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When your calendar is a moral document: A conversation with Reverend Jim Wallis

The CEO of the social-justice organization Sojourners discusses the imperative for rethinking values in the wake of the economic downturn.



At this year's World Economic Forum, in Davos, Switzerland, the topic of corporate ethics and personal values will take on marquee status as one of the six highlighted pillars of the 2010 meeting. Reverend Jim Wallis—author, CEO of the social-justice organization Sojourners, and Davos veteran—has helped drive the change that moved the issue of values to the core of this year's discussions. In this video interview, Wallis reflects on the opportunity that the crisis affords for reestablishing ethics in our lives and in the marketplace. He also shares some of his Davos experiences and notes how his conversations with CEOs there about ethics in business helped set the stage for his latest book, *Rediscovering Values: On Wall Street, Main Street, and Your Street—A Moral Compass for the New Economy*. McKinsey Publishing's Rik Kirkland spoke with Wallis in Washington, DC.

The Quarterly: *Has the crisis reshaped our conversations about ethics?*

Jim Wallis: Well, I had the chance to be in Davos at the [2009] World Economic Forum. And at Davos, there's always talk about social responsibility and social entrepreneurship, social conscience. It's normally, though, a sidebar; it's eight in the morning on the third floor with 40 people.

This time it was in the main hall, and there was a panel called Values in the Market. So I'm talking to all these CEOs, and I just said, "Every morning, we get up in our hotel rooms and we turn on CNN and there's a reporter; same reporter every day. And here is one of you, a bundled-up CEO with the snowy, magic mountains of Davos in the background. And he asks you the same question every day, which is, "When will this crisis end?" And he has a whiteboard, and you make your predictions on the whiteboard.

With all due respect, that's the wrong question. The question ought to be, "How will this crisis change us?" That's the right question. How will it change the way we think, the way we do business, the way we act, our priorities? And how will it change the way we think of our values?

I said, "You know, you all perhaps used to think that you don't have to bring values to bear because the invisible hand will take care of things and make things come out all right. But what happens when the invisible hand lets go of important things like the common good? Or even the values that are inside all of us?"

So we had a great conversation about values. And I have to say, there was tremendous openness and responsiveness. For days, I was having these pastoral, almost confessional, conversations with CEOs who felt like they had lost track of some things and wanted to rethink in a more fundamental kind of way. So this is the opportunity of crisis: the chance to redeem all the pain. If we don't rethink things, all the pain and suffering of this great recession, let's call it, will have been in vain.

The Quarterly: *How would you define the “new normal,” in terms of values?*

Jim Wallis: I think we have to look at this from the point of view of the economy and its relation to other sectors. This was a structural crisis. It was. But it’s also a spiritual crisis. It’s not just about Wall Street. It’s about Main Street and the back streets and your street and my street. For example, I’ve often said that “a budget is a moral document.” I coined that phrase here in DC a while back. Now that’s part of the political parlance. Well, in this whole crisis I’ve been thinking also that a calendar is a moral document.

So I’m suggesting you sit down with your spouse, your significant relationships—what are your priorities, your life priorities? Then look at your calendar and your budget and see if they match up. You may be surprised at how much discontinuity there is.

Let’s go back to the new old values. So, “greed is good.” No, enough is enough. “It’s all about me.” No, we’re really in this together. “I want it now.” Well, let’s call it the seventh-generation mind-set—which the indigenous people have—which is how you evaluate a decision today not by a quarterly profit-and-loss statement only, but by this impact on the seventh generation out. That’s pretty rigorous criteria.

So I think the new normal is going back to some new old values and virtues that are in our hearts and souls and DNA, but we have just not been paying attention. It’s not that there are bad people and good people. We’ve just not been paying attention, and things got out of control and then spun in all kinds of directions.

The Quarterly: *Should the market play a different role?*

Jim Wallis: The market is good as a place. In fact, the market has value in lifting people out of poverty. But the market should not be God. Have we entered into what in theology we call idolatry, where the market has now overstepped its legitimate boundaries and limits? And somehow the market then eats itself up. You know from reading Adam Smith—before the *Wealth of Nations*, *The Theory of the Moral Sentiments*—and reading Schumpeter, how if you don’t have an ethical framework or a foundation or an ethos in which a market functions, the market can eat up everything, including turning on itself. And that’s what we saw.

