



The *Challenge of Leadership* Seminar Costa Rica March 11-15, 2005

The Central America Leadership Initiative was officially launched in Costa Rica on February 11, 2005. On that date, the inaugural class of Central America Leadership Fellows – a diverse group of 21 senior business, government and non-profit leaders between the ages of 25 and 45 – convened on the campus of INCAE for the *Challenge of Leadership* seminar, the first in the series of four leadership seminars modeled after the Africa Leadership Initiative and the Aspen Institute’s Henry Crown Fellowship Program. (See attachment B for the list of Fellows.)



The Central America Leadership Initiative is a joint venture between the Aspen Institute, INCAE of Costa Rica, FUNDEMAS of El Salvador and TechnoServe in the U.S. Using the Aspen Institute’s text based approach and moderating methodology, its goal is to create a new generation of values-based leaders in the region (see attachment A for a description of the full program). In May of 2004, the four organizations held a pilot seminar at INCAE to test this methodology and – given the enthusiasm shown by the participants, another high-profile group of Central American leaders – decided to proceed with the program. In Africa, the Initiative has been underway in four countries/regions since 2002 and will be “graduating” its first class of Fellows this year. (See www.africaleadership.net for more information on the Africa Leadership Initiative.)

The objectives of this *Challenge of Leadership* seminar were to prompt the Fellows to identify the attributes of effective leaders, to gauge what effective leaders do – and don’t do, to examine some of their own challenges as leaders, and to identify specific aspects of their leadership to work on over the coming year. Veteran Aspen moderators Keith Berwick, Executive Director of the Henry Crown Fellowship Program; Peter Reiling, Executive Vice President of International and Policy Programs at the Aspen Institute; and Stace Lindsay, Former Vice President of the OTF Group and TechnoServe Board Member presided over the seminar.

The four-day program kicked off with an address by Jaime Montealegre, Senior Manager at Sigma Group and a participant in the



Initiative's pilot seminar. Mr. Montealegre began by asking the Fellows to consider the opportunity to participate in the Initiative a privilege and to be ready to have their beliefs challenged. He spoke also of the progress that Central America has made in recent decades by embracing democracy and of the need to encourage reforms in the region's judiciary systems. Mr. Montealegre concluded by attributing the region's underdevelopment in part to a widespread "can't do" attitude – he stressed the need to encourage people in all sectors and at all levels to believe in their ability to propel change.

After a screening of the movie *Gandhi*, the first session of the seminar opened with a look at leaders who steered national or regional change. The Fellows began by identifying the attributes that characterized Gandhi's leadership – an exercise that was applied to other leaders on the agenda – and the challenges he faced. The moderators asked the Fellows to reflect on the scope of these challenges, Gandhi's reaction and strategy, the personal qualities he was able to draw upon as assets, and the distinguishing factors between Gandhi and other Indian leaders. Some of the fellows' observations included:



“The situation in India was brought about in part by a lack of good leadership and a population thirsty for guidance. There was no other option in the country so the people were forced to follow the British.”

“Gandhi used his British education and his knowledge of the British system as tools in the struggle. Ironically these privileges allowed him to form a more effective strategy.”

“Gandhi's wife played an important role by always supporting him and allowing him to gather steam.”

“Gandhi studied what separated Indians—religion, caste, etc—and was very strategic in developing tactics to overcome them.”

“Gandhi knew how to listen and think three steps ahead while everyone around him was caught up in the moment.”



The group then discussed Lee Kwan Yew's success in bringing about dramatic change in Singapore and Jean Monnet's advocacy of unity in the European Union. They were impressed with the scope of Lee's ambition, which they felt is lacking in Central America, and pointed out that equally important to Lee's vision was his ability to “get his hands dirty” and be involved in the everyday aspects of his plan. According to post-seminar evaluations, the Fellows cited Monnet's piece as one of the most compelling in the

seminar program. They admired his keen understanding of the political climate in Europe post-World War II and of the roots of the conflict as well as his willingness to “serve a higher purpose, leave his ego aside and not care who got the credit for success.” One fellow commented, “In Central America, the ‘let’s be united’ dialogue has always come from the outside, we haven’t identified the need ourselves. That is what we can learn from Monnet’s thinking. The leaders of the region are right here in this room – it’s not ‘them’ out there.”

