

Economics, Psychology and Professional Coaching V: Macro-Economics

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Coaching Challenge X: Assessing National Value

GDP (MCO, pp. 330-334)

Negatives (MCO, pp. 343-345)

Alternative models of national value and prosperity

GDP and the Doughnut Economy

Estes (1996) offers substantial documentation of work already being done by commissions (of which he is often a member) that are making recommendation to governing bodies about new accountability structures. We also see this perspective emerging in the call for tax penalties when a corporation moves operations to another country. Estes' advocacy of broader assignment of investment, costs and benefits are evident in this call. Shouldn't corporations be financially responsible for the collapse of local economies when they moved their operations to other countries?

The Doughnut Economy

A similar perspective and set of questions have recently received considerable attention in a 2018 book with an intriguing title: *Doughnut Economics: Seven Ways to Think Like a 21st Century Economist*. Its author, Kate Raworth, describes an economy that takes into account the welfare of all citizens. The doughnut is an image of radiation outward of investments and benefits such as those identified by Estes. Furthermore, the new economic policies envisioned by Raworth (2018) are actually being implemented in a major city: Amsterdam.

Here are excerpts from an article in *Time* (Nugent, 2021, p. 74) that offers a summary description of the doughnut economy and what has occurred in Amsterdam:

Amsterdam's city government announced it would recover from the [COVID-19] crisis, and avoid future ones, by embracing the theory of "doughnut economics." Laid out by British economist Kate Raworth . . . the theory argues that 20th century economic thinking is not equipped to deal with the 21st century reality of a planet teetering on the edge of climate breakdown. Instead of equating a growing GDP with a successful society, our goal should be to fit all of human life into what Raworth calls the "sweet spot" between the "social foundation," where everyone has what they need to live a good life, and the "environmental ceiling." By and large, people in rich

countries are living above the environmental ceiling. Those in poorer countries often fall below the social foundation. The space in between: that's the doughnut.

The following specific image of Amsterdam's future, as guided by Raworth economics, is conveyed by Nuget (2021, p. 74):

Amsterdam's ambition is to bring all 872,000 residents inside the doughnut, ensuring everyone has access to a good quality of life, but without putting more pressure on the planet than is sustainable. Guided by Raworth's organization, the Doughnut Economics Action Lab (DEAL), the city is introducing massive infrastructure projects, employment schemes and new policies for government contracts to that end. Meanwhile, some 400 local people and organizations have set up network called the Amsterdam Doughnut Coalition . . . to run their own programs at a grassroots level.

Apparently, Raworth's economics is contagious (Nuguet (2021, p. 74):

It's the first time a major city has attempted to put doughnut theory into action on a local level, but Amsterdam is not alone. Raworth says DEAL has received an avalanche of requests from municipal leaders and others seeking to build more resilient societies in the aftermath of COVID-19. Copenhagen's city council majority decided to follow Amsterdam 's example in June, as did the Brussels region and the small city of Dunedin, New Zealand, in September, and Nanaimo, British Columbia, in December. In the U.S., Portland, Ore., is preparing to roll out its own version of the doughnut, and Austin may be close behind. The theory has won Raworth some high-profile fans; in November, Pope Francis endorsed her "fresh thinking;" while celebrated British naturalist Sir David Attenborough dedicated a chapter to the doughnut in his latest book, *A Life on Our Planet*, calling it "our species' compass for the journey" to a sustainable future.

Perhaps Estes was prophetic when he advocated for a new economics in 1996. Like Raworth, he would expand the role to be played by corporations (and by extension other organizations) in working toward the welfare of entire communities and ultimately the world. It might have taken a 21st Century economist like Raworth and the image of a doughnut to establish Estes economic vision as viable.

