

Chapter 1

A HOT WORKSHOP

YOUR JOB IS NOT YOUR JOB

Success, like happiness, cannot be pursued; it must ensue, and it only does so as the unintended side effect of one's personal dedication to a cause greater than oneself.

—Viktor Frankl

It was a sweltering July day in Vegas, so of course the conference room was freezing. The participants of my “Conscious Business” workshop pulled their jackets tight and grimaced. They weren't just cold; they were pissed off. They looked at me icily. I knew what they were thinking.

I've been in situations like this many times. More often than not, typical managers welcome me as warmly as they would an onset of flu. It's as if we're all stuck in some Dilbert cartoon, and I can read the thought bubbles appearing over everyone's heads.

What the hell are we doing here? one guy was thinking. *I've got work to do!*

Another bullshit workshop, thought someone else. *I hate this stuff.*

I decided to play into their worst fears. “Let's start with an ice-breaker!” I said in my cheeriest, most workshop-y voice. “Find someone you don't know and introduce yourself. Be sure to tell your partner what your job is.” I could hear their mental groans as they all turned to their neighbors.

After three painful minutes, I asked for their attention. “Who

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would like to share?” I asked sweetly, as if I were totally unaware of how much I was annoying them. Nobody answered, of course. “You two, please,” I called on a pair. “Tell us your partner’s name and job.”

“His name is John. He’s in legal,” the woman said.

“Her name is Sandra,” said John. “She runs marketing campaigns.”

“Wrong,” I said. Sandra and John looked puzzled, as did everyone else.

Then, Vegas style, I challenged everyone in the room to a wager: “I bet each one of you a hundred dollars that you don’t know what your job is. And that it will take me less than a minute to prove it.”

Nobody said anything.

“Oh, come on,” I pushed them, “you really aren’t sure what your jobs are?” I pulled out a roll of bills, with the \$100 bill clearly showing on top. “Take the bet. If you win, I’ll give you the hundred bucks. If you lose, I’ll contribute the money to the charity of your choice. Raise your hand unless you really don’t know what your job is.”

A few people raised their hands, but most of them glowered, suspecting a setup. “Let me make it easier,” I said. “Let’s not bet money but time and energy. If I win, you stay in the workshop and participate fully. If I lose with more than half of you, we close this workshop and I’ll take the fall with your managers. I’ll tell them I just couldn’t do it. They’ll never know better; what happens here stays here. And to clinch the deal, you decide whether I win or lose.”

People grimaced. Some shook their heads, determined not to play with me.

“Come on,” I pleaded. “You’re stuck with me. What have you got to lose, besides your confusion? If you win, you’ll get rid of me right now. You can tell everyone the story of the idiot who messed up his workshop in the first five minutes.”

Finally, I had their attention. Most of them raised their hands. I chose a woman sitting in the front. I peered at the name on her badge and thanked her. “Thank you for playing, Karen. What’s your job?”

“I’m an internal auditor.”

“And what’s your job as an internal auditor?”

“To assure that the organizational processes are reliable.”

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“Okay, Karen, let’s begin. Everyone, please look at the clock. Karen, did you play any sports in school?”

“Yes,” she replied. “I played soccer.”

“Great! As an Argentinean, I’m wild about soccer. What position did you play?”

“I played defense.”

“What was your job?”

“To stop the other team from scoring,” she said.

I turned to the rest of the managers. “The job of a defensive player is to stop the other team from scoring. Does anyone disagree? If so, please raise your hand.”

Nobody moved.

“So now, somebody else answer me, please. What’s the job of an offensive player?”

“To score goals,” several people said in unison.

“Great, it seems we’re all on the same page. My next question is, what’s the job of the team?”

“To cooperate,” someone said.

“To cooperate in order to do what?”

“To play well,” someone else said.

“And why would the team want to play well?”

“To win!” came a shout from the back of the room.

“Bingo!” I replied. “The job of the team is to win the game. Anybody disagree with that?”

They shook their heads and rolled their eyes, annoyed at this exercise in futility. I saw someone faking a yawn. His thought bubble read, *What’s the big frigging deal?*

“If the job of the team is to win,” I continued, undeterred, “what is the primary job of each and every member of the team?”

“To help the team to win,” someone else said.

“Right again! Do you all agree?”

Everyone nodded.

“Here’s my last question: If the primary job of each and every member of the team is to help the team to win, and if the defensive player is a member of the team, what is the primary job of a defensive player?”

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“To help the team win,” a third person muttered, clearly intuiting where things were going.

“Yes!” I pointed to the person who said it. “Please say that louder.”

“To help the team win,” he repeated.

“Okay. Please check the time. It’s been fifty-two seconds since we started this discussion.”

People still looked puzzled, so I explained. “What is the primary job of a defensive player? Is it to stop the other team from scoring or to help the team win? You all agreed with Karen a minute ago that it was to stop the other team from scoring. I hope you’ll agree with me now that it’s to help the team win.”

“What’s the difference?” asked one contrarian.

“Imagine you are the coach of a team that’s losing one to zero with five minutes to go. What would you tell the defensive players?”

“To go on the offensive and try to tie the game,” someone asserted.

“Exactly! So how would you react if they told you, ‘Sorry, Coach, but that’s not our job?’”

“I’d fire their asses.”

“Why? Doesn’t that make it more likely that the other team could score a second goal in a counterattack? If the defensive player’s job is to help the team to win, then going on the offensive is the right thing to do. If his job is to minimize the goals scored against his team, it is the wrong thing to do.”

People were smiling. I could feel the tide turning. I pushed further. “So what’s the job of the offensive player?”

“To help the team win.”

“And what’s the job of the water boy?”

“To help the team win.”

Several people were giggling, but not everyone. “I still don’t get the point about our jobs,” someone said.

