective size for economic units and a decentralized, less bureaucratic, political economy and its supporting-institutional structure. In other words, what follows in this section is an attempt to spell out in much more detail Maslow's "Theory Z."¹²³

Toward the end of his life, Maslow conceptualized Theory Z which is based on the existence of spiritual and philosophical needs in all individuals.¹²⁴ Institutions organized in accordance with Theory Z principles would try to satisfy these "higher" needs by, for

122. *Id.* at 174-76.

123. MASLOW, *supra* note 1, at 280.

124. *Id.* at 324-25.

example, offering workers greater autonomy and responsibility.¹²⁵ However, it is difficult to envision institutions in a political economy based on mutual love, respect, and cooperation. How do we achieve these goals?

Imagining and implementing new goals and strategies for business organizations represents a tremendous challenge for managers and employees in the twenty-first century. As Maslow observed, "this higher, spiritual 'animality' is so timid and weak, and so easily lost, is so easily crushed by stronger cultural forces, that it can become widely actualized *only* in a culture which approves of human nature, and therefore actively fosters its fullest growth."¹²⁶

Before addressing the restructuring of economic institutions, the basic question of whether human beings are good or evil ought to be considered. Surveying the carnage of the twentieth century, it would be ludicrous to state that humans are saintly. We have the capacity for a great deal of good, generosity and trust.¹²⁷ We are also capable of aggressiveness and great evil and thus we need to be controlled.¹²⁸ In short, both individually and collectively, we possess a spectrum of potentials.

Without entering into an extended discussion whether evil is inherent in all of us despite our pretense of civilization, my opinion is that we are mostly good. Humans become destructive when they are unable to fulfill their creative relationship with others and with their work.¹²⁹ Managers of business organizations should, therefore, provide outlets and settings which nurture the benevolent side of human nature while dampening the malevolent side.¹³⁰ Businesses need to determine what conditions, specifically what economic structures, will permit and even promote our free choice leading to human growth and spiritual fulfillment in an ecologically sound manner.

125. See generally *id.* at 326 (explaining that the achievement of full humanness is possible only when culture fosters self-actualization).

126. *Id.* at 327.

127. See, e.g., Carl R. Rogers, *Reply to Rollo May's Letter to Carl Rogers*, 22 J. OF HUMANISTIC PSYCHOL. 85-87 (1982).

128. See, e.g., Rollo May, *The Problem of Evil: An Open Letter to Carl Rogers*, 22 J. OF HUMANISTIC PSYCHOL. 10, 20 (1982).

129. See generally ERICH FROMM, *THE ANATOMY OF HUMAN DESTRUCTIVENESS* (1973) (stating that all human passions, both "good" and "evil," can be understood only as personal attempts to make sense of life).

130. MARTIN BUBER, *THE KNOWLEDGE OF MAN: A PHILOSOPHY OF THE INTERHUMAN* 179-81 (1966). See generally Maurice Friedman, *Comment on the Rogers-May Discussion of Evil*, 22 J. OF HUMANISTIC PSYCHOL. 93, 95 (1992) (stating that humans become destructive only when neurosis turns them aside from a creative relationship with other people and with their work).

A. Ecological Sustainability, Not Environmental Purity

As our consciousness is broadening to a transpersonal perspective, we recognize our interrelatedness and interdependence with non-human living things on Earth. The notion of ecological holism, embodied in the concept of Deep Ecology¹³¹ in which nature forms an interconnected whole, leads to a series of difficult questions that corporate executives and employees will face in the twenty-first century. Specifically, should we be concerned about the notion of a deeper human identification with all life forms in the ecosystem? Should we accord intrinsic worth to non-humans? What does harmony with, not domination over, nature mean? Is there an inherent value in the flourishing of non-human life on Earth? Are the richness and diversity of non-human life forms values in themselves? Should nature be preserved in all of its complexity and diversity?