Measuring social prosperity

The broader assignment of investments, costs and benefits might also inform a revised measure of societal prosperity—as we find in the new economics of Kate Raworth. Many of the traditional assumptions about this assignment are now being questioned inside government offices. Additional institutions are involved in the advocacy of these revisions. Institutes and agencies (such as DEAL) work with or offer thoughtful critiques of governments as well as help guide new initiatives being engaged by communities such as Amsterdam. While Gross National Product (GNP), as a strictly financial formula, is currently being used exclusively to measure prosperity in most communities, alternatives to GNP are now being widely advocated and given serious consideration by people in power—especially those who are listening to Kate Raworth and other progressive 21st Century economists.

At the present time, when new legislation is introduced in a legislative body in the USA (and many other countries) it is “scored” for financial impact: what will happen in terms of revenues and expenses if this legislation is implemented? Shouldn't potential legislation also be “scored” for its impact on social welfare and equity? Several institutes in the United States are now advocating this expanded scoring

process. We might ask an even more pointed question as we consider the life of the women we have been studying: shouldn't the prosperity of a society (or at least a specific community) be measured at least in part by the quality of life being led among its working citizens? How might proposed legislation be scored for its impact on this segment of our society (citizens who often live below the Line)? We can expand the scope of our concern about impact: shouldn't societal prosperity be measured in part by the care this society is taking in protecting the environment in which residents of this society live.

Accountability must be broadened, as Estes advocates. We have found some signs that this is taking place in some societies—including the United States. Perhaps, a “bottom line” mentality will not always remain the coin of the realm among those who are governing towns and cities. Doughnut economic perspectives and priorities might soon appear in city halls and legislative chambers around the world. We can at least hope this is the case and might begin ourselves to advocate for doughnuts.

Fiscal Policy

Delay functions (System Dynamics) (MCO, pp.553-554)

Meta-Coaching Challenge: coach must be able to assist clients leading in the public sector to recognize and work with alternative ways to assess and monitor national value—especially as it effects fiscal policy.

Coaching Challenge XI: Capital and Policy

Resources/Types of Capital (MCO, pp. 403-06)

Three forms of community capital (Kitchens)

Community Capital

The key to building fully sustainable communities lies in the building of something called *community capital* – which consists of three elements: (a) *natural capital* (all the things that nature provides for us), (b) *human and social capital* (the people that make up a community) and (c) *financial and built capital* (the built structures, manufactured goods, information resources and credit and debt in the community). Clearly, in the case of Grass Valley and Nevada City, the natural capital is available in abundance. Few other communities in North America have been graced by such ample and diverse sources of natural beauty and natural resources.

Human and Social Capital

Human and social capital concerns the way people work together to solve problems or run the institutions that exist in a community. It involves volunteer efforts and the community's governing structure. It involves the enhancement of skills, the provision of education and the provision of adequate health services to members of the community. Set in psychological terms, human capital is the recognition and full use of the human potential that exists in organizational settings. Set in sociological terms, social capital is the building of social cohesion and personal investment in a community.

Civic Engagement

How does a community build human and social capital (especially the latter)? This element of community capital is built through *civic engagement*. Civic engagement, in turn, helps to build human and social capital. On the one hand, it takes human and social capital in a community to build the foundation for effective civic engagement. Just as a building can't be constructed without sufficient financial capital, so a civic engagement project can't be mounted without the requisite skills, knowledge and motivation of men and women in the community who wish to become engaged. On the other hand, it is through civic engagement that men and women build new skills and knowledge, and discover the skills, knowledge they already have – as well as discover and intensify their own motivation to “give back” to their community.

Social Entrepreneurship

What then about the third element of community capital—financial and built capital? How does this third element enter into the equation and relate to the Island Community Project. The link between this third element and the Island Community Project might be found in yet another strategy that is becoming quite important in the field of community development. This strategy is called *social entrepreneurship* and it involves (as the name implies) the use of entrepreneurial principles (from business) in the organization, creation and management of ventures that achieve important changes in social structures and improvement in social services.