“In 1961, President John F. Kennedy was visiting NASA headquarters for the first time,” I replied. “While touring the facility, he introduced himself to a fellow who was mopping the floor, and he asked him what he did at NASA. The janitor replied proudly, ‘I’m helping put a man on the moon!’”

I let that sink in for a moment. And then I asked them, “How many of you told your partner in the opening exercise: ‘My job is to help my company win?’ How many of you realize that your primary job is to help your organization fulfill its mission ethically and profitably? How many of you heard your partner describe his or her job as ‘contributing to increase the value (and the values) of my company?’”

In the now-not-so-icy silence, you could hear the proverbial penny drop.

BEATING YOUR NUMBERS, UNDERMINING YOUR TEAM

In 2014, Veronica Block called to cancel her family’s Comcast Internet service. She was immediately transferred to a “customer retention” representative who argued with her for ten minutes about why she wanted to cut off the service. Every time Veronica asked the representative to simply terminate the service, the rep argued with her. The representative insisted that it was all about improving Comcast’s service. “Tell me why you don’t want faster Internet service,” the fast-talking representative kept saying.

Frustrated, Veronica handed the phone off to her husband, Ryan, who had the presence of mind to record his eight-minute segment of the dialogue.¹

The conversation was painful, wheedling, circular, and irrational. “My job is to understand why you don’t want Comcast service,” the rep argued, his voice rising.

“I don’t understand why you can’t just cut it off,” said Ryan.

“It sounds like you don’t want to have this conversation with me,” the rep whined. “I’m just trying to give you information.” Listening to the recording, you can practically hear the poor guy’s manager breathing down his neck. “I’m trying to help my company be better,” the rep says a little desperately. “That’s my job.”

“I can guarantee you right now,” Block replied, “you’re doing an incredibly good job at helping your company be worse.”

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The SoundCloud clip that Ryan recorded and posted on his blog was played millions of times. It resulted in stories in the *Washington Post* and the *Los Angeles Times* and on *Good Morning America* and the *Huffington Post*. It was definitely not the kind of publicity that Comcast was looking for, especially when it was trying to execute a widely hated merger with Time Warner Cable. Comcast later apologized for the singular behavior of its panicked employee, but not until after the damage was done.

In any case, his behavior is neither singular nor panicked; it is systemic and rational. As with most companies, Comcast's customer retention group lives in its own silo: everyone in that group is evaluated according to a checklist of key performance indicators (or KPIs). I bet you that this hapless rep's bonus and career depended on the number of cancellations that were recorded on his shift, regardless of whether or not it would be best for the company to stop those clients from leaving. He had a script that he had to follow strictly or he would be reprimanded. (And, most likely, his supervisor's performance would be affected, too.)

Here is what that rep was struggling with, without understanding it. To do the best for the company (in order to optimize the system), you must, at times, do something that's not the best for you or your particular area (suboptimize your subsystem). For example, to do the best for Comcast, the customer retention representative should have courteously terminated the customer's service, even though that was not what his area's performance is measured on. When he optimized for his subsystem (trying aggressively to retain the customer), he suboptimized the system (annoying the customer and eroding Comcast's brand). By doing "his job," the customer retention representative ended up doing a great disservice to Comcast through one of the biggest public relations fiascoes of the year.

In a normal organization, you don't get paid to do your job; you get paid to play your role. Your real job is to help your company to win; that is, to accomplish its mission profitably and ethically. At times,

your job contradicts your role, since it requires that you sacrifice your agenda, change your priorities, or take a hit in your individual key performance indicators. You don't get rewarded for helping your company win, though; in fact, you might be punished for it, which is infuriating. *How can they be so stupid!* you may think. *They are setting me up so that when I do the right thing, I end up worse off.*

The point is that too often each individual, and each part of the organization, pursues his or her own interests at the expense of the whole. As the founding father of the total quality movement, W. Edwards Deming, observed: "People with targets and jobs dependent upon meeting them will probably meet the targets, even if they have to destroy the enterprise to do it."²

If only they tweaked this damned incentive system to make it more reasonable, you might think. But it turns out that a perfect incentive system is a mythical entity, like a perfect car. You must choose between comfort and performance, between crashworthiness and fuel consumption, between quality and economy. You can't have a family sedan that is roomy, safe, reliable, and economical and that performs like a sports coupe that is fast, responsive, nimble, and powerful. Organizational leaders have to make some hard choices: accountability or cooperation, excellence or alignment, autonomy or coordination. Unfortunately, collaboration conflicts with accountability, and collective performance conflicts with individual excellence.

Thus, organizations end up with an insoluble dilemma. It's like a blanket that is too short. If you pull it up to your chest, your feet get cold; if you cover your feet, your chest gets cold. On the one hand, individual incentives create silos; on the other, collective incentives destroy productivity. Most organizations stick with the devil they know—individual performance indicators—and accept the consequent impact on collaboration.

The good news is that there is a better way to address this problem. And that is through the use of meaning—the ultimate nonmaterial incentive. The bad news is that the kind of leadership that can engage people in meaningful work is much, much harder than you think.

THE INSPIRING LEADER

I define *leadership* as the process by which a person (the leader) elicits the internal commitment of others (the followers) to accomplish a mission in alignment with the group's values.

Leadership is about getting what can't be taken, and deserving what is freely given. The followers' internal commitment cannot be extracted by rewards or punishments. It can be inspired only through a belief that giving their best to the enterprise will enhance their lives.

In an organization you are part of a team—internal conflicts notwithstanding. As a team member, you cannot win unless the whole team wins. You may be an accountant, an engineer, or a salesperson. You may work as an individual contributor, a manager, or an executive. Beyond all professions, roles, and levels, beyond your personal targets and goals, you are a team member and you need to align your efforts toward the entire organization's collective success. You must cooperate with your colleagues to win as a team.

Traditional command-and-control leaders think that they can make people do this through the right incentives. They ask questions such as: How can I motivate my subordinates to achieve their individual and collective targets? How do I combine rewards and punishments to maximize results? How do I tickle their greed and fear in the right combination? Such managers may have an inkling that they can neither buy nor intimidate inspired performance, but they still believe that they can coax extraordinary efforts through carrots and sticks.

