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Globalance: Balanced Company Values in Uncertain Times

The current uncertain and volatile times are like stormy weather on the sea. The Captain of a ship is challenged to navigate with clear weather information and analyses, a clear compass and a strong character of caution, courage but not fear. The captain also has to encourage and calm down the crew and passengers. The same is the case for a Board of Directors in a company, the strategic organ and leadership. This article underlines the importance of a balanced yet dynamic value system for each company and each institution as the value-compass to navigate in uncertain times. As a specialist in global business and leadership ethics, I have emphasized Integrity Leadership as the backbone of the company.

Uncertain Times of Polarization

The trade war between US and China expanded to a new Cold War and heavily affects the supply chains. The pandemic created global volatility. Autocratic leaders threaten democracies. The Ukraine war redirects public expenditure globally towards military rearmament instead of poverty reduction. Huge investments are needed for the transition to a carbon neutral economy. We live in a period of transition from the former globalized world order with one main superpower since 1989 to a multipolar new world order. This transition creates uncertainties, volatilities and polarization. Extremism and other ideological 'isms' offer seemingly simple answers in confusing developments. The polarization includes a polarization of two superpowers, but also governing systems (one party versus multi-party), religions and values.

A strong Value-foundation of Boards to Navigate

In such stormy situations, strong leadership is needed. Boards and management of companies, politicians in parliament and government, educators in schools, leaders of religious institutions need to lead and navigate through the storms. However, this does not mean autocratic or

dictatorial leadership, but combining listening (to the needs of people/ the market, the followers) and deciding (even against the mainstream, if the compass shows that it is needed). Uncertain times are the test case of being faithful to the values and mission of a company or institution. If a Board decides “let us forget for a moment about environmental care, until our balance sheet is better”, then it can create huge reputational damage for a company and long term losses. If a Board or management decides that the transparency policy is only for times of 'good weather' and taking or paying bribes is needed in tough times to survive as a business, then the company is at risk in its credibility, legality and thus also its commercial stability. This assessment is based on my experience in academic business ethics research, training of Boards and leading management of large companies on various continents, also in India, but also nurtured by trainings of SMEs, NGOs, religious and government officials.

The Compass of Globalance as Balanced Values

The key message of this article is that Boards need a strong compass of balanced values many of them have it. (Book - Global Ethics for Leadership: Values and Virtues for Life).The reputation of a company or institution depends on its value system, rooted in the concrete context, but based on a global value system for humanity. I call it global balance, in short Globalance. In the second edition of my book “Globalance towards a New World Order”, published in November 2022, one finds on almost 900 pages detailed analyses and orientation.

Values are benchmarks of orientation for decisions and actions on personal and institutional level, e.g. justice, freedom, peace

or participation. This chart shows ten fundamental values. The key point now is that they are interrelated, shown on a circle. There is not a hierarchy whereas one value always dominates all others. E.g. freedom leads to chaos and “the winner dominates all”, if freedom is not linked to responsibility. The same is with freedom and justice. Justice without freedom leads to dictatorial equalization and uniformity. Freedom without justice leads to high inequalities and thus social tensions in a company or society.

In my trainings and lectures on all continents, I can confirm that these are globally recognized values. However, the contextual, national and sectorial differences are manifested through the priorities and the contextual interpretation. Global values and contextualisation are not opposite, but complementary. Global values alone remain abstract, local or national values alone lead to fragmentation, separation and conflicts. The balance of global universal human perspectives and contextual wealth of diversity of cultures, languages, religions and values show the beauty and stability of a balanced value system, called Globalance.

The graphs above and below include also the 17 UN Sustainable Development Goals - SDGs (graph beside). They have been agreed in 2015 by all nations around the globe through the United Nations. The SDGs are de facto a values system. The SDGs are interdependent as the proposed system of ten values and ten virtues. The circle shows the interdependence of food and education, water and climate, peace and equality, industrial production and sustainability etc.

