Challenges to Planning and Strategy in the 1990s
GLOBALIZATION AND INTERNATIONAL ORGANIZATION

The Changing World of AIDS
WE ARE ALL AT RISK

How to Lead People
AN ANTHROPOLOGICAL PERSPECTIVE ON AN MBA EDUCATION

Making NAFTA an Economic and Social Compact
IMPROVING THE STANDARD OF LIVING

Healthcare Reform
SUPPORTING AMERICA'S VISION

The Future Energy Policy
COOPERATION IS THE KEY

Corporate Writing: The Color of Gray
PRESEVING YOUR PASSION AMONG THE PINSTRIPEs

The Workers' Compensation Dilemma
AN INSURER'S PERSPECTIVE

The Challenge of Change
BUILDING A NEW COMPETITIVE SPIRIT FOR THE 21ST CENTURY

Public Relations in the Year 2000
PROSPERING IN ITS PRACTICE

Michael F. Oppenheimer
Executive Vice President of the Futures' Group – Page 130

John Lee Clowe
President, American Medical Association – Page 135

Karen Stephenson
Anthropologist Professor, University of California – Page 138

Augustine P. Gallego
Chancellor, San Diego Community College District – Page 141

P. Roy Vagelos
Chairman & Chief Executive Officer, Merck & Co., Inc. – Page 143

Charles J. Dibona
President, American Petroleum Institute – Page 147

Lionel L. Fisher
Communications Consultant and Author – Page 149

Douglas W. Leatherdale
Chairman and Chief Executive Officer, The St. Paul Companies – Page 151

Ralph S. Larsen
Chairman and Chief Executive Officer, Johnson & Johnson – Page 154

Fraser P. Seitel
Senior Counselor, Burson Marsteller – Page 157

IMPARTIAL • CONSTRUCTIVE • AUTHENTIC

THE BEST THOUGHT OF THE BEST MINDS ON CURRENT NATIONAL QUESTIONS
even further and predicts 120 million will be infected by the end of the decade.

Forty-two percent of those will be in and near Asia — most of them women and children. And unless there’s a sudden breakthrough, virtually all of them will die. Hundreds of thousands of them along the Pacific rim. In Southeast Asia, Burma, and Thailand, where several million foreign tourists every year have triggered a veritable explosion of HIV and AIDS.

In 1985 in Thailand there were only five reported cases of AIDS. Today, health experts estimate as many as 300,000 carry the AIDS virus.

Of particular concern is a new and unusual strain that’s been identified in northern Thailand. One that’s strikingly different from other HIV viruses. One that seems to hit heterosexuals and IV drug users especially hard. And one that world health officials fear may spread to other countries in this region of the world.

This is the danger — as I see it. No matter how far removed geographically, politically, culturally . . . no matter how isolated from the danger we may think we are, every country, every society is at risk. Our planet simply has grown too small for any of us to be immune.

I’m acquainted with the Japanese idiom: To eat from the same pot. When the pot is full, we all are well-fed and happy. When the pot disappears, we all go hungry.

And in the world of medicine, when the pot is diseased, we all suffer.

It is up to the community of nations to protect our global pot from pestilence. And it is up to the community of medicine to help our leaders understand the full extent of the threat.

We all have a role to play. Whether we’re in medicine, government, business. We all must take an active role, because we’re all at risk.

I don’t mean we’re all at risk of contracting HIV. But we’re all at risk of forgetting that it’s a virus that causes AIDS.

We’re at risk of offering scorn — rather than compassion. We’re at risk of turning our heads in denial — rather than opening our arms with help. We’re at risk of raising our voices in ridicule — rather than lowering them in dialogue.

As long as we realize that AIDS is a disease of fear as much as death, we’ll keep our sense of mission.

But we must all play an active part. We must take a stand. The entire family of man is affected by this crisis.

I would wish that as we suffer together — that just like a family — we’ll work together. Hope together.

And through it all the doctors of the world will help the families of the world become healthy again.

Thank you very much.

DOMO ORIGATO.