But this is ludicrous. Imagine a thief pointing a gun at you and commanding, "Give me your respect! Your support! Your friendship!"

Great leaders, wherever they are in an organization, ask themselves: How do I inspire my team or organization to work in unison? How do I encourage each person to take full responsibility for his or her individual performance while, at the same time, make the right sacrifices to reach our company's goal? How do I integrate accountability and cooperation? How do I inspire my team or organization to accomplish great, lasting, amazing things? How do I reach beyond the operational issues, beyond profits and losses, into something better and

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more beautiful, something that all our stakeholders will not only support but also wholeheartedly love? How do I make my life and the lives of those around me truly meaningful?

Unfortunately, typical management techniques fail to address these questions effectively, even in the hands of the best leaders. Standard management tools don't help good leaders to prevent silos, fiefdoms, and interfunctional conflicts that kill teamwork. In fact, such tools hinder teamwork.

If you hope to be an inspiring leader, the first thing you must understand is that such leadership has nothing to do with formal authority; it has everything to do with *moral* authority. Hearts and minds cannot be bought or forced; they can only be deserved and earned. They are given only to worthy missions and trustworthy leaders. This applies not only to organizations but also to many other domains of human activity.

Consider the case of parental leadership. As a father-manager, I want my children to do their schoolwork before they play. I incentivize them by threatening to take away their iPhones if I see them using them before their work is done. I add a carrot to the stick, promising that if they finish their homework they get ice cream for dessert.

By contrast, as a father-leader, I don't just want my children to do their schoolwork. I want my children to *want* to do their schoolwork. I want them to do it because *they* want to do it, not because I want them to do it and can impose consequences on them. I want to instill in them healthy habits because I love them and because I know that a work discipline will enhance their lives. But my knowing that is not enough. I have to help *them* know it, and know it so deeply that they will internally commit to it, and make the hard choices required through their own will.

As a father-leader, I have to integrate autonomy and control according to a higher principle: love. (Notice that I wrote "integrate" and not "balance." You don't "balance" right and left turns when going from home to work; you turn right or left at any point of your route according to a higher principle, which is your destination.) Only when my children experience me as trustworthy, and as totally on their side,

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will they listen to me. Only when my children experience me as a role model, as practicing what I preach, will they believe me.

As a leader, you don't want your followers to do as they are told. This is because you can't know what they ought to do to most effectively help the team to win. And even if you did want them to obey, you'd also want them to put their discretionary effort and experience into winning. You want them to act with initiative, intelligence, and enthusiasm; you want them to truthfully reveal the opportunities and challenges they see in their surroundings; you want them to give their best to the organization, in concert with everyone else. You can't extract this behavior by force. It must be inspired by enthusiasm and love.

To elicit this internal commitment in your followers, you need to reach beyond operational issues, beyond profits and losses. You need to latch onto something better and more beautiful—something that all your stakeholders will not only support but also wholeheartedly love and embrace. You need to make your life and the lives of those around you truly meaningful.

To be a great leader, you must understand that searching for success is, paradoxically, the wrong way to achieve success. Success is like happiness; it cannot be pursued directly. The more directly you pursue happiness, the less likely you are to achieve it. Pursuing happiness directly may result in short-term hedonistic pleasure, but it does not lead to authentic, soul-satisfying happiness. To achieve success you must live a life of meaning and purpose. You must pursue significance, self-actualization, and self-transcendence—not just for you but also for everybody who works with you.

A great leader makes the following offer: “In addition to compensation and benefits, I will provide you with an opportunity to infuse your life with meaning. I will provide you with a platform on which you can build a personal and social sense of worth. This platform will enable you to prosper not only materially, but also emotionally, mentally, and spiritually: emotionally, because we will relate to you as one of us; mentally, because we will respect your intelligence; spiritually, because we will join in a project that transcends our small egos and connects us to a larger purpose.

“In exchange,” such a leader proposes, “I want your unbridled enthusiasm. I ask that you give your utmost energy in service of our great project. I ask that you exemplify our values and culture and hold others accountable for doing the same, and that you relate to your teammates with kindness, compassion, and solidarity. I want you to subordinate your personal agenda and collaborate with your teammates, doing whatever it takes to help the team to win. I ask that you put your heart, mind, and soul into fulfilling the noble vision that animates all of us, aligning your efforts with the rest of the organization.”

MY ARGUMENT

If you want to lead a truly successful and enduring organization, I’ve got this message for you: Well-harnessed inspiration, born of deep understanding and compassion for our human nature, is not just a fairy dust to sprinkle to make people feel good; it’s the solution to the hardest problems in business and in society today. It answers the toughest questions: How can I align self-interested individuals in the pursuit of a common goal? How do I get people who are fundamentally interested in their own agendas (*my* issues, *my* to-do list, *my* agenda, *my* KPIs, *my* compensation) to cooperate with one another in pursuit of a shared purpose (*our* children, *our* customers, *our* collective future)? How do I get them to do their best to accomplish their individual missions, but also to subordinate their missions to the larger mission of the organization, so that the whole team wins? How do I incentivize them in a way that will make them more engaged? What can I, or the organization, offer them that will satisfy their deeper emotional needs, and give them a broader sense of commitment and purpose?

In this book, I will show you how to resolve the conflicting agendas of self-interest and organizational mission into something much richer, more satisfying, and enduring. I will show you how to mobilize an organization into becoming a source of lasting goodness in the world, creating an enormous sense of accomplishment, service, and joy in all those associated with it. To do this, I will show you how to confront

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your own personal issues and assume the truly “response-able” mantle of leadership, in a step-by-step, practical way. But I will go deeper: I will show you how to move past your own deepest fears and anxieties to live a truly heroic life. It is only through becoming a moral hero that you will earn the authority to inspire greatness in those around and under you.