After this opening session, the moderators led the Fellows through an afternoon of team-building exercises. This was important in helping to break the ice and begin forming the bonds of trust that will be crucial for the group’s cohesiveness.

The following day, in the context of *The Prince*, the Fellows discussed Machiavelli’s philosophy on gaining and keeping power and the role that values play in this process. They considered his rationalization that humans are both good and evil and that a leader must act accordingly but concluded that “human nature is a complicated thing, and leaders who don’t recognize it are in for some trouble.” The idea that leaders should be aware of their surroundings and of popular opinion was further echoed by the experience of Iran’s last shah Mohammad Pahlavi, whose downfall was ultimately brought about by his apparent refusal to see the signs of his weakening regime (excerpt from Ehsan Naraghi’s *From Palace to Prison: Inside the Iranian Revolution*). Subsequently the Fellows debated whether Venezuela’s Cesar Chavez might fall into this category, and several Fellows spoke about their individual efforts to keep the channels of communication open with their employees in order to stay abreast of the true state of their



companies. Through Jack Stack’s remarkable turnaround of Springfield ReManufacturing Company (*Jack Stack (A) and (B)*), they saw another example of leadership and view of human nature. One fellow commented that “visionaries are great for starting businesses but they need to evolve in order to help the business mature,” and the Fellows agreed that Stack had been adept at this. The morning concluded with George Orwell’s *Shooting an Elephant*, a provocative example of a leader who, under public pressure, is forced to make a questionable decision.

In the afternoon, Milton Friedman’s *The Social Responsibility of Business to Increase its Profits* prompted a variety of opinions from the Fellows, with one commenting, “Company social programs in the name of corporate social responsibility (CSR) is almost no different than taxing people – it amounts to a transfer of wealth. It’s like double taxation,” while another said, “In places where government is lacking, it almost does become a responsibility for the private sector to fill in the gap. After all, businesses often benefit from the kickbacks that government provides. That is the reality of our countries.” A third point of view cited that “CSR should be more about paying taxes, avoiding corruption and believing in your government.”

The Fellows then explored Ricardo Semler’s unique management style in excerpts from *Maverick: the Success Story Behind the World’s Most Unusual Workplace*. Though the fellows

concluded that they would likely not feel comfortable with the scope of Semler's *laissez-faire* style, they admired his willingness to defy convention – “Any leader should be able to question the paradigm. In Latin America, many people take things as they are because somebody said so” – and his faith in his employees.

During the afternoon of the second day, the Fellows broke into three groups to develop Leadership Handbooks. Based on the leadership attributes identified during the first two days, each group defined the characteristics of effective, enlightened leaders and compiled a list of leadership “do’s” and “don’ts.” (Leadership Handbooks available on request.)

The fourth day of the seminar was spent discussing two different examples of business ethics and crisis management in the context of *Hitting the Wall: Nike and International Labor Practices* and Tina Rosenberg's *Look at Brazil*.

Complementing the Friedman piece, the Nike example highlighted the issue of how far a company can go to maximize profits – in Nike's case, by using sweatshop labor – and the way a leader reacts when faced with criticism over these actions. The debate

extended to the responsibility that government bears in allowing – and sometimes facilitating – these conditions to flourish. One Fellow was clearly affected as he commented, “Forget numbers, profit, policies. It's not about politics or what ministers should or shouldn't do. We in Central America can't keep on living like this, watching kids begging on the streets. We need to increase everyone's incomes.” Interestingly Rosenberg's piece echoed this cry to “do something” as it illustrated the way Brazil tackled its HIV/AIDS problem – by advocating the production and use of generic treatment drugs despite the patents held by the major pharmaceutical companies. Again, contrasting viewpoints ensued. One Fellow commented, “Brazil changed the debate from ‘can it be done’ to ‘how.’ They came up with a solid plan and showed that if you lift certain boundaries, solutions to a critical problem are possible.” Another fellow said, “Useful technology is based on innovation. If you don't protect innovation, people won't tackle other problems. Incentive is key.”