How to Lead People

AN ANTHROPOLOGICAL PERSPECTIVE ON AN MBA EDUCATION

By KAREN STEPHENSON, Anthropologist Professor, University of California

Delivered to the 1994 MBA Class During Orientation at the Anderson Graduate School of Management, University of California, Los Angeles, California, September 24, 1992

HERE YOU ARE in your first week of a two-year educational experiment that may dramatically change your lives. I suppose that you have a pretty good idea of what you will be learning here. Just what kinds of professors do you expect to have as your teachers? What do you imagine to be the intellectual disciplines of the faculty at the school of management? You are probably thinking of accounting, or marketing, or finance, or economics. Some of you are thinking of mathematics and psychology. I bet not many of you are thinking of anthropology. Well, I am an anthropologist. Now what are you thinking? Is that drawing a complete blank? Maybe the name of Margaret Mead comes to mind because of her well-known work on the exotic peoples of Samoa. Or perhaps you have heard stories about a tribe called the Arioi in Tahiti. Members of this tribe are divided into seven classes or grades, distinguished from one another by taboos which grow increasingly more complicated as one rises in the hierarchy. Whoever wanted to join this tribe would have to dress in an unusual style and behave as though mentally deranged. Does this remind you of any familiar business rituals? Let me add that after the initiate was incorporated among the Ariori, his name was changed and he was required to kill his children.

Or take the example of the leopard-skin chief of the Nuer in Africa. If you dispute the chief’s words, you must do so respectfully by first spitting into the chief’s hands as a sign of good will. That seems pretty exotic to us. But imagine what the leopard-skin chief would think if he were to visit a board room of a modern corporation. He would see elders of a tribe milling around a huge polished wooden slab, shaking hands and pounding each other on the back. The men would all be dressed in the same weird costume — business suits, white shirts, black polished footwear. To the leopard-skin chief the only apparent difference in their costumes is that some men support their loin clothes with belts and others use suspenders. He would be astounded and discomfited to see females at the board room table, but he would be pleased that when the females spoke, their voices were drowned out by the bleating of the males. The leopard-skin chief would also notice that this tribe had a chief. He would wonder what gods this corporate chief prays to, how he pleases his ancestors, and how he assures victory in battles with neighboring tribes.

That’s the first lesson of anthropology. Almost everything we do is culturally determined. The goal of anthropology is to make us aware of these influences. To do this we must make a journey, figuratively speaking. We must view the institutions in which we live from the same kind of far-
away perspective as would the leopard-skin chief. Our challenge is to “detach” from our cultural comfort zones and to see from this fresh perspective that the managerial practices which may seem entirely natural and unworthy of special scrutiny are in fact culturally determined and chock full of ambiguities. This will not be an easy assignment.

Adopting a genuinely fresh perspective is not an easy task. Players in the boardroom drama sort through a complex web of norms, behavior and perceptions. To paraphrase Margaret Mead, what people say, what they do, and what they say they do are three entirely different things. Today I am going to share with you three real life stories which illustrate these cultural ambiguities and what we can learn from them. From this knowledge flows power, power we can use to change institutions and to fundamentally alter their course.

The first drama takes place in a financial services company that catering to the privileged client. Jim Wilkinson was an unusual CEO. He was well respected for his business insights yet maligned for his management style. After a profitable five years, Jim, steeped in his own success, promised his board of directors still higher profits. By the fourth quarter, it was evident that the company would not meet this target.

Chris Stanwick was the senior vice president responsible for the firm’s investments in real estate. This area had been especially hard hit by a fickle market. Jim was quick to seize the opportunity to use Chris as a convenient scapegoat for his own management failures. Every Monday morning in the executive steering meeting, Jim shot fifty questions at Chris in rapid fire style, leaving little or no air time for Chris to respond. Dumbfounded by this treatment, Chris kept asking himself, “Why is he picking on me?” It didn’t seem to matter how hard Chris tried to please Jim, nothing would satisfy him.

Not long after this ritual hazing began, Chris would work all night in anticipation for the Monday morning meeting. Finally, the anticipation and worry became so great, he couldn’t sleep at all. After the morning thrashing, he would go home to recuperate. Finally, after a month of Monday mornings, he didn’t come in to the office at all. Jim wouldn’t hear of it! Chris’s presence at the Monday morning meeting was critical. That same morning there was no answer at Chris’s door when a messenger, dispatched by Jim, rang the bell. Walking to the side of the house, the messenger peered through a window to discover Chris slumped forward over his desk in the study, arms resting in his lap, wrists slit, sitting in a pool of blood. When confronted with this horrific news, Jim’s response was, “If you can’t take the heat, get out of the kitchen!”