The Meaning Revolution addresses two fundamental questions: why organizations lose and how they can win.

1. WHY DO ORGANIZATIONS LOSE?

The most difficult organizational problem is aligning self-interested members in pursuit of a common goal. I argue this cannot be done through economic incentives. If the organization incentivizes excellence and accountability, it will disincentivize alignment and cooperation. If the organization incentivizes alignment and cooperation, it will disincentivize excellence and accountability. Incentives for accountability foster silos. Incentives for cooperation reward free riders who don't contribute fully.

The second most difficult organizational problem is to get the right information to the right people at the right time, and in the right format, to make the right decisions. This cannot be done through formal communications because each member holds both private and detailed local knowledge about resources, costs, opportunities, and threats. Even if an organization were able to convince all its members to eschew their self-interest and fully reveal everything they know for the benefit of the whole, that knowledge would be too complex and unstructured to be useful. It can't be communicated to the decision makers in a format that lets them compare alternatives and make the right decision.

These problems can't truly be solved. But they *can* be managed. In fact, most leadership and managerial techniques try to do just that. But they do it poorly. They go only halfway and fail to use tools that can make a massive difference. But even though the situation facing leaders today may seem desperate, it is not serious. It reminds me of the

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joke about the two hikers who were walking through the woods when they noticed a bear charging toward them. The first hiker removed his trail boots and put on his running shoes. The second hiker despondently said, “Why bother changing out of your boots? You can’t outrun a bear.” The first hiker replied, “I don’t have to outrun the bear. I only have to outrun you.”

The good news is that to win in the marketplace you don’t have to be perfect; you only have to be better than your competitors. I guarantee that any competitor you face will be plagued by exactly these same unsolvable problems. So the goal is not to solve them but to manage them more efficiently. As the popular saying goes, “In the land of the blind (materialist), the one-eyed man (who sees the other dimensions of human existence) is king.”

2. HOW CAN ORGANIZATIONS, AND THE PEOPLE WITHIN THEM, WIN?

It’s impossible to travel one hundred meters in no time. It’s also impossible to perfectly align all organizational members in pursuit of a common goal and to take full advantage of their local knowledge. Winning the race requires adding a new set of tools to your kit, something that takes you and your organization where others can’t go.

By becoming a transcendent leader, you can address the essential problems of incentives and information much, much better than most leaders do right now. Transcendent leadership relies on the inspirational power of nonmaterial incentives—employees’ personal sense of meaning, achievement, and self-esteem, as well as shared values and ethics, and their desire to belong to a community. The transcendent leader invites people to join a project that infuses their lives with meaning and significance. Such a project promises to leave a mark in the world that will far transcend the lives of those who carried it through.

The nonmaterial goods that are the pillars of transcendent leadership have a rare combination of two properties that enable leaders to

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address organizational dilemmas in ways that money and perks can't touch.

First, moral and ethical goods are, in the words of economists, non-exclusive. This means that if we work in the same organization, my enjoyment of our noble purpose, ethical values, and close community does not take anything away (and it may even add) to your enjoyment of these boons. Contrast this, for example, to a bonus pool, where the allocation of a certain amount to you means that such an amount is not available to me. While material goods are always under a budget constraint and create rivalry due to scarcity, moral and ethical goods are unconstrained and create cohesion because they are founded in shared cultural norms. In this sense, they are like what economists call "public goods" such as national defense, a lighthouse, or fireworks.

Second, in contrast to public goods, moral and ethical goods are "excludable." This means that if you are not part of the organization, both formally and emotionally, these goods are unavailable to you. Contrast this, for example, to the national defense or the Internet that everyone relies upon. Excludability creates a sense of boundary that defines a community of like-minded members who share a purpose and a set of ethical values. This shared purpose fosters the cohesion of the organizational members in a better way than any material good. In this sense, moral goods are like what economists call "private goods," like the stuff we buy and sell in the marketplace.

Economists call excludable, nonexclusive goods "club goods." That's because once you are a member of "the club," you can enjoy them without taking anything away from the enjoyment of other members. But you have to become a member of the club to enjoy these goods.

Moral goods allow leaders to discriminate between mission-driven (missionary) and money-driven (mercenary) employees. By offering the right mix between material and nonmaterial incentives, you can appeal to different groups of potential employees.

Compensation is always a "package deal." Like an iceberg, salary and benefits are the visible part. But they comprise less than 15 percent of our motivation. Over 85 percent of the reason people are engaged in

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their work lies under the surface. And that part is composed of respect, care, integrity, a feeling of belonging, a sense of achievement, a noble purpose, and ethical principles.

Abraham Maslow, the acclaimed psychologist who described humankind's hierarchy of needs, claimed that once we have satisfied our basic needs for survival and security, like food and shelter, our highest desire is the feeling that our lives matter, that we can make a difference, that we can contribute to make the world a better place for those around us and those who will come after us. We all want to live, to love, and to leave a legacy. An engaging organization enables people to achieve all three. It is the ultimate club of happiness and enthusiasm.

A BRUSH WITH DEATH

On February 18, 2004, Mark Bertolini, a senior executive at the giant health insurance company Aetna, was skiing with his family in Killington, Vermont, when he lost control, bounced off a tree, hurtled down a ravine, and broke his neck.

Prior to the accident, Bertolini was quite fit, so he had a built-in resilience that helped him recover remarkably rapidly. But afterward he was in constant pain. His doctors prescribed traditional painkillers that he knew could have turned him into an addict, so he turned to the less conventional interventions of yoga, stretching, and meditation. He felt better, returned to work, and was then named chief executive.

Bertolini took to wearing a shiny metal amulet around his neck instead of a tie. The amulet is engraved with the Sanskrit characters "soham," which means, "I am That," a mantra used to help control breathing in meditation. It signifies a spiritual connection with the universe. Everywhere he goes in the company, people take notice of the amulet and admire the fortitude of their leader.