In my opinion, production and consumption, however modified or simplified, necessarily involves the destruction of non-human living things and the Earth. Whether it be the creation of our food, our clothes, or our means of transportation, we must acknowledge that resources are depleted in that raw materials are extracted from the Earth, transported to a manufacturer, processed, assembled, transported back to a wholesaler and then to a retailer, and eventually from the store to our home. Consider the daily destruction of non-human living things and of the Earth. Unless we foresee a total abandonment of our present modes of production and consumption, the question becomes where to draw the line between justifiable and unjustifiable human interference with other living things and the Earth.

The formulation of future business strategies should be based on the notion of a sustainable society which serves the ends of human development and spiritual fulfillment in an ecologically sound manner.¹³² Again, we should strive to find a balance, a compromise between economic growth regardless of its environmental

131. ARNE NAESS, *ECOLOGY, COMMUNITY AND LIFESTYLE: OUTLINE OF AN ECOSOPHY* (1989); *see also* BILL DEVAL & GEORGE SESSIONS, *DEEP ECOLOGY: LIVING AS IF NATURE MATTERED* 66-68 (1985); BILL DEVAL, *SIMPLE IN MEANS, RICH IN ENDS: PRACTICING DEEP ECOLOGY* (1988); WARWICK FOX, *TOWARD A TRANSPERSONAL ECOLOGY* (1990).

132. *See* Solomon, *On the Frontier of Capitalism supra* note 11, at 1650-59 (showing how Ben & Jerry's Homemade, Inc. and The Body Shop International PLC integrate social concern in their business decisions).

consequences and Earth First¹³³ advocates who assert that all species have equal title to the Earth's bounty.¹³⁴

Managers should seek to formulate and implement corporate strategies keyed to ecological and social viability. We should formulate an ecologically sound way of living with and relating to all other living creatures on Earth while using certain resources to meet human needs and promote human development and spiritual fulfillment. Each generation should strive to meet its needs without compromising the ability of future generations to meet theirs. Human development should take place in a framework which avoids irreparable harm to the environment. Specifically, businesses should not: (i) use nonrenewable resources beyond our capacity to substitute for them; (ii) use renewable resources at rates exceeding their capacity for renewal; or (iii) produce waste beyond the capacity of ecosystems to assimilate. In short, businesses should formulate and implement strategies based on and cognizant of their impact on the ecosystems which are an integral part of human livelihood and existence.

I favor formulating business protective measures that focus on the differences between humans and other living creatures as well as geographical structures such as rivers and mountains. We have egos and the ability to transcend our egos.¹³⁵ We have a soul and a special relationship to the Divine. We can reason—most animals cannot. We are conscious of ourselves and possess the ability to choose.¹³⁶ We are the most advanced form of evolution.¹³⁷ In sum, there is more value in a human than in an insect.¹³⁸

133. Earth First! is a radical environmental movement devoted to preserving the wilderness, restoring ecosystems, and returning a large percentage of the United States to its natural condition. RIK SCARE, *ECO-WARRIORS: UNDERSTANDING THE RADICAL ENVIRONMENTAL MOVEMENT* 66-67 (1990). Earth First! promotes hardcore activism and takes "No Compromise in Defense of Mother Nature" as its motto. *Id.* at 24.

134. See *id.*; DAVE FOREMAN, *CONFESSIONS OF AN ECO-WARRIOR* (1991); CHRISTOPHER MANES, *GREEN RAGE: RADICAL ENVIRONMENTALISM AND THE UNMAKING OF CIVILIZATION* (1990).

135. See WILBER, *EYE TO EYE*, *supra* note 76, at 101-02.

136. See JACQUES MARITAIN, *TRUE HUMANISM* 2 (1938) (stating that a person is unity of a spiritual nature endowed with freedom of choice).

137. See generally Kirkpatrick Sale, *The Cutting Edge: Deep Ecology and Its Critics*, 246 *THE NATION* 670, 674 (1988) (mentioning the specialness of the human animal); Murray Bookchin, *Social Ecology vs. Deep Ecology*, 46 *RESURGENCE* 127 (1988).

