



# ENLIGHTENED LEADERS

Re-introducing Human Principles  
into Business

Penny Sophocleous

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RE-INTRODUCING HUMAN PRINCIPLES  
INTO BUSINESS

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## ACKNOWLEDGEMENTS

Thank you to all my clients - more than a thousand of you - who chose to work with me. This book could not have been written without you. It was because I heard your thoughts, felt your feelings and understood the conflicted dynamics of your work that I came to perceive the struggles that many of you were having, trying to be enlightened leaders in an un-enlightened environment. I would like to think that this book could help bring more of us together, to make a constructive difference in the business context.

Thank you to all the people not my clients, who gave generously of their time and contributed their perspectives, including those whose organisations promote a very different ethos to the one I propose here, as well as those from the John Lewis Partnership, Arup, Norton Rose and Madgex. Thanks to all of you for your time, your courtesy and honesty.

Thank you to my friends who supported me to bring this book forth, Sheila Harrison, Gail Hugman, Gill Huyton and Anne Snow. And especially to my buddy Debbie Glinnan who kept me on track, week by week, thanks! I'm grateful to Evelyn Kharag for permission to use her art on my front cover. Thanks also to my family members who prefer I didn't mention them, but who were there giving me practical feedback and encouragement. To you all, thank you!

## ABOUT THE AUTHOR



Penny Sophocleous is the founder and Managing Director of Corporate Alchemy Limited, a people development company providing executive coaching and training to executives and managers of FTSE 100 companies, multinational and professional services organisations. She has worked one to one with more than a thousand senior executives from 75 different organisations. Since 2003, she has led a team of associate coaches, trainers and psychometric consultants, delivering in-depth training and personal development programmes focused on developing the inter-personal and humane skills that build effectiveness, confidence, capability and healthy environments.

Earlier in her career, Penny worked in the City of London financial services industry, working for international banks,

including Chase Manhattan, as a marketing specialist in investment banking, providing a range of capital market products and services. She worked closely with senior executives, CEOs and CFO's worldwide, helping them raise finance in the Euromarkets. Her roles involved international travel (to over 32 countries) giving talks, presentations and seminars as part of the sales and marketing activities. She also worked at the London Stock Exchange, as Listing Manager in the Capital Markets Group. Between 1999 and 2002 she provided management consultancy services to small and medium sized businesses.

Penny professionally re-trained as a business coach in 2002 and became accredited with the ICF as a Professional Certified Coach. Her other business credentials include being a Fellow of the Institute of Leadership and Management and a member of the Institute of Directors since 2000. She is an accredited Emotional Competence Inventory Consultant for Hay Group and accredited Performance Consultant for Talent Dynamics.

She has provided confidential in-depth coaching and mentoring to Board level executives in FTSE 100 companies, senior Directors and managers in European multi-national companies, engineering consultants, lawyers and accountants in national and international firms. These have involved solving personal, systemic and process problems affecting the national and international nature of their business.

She is a trusted adviser to many leaders who use her services repeatedly, for themselves and their teams. Her unique humane approach has helped businesses grow their people and their business by an average 30% during the time of her assistance, both in terms of people and new income.

She has experienced from the inside the nature of people and systems in financial services firms and has experienced first-hand the thinking, attitudes and alignments of multi-national corporate organisations.

Through consultancy, coaching and training she has helped people make the needed changes in their organisation.