The new CEO decided that what had helped him heal so well would be good for his employees and customers, too, so he chose to use his company as a laboratory. Two hundred thirty-nine employees

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volunteered for an experiment: one-third practiced yoga, another third took a mindfulness class, and the rest were in a control group. At the end of three months, the employees in the yoga or the mindfulness class reported significant reduction in perceived stress and sleep difficulties; their blood work also showed a drop in stress hormones. “The biostatisticians were beside themselves,” Mr. Bertolini said.

Later, when Mr. Bertolini reviewed Aetna’s financial performance for 2012, he noticed something surprising: paid medical claims per employee had dropped 7.3 percent, saving roughly \$9 million in costs. Because productivity grew, the company raised its minimum wage for hourly workers from \$12 to \$16 an hour, and the company reduced out-of-pocket health-care costs, too.

“If we can create a healthier you, we can create a healthier world and healthier company,” Bertolini told employees, who took his words to heart. Feeling happier and more satisfied at work, they bore twice as hard into their mission because their death-touched leader had reached a deep understanding that goes beyond material incentives.³

This understanding went right to the heart of the transcendent purpose: the “I am That.” My guess is that Bertolini is able to extend *agape* (the ancient Greek word for “compassionate love”) to all his stakeholders, enacting the commandment “love thy brother as thyself,” because he feels, deep in his bones, that they and he are one, as each one of them is also “That.”

Imagine working for someone like Bertolini—a living, breathing symbol of this kind of near-death understanding, wearing that symbol on his neck. How does he compare to the leadership of the company you’re working in now? What would it be like to be in the presence of such an inspiring person? (A big health insurance company has a big advantage in terms of vision; its *raison d’être* is sustaining life and health.) The question is: Do the people in your company, division, or team believe this? Or are many just working for their paychecks?

Bertolini has a much greater understanding of leadership than most leaders have because of his brush with death. He is no longer detached, nor is he beholden only to the financial numbers. He’s thinking bigger—much, much bigger.

“I am That” means that we—all of us, from the CEO to the janitor—are expressions of “That”—an enormous, vital, animating force. When you learn to tap into that realization, as Bertolini has done—you become what I call a transcendent leader. What would it be like to be such a leader, breathing this rich understanding of the meaning of the world, translated in a way employees, managers, and customers can understand?

THE TRANSCENDENT LEADER

I believe the most deep-seated, unspoken, and universal anxiety in all of us is the fear that our life is being wasted. That death will surprise us when our song is still unsung. We worry not just about our physical death, but also, perhaps more significantly, our symbolic one. We are afraid that our lives won't matter, that we won't have made a difference, that we will leave no trace in this world after we are gone.

If you're young and healthy, you probably don't pay much attention yet to this anxiety. It remains as a kind of white noise in the background, like the faint hum from fluorescent office lights. Every once in a while, if you have just dodged a bullet as Mark Bertolini did, you might reflect on what this amazing gift of life is *for*. You may ask yourself: Why am I here? or What difference am I making? What will my legacy be?

If you are fortunate enough to confront these questions, you come to realize that every ticking second, every opportunity to do good in the time you have left, becomes more meaningful. You want to make the most of the precious time you have, appreciating beauty and creating joy. What you don't want to do is spend your days performing work that feels trivial or without purpose. You want to wake every morning feeling that you are making a difference in the world. Once you tap into this realization, I've found, your true nature is allowed to shine through. You have the ability and reason to become a transcendent leader. You breathe this rich understanding of what a life well lived really looks like out in the world. You inspire people around you to work with a new

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sense of possibility. You have the ability to illuminate the organization in a way that reveals its ultimate gift: meaning.

Transcendent leadership dissolves the hardest organizational problems in a liquid mix of significance, nobility, virtue, and solidarity. It offers a way for those who follow its principles to address the core existential anxiety of every human being. That's why a leader who proposes a symbolic "immortality project," as humanist Ernest Becker called it—a project of enduring value beyond one's life—has an amazing way to engage the best in us.

In the past, these immortality projects took the form of military and cultural campaigns based on the attitude that "we are better than you because we can defeat and enslave you." But in the free market, our goal is not to eliminate the competition; rather, it is to provide so much value to stakeholders that customers choose us over the competition; competitors either have to follow or risk being left behind. Due to the voluntary nature of transactions, the free market allows each party to "opt out" unless he or she feels he or she is gaining value. The only way to profit is to make other people profit or do better. It transforms self-interest into service, and imperialism into trade.

It takes a special kind of person to be a transcendent leader. Those who embrace such thinking don't necessarily have to have a brush with death, but they do need to have looked deeply within themselves to understand the existential anxiety at the core of every one of us. They must face their own fear of death in order to create a significant and beneficent immortality project—a service-driven organizational mission that employees wholeheartedly commit to. Leaders must find their true selves through a "hero's journey" and share their hard-earned personal awareness with others, with humility, wisdom, and compassion.

Transcendent leaders work to align the individual purposes of those under them into a larger collective purpose that makes each individual larger as well. They understand that if you want to make accountability and cooperation occur at the same time, you need to inspire people and create a culture of commitment and connection to a larger purpose. When this happens, people look beyond their silos and

their small decision-making issues. They align their best efforts with the organization's in natural ways that other systems can't lead them to do. It is the difference between rowing and sailing. A boat moved by mere muscle is no match for one moved by wind. A boat propelled by the wind flows in harmony with the natural forces. An organization that moves forward by formal authority is like a rowboat. One moved by a transcendent purpose is like a sailboat with the wind behind it, filling its sails.

Transcendent leaders are rare. But they do exist (and I profile a number of them in this book). They inspire followers not by relying on carrots and sticks (offering a nice salary, bonus, and tangible perks, or threatening them with demotion or firing them) but by appealing to the belief that they have spent their waking time doing some good in the world.