First encouraged in the creation of new social service agencies to serve the severely underserved human needs found in many third world country (Bangladesh being a prime example), social entrepreneurship is now being embraced by many men and women seeking to address the unmet needs of North American communities. Typically, a social entrepreneurial project involves collaborations between nonprofit organizations, for profit businesses and government agencies. In some cases, these projects involve micro-funding of key demonstration projects, while in other cases the project involves bringing organizational and managerial expertise to the men and women who have identified an unmet need and have successfully advocated for the addressing of this need in their community.

This translation of advocacy into action resides at the heart of social entrepreneurship and offers an important challenge to the Island Community Project in terms of future directions and broader participation of community leaders in further building this third element of the community capital equation. Social entrepreneurs create and maintain institutions that generate financial capital, that enable previously dis-empowered men and women to build things, manufacture things and provide services, and that build the infrastructures that enable information to flow and commerce to take place. These are enterprises that enable a community to address the fundamental economic issues of credit and debt.

How do community leaders help to build new alliances that involve nonprofit, for profit and governmental institutions to address critical needs in the community? What additional skills, knowledge and motivation is needed (if any) to work as social entrepreneurs in these communities? How do banks, corporations, small businesses, educational institutions, health care institutions and human service agencies come together to establish entrepreneurial enterprises that effectively serve the community (while also being sustainable enterprises)?

Rocks, Marbles and Sand

An insightful metaphor has been offered by Ron Kitchens and his colleagues (Kitchens, Gross and Smith, 2008) regarding community capital. He suggests that a community is vital when there are rocks, marbles and sand in the community. The rocks are major institutions (such as businesses, schools, banks, government agencies). Marbles are the small organizations that make the community attractive and diverse (such as art centers, museums, nature preserves, sports facilities).

Finally, there is the sand which is to be found in the informal and often unplanned activities and interpersonal interactions that contribute to the warmth in a community (such as the way in which people walk with a feeling of safety through the streets, the way in which people care about the appearance of their homes and businesses, the way in which new residents are welcomed to the community rather than being isolated).

Social Benefit Organizations

The Intersect Organizations

Intersect Organizations

More than two decades ago, Kenneth Boulding prophetically described the *intersect organization*. These new kinds of organizations hold great promise in terms of their ability to solve longstanding problems in our society; yet, these intersect organizations are also subject to troubling ambiguity. According to Boulding:ⁱ

In the twentieth century many societies have witnessed the development of “peculiar” organizations which did not fall into any of the well-recognized categories. They are not quite government, although they are usually the result of some kind of government action. They are not quite business, although they perform many business functions. They are not quite educational or charitable organizations either, though they may also perform some of these functions. They frequently occupy “cracks” or interstices in the organizational structure of society. They have been named “intersects” because they have some qualities of more than one conventional type of organization.

Many contemporary human service agencies in the United States exemplify Boulding’s intersect organization. An innovative California community college district operates a geothermal greenhouse project in cooperation with one of the counties in its region, funded by the California Energy Commission grant. This college also owns an environmental refuge outside its district, which has been deeded with the provision that certain structural maintenance be observed and that it also be used for instructional projects.

Another California institution—an urban hospital in Northern California—began as an elitist institution that primarily served upper class clients. Its founding doctors remained splendidly isolated from the social changes of the 1960s and 1970s; however, as this institution enters the 1990s, the isolation can no longer hold up. The boundaries have fallen. Government regulations dictate what kind of patients must be served by the hospital. The state of California mandates that certain measures

be taken to make the hospital earthquake proof. The hospital has also experienced some financial problems:

When [the founding physicians] had their leather chair meeting recently, they discovered that the patients were not coming back and the bank balance was also getting low. The patients were going across the street [to another hospital that offered higher quality service at lower costs.] . . . The word is out that we are broke and [the owners of the hospital] across the street made an offer to rescue us.

This hospital has suddenly become an intersect organization. It is now both private and public, receiving funds from both individual patients and government subsidies. It also is both a service organization and a business that must break even (if not turn a profit). Like the college in New York State that runs a roller rink or the human service agency in Illinois that provides corporate services, this hospital must find a way to generate revenues while retaining its commitment to the provision of quality health care services.