In the afternoon, the Fellows again formed groups and identified specific leadership challenges that they face in their day-to-day lives: managing change, unlocking the potential of human resources and balancing personal leadership. They then worked together to develop ways to deal with these challenges – keeping in mind how great leaders apply their values in similar situations – and to document these recommendations. (Specific leadership issues available on request.)

On the final day of the seminar, the Fellows touched upon the themes of resilience, authenticity and inspiration in the context of Martin Luther King and Nelson Mandela, readings that resonated with the Fellows. Finally Ursula LuGuin's *The Ones Who Walked Away from Omelas* prompted the Fellows to consider the trade-off between one's values and the welfare of society. It was a powerful piece, which truly left the Fellows thinking about how much they are willing to tolerate in their countries.

To close the seminar and the week's discussions, the moderators asked the fellows to make a personal statement committing themselves to specific actions over the coming months. While several fellows spoke about spending more time with their families, being more open to their employees and taking more time for self-reflection, some other examples were:

- Sit down with my family and formalize the definition of our values, assess which values we cherish the most.
- Consider 360 degree evaluations in the workplace, test it out within one department first.
- Return to volunteering at an orphanage.
- Prepare a successor and legacy for a program I currently lead.
- Be more aware of what's going on in the region.
- Learn more about the problems in Costa Rica's educational system.
- Seek to emulate the good attributes we've identified.
- Analyze how we can create a 10-year plan for helping the region.
- Take up a new graduate degree this year.
- Learn more jokes, appreciate the value of laughing and a sense of humor.
- Strive to think bifocally – i.e. in the long term as well as the short term.
- As head of a media company, strive to contribute positively to the community.
- Establish a technological center for the region to increase our competitiveness.
- Learn to delegate more efficiently.



A more comprehensive assessment of the fellows' impressions can be found in attachment C, which summarizes their pre- and post-seminar evaluations.

The next Central America Leadership Seminar will be held at the Aspen Institute in Aspen, Colorado from July 25-29. This will be an Aspen-style Executive Seminar, designed to help the Fellows focus on their core values as leaders and develop a deeper understanding of their own visions of the "good society."

ATTACHMENT A – Overview of the Central America Leadership Initiative

Having emerged from many years of civil war and unrest, Central American countries now have a momentous opportunity to build their private sectors, promote investment, and create sustained economic growth. These countries cannot afford to let this opportunity escape, for juxtaposed against it are social problems which must be solved, including poverty, crime and corruption. As businesses grow and take advantage of new opportunities, they must also take responsibility and leadership in addressing their nations' social problems. This will involve working with both government and civil society.

For there to be progress, the next generation of leaders in all three sectors must come together:

- to identify and address their personal strengths and weaknesses as leaders,
- to share and refine their respective visions of the society they would like to live in, and
- to lead by example in building this society.

It is for this reason that The Central America Leadership Initiative has been conceived.

Background

The Aspen Institute, established in 1950, is a global forum for leveraging the power of leaders to improve the human condition. The Henry Crown Fellowship Program, established by the Institute in 1997, seeks to establish the next generation of community-spirited leaders, providing them with the tools necessary to meet the challenges of corporate and civic leadership in the 21st century.

In 1998, Peter Reiling, then President and CEO of TechnoServe, an international organization promoting market-led economic growth in Africa and Latin America since 1968, was named to the Millennium Class of Henry Crown Fellows. Like his classmates, he was asked to carry out a leadership project – designed to put into practice the principles of values-based leadership. Mr. Reiling decided that his project would be to bring the message of the Aspen Institute to Africa, a continent where he had worked for 20 years.

In 2000 and 2001, with the assistance of Keith Berwick, Executive Director of the Henry Crown Fellowship Program, TechnoServe sponsored pilot Executive Seminars for business, government and civil society leaders in Ghana, Tanzania and Mozambique. The Executive Seminar, the flagship of the Aspen Institute seminar series, uses the writings of some of the world's greatest minds to prompt a dialogue on each participant's vision of "the good society".