138. See generally WILBER, *EYE TO EYE*, *supra* note 76 (pointing out some of the major obstacles to the emergence of a comprehensive paradigm that looks at how empirical science, philosophy, psychology and transcendental religions fit together); Murray Bookchin, *Social Ecology vs. Deep Ecology*, 46 *RESURGENCE* 127 (1988);

I do not see cooperation as nature's standard mode of interaction. Rather, I see nature as wild and uncontrolled—hurricanes, earthquakes, tornadoes. Rather than pastoral cooperation and gentle acts of caring, competition and sometimes extremely vicious acts characterize nature. Nature is not in some preexisting balance. Furthermore, human existence and human impact inescapably transform nature. Through wise management, we can strive to minimize any deleterious impact. But, a deleterious impact is sometimes unavoidable.¹³⁹

I do not subscribe to the view that if we harm nature, then we harm ourselves, even our more expansive sense of self. We can develop and achieve spiritual fulfillment even if animals, rivers, or mountains perish. We should not orient all corporate life and business goals and strategies around a return to the pure womb of nature.

The business organizations I foresee would emphasize the nature and quality of growth and the need to operate within the limits of the planet.¹⁴⁰ We should balance the needs of humans and other living creatures. It is unimaginable that we will let humans die to preserve the good functioning of the ecosystem. Moving from the premise of ecological sustainability, not environmental purity, the emerging political economy should rest not only on a less consumption-oriented lifestyle of individuals and families but also on more decentralized institutions.

Holmes Rolston, III, *Environmental Ethics: Values in and Duties to the Natural World*, in *ECOLOGY ECONOMICS, ETHICS: THE BROKEN CIRCLE* 74-78 (1991).

139. MARTIN W. LEWIS, *GREEN DELUSIONS* 57-58 (1992).

140. The concept of "sustainable development" popularized by the Brundtland Report, United Nations World Commission on Environment and Development, *Our Common Future* (1987) has inspired enthusiasm on both sides of the economy-environment debate. Some see it as an opportunity for humanity to develop a more balanced relationship with the natural world. Others perceive sustainable development within the traditional mode of economic development. See generally MICHAEL REDCLIFF, *SUSTAINABLE DEVELOPMENT: EXPLORING THE CONTRADICTIONS* (1987); William K. Starens, *Biologists Fear Sustainable Yield Is Unsustainable Idea*, N.Y. TIMES, Apr. 20, 1993, at C4 (some biologists question whether it is possible to predict safe levels of resource exploitation and even if accurate predictions are possible, will human greed lead to overexploitation); Robert Costanza et. al., *Goals, Agenda and Policy Recommendations for Ecological Economics*, in *ECOLOGY ECONOMICS: THE SCIENCE AND MANAGEMENT OF SUSTAINABILITY* 1-20 (1991) (recognizing that there is a high level of uncertainty about how the environment responds to human actions).

B. The Importance of Scale in Business Organizations

Alienation and loneliness are characteristic of late twentieth-century life in America. Smaller, less complex workplaces may help overcome our unease. Reducing the size of economic institutions may also facilitate their revitalization. Corporate law and corporate structure need not be reconfigured to accommodate these views. Instead, we must focus on the importance of scale in business organizations as a means of achieving meaningful changes based on the concepts of transpersonal psychology.¹⁴¹

Considering our future economic institutions, I foresee a range of organizations from the massive, publicly-held global corporations with multi-plant operations to decentralized, small-scale enterprises. In part, the emerging diversity stems from economies of scale and new forms of technology. Automobiles and steel cannot be produced in small-scale enterprises. Mao failed in his quest for backyard steel foundries. However, smaller industrial plants may now have sufficient economies of scale. Computers facilitate information-flows, both with organizations and between larger and smaller economic units. New forms of information technology promote more efficient, smaller scale economic organizations.¹⁴²

In this diverse, pluralistic, economic system, which is experiencing both the thrust of global integration and the movement toward smaller, more autonomous economic units, individuals can choose among a scale of business organizations that match their values and lifestyles. Some may want to continue to live in and by the traditional consumer-oriented system. Others will opt for the more simplistic system.