Contrast this to Margaret Mead’s study of the Tchambuli of New Guinea. In this tribe, it is considered necessary that every Tchambuli boy should, while in childhood, kill a victim. For this purpose, live victims, usually infants or young children, were purchased from other tribes and sacrificed so that young children could be initiated into the cult of head-hunting.

The experiences of cooperation, solidarity, rejection and mistrust are shared by all peoples, whether triumphantly marching into the village after a head-hunting expedition or sitting in a board room surrounded by bronze busts of corporate patriarchs. A chief in Melanesia, a CEO of a major corporation or a general manager all have in common the challenge of leading and managing people. A fundamental question we must ask ourselves is “Will that leadership be so constrained by the grip of the institution that leaders exercise bad judgement and fail to see both forest and tree?” We have pity for Chris and are angry with Jim. Our anger is a two-edged sword. On one side, we experience righteous indignation. On the flip side, we harbor the fear that Jim, like Conrad’s heart of darkness, beats inside all of us.

Perhaps the second story will help us better understand and appreciate how exotic behaviors are adopted and tolerated. This is a story about a medical student. In one sense, he is just like you, training to become a professional in his field. I am going to share with you a predicament he experienced in his training. He most likely will relive it again and again. His story is a metaphor for your experience here.

I began interviewing Jason Singer in 1986. I interviewed him 3 or 4 times a year for four consecutive years. In 1989 as a third year medical student, Jason told me about a recent event which deeply disturbed him. I will read to you excerpts from his interview transcript.

“Well... let me tell you about one patient who I have now, who I’ve been thinking about a lot recently. He’s a 55 year old guy with horrible, horrible cancer. He’s a very wasted man. He had laryngeal cancer. He had it spread to his lungs. He now has a tumor compressing on his liver and his vena cava, so his legs are really bloated. He truly is a very sad person. So I admitted him because he needed platelets. He came to the hospital because he needed a transfusion [but] it’s a setup for infections... [My] thinking was ‘Is this guy going to get an infection... [because] he’s not going to come in with a huge hacking cough or shaking chills or fever. He’s not going to have pus anywhere, he’s not going to have anything swollen. He’s just going to be a little different in a subtle way and how am I going to pick this up to give him antibiotics if he needs them.

I would go by to see him every day, and he was pretty good. But I walked in yesterday, and in the morning he had a temperature of 99.5... so this is bad news for him. He is ill-equipped to handle this... if this is an infection. And I just had the most... I was just thrilled that it had happened. And I’ve just been thinking about it ever since. I was just excited. My heart skipped a beat. ‘It’s happening,’ I thought. I mean, what I’m really saying is something really serious is happening to this man; he may die; he may die in the next 3 or 4 days. I just thought, ‘Oh boy, here we go!’

I’m going to have to tell his family sometime, who I’ve gotten to know over the past few days. They’re wonderful. He’s gotten worse and I’m just dreading talking to them. I’ve talked to them in sort of very technical ways. I could see them getting upset as people started to run in and out of his room and things started to get a little bustle and bustle... So I did talk to them... but I did in a very safe way for me. I sort of talked about his white cell count, I talked about his chemotherapy, I talked about his temperature. I didn’t talk about outcome, even if he were my
patient, because I couldn’t handle it.

But I still got a little shaken by this skipped beat I had, this thrilling feeling I had when this guy started to go down. One unattractive hypothesis I’ve come up with is that it’s sort of feeding whatever voyeuristic tendencies I already have. One of my great satisfactions in medicine is just to be there when these tragedies happen, just for the intensity of it. And I’m not at all pleased at the possibility that that’s what’s going on. I don’t know if that’s the only reason. But I think there’s an element there of just wanting to experience that moment, [to live] through other people’s tragedies, pains, and having that somehow sustain you a little bit. I just think that’s so horrible. It’s very unsettling, and I don’t think it’s natural.

I just kept feeling ‘This is wrong,’ but I was just thrilled by it. I think there’s an element of just wanting to be there when this tragedy happens and wanting to know the family, and have them look at me. Be involved in a strange weird way. I think that’s preying on them somehow at the moment when they’re just vulnerable. I just think it’s vicious. Maybe something will happen; maybe this man will die.