By all accounts, these seminars were a success – proving that the Aspen methodology is transferable to Africa and spurring serious discussion on the respective roles of business, government and civil society in economic and social development there. In 2002, TechnoServe, the Aspen Institute and four local partners launched the Africa Leadership Initiative, a four-year program modeled after the Henry Crown Fellowship Program. By year's end, 52 Fellows from five countries had been named. By September of 2003, this number had grown to 78 Fellows in six countries: Ghana, Kenya, Tanzania, Uganda, Mozambique and South Africa. Sponsors of the Initiative include Barloworld, the W.K. Kellogg Foundation, the West Foundation and USAID.

In 2003, TechnoServe was approached by Roberto Murray, a leading Salvadoran businessman and President of FUNDEMAS (Enterprise Foundation for Social Action), to explore the replication of the Africa Leadership Initiative in Central America. To this end, TechnoServe, the Aspen Institute, and FUNDEMAS partnered with INCAE to lay the groundwork for a similar initiative in Central America.

In May 2004, a pilot Executive Seminar was held on the INCAE campus in Costa Rica. Feedback from the 21 participants – leading businessmen and women from across the region – was extremely positive, and a decision was made to formalize a leadership initiative for the region.

The Initiative

Modeled after the highly acclaimed Henry Crown Fellowship Program of the Aspen Institute (<http://aspeninstitute.org/crown>), the Central America Leadership Initiative seeks to develop a new generation of community-spirited business leaders in El Salvador, Nicaragua, Honduras, Costa Rica, Guatemala and Panama.

In late 2004, an initial class of 24 Fellows between the ages of 25 and 40 was chosen from all six countries. These Fellows, nominated by recognized local business and community leaders, including many of those who attended the pilot Executive Seminar, are men and women who:

- have achieved significant success in their fields of endeavor;
- have demonstrated their potential for leadership at the highest levels of business, government or civic responsibility (at least half are from the business sector);
- possess a breadth of experience and level of maturity that will enable them to contribute effectively to the fellowship experience; and
- come from diverse backgrounds in terms of occupation, ethnicity and gender.

Beginning in January 2005, this class will participate in an 18-month program comprising four seminars and leadership development activities under the guidance of skilled moderators trained and certified by the Aspen Institute. The program will require a commitment by each Fellow of 18 days (four to five days each January and July) for seminar meetings plus the time allocated for individual leadership projects and periodic informal gatherings.

The four seminars are:

- **The Challenge of Leadership**, a seminar focusing on the qualities of leadership necessary to master the forces of change.
- **The Executive Seminar**, a seminar focused on refining each Fellow's definition of "the good society" – including the roles of government and business in molding that society and the societal challenges of economic growth.
- **Leading in an Era of Globalization**, a seminar exploring the political, economic, cultural and ethical challenges of globalization and the skills necessary to meet them. Fellows will present prospectuses for their Leadership Projects.
- **The Promise of Leadership**, a seminar to review the Fellows' Leadership Projects and lay the groundwork for continuing interaction after the formal program is concluded.

The Vision

The aim of The Central America Leadership Initiative is to identify and motivate young business leaders to apply their energies, their skills and the resources of the institutions they lead to the foremost social challenges of their countries – and their times. The hope of its organizers is to institutionalize the Fellowship locally – recruiting successive classes and generating an ever-growing cadre of community-spirited young leaders.