In addition to different values and lifestyles, the level of each individual's psychological growth will affect their choices regarding employment in the various economic structures. At least initially, some individuals will seek security and survival.¹⁴³ These individuals, desiring the safe, highly-defined positions where supervisors direct them, will staff traditional, large scale bureaucratically organized economic institutions. Others possess greater spiritual, intellectual, and emotional capabilities and will more readily accept

141. See *supra* notes 123-140 and accompanying text.

142. ALVIN TOFFLER, *THE THIRD WAVE* (1980).

143. Maslow recognized that individuals differ in need order strength. Some may be stuck at a level of deficiency needs and will not be motivated by growth needs. These individuals prefer to be dependent and do not desire to make up their own minds. ABRAHAM H. MASLOW, *EUPSYCHIAN MANAGEMENT* 22-23, 27, 31, 32-35, 42-43, 54, 185 (1965).

ambiguity and a reduced need for direction. Only a few, rare persons manage to integrate mind and body, emotion and spirit, and the search for the most appropriate business organizations.¹⁴⁴

We are all too familiar with stifling economic bureaucracies that are organized in excessively large units characterized by rule-bound behaviors. Large scale business organizations have caused two fundamental deleterious human consequences: (i) the destruction of the content and dignity of most jobs; and (ii) a habitual reliance on greed, envy, avarice, and authority for motivation.¹⁴⁵ As E.F. Schumacher stated, economic structures employing hundreds or thousands "cannot possibly preserve order without authoritarianism, no matter how great the wish for democracy might be."¹⁴⁶

Not only from a human perspective but also on traditional efficiency grounds, large institutions suffer from a number of deficiencies. Large hierarchical systems, which put a premium on expertise, certitude and control, block negative feedback which tells higher-ups in the organization the things they have forgotten or missed. People at the bottom of organization charts, though the least empowered in the control system, are the closest to the key sources of information. Thus, large, bureaucratic organizations are at a disadvantage compared to smaller, more flexible groups of people in an era of rapid change.

As people search for a greater degree of meaningfulness in their lives, business organizations will evolve to suit their needs. The humanistic-transpersonal notion of a right livelihood is work which makes a contribution to ourselves, to others, and to human well-being.¹⁴⁷ In addition to searching for work that facilitates personal spiritual development, people should seek out and strive to be part of an organization which produces goods and services that promote a more meaningful, ecologically sound world.

People also want to assume a greater degree of control over not only their work but, more generally, their lives. As a result, they will strive to develop and participate in corporations of approachable size, comprehensible scope, and manageable complexity. Human satisfaction, autonomy, and development are enhanced by less complex, smaller scale economic institutions. In these smaller in-

144. WILLIS HARMAN & JOHN HORMANN, CREATIVE WORK: THE CONSTRUCTIVE ROLE OF BUSINESS IN TRANSFORMING SOCIETY 153-55 (1990).

145. E.F. SCHUMACHER, GOOD WORK 29 (1979).

146. *Id.*

147. See *supra* note 113 and accompanying text.

stitutions, workers develop a greater sense of identity in that they meet face-to-face and make decisions face-to-face.

Participation in economic units is important because it: (i) facilitates participants' personal growth and development; (ii) engenders equality, respect, dignity, and status among participants; and (iii) protects participants' interests. Employees also feel pride in their work, hold responsibility, and receive training in collective decision-making.¹⁴⁸ In short, work will be increasingly organized into smaller-sized, human-oriented, comprehensible groups in which ownership is not divorced from personal involvement in the institution. Smaller business organizations are better able to meet human needs. Social and individual benefits are derived from small business units.

