



The Road to Prosperity

by Senator Kathleen Vinehout

Labor Day ~ September 5, 2011

Last month I went to the Art Museum in Milwaukee and walked through an incredibly beautiful Chinese garden.

It was built in the 18th century by the longest serving Chinese ruler, Emperor Qianlong (pronounced chee'en lohng).

Under his rule the country prospered. In this garden he took refuge to rest from his labors, meditate and **seek** wisdom.

Wisdom we might heed today.

In the garden are clusters of small buildings and beautiful landscaping.

The names of 3 of the buildings give us insight into the Emperor's mind and the secret of his success. There is the Studio of Self Restraint; the Supreme Chamber of Creating Harmony and the Pavilion of Prosperity.

Self restraint, harmony, prosperity – three words we don't hear much these days. Prosperity eludes us because we haven't figured out that prosperity is built on self restraint and harmony.

If the Emperor does everything the Emperor wants there will be no harmony.

If there is no harmony there will be no prosperity.

How does a wise emperor create harmony? By mutual respect; by valuing the people of the kingdom; by creating a vision of prosperity that provides for the common good.

This is true in both the public and the private sectors.

There is no harmony or prosperity in the state when the chief executive laughs over “dropping a bomb” on his own people.

There is no harmony and prosperity in the economy when CEO salaries are astronomical and increasing by double digit percents every year,
When corporate profits are at an all time high,
But real wages of workers have stagnated for 30 years.
When corporations threaten to leave if their taxes aren’t forgiven,
 If they can’t pollute,
 If they can’t make the workplace less safe.

Too often the bottom line trumps the common good and the company’s obligations to its workers and the people of the community.

Too often labor is treated as just another input that can be easily replaced.

We’ve all seen the devastating effects of a company leaving the community.

Yet our policies reward this indifference to the common good.
Even when a company does not leave, workers are tyrannized by the constant threats to leave.

But the notion of a company not invested in the community and not invested in its workers, runs counter, not only to the interests of the community and the workers, but to the very success of the company itself. Self restraint and harmony have proved time and again to lead to prosperity in the business world.

Forty year ago Peter Drucker revolutionized American business with his book¹ on management that begins with the line “An Alternative to Tyranny.”

Drucker writes of businesses that succeed because they empower workers by moving away from the traditional hierarchical structure.

Peter Drucker drew on the wisdom of many sources ~including what the ancient Greek philosopher Aristotle called “phronesis²” –

“The habit of making the right decision and taking the right actions in the context of relentless pursuit of excellence for the common good.”

Taking the right action in the context of relentless pursuit of the common good.

What a concept!

¹ Drucker, Peter. Management. New York: Harper and Row, Publishers, 1973.

² Nonaka, Ikujiro and Hirotko Takeuchi. “The Big Idea: The Wise Leader. Harvard Business Review. May 2011.

Imagine our world if we put relentless pursuit of the common good above all.

Imagine our workplace if our boss put relentless pursuit of the common good first.

Imagine our city, our state, our country.

In the May issue of the Harvard Business Review³, there is an article that suggests many of our economic problems we face would be solved if we focused on Aristotle's principle of phronesis.

The authors write that the prevailing principle in business is, "What's in it for me?" Missing is, "What's good, right, and just for everyone?" Executives believe that "greed is good so long as the SEC doesn't find out."

The authors go on to say, "Creating the future ... must extend beyond the company; it must be about pursuing the common good."

Leaders "need to ask if decisions are good for society as well as for their companies; management must serve a higher purpose. Companies will then start thinking of themselves as social entities charged with a mission to create lasting benefits for society.

"Unless companies create social as well as economic value, they will not survive in the long run."

Self restraint and harmony really do create economic prosperity.

We also need the self restraint that leads to harmony in our government and among our people.

Imagine if every elected official in every hamlet and village began every discussion with, "What is best for our community...for our state ... for our country?"

I can hear you thinking, "Nice Kathleen. But it would never happen. WMC –the state's business lobbying group would say 'it's bad for jobs.'"

But, I argue, jobs are created and businesses locate where we have good schools, safe streets and nice parks and farmers markets; things best for our community; for the common good – **and** for business.

Remember the Harvard Business Review article is about successful **business** leaders who are following Aristotle's principle of phronesis.

John Chambers, the CEO of Cisco is one. Mr. Chambers believes in the power of decentralization. He said, "We are growing ideas but we're growing people as well. Where I might have had two potential successors, now I have 500."

³ IBID. quotes from next several paragraphs are from same source.

We've all heard: people are our most important asset. But too few in leadership really put these words into practice.

