

Within and Beyond Ourselves

The role of conscience in modern business

By Robert C. Gay

Good morning. It's great to be with you today. You are truly an awesome sight. The last time I spoke at a graduation was at my high school ceremony some thirty-three years ago. Then as now, I find it a very humbling task.

Over the past couple of days our firm held annual meetings with our investors. During this time, my graduation gown was hanging in my office. A couple of my partners saw this and asked me if I was planning on changing the attire for our investor meeting. I told them no, but that I had the gown because I was going to be speaking with you today at this convocation. One of them then asked me, "What are you going to be speaking about?" I told him, "The role of conscience in business." He then responded, "Well, that will be a short talk," and herein lies the issue.

Many years ago, just as I was finishing my doctoral program at Harvard University, my thesis advisor, a member of the finance faculty and an overseer of the Harvard endowment fund, called me into his office. He paced around the room a little and then said, "Bob, I don't know you real well, but well enough. I want you to stay here and teach." Then he paused and continued, "It's not because I think you're some great scholar who is going to make some breakthrough contribution but because I know you can teach people here about God. I want you to tell our students about God. That's what I do in my office every day—they need and want to hear it." Up to this time, I had never spoken one word to my professor about religion. Yet, there I sat in this bastion of capitalism and rational Socratic methodology being told that the most important thing we needed to get in to the lives of these would-be capitalists and future leaders of industry was the spirit of God. I think then, as well as now, I understand why—and this understanding is what I would like to share with you today.

When I was your age, the last thing in the world I wanted to do was to become a businessman. I served an LDS mission in Spain, and when I came home I just wanted to help people. My time and experiences at BYU and the University of Utah only reinforced those feelings. My desire was to be a seminary teacher, a social worker, or a psychiatrist—anything but a businessperson. So I went to my dad to discuss the issue. He said, "I think a Harvard MBA would be great for you." Stunned, I accused him of believing the only thing that mattered in the world was money. He pragmatically answered me, "Son, all the love in the world and a few hundred thousand dollars are going to build the next chapel." The stark reality of that answer made me have an even greater dislike for everything to do with money or the corporate world.

I grew up in a brutal business environment. My father worked as the chief executive for one of the richest men in the world, Howard Hughes, and that world turned many lives upside down. I witnessed firsthand greed, deception, power struggles, and destruction of souls all for the sake of money. But perhaps what influenced me most is what I had seen in Mr. Hughes himself. For many years on Christmas Eve or Easter Sunday, Mr. Hughes would call and ask my dad to come to work. But this annual ritual was not what it appeared to be; Mr. Hughes invited my father to his home. When my father arrived, Mr. Hughes would simply say, "Bill, I just wanted to talk." Then after a couple hours of friendly conversation he would say, "It's Christmas. You'd better get back to your family." And I remember thinking to myself: "With all the money, with all the power, all the accomplishments, and even all the good he has done, he is both lonely and alone."

It was also during one of these reflective times that I learned another invaluable lesson about the role of the Spirit in such worldly matters as business and commerce—a lesson that would change me forever. My dad knew he wasn't ever going to win the battle with me about the MBA. In the end he simply said, "I hope you'll pray about this." I welcomed that challenge because I was sure God would not have me become a businessman. Nothing that crass would do.

So I prayed about it and though I did not receive a thundering revelation, my heart softened to the point where I decided it would not compromise my principles to visit Harvard. To appease my dad to some extent, I found a very special doctoral program that jointly bridged the economic programs of Harvard College and the Harvard Business School. I still refused to accept the idea of an MBA but felt it would be okay to do an interview for a PhD in a program where I could get a doctorate in economic development and center a career on the amelioration of world poverty.