ATTACHMENT B – Inaugural Class of Central America Leadership Fellows

NAME	TITLE	COMPANY/ORGANIZATION
<i>Costa Rica</i>		
Arturo Condo	Associate Dean	INCAE
Karla González Carvajal	Partner	Gonzalez & Uribe
Luis Javier Castro	Managing Director	Mesoamerica Investments
Alexandra Kissling	Director	Association of Entrepreneurs for Development
<i>El Salvador</i>		
Diego de Sola	CEO	Inversiones Bolivar
Miguel Angel Simán	Director	Grupo Almacenes Siman
<i>Ricardo Cohen</i>	General Manager	Asociación Suiza Salvadoreña
Alejandro Poma	Assistant to the President	Grupo Poma
<i>Guatemala</i>		
Edwin Escobar	Dean of Engineering School	Rafael Landivar University
Silvia Gereda	Director and Vice President	<i>El Periodico</i> Newspaper
Emmanuel Seidner	President	National Competitiveness Initiative
Sergio de la Torre	Vice President	Chamber of Industry of Guatemala
<i>Honduras</i>		
Aline Flores	Former Executive Vice President	Corporación Flores
Lucia Melara	Executive Director	Logistic Integrated Services Group
Guillermo Pereira	Attorney	Bufete Pereira Soto
<i>Nicaragua</i>		
Alfredo Cuadra	President	Private Sector Council - COSEP
Regina Ramirez		Ave Maria College of the Americas
<i>Ricardo Teran</i>	Director of Corporate Strategy	Corporación Roberto Teran G.
<i>Panama</i>		
Nicolás Arditto	CEO	Corporación Medcom Panama
Mirei Endara	International Relations Representative	FUNDACUNA
Victor Vial	Vice President of Finance	Copa Airlines

ATTACHMENT C – Summary of Pre- and Post-Seminar Evaluations

Pre-Seminar Evaluations

At the onset of the seminar, about two thirds of the Central America Fellows were involved in community activities. Some examples:

- Active in family foundations focusing on a range of issues: local infrastructure, health, education.
- Supporters or members of organizations such as Rotary Club of Managua, Association of the Private Sector for Development, Junior Achievement of Honduras, Operation Smile, Museo de los Niños Tin Marin (children's museum)
- One Fellow is the Director of Hogares Providencia, an organization that provides assistance to street children, while another founded the Young Entrepreneurs Association of Nicaragua.
- Three are volunteers in organizations that help street children (different from the above), serve disabled children and conduct educational programs on environmental issues.

When asked about the top three challenges that globalization has placed on their society, the Fellows listed the following:

- Competing with high-quality, low-cost products. Understanding the need to make investments that won't bear fruit until the future, developing shared dream for the region building on our identity
- Participating in and leading the process, ensuring the benefits of globalization reach everyone
- Preserving values and local traditions.
- Information/technology divide.
- Government transparency, eliminating corruption.
- Social responsibility, allowing small enterprises to flourish
- Protecting the environment
- Maintaining some equilibrium of wealth, giving people tools so they can take advantage of opportunities, reducing poverty
- Interdependence, cultural barriers
- Ability to take advantage of global market opportunities and provide the means for others to do so
- Socio-economic and political polarization

The Fellows also cited aspects of their leadership they would like to improve:

- Communication skills
- Balance between work, social and personal endeavors
- Motivating others
- Communicating with passion and wisdom, showing vision
- Thinking of self as leader

- Prioritizing, better organizing ideas, having more faith in project implementation
- Listening and delegating
- Understanding history better, more wisdom on world dynamics
- Ability to convince and mobilize others
- Balance between urgency and peace of mind
- Defining steps to move from success to significance
- Freeing yourself from previous responsibilities, have a "war chest" - basic resources required for enlightened leadership.

Post-Seminar Evaluations

The Fellows found the following leaders/readings to be the most compelling:

- Jean Monnet (leading in “greatness” isn’t always at the forefront)
- Martin Luther King (wisdom, inspiring communicator, importance of sticking to your beliefs and cause)
- Milton Friedman (forces you to analyze moral position on businesses)
- Gandhi (relentless non-violence principle, the road less traveled)
- Lee Kuan Yew (strategy in addition to vision)

The Fellows also suggested other leaders whom they felt would have been useful in the discussions. For example:

- Contemporary leaders like Margaret Thatcher, Rudy Guiliani, Jack Welsh
- Jesus, few leaders have had such impact
- Abraham Lincoln
- Napoleon, Hitler, for creating contrast
- Central American leaders like Francisco Morazan or Manuel Jose Arce, it's important to know what has worked and what hasn't in Central America.
- Gabriel Garcia Marquez
- Ronald Reagan, Fidel Castro, great communicators
- Women leaders
- Unknown leaders

Most Fellows stated that their vision of the good society had changed as a result of the seminar. Some of the changes they cited:

- Clearer sense of purpose
- Holistic approach to leadership, taking into account a set of attributes and surrounding yourself with good people
- More awareness of leadership traits and how to rationally apply them to my life
- Becoming an effective leader is a continuous process
- Support those who have helped me reach success, realize my ability to do more for my country and region
- Refreshed concepts, evaluated self, identified personal strengths and weaknesses, reaffirmed values
- Higher level of consciousness regarding leadership, better idea of what I need to improve, deeper sense of responsibility
- Need for authenticity, knowing that values and principles can also guide effective leaders
- Acting by your beliefs takes a lot of self-discipline and requires standing strong

Lastly, the Fellows reiterated and added to the leadership attributes they would like to improve.