These smaller economic organizations will cause technology to service the workers and the environment. Decentralized, ecologically sensitive technology may flourish. Such economic organizations may rely more on small-scale energy technologies like solar power rather than nuclear power, which requires management by large and complex bureaucracies. Energy from renewable sources will promote both corporate self-sufficiency and ecologically sound business practices. These smaller, energy-efficient, economic units may be in a better position to promote nonpollution and to recycle wastes.

The trend toward economic decentralization is already apparent. In the boom years of the 1980s, employees and executives jumped off the corporate ladders and into self-employment, small firms, or consulting arrangements. Since the 1980s, small businesses have offered most of the jobs added to the U.S. economy as well as most of the innovation.¹⁴⁹

During this period of corporate downsizing and restructuring, workers pushed out of corporations have become independent contractors, have reinvigorated family businesses, or have formed new companies.¹⁵⁰ Symbiotic relationships among the relatively new corporate framework have flourished. Huge firms are becoming more dependent on this vast subculture of small, high-powered,

148. JANE J. MANSBRIDGE, *BEYOND ADVERSARY DEMOCRACY* 235-48 (1980).

149. See, e.g., Toffler, *Powershift*, *supra* note 42, at 86, 88.

150. Bruce Nussbaum, et al., *Corporate Refugees: For Some, Smooth Sailing Follows the Pain*, *BUS. WK.*, Apr. 12, 1993, at 58; Jerry Flint, *Keep a Resume on the Floppy, But Don't Panic*, *FORBES*, Apr. 26, 1993, at 65.

flexible, often family-run suppliers which can make fast decisions, take daring entrepreneurial risks, and engender high motivation.¹⁵¹

The coming decades will witness a continued blossoming of small scale, more regional economic activity. We will likely witness growth in the economy of rather small firms, owned and operated by the employees. A kind of cooperative, collective capitalism will flourish.¹⁵² Business cooperatives will use markets to gather information about preferences and then allocate their resources and income in accordance with these preferences. Goods and services may be produced very simply on a small scale with non-capital intensive (capital saving) technology. Smaller scale economic units, using relatively inexpensive technologies, would make worker ownership more practical by reducing capital requirements which traditionally have retarded the development of business cooperatives.¹⁵³ A cooperative working environment naturally results in a

151. Toffler, *Powershift*, *supra* note 42.

152. See, e.g., Gar Alperovitz, *Ameristroika Is the Answer*, WASH. POST, Dec. 13, 1992, at C3. See generally Lewis D. Solomon & Melissa B. Kirgis, *Business Cooperatives: A Primer*, 6 DEPAUL BUS. L.J. 233 (1994); FRANK T. ADAMS & GARY B. HANSEN, *PUTTING DEMOCRACY TO WORK: A PRACTICAL GUIDE FOR STARTING AND MANAGING WORKER-OWNED BUSINESSES* (1992).

153. See, e.g., Henry Hansman, *When Does Worker Ownership Work? ESOPs, Law Firms, Codetermination, and Economic Democracy*, 99 YALE L.J. 1749, 1761 (1990); LEN KRIMERMAN & FRANK LINDENFELD, *CHANGING WORKLIFE: GRASS-ROOTS ACTIVISM TAKES A NEW TURN IN WHEN WORKERS DECIDE: WORKPLACE DEMOCRACY TAKES ROOT IN NORTH AMERICA* 3-5 (1992).

Traditionally, the greatest difficulty in worker ownership has centered on financing such a venture. Unlike a shareholder-owned business, an employee owned firm must rely mainly on its workers to finance the firm. A business cooperative cannot issue new shares of stock to outsiders to raise funds, else it will no longer be employee-owned. In addition, employee-owned firms usually experience difficulties in obtaining financing from lending institutions which fear that any funds lent to a business may be appropriated by the workers in the form of increased wages and benefits. Hansman, *supra* at 1772.