## REVIEW

*“This is a fascinating book full of interesting anecdotes of how NOT to run a business and a model for good business. Every manager, director, VP, CEO and shareholder of all companies must read this book, take these gems on board, not just because it is the right thing to do, but because it simply makes good business sense. It provides a model for business in a future that has arrived.”*

Chris Moore,  
Former CEO of Continental Datagraphics,  
a Boeing Company

*“Penny observes that the leaders of our top 1000 enterprise Corporations, hold the key to a better world. Her book Enlightened Leaders calls upon leaders everywhere to use their personal power and that of the people that comprise their organisations, to value Integrity, Trust, Truth, Respect and Fairness over pure profit. Penny sees these as the Principles that control and determine actions.”*

*“Successful companies of the future will align the values of their Staff, their Customers and their Brand. If you are running a business and are looking for sustainable competitive advantage in a fast changing world Penny Sophocleous’ book Enlightened Leaders, is a different look at leadership, that will provide your organisation with a moral compass that should line up and drive your decision making process. In a Post Volkswagen Scandal world it is a must read for decision makers everywhere.”*

Nick Brown,  
Chairman Welwyn Hatfield Chamber of Commerce

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# ENLIGHTENED LEADERS

## RE-INTRODUCING HUMAN PRINCIPLES INTO BUSINESS

### INTRODUCTION

Over the last 400 years, corporations and the people who lead them seem to have gradually forgotten that the ‘value to shareholders’ they are all ruthlessly chasing is actually delivered by human beings, for human beings and within communities of human beings — each and every one of whom needs to be treated as such — with Truth, Respect, Trust, Justice and Integrity.

Today it seems those humane principles of Truth, Respect, Trust, Justice and Integrity are in short supply outweighed by the pursuit of money above all else. It seems that our business world has become characterised by fraud, lies, exploitation, internal corruption and failures of integrity, affecting even our premier brands (Tesco, Credit

Suisse, Barclays, Volkswagen, General Motors, Royal Bank of Scotland).

This book is my contribution to redressing that balance.

In the book;

- I outline the need for a new business code.
- I propose a model for that new code, based upon five human principles of Truth, Respect, Trust, Justice and Integrity and a new alignment of Power.
- I explain each Principle and how it works when it is applied and when it isn't.
- I examine the issue of Power and how it can be re-distributed, rather than abused.
- I give a couple of examples of successful corporations who buck the trend of 'money first and foremost' to live by these human principles AND deliver increasing 'shareholder value'.
- Finally, I give some ideas on how to start to implement these principles as a leader in your own business.

*'Altruism, generosity, solidarity and civic spirit are not like commodities that are depleted with use. They are more like ourselves that develop and grow stronger with exercise. One of the defects of a market-driven economy is that it lets these virtues languish.'*

Michael J. Sandel, in  
'What Money Can't Buy'.

To renew our business life, we must exercise our human principles and their accompanying values more strongly!

Professor Sandel also says *"economics, concerned as it is with the desire for gain, does not deal with the noblest human*



*natures*" and it is so for business. But in this book I challenge this position and ask, why not?

Why can't we have a drive for humanity and also financial gain – and in that order? Why can't we have leaders that lead for business advancement AND lead for humanity? I suggest that enlightened leaders will need to do both to create organisations that won't become obsolete; for the signs are already appearing that the rules of successful businesses are changing. New models are appearing that are demonstrating new governance structures, creating more fair and equal distributions of responsibilities, accountabilities and rewards. Leaders are invited to see better ways to lead. And if some can't yet, they can learn how to, so they can.

## Chapter One

# THE CURRENT BUSINESS CODE

### How Did We Get Here?

Over the last four hundred years the corporation became a significant source of jobs and finance for people. Over that time, it has steadily encroached its power base and tentacles into people's lives, their homes, the capitalist system and markets.

The market economy and our consumer society have been built upon an ethos that puts money and profit the number one priority of all business. The pressures to deliver "value to shareholders" — ie., money, economic reporting and meeting the rules and regulations of the corporate body have overtaken whatever primary reason or purpose the organisation was first established to accomplish.

Today the majority concern and focus of conversations going on behind closed doors at Executive and Board level in global corporations (based on conversations with multiple executives of FTSE listed companies), are about costs, revenues and profit margins.

Publicly listed companies' shares are bought by shareholders who have little or nothing to do with the companies they own, other than an interest to increase their shares' value through capital appreciation or to receive ever increasing dividends. This narrow focus has concentrated a message to executive teams that they must continuously