ATTACHMENT D – Selected Quotes and Comments

Gandhi

Through his empathy for the conditions of the people, Gandhi was able to develop a vision that would truly resonate with them.

Gandhi was a master at capturing the heart and soul of his people. The idea of a national day of prayer and fasting is masterful. It supersedes all ethnic, religious, geographic divides. Everyone can respect the idea of praying and fasting.

Gandhi knew his enemy. He knew how the British thought. He knew how they respected the law and, therefore, how much he could push.

Gandhi always remained open to opportunities and knew how to exploit them.

Gandhi had tremendous mental discipline. He cleared away all the clutter so he could focus on his goal.

Other people recognized Gandhi's leadership talent but he questioned himself. And his wife and others around him bolstered his confidence. They provided his grounding. He recognized that, without them, he couldn't succeed.

Gandhi used symbolism masterfully. The salt march. He led by example. He changed people through acts, not words.

Gandhi studied what separated Indians—religion, caste, etc—and was very strategic in developing tactics to overcome them.

Gandhi was not only a great verbal communicator, but a great non-verbal communicator.

Gandhi knew how to listen and think three steps ahead while everyone around him was caught up in the moment.

Gandhi had confidence in the Indian people—his own followers.

Gandhi was successful because he both thought and came from outside the box. He wasn't from the Indian political establishment.

Gandhi succeeded in large part because of his selflessness. This trait actually attracted the power of the entire population. He became like a black hole of energy.

Gandhi knew the outside world. This world experience allowed him to take a fresh approach.

Gandhi's faith kept him on the right path.

Jean Monnet, *Memoirs*

Monnet's genius was to focus on the source of conflict and diffuse it by leveraging the self-interest of his adversaries.

Monnet understood how to move the levers of power. He understood politics. He also knew how to build a basis of support outside the political framework.

Monnet understood that Germany was humiliated and that he needed to offer them something that would make them equals.

Monnet was not concerned about his own ego. He was serving a higher purpose—who got the credit was irrelevant.

Our leaders lack the humility to say that we need to work together as a region. Maybe we need to prompt this discussion.

Niccolo Machiavelli, *The Prince*

Machiavelli knew that you can't trust a shark but you should anticipate how a shark behaves and figure out how to deal with it. He is a pragmatist.

Machiavelli is faithless. Love requires a leap of faith. He is like a castle guard in charge of the drawbridge. He won't lower that bridge until he trusts you. In the U.S., I found more bridges down than up. Returning to Central America, I notice that, like Machiavelli, we keep our bridges up—we don't trust.

As individuals, we need a pyramid of values. At some levels, we have to be prepared to compromise. But we also have to have certain values that are immutable, regardless of the circumstances.

The difficult turning point for a leader is when s/he has to decide whether or not s/he wants or needs to stay in power.

Thucydides, "The Peloponnesian War: The Melian Debate"

History seems to repeat itself. We see Melian Debates going on right now. The issue is how, if you are a great power, you manage your power in such a way as to avoid war.

Sometimes, as a leader, you're faced with decisions in which there is no right or wrong. You have to decide what action will have the least worst result.

Is there ever a justification for a big country to conquer another if it poses no immediate threat?

The question is: what is really worth conquering? And what is worth dying for? Is life without freedom worth living?

I didn't see any lateral thinking among the Melians or the Athenians. If I were the Melians, I would forget about honor and negotiate the best I could get.

Jack Stack (A) and (B)

Stack had the intelligence and the humility to recognize his own mistakes. Not every leader has those traits.

Stack was wise to let everyone see the big picture. The result was empowerment and the creation of a common cause.