Many health insurance and health maintenance companies are intersect organizations, by Boulding's definition. They operate on behalf of the public—monitoring medical or dental costs, reviewing the performance of professionals in the field—and, as a result, often obtain not-for-profit tax status. These same companies, however, are run like for-profit businesses, and often attempt to influence federal and state legislation through lobbying efforts that typify for-profit companies. These health-oriented companies also often look more like governmental regulatory agencies than either for-profit or not-for-profit organizations. They may control costs and determine the nature of appropriate licensing for the provision of certain professional services (though withholding of payment for services by unqualified personnel).

Kaiser-Permanente was one of the first of these intersect health organizations. Founded as a combination health delivery system and health insurance program, Kaiser has blazed the trail for many of the other HMOs in the United States, and is a classic “intersect.” It is both a delivery and insurance organization, and both a human service agency and private business. The Delta Dental Insurance Companies in the United State provide yet another example of the intersect organization in the health field. Most of the states have a Delta Insurance plan that covers payments for dental services. Delta Dental is a nonprofit organization that makes a profit—excess funds being placed in reserve or given as bonuses to management staff. In many ways, Delta Dental operates like a private insurance company, having a very active marketing and advertising program. Yet, it also operates as a quasi-governmental regulatory agency, given that it controls the cost of dental care by only reimbursing member dentists a specific amount of money for specific dental services.

Some intersect organizations (for example, regional transit districts) serve as buffers and mediators between conflicting organizations, while other intersect organizations (for example, Amtrak) serve as quasi-governmental agencies that run utility, transportation or communication systems. The Small Projects Assistance (SPA) Program fosters collaboration between the Agency for International Development (AID) and the Peace Corp, at both the field and headquarters levels. This collaborative

program supports small, self-help projects occurring at the community level with a minimum of red tape. These projects have been supported by SPA through a combination of grants and technical assistance.

While the Peace Corp and AID during the late 1980s and early 1990s shared a similar identification with a specific country or geographic region, their operations tended to be focused on specific modes of technical assistance. SPA operated best at the intersection of sectors, such as raising fish for food, for protein and for income. When SPA began working effectively with both agencies, representatives of both the Peace Corp and AID began to conceive of the problems they were facing in more holistic fashion. SPA itself was an intersect organization—serving in some ways as a private, highly flexible, consulting firm and in other ways as a government agency. SPA was also an agency that worked primarily in the intersection between other organizations and encourages these other organizations to spend more of their own time and resources in the intersect—where most pressing and enduring societal problems seemed to exist.

Another of these quasi-governmental agencies, Cooperative Personnel Services (CPS), operates, according to one of its managers as a:

. . . joint powers agency established to provide personnel and management services to public and nonprofit organizations. It is a “cross-over” organization. It is public, but received no public funding; consequently, it is entrepreneurial. It is not in the business of profit but since its existence is not supported by statute or funding, it is highly concerned with long term financial stability and financial health to support expansion as needed. . . . Even though public, CPS faces similar issues to private organizations: client satisfaction, efficiency, market analysis, etc.

CPS finds its market niche through the size and complexity of its client organizations. Some are small and unsophisticated in the area of personnel management, yet have employees, boards, publics, or simply the laws of the land which require some sophistication. CPS can provide that. Others are large and complex and have difficulty reacting to immediate needs. CPS is both small and uncomplicated by typical political processes, consequently can provide a nimbleness otherwise unavailable to the client.

CPS, like SPA, works at the intersect between other organizations and the government. It is entrepreneurial, and like SPA can provide rapid response and cut through red tape—the classic advantages of many intersect organizations. Many other joint powers administration organizations similarly operate in a flexible, inter-sect manner.