I soon made arrangements at the school for an interview. There I had a most unusual experience. I had an early meeting and lunch with Harvard's most distinguished financial economist and my potential program advisor, John Lintner. He asked me many questions. Then, on the way back to his office, he paused and said he felt impressed to extend me an acceptance into the program. He said he would personally take my application through admissions for formal processing and that I would receive official notice in a few months—but he assured me that would just be a formality—I was in. And as clear as I am talking to you today, I heard a voice deep inside me say, "You are to be a doctor of business not a doctor of medicine. You are to be here." I dropped all my other plans and applications. I could scarcely believe what I was doing. Yet I was very confident it was the right thing for me.

With the advantage of twenty-five years hindsight, I can now see the wisdom of the guidance I received. I have been blessed with the opportunity to be intimately involved in all the things my heart desired: job creation, poverty elimination, healthcare, education, youth rehabilitation, and helping build the Church in many ways both here and abroad—all because of my work in business. Why do I share all this with you? For two reasons:

First, one of the most significant things I have learned in this life is that our very success and happiness depend not on doing what we like or think is best—but on doing the will of our Father in Heaven, no matter where that may take us and no matter how foreign it may seem to our own individual rational judgment of what is right or best. Our vision is just too limited. The scriptures remind us of this in Matthew 4:4, "Man shall not live by bread alone, but by every word that proceedeth out of the mouth of God."

While working on Wall Street, I had an experience that helped me learn the importance of yielding to the Lord's will. My firm, Kidder Peabody, was advising Macy's on a multi-billion dollar takeover of Federated Department Stores. We, the bankers, had been at the lawyers' offices day after day and were moving up the bid price by literally hundreds of millions without any real idea of true value. It became a contest of egos. In this tug-of-war, two unexpected things happened to me. I got a call from the chief financial officer of General Electric—a major shareholder of Macy's—and he asked me, "Bob what are we doing here? This deal doesn't make any sense to me." I said back to him, "You're right, it makes no economic sense. The best reason I can tell you why we're doing this is that you just bought Kidder, and if this deal goes through Kidder will make \$15 million in fees." He said, "Okay, that's something I can finally understand. Thanks for being honest. I guess we should just keep pushing ahead." I thought, how crazy. Where was our sense of value? Kidder gets fees but the company ends up way over levered, putting at great risk GE's multimillion-dollar stake. Massive job loss and store closure would also have to follow so the debt on the deal could be paid down. Then it struck me that this deal wasn't the only crazy thing—I was also crazy. I was helping engineer this madness.

Shortly thereafter I was back at the lawyers' offices helping with negotiations. During a break, an investment bank colleague tried to convince me it was better to own a summer home in Paris than in the Hamptons because he could take the Concorde and spend less time traveling to a home in Paris than driving in the traffic on New York's Long Island Expressway. Then I heard that voice once again inside of me. It said, "Get out of this place. Take your experience and knowledge and move on." But then a practical voice said, "But if you leave you're going to lose the \$400,000 bonus you'll earn for doing this deal and you'll throw away your career and the millions you put yourself in position to earn over the long haul—millions that you can give to the Church or other great causes." The still voice returned, "If you don't leave now you'll become everything you once despised." That possibility shook me to the core.

A few weeks later, I left Wall Street and the money and went to a smaller investment firm, Bain Capital, where I became a partner with Mitt Romney and started over. This made no sense at the time. Bain Capital was a fraction of the size of any house on the street. I had to take a huge pay cut to join. The firm had maybe fifteen employees and had done only a few small deals. It was impossible to know at the time that we would be able to grow our firm to a capital base of almost \$14 billion today; or that we would be the means of creating thousands of jobs; or be the linchpin behind thousands of other individual employees and a constant or often primary source of funding to more than fifty children's charities; or that it would bring me—and, for that matter, my partner Mitt—to positions that would allow us to exercise much more influence for good than could have otherwise been possible. Today it is easy, once again with the vantage of hindsight, to see the wisdom of the Spirit, which prompted me to leave the "street," over my rational mind, which told me any such move would be foolish and risky.