The wise leader recognizes success is tied to the motivation and skill of workers. Workers hold the wisdom and experience to solve today's complex problems. When workers participate in decision making, companies thrive.

We know how it works. When you equip workers with the skills and resources they need – including adequate pay; workers are satisfied, they are loyal and they are productive. Customers are satisfied and they return. Loyal customers create successful business.

Hundreds of studies⁴ show that satisfied workers are behind business success. Harmony between management and workers builds success. As the emperor knew, practicing self restraint and creating harmony leads to prosperity.

Google created harmony by sharing power. Its young founder Larry Page brought in the recently retired, experienced CEO Eric Schmidt⁵, breaking the traditional business model and sharing power --not only with each other – but with their workers.

Schmidt and Page knew satisfied workers are more motivated and more creative. Google workers are given twenty percent of their work time to develop any project they wanted.

Now half of all the new Google products come from innovations created during that twenty percent 'release time'⁶.

Valuing workers brings company success. The opposite result is also true.

Take Circuit City. Circuit City was the number one stock performer in the NY Stock Exchange for a decade. But the sixty year old company died in 2009.

In the decade leading up to its demise, the company had replaced their knowledgeable staff with untrained low paid workers. In doing so, they lost their happy customers who no longer got the quality of services they expected.

Government too is a service industry and it will enjoy success only when its customers – all of us – are satisfied with the quality of the services provided. That quality can be achieved only if we change our ways, respect our workers, and follow Aristotle's

⁴ Heskett, J.L., Sasser, W.E. and J. Wheeler "The service-profit chain today". Harvard Business Review. July 2008.

⁵ <http://www.fastcompany.com/1720052/the-b-y-leadership-model-google-s-greatest-contribution-to-innovation-may-be-it-s-management>

⁶ <http://www.think-differently.org/2007/08/google-on-innovation/>

principle of phronesis --taking the right action in the context of relentless pursuit of the common good.

What if we DID treat government like a business? A well run service business?

Where every interaction with every citizen is treated as a potential opportunity to create a loyal customer?

This is **only** going to happen in an environment where workers are treated with respect; where workers' ideas are incorporated into policies and practices.

Instead of changing state laws to create disharmony, we should change state law to strengthen the ties to workers, nurturing innovation and creativity.

What does this mean for us in practice this next year as we work through the economic and budgetary problems created by the 2008 Wall Street financial meltdown?

First, as a community we have to understand specifically the causes for what went wrong and the potential cures – without the political and ideological gamesmanship that poisons our public discourse.

We are all suffering, we have to resist the temptation to advance ourselves by climbing over everyone else and pushing them down.

Second, we all need to be at the table; we all need to be part of the discussion; we all need to be included and respected.

The decisions that must be made are difficult.

Solutions have to be seen by everyone to be fair. Sacrifice must be shared, REALLY shared.

As one fellow at the parade in Northfield told me yesterday – I know that it's going to hurt – I just want the hurt to be fair.

I sense that the yearning for harmony is much greater among people than it is with our leaders.

They are much more willing to respect those who differ with them and to restrain their own personal desires to get things right.

We have a message and a vision that needs to be shouted from every roof top.

The good of the whole community is our goal.

Labor and capital are equal partners.

Without capital there are no jobs. Without labor there are no profits.

We have to call out those who expect and demand more than their share.

We have to call out those who would impose their own wills without respecting, without consulting, without including, the rest of us.

We have to exercise our democracy.

The watchword of the labor movement through the years has been “solidarity” – sticking together allowed everyone to move forward together.

Today we have to extend the concept of solidarity to the whole community.

If we all stick together we will solve our problems and move forward.

We come full circle back to our emperor and his garden.

Solidarity (harmony) can be achieved only when everyone exercises self-restraint.

Let us **dedicate** ourselves today to solidarity –

---in our communities, in our state, in our nation.

If we do, we will overcome.

We will prosper.

The state slogan should not be “open for business”

But “**open for everyone**”.

In the Capitol, on the ceiling of the Governor’s Conference Room, these words are written: **The will of the People is the Law of the Land.**

Walking in parades, listening in coffee shops, talking to constituents, I have learned:

Self restraint, **not** greed and selfishness, is the will of the people.

Harmony, **not** division, is the will of the people.

Prosperity, **not** poverty, is the will of the people.

As the old Chinese emperor who ruled over prosperous times came to know, the three go together.

Self restraint, harmony, prosperity, three words;

Difficult to find in Wisconsin today.

Three words we must pursue and embrace in the days ahead if we want to move Wisconsin forward.