The Four Sectors of Society: Shifting Size and Roles

To understand the growing role to be played by the intersect organization in contemporary life, we must more broadly understand and appreciate the shifting roles played by the other three sectors of society: (1) the private, for-profit sector (closely-held businesses, for profit partnerships, corporations), (2) the public, non-profit sector

(government and other tax-collecting and expending organizations) and (3) the private, non-profit sector (human service agencies, advocacy organizations, philanthropic organizations and foundations).

The first and second sectors in most societies rapidly expanded in size during the modern era—with big business being countered at each stage by big government. Drucker has noted, for instance, that:ⁱⁱ

Government probably has the greatest impact [of any of the 20th Century growth sectors] on the distribution of disposable income. Not because it is a major buyer or user of products and services; except in wartime even the biggest government is only a marginal consumer. But the major *economic* function of government in a developed country is to *redistribute* between 30 and 50 percent of the country's national income. Nothing else has therefore as great an impact on the distribution of shares of national income as changes in government policy.

The third sector (“nonprofit”) has also grown—often to supplement the work being done by government (second sector). In fact, as Drucker has recently noted, “[t]he growth sector in the 20th century in developed countries have been in ‘nonbusiness’—in government, in the professions, in health care, in education.”ⁱⁱⁱ These are all “nonbusinesses” that were primarily provided during the 20th Century by organizations in the second and third sectors.

In recent years, the second sector (government) in many societies has ceased to grow. In some societies (such as the United States) this second sector may actually begin to decline in size—at least relative to the size of the other three sectors. While as Drucker notes,^{iv} the government sector continues to play a powerful role as the re-distributor of disposable income, it now plays a diminished role as the direct provider of many services—ranging from education and housing to fire and police protection and even the housing of convicted criminals. As government shrinks, an increasing number of public services have been taken over by the first sector (*privatization*) or through volunteer services and philanthropy by the third sector (*the thousand points of light*). An even greater shift has taken place from the second to the fourth (intersect) sector. This shift has been less frequently documented, in part because the fourth sector remains relatively invisible or because the second and fourth sectors are often lumped together (even though they operate in quite different ways).

In part, the proliferation and growth of intersect organizations is indicative of the recognition that government agencies *per se* are unable to meet many of the pressing needs of our society. A multi-generational example of this can be found in a comparison between federal legislation that was proposed in 1955 and in 1991. In 1955, Albert Gore, a senator from Tennessee, proposed a new interstate highway system. Similar legislation was proposed in the 1991 U.S. Senate by his son (and future Vice President) Albert Gore Jr. who called for a new interstate information highway (fiber-optic cables). Where the first Senator Gore was able to obtain massive federal dollars for this extraordinary undertaking, the younger Senator Gore requested “a dollop of federal dollars—just \$ 2 billion over five years—to catalyze a much larger investment by a wide variety of private companies.”^v There simply no longer are sufficient federal funds to support such an effort.

The federal money that Albert Gore Jr. requested was used primarily for research on ways to employ and interconnect supercomputers as well as upgrade existing networks. Ironically, at the end of the modern day emphasis on bigness, we have gotten too big for our britches and can no longer solve major technical (let alone social) problems without the help of many different organizations operating out of many different sectors of society. Ironically, just as the Senior Albert Gore was able to take at least partial credit for our current interstate transportation system, so has his son been able to take some credit many years later for the Internet that was created by the collaborative effort he proposed.

The turn toward private industry in support of public projects has also been precipitated from the growing disenchantment within the public arena of the ways in which business is done in this arena. New solutions are being sought to old, unrelenting organizational problems in public agencies. A member of the city manager's office in one American metropolis indicated that his own office "became desperate to make the organization more responsive to a society that demanded more efficient service." However:

. . . in an honest attempt to bring a systematic, more uniform order to an already traditional, modern hierarchical organization, the city managed to create more fragmentation within the organization . . . The changes, quite simply, seemed imposed and were resisted by the employees. . . . Managers seemed committed to but were uncomfortable with (and uncoached in) their new leadership roles. With a performance management system that encouraged participative, consensus-based decision making, managers would introduce the concepts to their team players at the conference table but then not model behavior essential to making the system work.