Transcendent leaders tend to be self-effacing. They embrace Lao Tzu's lesson: "The wicked leader is he whom the people despise. The good leader is he whom the people revere. The great leader is he of whom the people say, 'We did it ourselves.'" They encourage and empower their people to follow the mission, rather than themselves. In fact, I would argue that *the truly transcendent leader has no followers*—a point I'll return to later.

Companies and other organizations can become houses of meaning constructed on foundations of benevolence, service, and love. I believe this is the ultimate source of economic value. Connecting people to their highest purpose at work solves the biggest, hardest problem there is for those who work for organizations (how to achieve symbolic immortality), for organizations (how to align employee's self-interests in pursuit of a shared goal), for societies (how to foster peace, prosperity, and progress), and for humanity (how to coexist in tolerance and mutual respect and avoid conflict and self-destruction).

Transcendent leadership demands that we have the ability to look deeply inward—beginning with recognizing our own inevitable mortality—and the self-discipline to embody the principles that inspire others to passionate commitment. (I offer a sobering warning in this

book, too. If you attempt to motivate people through high-minded talk without actually becoming a living example, your followers will end up cynical, disengaged, and angry.) I ask you to inspire others through a common purpose, a strong set of ethical principles, a community of like-minded people, a feeling of unconditional empowerment, and a passionate drive to achieve. These are not easy tasks, but meaning has nothing to do with ease.

HAPPINESS OR MEANING?

The pursuit of happiness and the search for meaning are two central motivations in every person's life. Both are essential to well-being and flourishing, yet only the latter is distinctively human. As the psychologist Roy Baumeister points out, "(We) resemble many other creatures in their striving for happiness, but the quest for meaning is a key part of what makes us human, and uniquely so."⁴

Happiness and meaning often build on each other, but not always. Living a meaningful life is different from, and can even be opposed to, being happy. Take the "parenthood paradox," for example. Parents of grown-up children may say that they are very happy they've *had* them, but parents who are still living with children score low on happiness. It seems that raising kids decreases happiness but increases meaning.⁵ Or consider emergency volunteers, who often go through great ordeals and traumatic experiences in order to help those afflicted by accidents or natural catastrophes. Suffering negative emotions for the sake of a noble purpose brings meaning to their lives, but it doesn't make them happy.

What's the difference? Happiness, understood as pleasure and positive feelings, has more to do with satisfying your needs and getting what you want. Meaning, understood as significance and positive impact, is related to developing a personal identity and acting with purpose and principles. You might find that you feel happy if you find that your life is easy and you have achieved a measure of success, but you may not feel that your life has much meaning. On the other hand, re-

flecting about the past and the future, confronting adversity, and starting a family increase meaningfulness but not necessarily happiness. Higher levels of meaningfulness are related to deep thinking, which is connected to higher levels of worry, stress, and anxiety. However, meaning is associated with adaptation capabilities such as perseverance, gratitude, and emotional expression.⁶

Meaning has two major components: making sense of life (cognition) and having a sense of purpose (motivation). The cognitive component involves integrating experiences into a coherent narrative as if it were a story, taking a third-person perspective on one's life. The motivational component involves actively pursuing long-term goals that reflect one's identity and transcend narrow self-interests. We are most satisfied when we engage in meaningful pursuits and virtuous activities that align with our best self.⁷

“Happiness without meaning characterizes a relatively shallow, self-absorbed, or even selfish life, in which things go well, needs and desire are easily satisfied, and difficult or taxing entanglements are avoided,” wrote Baumeister. “If anything, pure happiness is linked to not helping others in need.”⁸ While being happy is about feeling good, meaning is derived from helping others or contributing to society. Yet what would you prefer to have written on your tombstone, “Here lies (your name), who strived to make his/her life happy by getting what he/she wanted,” or “Here lies (your name), who strived to make the world a better place by giving what those around him/her needed”?

According to Gallup,⁹ nearly 60 percent of all Americans felt happy, without a lot of stress or worry, in 2012. On the other hand, according to the Center for Disease Control,¹⁰ about 40 percent of Americans have not discovered a satisfying life purpose or have a sense of what would make their lives meaningful—half of them (that is, 20 percent of American adults) suffer anxiety and depression disorders. Research has shown that having purpose and meaning in life increases overall well-being and life satisfaction, improves mental and physical health, enhances resiliency and self-esteem, and decreases the chances of depression. In contrast, the single-minded pursuit of happiness makes people less happy.¹¹

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As companies compete for talent, they try to give employees what they want, to make them happy: higher salaries, lower stress, more benefits, and fewer difficulties. But this strategy generally backfires. As the psychiatrist Viktor Frankl wrote, “The greatest task for any person is to find meaning in his or her own life.” Most people divert their energy into trying to be happy, but “(i)t is the very pursuit of happiness that thwarts happiness.”¹² What people really want, what makes us truly happy in the long term is not pleasure but meaning. And meaning is the offer of a transcendent leader.

WHO IS FRED KOFMAN?

Thirty years ago, after earning a degree and becoming a professor of economic development at the University of Buenos Aires, I came to the United States as a graduate student. At UC Berkeley, I focused on the economic theory of incentives as my field of specialization. At the end of my studies I took a job as assistant professor of management accounting and control at MIT’s Sloan School of Management. My teaching and research there focused on the design and implementation of performance evaluation and reward systems. Thanks to MIT’s strong ties with industry, I had extraordinary opportunities to collaborate with some of the most innovative companies in the world.

During my years in academia, I tried to solve the fundamental problem of organizations: that is, how to integrate individual accountability with group cooperation through financial incentives. I fulfilled my PhD requirements and achieved awards as “outstanding student instructor” at Berkeley’s Economics Department and “teacher of the year” at MIT. I also received many requests from companies to consult for them in this area. But throughout the years I came to understand that such integration couldn’t be just mathematical. The solution to the hardest organizational problem must also be spiritual; it needs to engage the “animating force” that gives human life purpose and meaning. So as a mathematician I failed; but I failed splendidly. My failure

A HOT WORKSHOP

brought me to the unconventional path that gave my life a deeper meaning and has led me to write this book.

