Embracing enlightened self-interest

by Dreu Harrison

Organisations regulating or delivering services today increasingly find themselves on the frontline of delivering social services, due to the intimate role they play in the lives of citizens and users. Growing demands for safety and inclusion challenge everyone to transition their thinking from pursuing 'narrow' to 'enlightened' self-interest.

A beautiful mind

In Ron Howard's film *A Beautiful Mind*, Russell Crowe dramatises key moments in the life of the Nobel-winning mathematician John Nash. A turning point in the film arises when the character Nash achieves a powerful insight into the way humans seek to act logically in order to secure the best outcome for themselves.

Nash is overheard exclaiming to his male colleagues at a bar that Adam Smith's views are in need of revision:

"Adam Smith said that the best result comes from everyone in the group doing what is best for himself, right? That's what he said. Incomplete. Okay, because the best result would come from everyone in the group doing what is best for himself and the group."

He then proceeds to present a simplified scenario, involving dating strategies, that is meant to illustrate this fundamental reframing.

We can parse the insight presented in the film as follows:

Smith is right
In penning *The Wealth of Nations*, Smith put forward the thesis that self-interest serves the common good, that is, the best results will come from everyone in the group doing what is best for themselves. He famously wrote, "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest." (I.ii.2, p.119)

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Smith is incomplete
In the film, Nash is portrayed as accepting Smith's premise that self-interest is basic: we should expect each person or organisation to do what is best for themselves. Yet, he proposes that this thesis is incomplete on its own and, as such, he attempts to complete it. He reiterates Smith with a twist: the best results will come from everyone in the group doing what is best for themselves *and the group*.

A polarised group

The insight that Smith is right, but incomplete is a vital one for organisations seeking to keep citizens or users safe and well in a multistakeholder system. To illustrate why, I want to share an experience I had when facilitating a multi-stakeholder workshop with participants from across the property industry. Planners, developers, asset managers, architects, landscapers, and designers were all in attendance. The workshop had been convened to consider how cultural expression could become more substantially embedded in the work of developing sites.

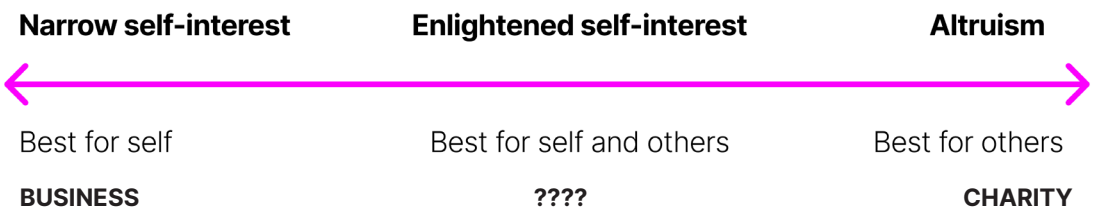
As a non-expert, I wanted to learn where each participant was positioned in the industry. As an opening activity, I invited them to indicate where they were positioned in their ecosystem and what value they contributed by marking-up a whiteboard value chain.

Chaos ensued! Ignoring my invitation, the participants immediately polarised into business and art blocs and began to antagonise one another. The business bloc complained that the art bloc ignored the real world, filled as it is with contracts, deadlines, penalties, and the demand for risk-adjusted returns to shareholders. The art bloc retaliated by accusing the business bloc of ignoring the ideal world, filled as it is with values, practices, histories, and the demand for inclusive returns to communities.

The sense of resentment was palpable. To attempt to restore order, I drew the participants' attention back to the task at hand. They were having none of it. They doubled down, while I looked on with a growing sense of dismay. Until it struck me: the participants were enacting their social identities, live and unfiltered in front of me. Their refusal to participate in a joint task and their complaint that others were misunderstanding or misrepresenting them was precisely the intelligence I needed to unlock the conversation.

I interrupted them, asking how many participants had seen the film *A Beautiful Mind*. I then verbally replayed the scene with which I commenced this article, giving them time to calm down and me time to suggest what their outbursts revealed about their underlying assumptions.

When the business bloc reached peak frustration, that had repeatedly stated, “Don’t you understand, we’re a business, not a charity.” This comment revealed an incomplete mental model and gave me an opportunity to expose and refine it with all the participants. To do so, I drew a continuum on the whiteboard:



Looking at the art bloc, I said, “You need to respect that the business bloc will follow their self-interest and there is nothing wrong with that. When they tell you they can’t do something because of fiduciary obligation, regulation, risk, or cost, don’t just roll your eyes. Instead, dig a little deeper. It may be true, and we must try another way. Or it may be their reflexive response meaning you can push to explore what’s actually possible with them.”

I then looked at the business bloc and said, “You need to respect that the art bloc is inviting you to go beyond self-interest, but not as far as altruism, and there is nothing wrong with that. They know you’re not a charity, but they want you to do what is right for you and the group, which in this case includes the communities you serve by developing culturally rich sites where they can live and work every day. They are inviting you to engage in ‘enlightened’ self-interest, rather than ‘narrow’ self-interest. So be open to what they share about creating vibrant and humane place-based experiences.” To the credit of the participants, they accepted what I shared and reset their social contract. The workshop from then on was a success.

A productive tension

Framed in this way, we can now better distinguish the choice organisations in systems face: follow ‘narrow’ self-interest - do what is best for ourselves – or follow ‘enlightened’ self-interest - do what is best for ourselves *and the group.*

This appears straightforward, yet my workshop experience suggests that we can become emotionally invested in denying or minimising the possibility of a more enlightened approach to protect our identity and justify our approach.

When we ignore what is best for a single system player, we may display one of these attitudes:

'I hold the high ground'
We find it convenient to appeal to the good of all rather than specific advantages for that participant when seeking to create change.

'My system partner is morally bankrupt'
We find it convenient to attribute lack of progress to the monstrous faults of that participant rather than the mundane constraints of their business model or regulatory environment.

Meanwhile, when we ignore what is best for all system players, we may display one of these attitudes:

'I am the universal'
We find it convenient to label our biases as best practices, designing services that mismatch everyone who doesn't look or act 'normal' (read: male, white, able, straight...).

'My shareholder is morally bankrupt'
We find it convenient to outsource purpose to not-for-profits, carrying on business as usual by assuming the average shareholder has no interest in doing good and doing well.

Clearly, the truth is in the tension. Or as the technology scholar Yochai Benkler puts it: "Self-interest and cooperation aren't mutually exclusive.... Embracing this duality, learning how to remake our society around it and harness it for individual, corporate, and societal goals, is not only possible, it is imperative. And its time has come." (p.28)

Yet even when we embrace this duality, our work is only just getting started - our work to uncover what is best for each organisation and for the system. We can only begin to do so when we listen and converse as a system, agreeing on what is best for each player and all players, and all so we can better meet the goals and needs of citizens and users.

Sources

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