Apart from the development of self-managed banks or credit unions (or a federation of banks or credit unions), the Mondragon cooperatives in Spain provide a useful financing model. The Mondragon cooperatives distribute a firm's net earnings directly into each member's individualized internal capital account. After members' advances (wages) and bonuses are paid, a cooperative computes its net earnings (or losses). A Mondragon cooperative can easily determine its net worth by figuring the balance in the collective and the individualized internal accounts. The use of capital accounts to calculate the net value of a cooperative frees the membership shares from having to perform this function, thereby allowing a Mondragon cooperative to offer memberships at a nominal amount, typically about \$5,000. See LUTZ & LUX, *supra* note 13, at 259-63. For an excellent analysis of the Mondragon cooperatives see WILLIAM F. WHYTE & KATHLEEN K. WHYTE, *MAKING MONDRAGON: THE GROWTH AND DYNAMICS OF THE WORKER COOPERATIVE COMPLEX* (1991); see also HANS WIENER & ROBERT OAKESHOTT, *WORKER-OWNERS: MONDRAGON REVISITED* (1987).

greater degree of worker participation in the management of an enterprise which in turn will lead to a human-sensitive environment.

Employees that feel they have a greater stake in the venture will be more motivated to make the business succeed. The need for employee supervision decreases as employee concern for the health of the business increases. Workers are less likely to slack off on the job or tolerate such behavior from others. As a result, businesses need fewer middle managers.

These collectively-owned or community-owned organizations may focus on meeting the basic human requirements—food, shelter, clothing, education, and preventive health care—in an ecologically sound manner.¹⁵⁴ Cooperatives may also permit the development of other employee services such as child care, care of the aged, and transportation. Finally, the increase in personalized exchanges may characterize a growing informal economy. The bartering of goods and services will continue to surge. The home will develop as a key production unit. Individuals, characterized as “prosumers” by futurist Alvin Toffler, may produce and consume their own goods and services thereby lessening their dependence on the traditional market economy.¹⁵⁵

V. Ten Significant Concerns and Some Tentative Answers

The emerging pluralistic, decentralized economy raises a number of difficult questions. The following are ten of the most significant:

1. Will the consumer-oriented system and traditional economic institutions impose conditions that block or severely undermine simplicity-oriented institutions? Would a market-oriented political economy accept slower growth and ecological sustainability? Are small businesses and cooperatives as dependent as big economic organizations on constant growth and consumption to sustain income and ensure their survival?

The reduced levels of individual and family consumption may render entrepreneurship and collectively owned units economically unviable. The requisite demand may not exist for their goods and services. An urban, market-oriented economy may be unable to sustain a network of cooperative cafes, repair shops, and craft stores. The flood of new entrants may capsize the existing market

154. See, e.g., MURRAY BOOKCHIN, *POST-SCARCITY ANARCHISM* (1971).

155. TOFFLER, *supra* note 142, at 292-294; see also PAUL GOODMAN & PERCIVAL GOODMAN, *COMMUNITAS: MEANS OF LIVELIHOOD AND WAYS OF LIFE* (1960) (providing a guide to the planning of cities).

balance for these goods and services. Perhaps these conjectures are unduly pessimistic; however, the potential ramifications of a lifestyle based on ecological and transpersonal awareness must be acknowledged.

2. Will multinational corporations be compatible with the decentralization of economic power? Will the technological forces that have engendered the new global economy undermine the economic viability of decentralized, small scale enterprises, and the prosuming nonmarket sectors?

It is unclear how smaller economic units will deal with gigantic multinational corporations. An optimistic scenario is some sort of uneasy coexistence between smaller business organizations and multinational industrial corporations as well as national retailing, marketing, and service chains.

3. Will employees be interested in participating in the governance of a firm and gaining significant control over their immediate work environment? Is humanistic and transpersonal development contingent upon employees participating in many business decisions?