Thanks to my mentor Peter Senge, author of the groundbreaking book *The Fifth Discipline*, I began teaching leadership workshops for corporations such as General Motors, Chrysler, Shell, and Citibank. My work was well received, and I found that I enjoyed interacting with business leaders more than I did with MBA students—the former had been humbled by reality, while the latter still thought that management wisdom came from books and case studies. So after six years, I quit MIT and founded Axialent, a consulting company that, at its height, employed 150 people in seven offices around the world.

Ten years ago, I published a book called *Conscious Business: How to Build Value Through Values*. My purpose was to compile what I had learned about what anybody who works in an organization needs to know. That book, translated into a dozen languages, went on to sell more than a hundred thousand copies, and I have been told that it has inspired leaders around the world. Since then, I've thought much more deeply about what it takes to create and lead a conscious business. As a consultant, I've talked to a lot of managers, senior executives, and CEOs in companies all over the world about what it's like to be a conscious leader, and about how to address the most difficult organizational problems.

I left my consulting company in 2013 to join LinkedIn as vice president of executive development and leadership philosopher. My job at LinkedIn is to help the company to accomplish its mission of “connecting the world’s professionals to make them more productive and successful.” I do this by helping employees at all levels in the managerial hierarchy to develop into “transcendent” leaders—ethical leaders who wake up to their own sense of meaning and call others to pursue a larger, nobler purpose. I then help these leaders to inspire others to work cooperatively in the pursuit of that purpose, and to stay aligned in the face of competing commitments. It's an unusual job, even in an unusual place like Silicon Valley.

My approach to leadership training has very little to do with the

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standard things taught in business school—or any other school, for that matter. Instead, it asks that each one of us take a very long, hard, honest look in an existential mirror. It is part economics and business theory, part communications and conflict resolution, part family counseling and systems therapy, and part mindfulness and meditation.

Too many people feel that meaningful work is the province of non-profit organizations. I disagree. While we can help others and alleviate suffering through volunteerism or nonprofit work, I believe nothing holds a candle to economic development as a way to eradicate poverty and bring humanity to a higher level of prosperity, peace, and happiness. Entrepreneurs who behave ethically are the engines that propel the growth of humanity, creating value to all their stakeholders. That's what conscious business, and transcendent leadership, are all about.

WHAT IS “THE MEANING REVOLUTION”?

In *The Structure of Scientific Revolutions*, the physicist, historian, and philosopher Thomas Kuhn argued that normal science happens in periods where there is an accepted paradigm that organizes the research. Over the course of this period, insoluble puzzles or anomalies crop up. Science then enters a revolutionary period in which scientists ask new questions, move beyond the mere problem solving of the previous paradigm, and change their mental models to point research in a new direction.

In economics, there is a puzzle involving two approaches to incentives. From a “systems perspective,” individuals must subordinate their local objectives to cooperate toward a global objective. Therefore, a manager should use *global* incentives. For example, a sales manager should compensate each salesperson as a function of the sales of the whole salesforce rather than his or her own sales. This will avoid raising artificial barriers between “my” customers and “your” customers, since they are all “the company’s customers.”

From a “principal-agent perspective,” individuals must be accountable for the results of their work. Therefore, a manager should use *local*

incentives. For example, a sales manager should compensate each salesperson as a function of his or her own individual sales. This will encourage every salesperson to put their maximum effort without attempting to “free ride” on the effort of others and attract the best salespeople.

Economists have mathematically proved both systems theory and principal-agent theory. The problem is that the practical implications of these two theories are mutually incompatible. They cannot both be implemented simultaneously, and trying to combine them half and half is worse than either of them.

I propose to resolve this puzzle through nonmaterial incentives. *The Meaning Revolution* explores a paradigm shift from matter to meaning; from compensation, command, and control to purpose, principle, and people; from management to leadership. I propose that rather than seeing employees as machinelike entities driven by material incentives, you need to see them as conscious beings who want to achieve significance and to transcend their limited existence through projects that give meaning to their lives.

This book is about the work of going beyond being what I called a “conscious” leader in *Conscious Business* to become a “transcendent” leader. Although I provide some very practical advice throughout, I hold that transcendent leadership supersedes average managerial prescriptions because it is not only a way to *do* leadership or a way to *know* how to lead, but it is a way to *be* a leader who inspires followers to find what is most precious in their lives and commit to manifesting it.

There is no shortage of business books advising leaders at all levels how to get things done—how to organize change, hire the right people, execute strategy, and so on. They all offer good advice. But they miss something fundamental about the human condition, making them more suitable for operational managers than for genuine leaders. The very question of “How do you . . . ?” is managerial. The greater leadership question is “Who are you?”

Leadership emerges from our human need to make our lives meaningful. Nobody wants their accomplishments to just be a “flash in the pan.” We all want to extend ourselves, touch others’ lives, and have impact on the world; we want to rise above our physical limitations, even

death, by participating in a transcendent project. But books about the importance of finding meaning are typically found in the self-help or the spirituality sections of the bookstore—not the most popular ones among business leaders. In addition, these books don't deal with the most fundamental and insoluble problems of personal accountability and organizational alignment in organizations. They do not address the basic questions of what inner and outer work you actually have to do to become the kind of leader whom people passionately want to follow, or what it takes to build a truly inspired workplace. How can we build a real, honest, human foundation for an enterprise—one that is so trustworthy that people will give just about anything to be part of it? And then, when everyone is committed, how do you work together effectively to win as a team?

In **Part 1**, I present the hardest problems any leader must solve if his or her organization or team is to survive and thrive. These are the Kuhnian anomalies that bring about the meaning revolution.

