

# **Incorporating Ethics and Compassion into Business Life: A Conversation between His Holiness the Dalai Lama and Academic and Business Leaders**

**Remarks by Jane Shaw, retired chairman of the board of Intel  
February 24, 2014**

Your Holiness, it is a pleasure indeed to share the platform with you this afternoon. Kirk, thank you very much for the invitation. Fellow panelists, I look forward to our continuing dialogue. In preparation for today, I reflected on the four different stages of my life, and the lessons I have learned from the experiences gained. I thought I would share some of those with you today. I hope you find them relevant to the topic of today, which is compassion in the world of business.

Stage one: as a child. His Holiness spoke for me this morning when he spoke about the relationship with his mother, the love he got from his mother, the family in which he grew up, and, as he grew up, how he learned to steer his mother one way or another. I listened to that and I hear many attributes of my own childhood. I grew up in a very small village, on a farm in Worcestershire in England. My home is England. It was the post-World War II era, and there was rationing. We had very few worldly goods. We had very little money. I grew up in a Christian community, where the church was the center of the village and the center of its social life.

I developed a strong sense of family and family values. Re-reading recently Robert Fulghun's book, "All I Really Need to Know I Learned in Kindergarten", I find that his findings resonate with my childhood. He lists: teamwork, share everything, play fair, don't hit people, respect your elders, share what good fortune you have, and give back to the world. If you take the definition of compassion as "feeling of empathy for others", or "the emotion we feel in response to seeing the suffering of others which motivates the desire to help", my childhood was an incubator for that.

So let's move on to stage two: becoming an employee. I became the employee of a company called the ALZA Corporation, located here in Silicon Valley. It was founded by a man by the name of Dr. Alejandro Zaffaroni, a brilliant entrepreneur, and, most importantly, a wonderfully kind, caring, respectful, compassionate man. I joined his company and I worked with him for some 24 years. We shared, I found, the same values. He set the tone at the top of the organization. He was intuitive. He was empathetic. He hired, as Chuck referred we always should, the best people and he built the best team. He created an environment where, in the business world, compassion was practiced. It resulted in great teamwork. People felt empowered, they had fun, and they were creative. Employees met their life partners there. Indeed, I was lucky enough to be one of those. We practiced, in the business environment, the values that had been imbued in me since childhood.

Let me just illustrate a result of creating such a compassionate environment. Ten years after its formation, the ALZA Corporation was within one month of bankruptcy. The stress level was very, very high, but people had confidence in our

leader because of the environment he had created. Nobody left the company. They stayed working long hours. We did, at the eleventh hour, find our white knight. It was a company called Ciba-Geigy, located in Basel, Switzerland, and they came and acquired our company. Now, fast forward five years on, and we are regaining our independence as a small, still non-profitable, company in Silicon Valley from Ciba-Geigy. At the request of Dr. Zaffaroni, as that happened, the stock that returned to ALZA was not torn up and shredded. It was given to the employees and distributed to them for their years of service to the company. It was a caveat, as the stock came back, only after the company had obtained five million dollars in profitability. It was thought, from the plan, that would take three years, but this loyal team of hard-working people, who had now been together for fifteen years, made that happen in one year. Great teamwork, and they were rewarded financially for their loyalty.

Let me move on now to stage three: the opportunity to lead my own company. I became CEO of a company called the Aerogen Company, which specialized in drug delivery to the lungs to get better respiratory therapy. I now had the opportunity to create the kind of environment in which I had so flourished at the ALZA Corporation. I want to touch on the three issues that Kirk mentioned in his introductory statement. Rapid change: we experienced very rapid change. We took the company from being a private company to being a public company. In the year 2000-2010 was incredible change in the financial markets. We had failed clinical trials and we had failed partnerships: a lot of events which lead to stress within the organization. It created a very risky environment for people in which they would stay and work. Here, we found that placing trust in our employees was the most important thing that we could do. We informed them of all the issues and the challenges that we were facing. We were very open with them. We trusted them to maintain confidentiality, which they did. We communicated with them frequently. We won their allegiance and their loyalty through that. All knew, when it would be important to have a layoff and let some people go, that they would be treated well. In fact, all got a good severance payment. When the company fortunes turned around and there was opportunity to re-hire people, many of those people came back to us. They “boomeranged” back, as well called it, and we celebrated their return.