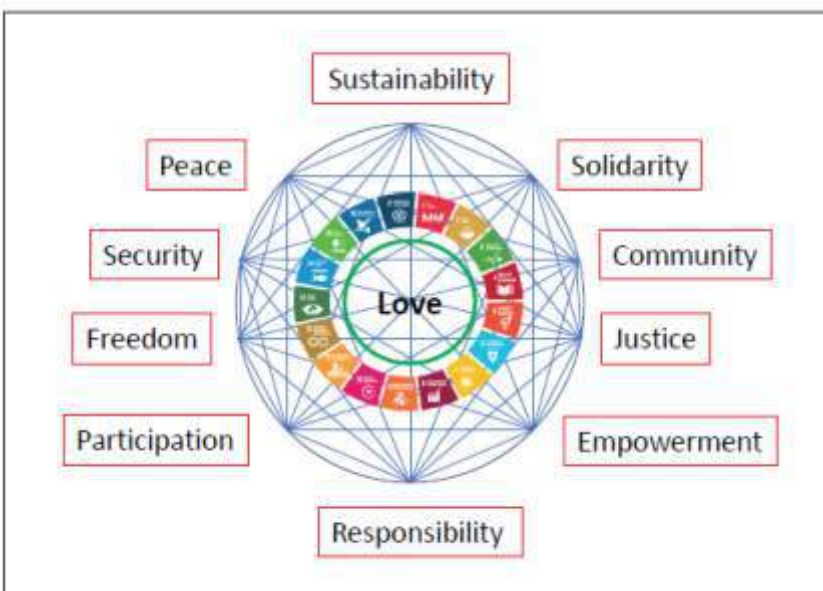


Figure - 1



Figure - 2

Integrity Leadership

Distinct from values are virtues. They are benchmarks of orientation for individual behavior; Examples of virtues are respect, honesty or courage. As with values, they are not in hierarchical order or one can be isolated. A Self-confident person without humility will be arrogant. A courageous leader without reliability may be an unpredictable self-runner and no team-player.

Integrity is the summary and integration of all virtues. A leader with integrity is honest, respectful, self-confident, with compassion, courage, modesty, reliability etc. Love, in the center of the circle is the capacity to integrate all values and virtues in such a way that in each situation the value or virtue, which is appropriate, is implemented for relations and actions, in a holistic way, without denying the importance of the other values and virtues.

Boards in Uncertain Times: Stick to Company Values!

Uncertain times increase economic volatility, political pressure, unforeseen regulations, mental stress, change in priorities and much more. Uncertain times also increase the number of ethical dilemmas. Examples: A company Board or CEO may place (entrepreneurial) freedom on top of the value pyramid. A green company may claim that sustainability is not negotiable and has to be the top value. A third may say gender equality above all. How to reconcile these values, e.g. when it comes to corporate decisions or national legislation?

Most companies have good, long-term mission statements and values. The role of the Board as top leadership is crucial in implementing and monitoring them especially in uncertain times. The Board gives strategic guidance. This means keeping track of values and mission in turbulent times. I recommend:

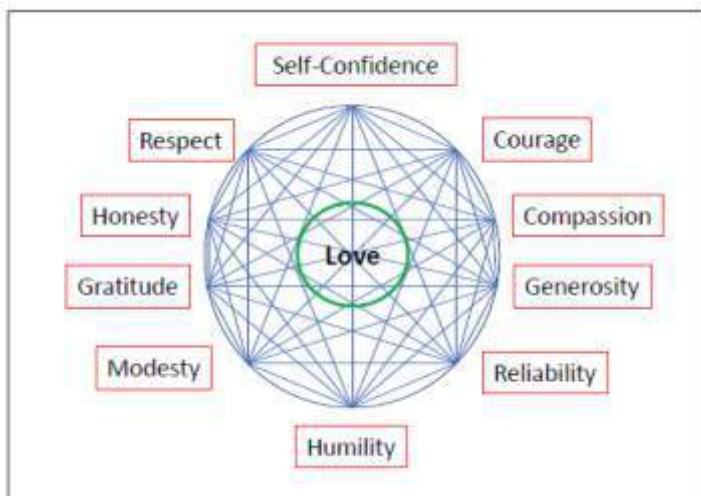


Figure - 3

- Boards offer regular internal discussion and trainings on the values (normally written in the core mission statement) of the company and the individual leaders. External support of experts may sometimes help.
- A special emphasis can be on ethical dilemma cases: concrete dilemmas, where two or more values or virtues compete or contradict with each other in a specific situation. Criteria can be developed, how to deal with such ethical dilemmas in Board and Management.
- Training of new management/employees on the values and culture of the company is regularly needed in order to embed them in the daily praxis. (Book by Divya Singh & Christoph Stückelberger, "Ethics in Higher Education. Values-driven Leaders for the Future")
- The virtue of honesty is also important in corporate communication. Everybody knows and understands, that values and benchmarks are sometimes violated and that companies cannot be perfect and saintly. An honest communication of dilemmas, improve integrity and reputation and reduce risk, that media and courts finger point on the violation of values, norms and standards.

A value-driven corporate culture is a big chance and asset for a Board and its company! ■

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