In **Chapter 2, “Disengagement,”** I discuss why most people lose their souls in the business world. I explain how the materialistic, produce-earn-consume view of work misses the most important dimensions of human existence. I argue that the most destructive organizational problems cannot be solved through the one-dimensional world of materialism alone.

In **Chapter 3, “Disorganization,”** I ask, Why can't organizations align their members in pursuit of a common goal? Here, I describe three issues: (1) most people are confused about what their “real” jobs are; (2) when everyone performs at his or her best, the organization often does not perform at its best; and (3) economic incentives designed to encourage cooperation work to discourage accountability—and vice versa.

In **Chapter 4, “Disinformation,”** I argue that nobody really knows the best way to proceed. I show how most people falsely evaluate costs and benefits from their limited perspectives. This leads them to make decisions that hurt the organization's performance. But even if they get over this hurdle and try to assess the global impact of alternative

courses of action, they still miss the most important information: opportunity costs.

In **Chapter 5, “Disillusion,”** I issue a three-part warning for those who embark on the path of transcendent leadership: (1) what you do speaks so loudly that people in your organization will not hear what you say; (2) people will be hypersensitive and hypercritical—no matter how hard you try to walk your talk, you will be found wanting; (3) power corrupts—the more you try to inspire people, the more likely you’ll betray them. If you fall into any of these three traps, you will poison the very culture you are trying to nourish.

In **Part 2,** I offer “soft,” people-centered solutions to the hard organizational problems I present in Part 1.

In **Chapter 6, “Motivation,”** I argue that the hardest problems have a spiritual solution. How can you inspire accountability and cooperation at the same time? I demonstrate that while it’s impossible to simultaneously incentivize accountability and cooperation through purely economic means, it is possible to inspire them through nonmaterial means.

In **Chapter 7, “Culture,”** I describe forces that leaders at every level must harness if they are to align their teams to win. I show how leaders can shape their organizations by defining, demonstrating, demanding, and delegating principled norms. A strong culture is built upon virtues such as wisdom, compassion, courage, justice, and love. Such virtues give leaders at all levels, as well as their followers and teams, the capacity to transcend their egocentric views and integrate multiple perspectives into a comprehensive worldview.

In **Chapter 8, “Response-Ability,”** I show how what I call absolute “response-ability” and accountability are an effective philosophy of business, and life. Assuming responsibility as a leader, and holding people accountable for their own choices, allows you to turn defensive behaviors into creative ones, and feelings of resignation and resentment into enthusiasm and commitment.

In **Chapter 9, “Collaboration,”** I show how even the most intractable conflicts can be solved through “escalating collaboration.” This

is an alignment process that allows intelligent discussion of trade-offs and rational decision making. In a system based on similar principles to those of British common law, leaders in the organization can let their decisions set precedents about their perspective that will guide future decisions at all levels of the organization.

In **Chapter 10, “Integrity,”** I show how honoring one’s word is as critical as honesty for effective relationships, both in business and in life in general. A person with integrity keeps her promises whenever possible and still honors them if she is unable to do so. You make a grounded promise by committing only to deliver what you believe you can deliver. You keep the promise by delivering it. And you can still honor the promise when you can’t keep it by letting the person you are promising know of the situation, and by taking care of the consequences.

In **Part 3,** I explain why the leader who wants to become transcendent must go beyond what I describe in Part 2. To marshal fervent followership, the leader must undertake what the mythologist Joseph Campbell called “the hero’s journey.”

In **Chapter 11, “Get Over Yourself,”** I turn around the traditional idea of leaders empowering their followers. I claim that followers empower leaders by committing to the mission a leader proposes. Perhaps the most important decision every human being must make is where to invest his or her precious time, his or her precious life. Followers “energize” leaders with their life force, just as investors energize a company with their capital.

In **Chapter 12, “Die Before You Die,”** I take a deep dive into the universal fear of death. I show why confronting that anxiety in yourself and others is the most important and useful leadership tool there is. Paraphrasing Zen wisdom, I claim that you must “die before you die, so you can truly live”—and *truly lead*. You must find what’s unborn and undying in yourself and offer this as a mirror of meaning to those around you. I also show how the desire to be part of an immortality project is an open secret of leadership that historians, poets, and philosophers have mined from time immemorial.

In **Chapter 13, “Be a Hero,”** I explore the development path of leaders. The journey of the leader is fraught with trials that reveal, test, and

sharpen his or her spirit. There's a natural pattern to human growth. It is a trajectory from unconsciousness to consciousness to superconsciousness. It is a process that forces you to face your biggest fears, find your greatest strengths, with the help of allies, and win the battle to shape your destiny and become the master of your life. Only after you have walked the path of the hero and vanquished your shadows can you bring the gift of true wisdom to your community. Only when you have found your deepest truth can you become a model for others and inspire trust.

In **Chapter 14, "Superconscious Capitalism,"** I explain that the market is a crucible that transforms self-interest into service, aggression into competition. This crucible is made of respect for the life, liberty, and property of others. If people respect one another, if transactions are voluntary and peaceful, then each participant must believe that he or she gains more than he or she surrenders. Adam Smith argued that even when the social good is not part of anybody's plans, market forces act "like an invisible hand" that shepherds people toward such a goal. I argue that rather than doing this by accident, transcendent leaders do it on purpose. Through respect, freedom, and service, they bring about a new, more conscious type of capitalism. This enlightened economic system fosters social cooperation and supports the development of humanity like nothing ever has before. Beyond fulfilling the material needs of human beings, it addresses our spiritual needs for transcendence and connection to something more permanent than ourselves.

In the **Epilogue, "What to Do on Monday Morning,"** I bring everything full circle, summarizing the book's essential lessons and advising leaders at all levels what to do on Monday morning, and beyond. It is my great hope that readers come away from this book inspired and empowered to make a lasting mark on the world—not only for themselves but also for those who follow them, for their organizations, and for the larger world.

And now, I invite you to join the revolution.