This same story is repeated in many American cities and in many government agencies. The demands of citizens are becoming clearer; however, these demands are often contradictory and in flux, hence can not be readily addressed by one large, bureaucratic agency. Furthermore, public institutions rarely have sufficient resources or expertise to address these needs, and as this city manager noted, the current employees in these bureaucratized organizations often resist and have acquired few skills that are relevant to the new needs. Government administrators are asked to become more collaborative in their dealings with their employees and various public interest groups. College faculty members are asked to begin "marketing" their services, and elected officials are asked to justify their personal expenses.

Often it is because governmental agencies are unwilling or unable to provide adequate services, that new intersect organizations have grown up which are small, highly flexible and efficient. City governments are now contracting with private organizations for fire protection, criminal detention facilities, waste disposal, education—and even, potentially, energy:^{vi}

The Public Utility Regulatory Policies Act of 1978 opened up the utility industry to competition from nonutility generating companies—cogenerators, alternative energy producers. But that was only half the matter. Unless Congress also opened electric power transmission lines to outside

competition, the independent producers were still limited in how freely they could compete for markets.

What many independent power producers wanted was the right to sell their output not just to the utility in whose territory they operated, but also to other customers on other systems beyond.

. . . [In 1991] President Bush made open transmission access a part of his national energy strategy. It would break up the monopoly once and for all and make the electrical transmission industry fully competitive for the first time in its history

As early as 1969, Drucker predicted the coming privatization of governmental agencies. Twenty five years later, Drucker observed that:^{vii}

A government activity can work only if it is a monopoly. It cannot function if there are other ways to do the job, that is, if there is competition. . . . [If] there are alternative ways to provide the same service, government flounders. . . . Government can do well only if there are no political pressures. The Post Office and the railroads did well as long as they had a simple purpose. But very soon, perhaps inevitably, the pressure builds to misuse such services to create employment, and especially employment for people who otherwise would find it hard to get jobs. . . And as soon as a government activity has more than one purpose, it degenerates.

Thus, there is increasingly the need for new kinds of organizations that blend the governmental mandates for the provision of public services with the private capacity to offer these services in a cost-effective manner.

As we look to the form which public and private organizations will take during the new century, there are likely to be a rapid expansion in not only the traditional public/nonprofit and private/for profit sectors, but also in the private/nonprofit sector and in the Intersect. While the first sector (public/nonprofit) will continue to provide certain key services in areas that no other sector can serve, it will become a much smaller sector, with government shrinking in size (at least in a relative sense) and many more functions being provided by the other three sectors. We are likely to see government primarily in the business of security and defense, as well as in the business of raising funds (the taxing authority) that are in turn distributed to organizations in one of the three other sectors.

With privatization of many functions that were formerly found exclusively (or primarily) in the public/nonprofit sector—such as highways, prisons, schools and hospitals—we are likely to see not only government shrink in size but also many private organizations expand. This is already the case in American health care—with the emergence of private/for profit managed care systems. We even find security being provided by private companies (rather than the publicly funded police force) in corporate headquarters, at sporting events and in high income gated communities. A large county government in California recently conducted a major study of its most successful projects over the previous year. The leaders of this governmental unit were surprised to find that seven of its eight most successful projects were conducted in conjunction with private/for profit organizations. Clearly, government agencies in the future are likely to recognize their own limitations (especially with the

reticence of many citizens to pay higher taxes) and to value the cooperative arrangements that they establish with organizations in the private/for profit sector.

Similarly, we are likely to see the shift of many governmental functions to the private/nonprofit sector. President George Bush promoted this move during the late 1980s in his *1,000 points of light* initiative. The *Give Five* campaign during the 1990s similarly represented an effort to substitute volunteer assistance for governmental programs in areas where public funding is not longer ample (such as education). We find in many states that publicly paid teachers are being assisted in elementary schools by volunteer teacher aides—often parents who realize that their children will not get an adequate education unless their teachers are given a hand.