The Quarterly: *How do you look at the compensation debate through a moral filter?*

Jim Wallis: When you move in 30 years now from a CEO–average worker [pay] ratio of 30 to 1, say, 30 years ago, to, what, 415 to 1 now, does anyone want to say that’s good? That kind of disparity is undermining for the morale, the ethos, the sense of fairness, the sense of a social covenant. A contract has been somehow broken here. There’s a certain level that sort of gets a *Good Housekeeping* seal of approval. When I was in Detroit growing up, people worked

for Ford, GM, Chrysler, or—like my dad—Detroit Edison. And we all kind of knew we were in it together.

There were differences: different pay for different levels of responsibility and risk and stress and all that. Nobody objects to that. But are the 400 wealthiest people really worth as much as half of the rest of the country? Is that good for a society, that kind of tremendous disparity?

So I think that's a conversation—it's a moral conversation, an economic conversation, a kind of health-of-the-society conversation.

The Quarterly: *How do we bridge this conversation in a partisan political climate?*

Jim Wallis: Don't go left. Don't go right. Go deeper. What are the kinds of moral issues, discussions, conversations, choices that lie right beneath our political debate? And in my view, neither side is getting that right.

So we need a conversation that either goes deeper than or transcends politics. It's about: what kind of people do we want to be? We're buying things we don't need with money we don't have. My parents didn't do that. And yet a whole generation has been lured into that kind of behavior by a culture that says your self-worth is because of what you have, what you wear, how you look, your big-dog car, your big boat, your house, second house, third house. This is how we define ourselves as human beings. And that is a spiritual problem, but it led to an economic breakdown.

The Quarterly: *How do we fix all these problems simultaneously?*

Jim Wallis: If we see this metaphor of the three-legged stool as helpful, where there's the market, the private sector, the public sector of government, the civil society, faith-based charitable organizations—somehow these all need each other. But if one part of the stool has come to so dominate, the whole thing falls over. So how do you restore public accountability in a way that doesn't restrict innovation and creativity?

Bill and Melinda Gates were in town just last week doing their living proof about global health and why it makes sense to invest in global health. And Bill Gates makes the smart argument for why this is a smart investment. And Melinda, who's the evangelist—she's so powerful—and they're making also a moral argument. And she talks about the preciousness of human life, and Bill talks about the value of equality as an American value: how getting AIDS in Africa is a death sentence and here it can be solved with the right kind of drugs, and how that's being changed. Well, the combination of the smart argument and the moral argument together is the winning argument. So how do we have a conversation about an economy that is smart, that is moral, and, therefore, can change our behavior?

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The Quarterly: *How do we measure our progress on these issues?*

Jim Wallis: A change in our dramatic inequality would be a real sign of progress. Three billion people are living on less than \$2 a day. That’s half the [global] population. From my perspective, half of God’s children are living on less than \$2 a day. That perhaps is the most important fact in the world. And we seldom talk about it as the fact that affects so much of the rest of the facts. So I think that can be changed.

The kind of extreme poverty that we still see really should be morally intolerable. It’s also not smart. I mean, it really does cost more in the long run. Whether it be in Washington, DC, or my hometown of Detroit, or southern Africa—this is the wrong way to live. So how do we change that?

At the same time, I do think that the inequality question is important by way of a sense of covenant, a sense of fairness. People have to believe that there is some fairness in the way things work. That’s why the banks and the bailouts and the bonuses have become such a bad morality play. And it’s undermining our sense of morale. People feel this is unfair, and they resent it, and they think their society just doesn’t work for them. “Somehow it works for those at the top, but it doesn’t work for me, and I’m mad about it.”

Well, that leads to withdrawal and despair, and it leads to all kinds of confrontation. It leads to no longer a positive participation in society. And I think we can reweave, reconstruct, remake a social contract. And that’s what this crisis offers us the chance to really, possibly, begin to do. 