

Civic Business

Case Study Framing Document

Civic Business Identity Statement:

Civic Business builds the capacity of business institutions to develop active citizen leaders within their organizations. Civic Business does this in partnership with other demonstrations of the Midwest Active Citizenship Initiative to renew and sustain democracy and to create a world that is abundant and just.

Civic Business is a demonstration of the Midwest Active Citizenship Initiative. (MACI)

The Midwest Active Citizenship Initiative (MACI) Identity Statement: The Midwest Active Citizenship Initiative (MACI) is a cross sector base of institutions whose members organize a *new basis* and *base* for policy making that places the obligation to govern justly and wisely, in the roles we all have as citizens. This obligation, democratic and human, transcends other legal understandings of citizenship. *Members advance a MACI-Dem Civic Policy Agenda and use a civic organizing approach (model) to achieve this purpose.*

This document is authored by members of the Civic Business Demonstration who have produced specific case studies using the elements that guide a MACI Case Study.

The Civic Business Case Study is guided by the following elements:

- **Need for change** in the way governance is imagined, structured, and implemented within business systems.

Business has a scale of impact in our democracy that makes it especially important to develop a sustainable inter-generational way for companies to thrive while contributing to sustaining democracy as a just system of governance.

- **Proposed Solution Strategy-** The Civic Business Model defined by 3 governing documents:
 - *Civic Business Policy Agenda* calling for business to invest in civic leadership development in response to the stated need.
 - *Jurisdiction Governing Document-* provides the framework for advancing the agenda in a jurisdiction as part of a larger base of institutions sharing the same purpose and obligation representing other sectors. (Midwest Active Citizenship Initiative)
 - *Criteria for Membership* which provides the basis for determining if the Civic Business Model meets the need while producing sustainable business practice. Criteria are also the basis for accountability and governance within the larger Midwest Active Citizenship Initiative. (MACI)
- **Evidence** is produced through membership in the Civic Business Demonstration-MACI base. Members' advance the Civic Business Model within their institution and track the value of investment in civic leadership development as it relates to achieving business goals. Outcomes inform yearly updates to the case study.

The Need for a new approach to governance within business organizations.

Many individuals would argue that the current way we imagine, structure and do politics leads to behaviors that are personalized, used to attack through rumors, emails and other social media, and that result in polarization, narrow self-interest, lack of accountability, and the inability to produce sustainable policy for the common good. There is a lack of trust of anyone or any message that does not reflect our partisan position.

So where are these attitudes and behaviors formed, and rewarded? We argue our political perspectives are formed in the places where we spend our time—in our family, our faith, our community, in schools, and in our workplaces.

Many business leaders (as do many leaders in all sectors) admit they find the above behaviors in their business cultures and that these behaviors are barriers to achieving sustainable business goals. However, business leaders most often would not assume that this is a *political problem*. Most often business leaders spend their *political* agenda on arguments that frame problems as too much government regulation—too many taxes—too much hindrance to their freedom and capacity to grow, produce goods and services, and profit they argue is good for everyone.

While most business leaders can agree that *too much regulation* hinders business freedom which is bad for business and therefore bad for the larger society, there is not a collective stance or agenda on what would replace regulation as the means to establish accountability to the public good in each generation in order to reduce reliance on stifling regulation.

The lack of imagining the problem of accountability within business institutions as a political and public policy issue shared by all institutions in all sectors, is a missed opportunity for finding common political ground for the obligation for leaders in all sectors to establish institutions as the places where individuals develop the civic imagination, capacity, and will to work together on the complex public issues that threaten democracy as a viable form of governance in the 21st century.

In fact, there is a link between how a good business can contribute to building a good democracy. The argument starts from how many business leaders attribute their particular success which includes staying true to aspirational principles (higher purpose), investing in their employee base, creating an institutional culture in which creativity, innovation and change is expected and rewarded, shared governance, and contributing to philanthropic efforts that aim to build community well-being. They invest a great deal of time and development dollars in research, salaries, benefits, and continuing education to increase technical and leadership capacity in service to these principles. All this is good and compatible ground in which to build a more intentional approach to linking good business development with civic development.

By civic development, we mean developing the capacity of “the people” in a business and in a democracy to be the basis for good governance in this time when the public problems are complex and global in nature and the delegation of ensuring the common good cannot be delegated to government or to “the boss”.

At a time when the need for better governance could be a common agenda, there are barriers to doing so.

The primary barrier to having that conversation is the way policy is currently imagined, structured, and enforced. Policy makers are understood to be elected officials, and members of boards. They are expected to define problems that impact the common good, determine and delegate solution strategies, establish the basis for accountability and govern the process. The rest of us are expected to vote, contribute taxes, comply, or protest. We are living the consequences of this outmoded way of imagining and doing policy including an eroding capacity to address the complex issues faced in current conditions.

In addition, the way we imagine and structure leadership in general is a barrier. Individual leadership is often promoted as the primary solution strategy. It is grounded in personal charisma or style or method and is assumed to be “the agency” for change. In business the combination of personalized leadership and financial ownership of the business is the agency for producing good business. The reliance on personalized leadership not only hinders the goal of producing a sustainable inter-generational business but leaves out the need to teach and develop the relationship between a sustainable business, an engaged and accountable work force, and contribute to producing a sustainable democracy.