We must ascertain the appropriate scale and scope of worker participation. Workers may only want to participate in the part of the enterprise that most directly affects them. They may only want to hold power in order to control a part of their daily lives and not participate directly in the overall management of an enterprise. Traditional, consumption-oriented, acquisitive, family-centered workers may not be interested in effective citizenship in a firm. However, an increasing portion of employees should look at work as more than a place in which you put in time and labor to earn money.¹⁵⁶ For most types of employees, empowerment will likely increase their satisfaction with and interest in their work situation.

Even if a significant portion of workers within an economic unit shows interest in meaningful participation in workplace governance, they may be unwilling to devote the requisite attention, time, and energy to the governance of the firm. Many employees may not want to attend long meetings nearly every day. As individuals give more time, energy, intellectual concentration, and emotional

156. It is under this notion that employee ownership has become increasingly popular. For example, United Airlines, Publix Supermarkets, and Avis are businesses in which employees own the majority of the company. George K.Y. Tseo and Eduardo L. Ramos, *Employee Empowerment: Solution to a Burgeoning Crisis? Special Report: Worker Participation*, CHALLENGE, Sept. 1995, at 25.

commitment to matters affecting the whole group, less attention is dedicated to the specialized tasks.

4. Will entrepreneurs and cooperatively owned units cap the number of employees in order to provide their workers with opportunities for enhanced satisfaction and human development by participation in an economic community?

It would be difficult for a single economic unit of self-government to exceed 350 to 400 members without experiencing discontinuities of knowledge, communication, and interaction.¹⁵⁷ Larger business organizations render the exchange of information more difficult, thereby decreasing the degree of participation. Smaller scale economic units would enable workers to be more informed and to assure responsibility for the social consequences of an enterprise by participation in a wide range of management decisions.

5. Will entrepreneurs and cooperatively-owned units implement a salary ratio of approximately 1:5 or 1:7 as the remuneration discrepancy between the lowest and highest paid members of an organization?

The establishment of a fixed ratio between the highest and lowest salaries paid by an enterprise would facilitate employee empowerment. Workers would no longer feel as subordinate to their managers. It is uncertain whether such salary ratios could become commonplace. More likely, hierarchies which entail inequality and domination dynamics which flow from "excessive" salary differentials will continue to dominate the business world.

6. Will elitism develop even in smaller scale organizations? Is hierarchy an inescapable principle of organizations of any size?

Elite workers may be based on competency, an ability to express oneself best at meetings of the firm, or the occupancy of a central position in the firm's knowledge/communications/organization network. In an organization, an individual or a group may rise to a position of power because of superiority in any given field. A "lust for power" need not be involved.¹⁵⁸ Participatory democracy in the workplace seemingly rests on two key factors: (i) workers per-

157. Paul Bernstein, *Run Your Own Business: Worker-Owned Plywood Firms*, 2 WORKING PAPERS FOR A NEW SOC'Y 24, 33 (1974).

158. See ROBERT MICHELS, *POLITICAL PARTIES* (1959). Michels formulated the "Iron Law of Oligarchy" resting on the need to delegate authority in large groups which results in a gulf between the leaders and the masses. For Michels, every organization develops an oligarchy because the rank and file, through incompetence and apathy, cannot and do not desire to exercise control. A minority raises itself to the rank of a governing class by virtue of educational and cultural superiority and a lust for power. *Id.*

form tasks with skills and qualifications that those in higher authority respect; and (ii) room for creativity so that workers' decisions have realistic meaning.

Elite workers also may block meaningful participation because they devalue the administration's skills. Participatory decision-making ideally should not fully exploit the administrative skills of those who have a particular aptitude for organization and management. Thus, executives may promote micro-level programs that heighten productivity and enhance the quality of goods (or services) and the firm's profitability while stopping short of full-scale, macro-level empowerment of workers. These micro-level programs would prevent employees from participating in high-level corporate planning and decisionmaking. In other words, the implementation of a participatory system may engender significant fear that a loss of control over subordinates would result from power-sharing arrangements. Managers may also find worker participation demoralizing because they must continually secure worker involvement in making and approving decisions. Worker participation in decisionmaking may adversely affect managerial leadership and risk-taking. In sum, the elite employees may not want to share power.