Last and onward to the fourth stage of my career, which has been in the Boardroom. I was privileged to have the opportunity to serve on the Board of the Intel Corporation for a number of years, and my last three years, I served as Chairman. In the Boardroom, you are the guardians of the culture and the ethics of the organization. We had at Intel a Code of Business Conduct, by which we monitored our compliance with ethical behavior. For example, Intel wanted to build an assembly plant in Vietnam. There, we found bribery was the normal way of doing business. What were we going to do? That violated our Code of Business Conduct. We addressed that openly with the Vietnamese. We were emphatic that compliance with our Code was mandatory, and there was no issue. It happened, and now there is a very successful assembly plant operating in Vietnam.

Finally, I would like to highlight for you one instance where I believe a business decision was totally based on compassion and had a great outcome, with little cost to the company. The minerals tantalum, tin, tungsten and gold are critical to the electronic industry, but they're also used in the aerospace industry, the automotive industry, and other major industries. In 2009, at Intel, we received a letter. It asked whether we were aware that an armed conflict in the Eastern Region of the Democratic Republic of the Congo had resulted in some five million deaths and, by report from the United Nations, some 200,000 rapes of women. That conflict in the DRC was fueled by multi-million-dollar trades of minerals. It was possible that some of those minerals were making their way into the electronic supply chain that we used. What do you do with a letter like that? Well, Intel personnel met with the authors of the letter in Washington, DC to learn more. We took upon ourselves that we wanted the micro-processors made at Intel to be free of these conflict minerals. We don't buy the metals directly, but through, literally, thousands and thousands of suppliers. We set out to establish a mechanism to track supplies. We wrote letters to each of our suppliers, asking if they knew the source of these four minerals that they were passing through. A third replied that they didn't source from the region of the Congo, a third said they had no idea, and a third never replied. When this was reported back to the COO, who is now the current CEO of Intel, Brian Krzanich, he said "Absolutely unacceptable" and he made it unambiguously clear that Intel wanted its micro-processors to be free of conflict minerals. So the people went backward in the supply chain to the smelters, who refine the ore and form the metal. There are only 200-300 hundred smelters in the world in many different countries. We got together a team of other companies and also our Industry Association. By the end of 2012, the Intel team had covered some 150,000 miles, visited sixty smelters in twenty different countries, an audit system had been established, and all ore coming from good mines was bagged and tagged, so we knew where it was. At the Consumer Electronics Show this year in Las Vegas, the CEO was able to announce that Intel's shipments of micro-processors were now documented as conflict-free of minerals.

So, compassion in business: yes, it may cost us, and in this case, it did. It cost us some money and it cost us time, but consider the affected constituencies of the business. First of all, our employees: they felt really good that their company cared and provided such leadership. The activity built teamwork, it built loyalty, and it stirred pride. For our shareholders: there was minimal financial impact, and it prevented the longer-term cost of potential litigation and, most importantly, really adverse publicity. For the supply chain: their costs were not increased at all, but now they had improved collaboration with their customers, and they enjoyed the PR which ensued.

In conclusion, I hope that the examples that I have given you illustrate that I believe the human values of compassion and ethical behavior can be instilled early in life. I would suggest that we need to develop better ways of instilling these behaviors later in life. Leaders of organizations who practice their intuitive and empathic skills, such as Chuck described, can forge work environments that foster loyalty and

hard work, allow for personal growth and produce great business results. Finally, ethical behavior in large organizations does not have to be costly and it will result in better outcomes. Thank you.