Organizations in the public/nonprofit sector are also receiving assistance from or being supplanted by the Intersect organizations. The US Post Office becomes an independent Intersect, as do the highway construction and maintenance companies in many states. Even the major utility companies in the United States—which have served as Intersect Organizations for many years—now operate in a much more intersectional manner, as they become deregulated and focused in the services they provide. AT&T is forced to become more competitive and profit-oriented as it faces competition from Sprint and MCI. Pacific Gas and Electric now become primarily the carrier of electricity and gas, users in Northern California now being given the opportunity to contract for gas and electrical generation from private or Intersect organizations throughout North America.

Modern America was filled with *big business* and *big government*. The days have passed in which these two sectors (private/for profit and public/nonprofit) dominated the American economy. Solutions to most of the pressing problems of Postmodern America no longer will be coming from either big business or big government—at least not in isolation from the other three sectors. Much of the action in the near future will come from partnerships and consortia comprised of organizations from all four sectors. If Americans look for solutions in any one sector, they are likely to turn to the Intersect. They are likely to invest their trust in peculiar organizations that can readily move across traditional boundaries but also exhibit the troubling ambiguity that is inherent in the flexibility and adaptability of the Intersect.

A *bottom line* mentality is typically not appropriate in the intersect organization—nor in many other postmodern organizations either. Organizations no longer (if they ever did) exist simply to make money for their owners or stockholders. This is an inadequate statement of intention for any organization, especially one with diffuse or highly flexible boundaries. In essence, a bottom line mentality tends to hide or distort the founding or driving purpose of the institution, and leaves it directionless in a rapidly changing world. In 1989 Peter Drucker concluded: “neither the quantity of output nor the ‘bottom line’ is by itself an adequate measure of the performance of management and enterprise.”^{viii} Peter Senge similarly noted at about the same time that a primary emphasis on profit in an organization diminishes the vision of the organization and leads to a focus on means rather than ends:^{ix}

Many senior executives . . . choose “high market share” as part of their vision. But why? “Because I want our company to be profitable.” Now, you might think that high profits [are] an intrinsic result in and of itself, and indeed it is for some. But for surprisingly many other leaders, profits too are a means toward a still more important result. Why choose high annual profit? “Because I want us to remain an independent company, to keep from being taken over.” Why do you want that? Because I want to keep our integrity and our capacity to be true to our purpose in starting the organization.” While all the goals mentioned are legitimate, the last—being true to our purpose—has the greatest intrinsic significance to this executive. All the rest are means to the end, means which might change in particular circumstances.

Kenneth Boulding predicted that the problems of measurement and evaluation associated with the intersect organization would become even more common in the future. He was quite accurate in his prediction. When these problems of measurement in intersects are compounded with the measurement problems induced by size then it is not hard to understand the postmodern emphasis on relativistic social and organizational values, and its skepticism regarding clearly perceived and measured “realities.”

Meta-Coaching Challenge: coach must be able to assist clients leading in the public sector with appreciating and supporting the varieties of capital in their community.

ⁱ Boulding (1973, p. 179):

ⁱⁱ Peter Drucker, *Management Challenges for the 21st Century*, New York: HarperBusiness, 1999, p. 52.

ⁱⁱⁱ Peter Drucker, *Management Challenges for the 21st Century*, New York: HarperBusiness, 1999, p. 9.

^{iv} Peter Drucker, *Management Challenges for the 21st Century*, New York: HarperBusiness, 1999, p. 52.

^v (Business Week, September 16, 1991).

^{vi} (Forbes, December 23, 1991, p. 122)

^{vii} Drucker (1989, pp. 63, 65)

^{viii} Peter Drucker (1989, p. 230)

^{ix} Peter Senge (1990, pp. 147-148)