STRATEGIC GOVERNANCE: ENABLING FINANCIAL, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

Hank Boerner and Mark W. Sickles, New York: Governance and Accountability Institute, 2010. $14.95.

Ever since the global financial crisis of 2008 broke over our heads, the world has been inundated with waves of 'how to fix it' books with various pundits offering their view on how best to solve the problem and make sure it never happens again. Some argue for more regulation, others argue for less. Some think the fault lies with our business education system, others with short-termism on the part of investors. I receive notices of these books on an average of once a week, and find most of them profoundly disappointing.

Then I picked up *Strategic Governance*, and found my hopes rising. Mr. Boerner—who will be familiar to readers of this journal as a long-time contributor—and Mr. Sickles are experienced professionals who have spent years studying the problems of corporate governance, and they write with authority. Their own views are backed up by those of a bevy of senior executives and corporate governance academics and professionals. The book has a number of plus points.

First of all, this is a nice *small* book, and at fifteen bucks, priced in a way to ensure personal financial sustainability. Second, it is easy to read and does not spend hours beating around concepts; instead it gets straight to the point. Third, it does not fall into the monocausal trap so common in other works; it accepts that the origins of the problem are complex. Fourth, it lays responsibility for fixing the problem on our whole system of corporate governance, and that includes regulators, government, and the business education system as well as corporations themselves; all need to work together.

And fifth, and my personal favourite, it challenges the notion that technology led to the crash and instead blames the way we as people behave and think. "The root cause of the problem," they say, "is what's always been our most costly error of omission: failing to think and act at the systems level."

Technology played a role, but the problem lay in our use of it, not in the technology itself. For example, we pretended that we were operating in an integrated global economy. That was a mistake, the authors say: the global economy is more of a "dysfunctional heap" whose parts are not coordinated and do not really work together.

What needs to be re-injected into corporate governance in order to overcome the problems? The authors answer in a single word: integrity. Not integrity in the moral sense, though that is important too, but managing *integrally*. "By integrity we mean a lot more than being honest," say the authors. "We mean soundless and wholeness of the business enterprise, achieved by leadership competence at the systems level of thought and action."

This next extended quote sums up the purpose of the book: "When integrity and the systems level of thought and action are present, you will manage your business as a part of a community. You will include 'assuring good society'-providing the greatest amount of good for the greatest amount of people-as part of your firm's purpose. And when your whole community prospers as a good society, there will be more qualified employees and suppliers, more able-to-buy customers, and more able-to-invest shareholders.

If a book comes to your attention that you believe would be of interest to finance professionals, please notify the editor-in-chief, MORGEN WITZEL, at Western Writers Block, Harper's Hill, Northlew, Devon EX20 3NR, England or morgen@carucate.co.uk.

Counter-intuitively, your giving to society will bring you and your shareholders greater economic wealth."

Counter-intuitively? It has always been my view that this is true, and I have worked with corporations like the Tata group who have proved that this is the case. If this is counter-intuitive logic to most people, then we are in a very deep hole indeed. Well, let us hope that reading this book will help us to take the first step out of it. ■