By definition, the concept of personal leadership is unsustainable, and it by-passes the political and civic language, mindset and skills that forms the basis for accountability to the democratic obligation to govern for the common good—an obligation that needs to be extended to all.

In addition to the barrier of reliance on personalized leadership, is how businesses are structured. Many are organized within the same strict hierarchy and bureaucratic structures that mirror government bureaucracy so despised by business. Specialized units defined by specific tasks become “silo’s” rewarding members to delegate the need to produce an effective, innovative, just business culture to the *final governor* -the boss. Others may promote more collaborative leadership and governing approaches but do not link these functions to the universal civic identity, language and obligation for citizenship to be the basis for good governance in a democracy. This is a missed opportunity to expand the investment in development done by good businesses to the identity and good practices of citizenship developing the larger civic imagination and culture needed for business to thrive.

Finally, business values and skills are often framed as good for the whole society at the same time there is evidence, those assumptions need to be challenged even as they relate to sustaining good businesses, let alone good nonprofits and governments. Commitment to developing civic leadership in name and practice, provides an opportunity for business leaders to contribute to the need for a new imagination for governance for the common good that includes the best of what business leadership offers in producing the common good. (See examples from the many leadership development approaches business thinkers and leaders have produced and that civic organizing has borrowed in service to civic leadership development.)

Summary of the need for change in governance applied to the business sector

- Need for business is driven by service principles-meeting needs, expertise, creativity, quality, excellence, timeliness, customer service, and consumption and do not promote mutual obligation and do not have any association with politics yet it is the approach that organizes the vast amount of imagination and resources within society and is separated from the principles of democracy, the need for justice, or the obligation to govern for the common good. These principles foster narrow self-interest, immediate gratification, and the capacity to consume. Power is hierarchical leaving the majority without any governing obligation. Expertise is focused on immediate problem-solving vs. organizing governing capacity. Leadership development focusses on personal and technical skills.
- The role of defining business needs and goals is done by owners, management, experts, consultants and consumer groups.
- Company policies support individuals to produce products or services vs. self-governance. Behavior is regulated (i.e.. written up, fined) vs. investing in developing capacity to govern.
- Business has a scale of impact that makes it especially important to develop and institute a sustainable inter-generational way for companies to develop civic identity, language and practice needed to be what many imagine they are and should be. Leaders need to see their role as civic leaders who are required to work across lines of difference in order to determine and achieve goals that benefit the common good.
- There is evidence that many business leaders aspire to producing a just and sustainable democracy as part of organizing a sustainable business. They lack a model that integrates best business practice given 21st century realities with civic language and a common method for working with leaders from other sectors who share this same purpose.

Proposed Solution Strategy to Meet the Need. The Civic Business Model re-imagines the current approach to policy making. Policy making is understood to be grounded in the sovereign right and obligation of citizenship in a democracy. To give the assertion practical application we argue the mind and skill set needed to govern for the common good should be developed in all institutions-including business.

We know this is counter to the current way of imagining policy, and the way the function is structured but the current crisis in governance suggests the time is right to broaden the basis and obligation for policy making. The mindset and skills needed to do so is compatible with producing a sustainable business and a sustainable democracy in our current economic, environmental, social political reality.

The Civic Business Model goes beyond existing approaches to building “democratic” workplaces reflected in the current imagination that democracy is grounded in “voting” and in the ultimate capacity for financial and legal ownership. These practices are compatible with a civic business but the focus for organizing a civic business is on investment in the mindset, obligations, and practices identified as *active citizenship*-governing for the common good. Civic development is done within the day to day function of governance within business systems.

Civic leaders within a civic business, address the political reality of polarization, isolation, and dysfunctional behaviors within their system using an intentional *civic* political model that can be integrated into daily operations. All members-starting with the boss-and management-and members of the business organize a governing infrastructure grounded in civic principles-standards, and practice that become company policy, applies to all, with rewards and sanctions that aims to sustain a civic culture.

In the process all outreach activities related to internal roles (including interactions with union leaders and processes, vendors, community leaders) are guided by civic principles and standards. There is evidence this model produces greater reliability and public trust between stakeholders with competing interests by cultivating a common knowledge and obligation to produce the common good.

Key to the model is reclaiming the function of governance in the language that defines the model.

Principle-governing rule of conduct. Civic principles focus on the capacity to govern for the common good.

Policy • a principled course of action. Civic policy making is grounded **in civic principles** to sustain and produce hoped for behavior and outcomes that develop the capacity to govern within the realities reality of a complex 21st century democracy. .

Democracy • rule by the people Ruling or governing occurs in the tension between democratic principles that apply to all-each are good-but each are interdependent. Each are perceived differently depending upon one’s perspective which means that democracy is a process not a given:

Conscience — Law
Freedom — Equality
Diversity — Unity
Private Wealth — Commonwealth

Individuals and groups define “goodness” from their particular perspective. The *common good* or *equity* is found in the negotiated tension between self and different (organized) interests i.e. business interests, employee interests, trade association interests, interests grounded in race,

gender, class, or geographic region. The process is political, and it will include conflict. Effective politics produces constructive tension and results in an *enlightened* common good. What is perceived as a common good will change as the society's norms change and as circumstances in which business is done changes. Democracy is therefor always a compromise and always a process never perfectly achieved.

Evidence that the model addresses the need- See specific case studies.