Stack's genius was to align the interests of the company with the interests of the workers. He said that "If we make money, you will all make money."

Stack was similar to Gandhi: he knew how to motivate his followers. He brought out the best in people and made them feel like the owners of their future.

Effective leaders are good teachers. I wonder how Stack developed this skill.

At my company, we share our metrics widely. It helps everyone to focus.

But just showing numbers isn't enough! You need to show how each person's contributions impact those numbers.

Jack Stack is more than a manager. He is making a company with a higher purpose.

We need to make our employees know that what they're doing is making a real difference, however menial their task.

People are acquisitive. Simply giving them a nice, moral workplace isn't enough. They need rewards—whether monetary or in the form of recognition. Jack Stack gave his workers shares in the company.

When Stack took over the company, he didn't change. He remained authentic. What he did do was become more profound in his impact.

Stack wasn't "Saint Jack." When the bank threatened to withhold its loan, he got tough with them.

What is impressive is that Stack did all he did without an education. He worked himself up through the ranks and became a great communicator and leader.

I was impressed with his complete conviction with his vision, despite all the odds being against him.

Stack did his homework. He knew his industry. He knew his people. What he needed was capital. Once he got that, he knew where to take the company. He was a hard-nosed businessman. He was smart.

As I read about Stack, it struck me that the previous owners of the company hadn't seen the great human capital that was right in front of their eyes. That is so tragic.

Milton Friedman, "The Social Responsibility of Business is to Increase Its Profits"

Friedman assumes social responsibility and profits are incompatible, but they don't have to be. Social responsibility is an investment, not an expense.

If we really want to address social challenges and gaps in government coverage, we should look to NGOs, not the government.

As businesspeople, we have an obligation -- not to become government officials, but to support the government and help it to work better.

Social responsibility today should include:

- paying taxes (believing in the government)
- Not supporting corruption

Ricardo Semler, “Natural Business,” and “The Survival Manual,” from *Maverick: the Success Story Behind the World’s Most Unusual Workplace*

Semler has built a company that fits the Brazilian temperament perfectly.

Total freedom means total accountability as long as you have a stake in the upside.

Not everyone could work in this sort of environment. You would have to hire very carefully.

Semler’s philosophy goes against everything I’ve been taught. But it is good to have an open mind. Maybe I’ve been so focused on efficiency and structure that I’ve neglected what moves people.

What happens when this company’s operating environment changes? Who is monitoring that? Who is there to react?

This piece gives me hope that in Latin America, if we trust our people, we can actually produce results.

I think that if you want to apply Semler in your company, you can’t do it piecemeal. It’s a whole system.

In business you produce, you buy, you sell, and you learn. Semler—and Jack Stack—are right. Keep it simple.

Any leader should be able to question the prevailing paradigm.

Underdevelopment is a state of mind. Our fear of losing control limits our creativity.

After reading this, I’m determined to find a way to have my employees educate me.

Small Group Leadership Exercise

Is it *really* realistic to expect a leader to have a balanced life?

I don’t aspire to be Gandhi. I’d rather build a network of leaders around me who, collectively, will change the world.

Dr. Martin Luther King, Jr., “Letter from Birmingham City Jail”

It is immensely impressive how rational and eloquent King can be in such an emotional time. He maintains control and humility even though he is clearly someone with no need to bow to anyone.

Nelson Mandela, “Long Walk to Freedom”

It is interesting to note that, like Gandhi, Mandela was a lawyer. He knew how to fight within a system.

At least in India, the social structure of the family was still intact. In South Africa, Mandela was dealing with a society in tatters.

Gandhi was fighting a foreign force. Mandela and King were fighting forces from within.

Ursula K. LeGuin, “The Ones Who Walk Away from Omelas”

I’m leaving this seminar a disturbed Guatemalan. We’ve been exposed to conditions in our region that we simply cannot ignore any longer. We have a responsibility to do something.

Closing comments

We need to promote a culture of generosity in our country.

All this is nice talk. We need to act.

Just because you are an elite or even have authority doesn’t mean you are a leader.

Leadership is a responsibility, not a privilege.