It’s sort of like this feeling . . . this poor family is out there, and I sort of get to walk out of the room very tall, having just taken blood cultures. They need me to understand this situation, and I just feel like I’m going to give them word of god as I explain to them the situation. It’s a very self-important role for me. I am just at the center of this situation. I don’t think I’m ever going to be able to convince myself that it wasn’t because that I wanted to be a big shot, that I wanted to be a star at this point, and that I was somehow using this family to feel that way. I’m just going to have to deal with that. I don’t think it’s at all fine.”

One year later I interviewed Jason again. This was his response:

“But it was this whole process of feeling that they needed me to understand their father and their husband and a sort of feeling of being really a very empowered person that made me uncomfortable. And it is interesting that it didn’t correspond to anything I can identify with as trying to hold something over them or trying to manipulate them. [But] the whole feeling felt manipulative.

I thought why in the world was I getting so much satisfaction [out of] being the intermediary between them and this man that was dying. They needed me to understand what was happening, he needed me for the team, I was the most tangible part of the team for care. The feeling was that this is exactly where I wanted to be in these people’s lives. It felt like voyeurism, it felt unfair. And it was a feeling that I liked. I really got a thrill out of it. I remember I felt my heart skip a beat. It’s time to go to work. [And] it was. It was important what I was doing. [But then] it caught me, why in the world are you having the happiest night of the week and it is the saddest part of their year.”

And Mr. Prado, the patient died.

Sitting in the audience, I can hear you asking yourselves, “What does this story have to do with me?” I’m not a doctor, I don’t take care of people. This isn’t my job. I suggest you are mistaken. To compare the first and second stories is to juxtapose the concepts of the social and physical body. If it were only this simple comparison, it would be banal. There is more. As I analyze Jason’s case, listen and see if these ideas apply to you.

People often talk about a “balance of power.” This is a myth. Every human system has some element of hierarchy. In hierarchical systems, there is no such beast as a “balance of power.” The phrase is an oxymoron. Rather, the _bête noire_ is institutional power. In common parlance, this is called the golden rule: he who has the gold makes the rules. What power Jason possesses comes from being an agent of the institution.

Jason can’t see how the institution of the medical school and the hospital are constraining his actions. It is the hospital and medical training and AGSM that authorizes Jason and you to make decisions, run tests, talk and walk tall on behalf of others. It is the institution that places Jason as an agent between the family and the patient; it is AGSM and the corporation that places you between stockholders and the local community. In this regard Mary Douglas, an anthropologist, shakes an accusatory finger at all of us. She writes that when our institutions are doing our thinking for us is precisely when we most feel like congratulating ourselves for being free-thinking individuals.

In order for Jason to become powerful, he must relinquish his individual agency and proffer it to the host institution, the hospital, in exchange for authorization. We all do this when we go to work, follow orders or issue orders. By relinquishing his agency, Jason becomes an agent, that is, a doctor acting on behalf of the hospital. The bitter irony is that in doing this, Jason also becomes the object of the hospital, that is, he is compelled to act in certain ways because he is being acted on or trained by the institution.

I wonder how long Jason will remember this event under the cumulative weight of patient after patient after patient. I wonder how long Jim will remember the loss of Chris. I wonder how long you will remember your first layoff after you authorize many more? Initially, Jason felt uncomfortable. Soon Jason will come to justify the reasonableness of his actions and in so doing, reinforce the “naturalness” of these cultural rules. For better or for worse, both Jason and Jim adjusted their behavior and harmonized their preferences to fit with the roles of doctor and CEO. When this is done successfully, our organizations wield a power that is hardly noticed and little dreaded. We inadvertently collude because there is no other way to make important decisions except within the scope of the institutions we build and maintain.