7. Can small firms afford to operate in an ecologically sustainable manner? For example, will they install adequate pollution control equipment? Are large, capital-intensive technological advances a requisite to the development of a less ecologically harmful way of life?

An economy that is comprised of small firms may lack the resources necessary to create an environmentally benign technological base to support their production.

8. Will small economic units provide even basic, let alone more humane, working conditions?

For example, small sweatshops in the garment trade may employ cheap labor and violate workers' health, safety, and nondiscrimination rights.¹⁵⁹

9. Will business cooperatives remain a minor form of business organization or can they evolve to become the basic economic unit of a society? Will unions oppose the spread of business cooperatives as antithetical to traditional labor-management relations?

159. Studies indicate that small firms on aggregate offer their employees lower wages, fewer benefits, and weaker safety standards than do larger firms operating in the same sector. *See, e.g.*, CHARLES BROWN ET AL., EMPLOYERS LARGE AND SMALL 2-7 (1990).

If business cooperatives flourish, they may require a reduction of the members' wages or high technology production processes thereby shedding labor in order to overcome the problem of raising sufficient working capital.¹⁶⁰

10. Will the heavy hand of politicians and the centralized administration intervene in the decisions of the decentralized, small scale firms and business cooperatives? Will public authorities exercise control over investments in new firms, the allocation of equity capital, and the entry of new firms into markets?

The envisioned development of small scale economic units rests on the decentralization of the supply of and control over capital as well as on the development of new financial intermediaries, such as microenterprise lenders, community development banks, and local credit unions.¹⁶¹ These financial intermediaries will channel local savings to local equity investments, thereby contributing to and strengthening the development of a more localized political economy.

Public policies, such as tax incentives, should encourage "small" scale business units that produce ecologically sound goods and services designed to meet basic human needs and that facilitate a high degree of "meaningful" worker participation. Public sector R&D funds could be allocated to the developing and diffusing of conservation technologies. More likely, the self-interest of the elites in the political economy may lead them to resist the development of smaller economic units. Thus, the smaller business organizations will be forced to generate their own capital. Perhaps, the best that can be expected is that politicians and bureaucrats would not retard the growth of a decentralized economy.

Conclusion

The path of self-development and spiritual maturity offers not only a reexamination of our value structures and lifestyles but also a reorientation of our lives and restructuring of our business organizations. In place of the traditional emphasis on production and consumption, this Essay has examined the search to bring new

160. BORIS FRANKEL, *THE POST-INDUSTRIAL UTOPIANS* 49-50 (1987).

161. See, e.g., Lewis D. Solomon, *Microenterprise: Human Reconstruction in America's Inner Cities*, 15 HARV. J.L. & PUB. POL'Y 191 (1992); SUSAN MEEKER-LOWRY, *ECONOMICS AS IF THE EARTH REALLY MATTERED: A CATALYST GUIDE TO SOCIALLY CONSCIOUS INVESTING* (1988); PETER D. KINDER ET AL ED., *THE SOCIAL INVESTMENT ALMANAC* CHAP. 40-49 (1992).

meaning to corporate life and economic institutions in the context of a less materialistic social order.

Hopefully, business organizations will promote human growth and ecological sustainability as part of a larger interest in the quality of life and the preservation of the planet. An attempt to bring the concepts of humanistic and transpersonal psychology and ecological soundness back into the economic system requires a decentralized corporate governance system and greater employee participation in decision-making. Smaller scale economic units would enable workers to assume responsibility for a wider range of decisions and the social consequences of enterprises. Hopefully, employee decision-making in the workplace will lead to overall enrichment in life beyond the shop or office.