I wonder if we can ever be free from this form of collusion. Traveling in the United States during its early history, Alexis de Tocqueville wryly commented that people let themselves be carried along unresistingly by every movement of the body social. In closing our eyes and turning away from painful choices and admissions, we become, not like Mr. Prado but more like Jason, unconscious patients, asleep at the switch, letting the institution work upon us till in the end we are molded to its desire. Can we ever escape the long fingers of institutions as they reach into our individual lives to influence the decisions we make? As a partner with our institutions, is there no way we can change them?
Throughout history, many solutions have been offered. Among the more memorable is Karl Marx’s decree of “Revolution!” A generation later, the philosopher Simone Weil counter-argued that revolution does nothing but simply reverse the positions of the oppressed and the oppressor. To prove her point, she left her wealthy Parisian home to work on the factory floor, only to subsequently confess completely disillusioned that “Work was like death.”

Another false solution that neither Marx nor Weil foresaw was the growing familiarity with machines in the workplace – information technologies. Here another form of bureaucratic phenomena arises: new technologies dazzle, but they also tranquilize at the same time. People serving smart machines may lose critical judgment. Assimilation rather than reflection diminishes the capacity to discriminate, to question, to decide when to say no and, just as important, when to say yes. Overcome by technological convenience, individuals may forfeit careful analysis and float down channels of least resistance.

Never was the human dimension more critical to the success or ultimate failure in our economy than it is now. How people feel about themselves, each other and the institution’s mission is closely linked to their capacity to sustain high levels of intellectual commitment and personal motivation. Traditional relationships between domination (manager) and subordination (worker) by which industrial work was initially socially organized are gone. We are the maestros, we must recognize emerging options and improvise. We must orchestrate the transformation of a work place to become a learning environment where collegial relationships and dialogue are commonplace.

But here we have a dilemma! If we start out by being firm traditionalists, that is, convergent thinkers, bound by institutional thinking, how can we become makers of new perspectives and create alternatives to “what is?” Perhaps this final story can help us search for an answer. It is why we are here in this auditorium today.

MBAs are like sea turtles. MBAs, like sea turtles, are hatched by the multitudes from business schools around the world only to perish moments later. As they flop frantically from the beaches to the relative safety of the sea, many are gobbled up and picked off by predators and competitors. The few that survive, seem to live long, endless lives. I wonder if the Anderson Graduate School of Management MBA will be one of these?

You see, I am worried about the future. I know that in the last decade we have hatched sea turtles that have no viable progeny today. Maybe it is all the industrial waste or the depletion of the ozone layer that has led to this contamination. Whatever it is, we are hatching more eggs than ever before, but most of these sea turtles are flopping aimlessly on the corporate shores, kicking up sand, producing nothing at all. Some have enormous bodies, others have deformed limbs. Still others are born without heads.

To survive, an MBA must have a head for business and be knowledgeable about competitors, global strategy and markets. It also needs a healthy body, that is, technical and technological skills on how to run a business. And it will not get far without a set of strong legs to connect it firmly to the ground, that is, human skills. How does one empower people to do work? Historically, MBAs have had an attractive head and a beautiful, simple body. But I wonder how they got to the sea without any legs? With a small head or a weak body or hardly any legs, MBAs will not survive for long.

What I have seen out there for the last ten years are lots of deformed MBAs flopping on the beaches. The problem has been that business schools have been reckless: hatching MBAs that are having a good time without giving one iota of concern to the descendants of their bad business practices.

This will be your job. You are part of a new breed, the offspring of an aggressive initiative taken by business schools that have at last recognized that behind every number on the bottom line is at least one person, if not a team of people.

Don’t wait until you graduate before you sink your teeth into the task of changing business institutions. Try sharpening them on AGSM. Find out here just how difficult it is to change institutions. While you are here, make this a better place to go home to.

Remember, learning skills tell you how to do things. Understanding ideas makes you question why you do things in the first place. Ideas open our minds to different ways of thinking and doing. Ideas inspire. And you must be inspired if you are going to lead people.

---

**Making NAFTA an Economic and Social Compact**

**IMPROVING THE STANDARD OF LIVING**

By AUGUSTINE P. GALLEGOS, Chancellor, San Diego Community College District


EXPERTS DISAGREE on whether the North American Free Trade Agreement will be a boon or a bust. But that shouldn’t surprise anyone. As Franklin Delano Roosevelt once said,

“There are as many opinions as there are experts.”

And, although I am not an economic expert, I do have my own opinions on NAFTA and the hurdles we must overcome for it to benefit both Mexico and the United States. Implications of NAFTA on the relationship between Canada and the U.S. seem to be far less problematic.