This experience and many others like it have taught me that in business, regardless of who we are or what we may believe, we will always be brought to crossroads. At these junctures, when the path is unsure, many will conscientiously ignore the call to faith and instead look only to their own wit, skill, and analysis to solve challenges. Because of this I look at each of you today with great concern. I know as sure as I am standing here that each of you is about to enter into a world where you're going to be unbelievably pressured to make decisions that will ask you to set aside the promptings of your soul and compromise principles you hold dear. In the words of my good friend, Terry Warner, you will be sorely pressed to "betray yourself."

You will receive appeals to pride, prominence, prosperity, and power. You will be tempted to aspire, accuse, contend, and covet. Every day in your job someone will try to convince you that it's all about the money, but it will not be in those exact words. It'll be more like: "I got a 10 percent raise. What did you get?" or "I can't tell you how great getting the beach condo has been for our family." Others of you may find that you can't get the job or advancement or make the sale unless you pay some person some small favor or unless you join their party or club. And, as you protest the unfairness of the situation, there will be three or four others ready to take your place. Still others of you will feel emotionally empty from the loneliness of the road or the stress of the day and will find that, away from home where "nobody else will know or find out," there will be innumerable age-old invitations to fill that void. These calls to choose self over conscience will be endless.

At the other end of the spectrum is the need to guard against self-righteousness. You may recall the story of the disciples who Christ rebuffed when they complained to him—with what the scriptures describe as "indignation within themselves"—about the oil that was being poured on his body and how much better it could be used if sold to help the poor (Mark 14:39). This should serve as a reminder to each of us that when we go about our daily labors without the Spirit, ends and means can become confused, even when more noble aims are intended. What may seem to be good can actually end in unnecessary frustration and even harm.

Acts of the self-centered mind are a goodly part of the beat of modern industrial life and are like the "salutations in the marketplaces" referred to by Christ (Mark 12:38), which will always both flatter and tempt you. They are the very practices and challenges that so often make business a demanding world of raw selfishness aimed at ever-increasing profit. If not courageously resisted, this commercial environment will work to deafen you to all other voices. It will blur the lines between moral and legal correctness and try to make you doubt, compromise, or set aside your values. The recent events at Enron are a powerful witness to this very outcome.

Indeed, the Enron example alone should impress on you forever that you will not be able to stand if you rely solely on your own reason or desires. The more subtle reality—less visible to most—is that if you knowingly or passively accept your environment without question, just roll with the humdrum of the marketplace, or even if you rise to admired public reputation or exceptional Wall Street success, it will not matter because inwardly you will be conflicted. You will be unfulfilled and at odds with yourself because you will not be where you are supposed to be but rather in a spot where you risk your very soul. All my experience tells me this is so, and I can't even begin to tell you how many self-justifications you will be able to find to put your own voice over the voice of the Spirit. I believe President John Taylor saw this when he spoke: "It matters very little what we are engaged in; it is impossible to do right without the guidance of the Almighty."

Second, I also share these experiences with you because I have found as you guide your life's decisions by the Spirit there is no such thing as careers—only fields of service—and that it does not make any difference whether you are a scientist, a social worker, or business person. In the world of the Spirit, home teaching and business leadership are one. Moreover, I am sure as we gather here today, many view us as distant and foreign from the real issues of life. Yet, please be assured, as C.S. Lewis once remarked in a speech to students at Oxford University:

"The work of a Beethoven and the work of a charwoman become spiritual on precisely the same [basis], that of being offered to God, of being done humbly, 'as to the Lord'."

As you leave this campus, I hope you are filled with the desire to achieve the heights of your potential. Do not be content to avoid engagement. Honor the inspired motto of this university: "Enter to learn; go forth to serve." The scriptures also speak often and directly to this. Each of us is to be actively engaged in good causes (D&C 58:26–28). In business this a special challenge, because the pull is toward all-consuming and uninspired busyness. However, I believe it highly instructive that King Benjamin, in the Book of Mormon, identifies his labor to lighten the taxes and the material burdens of his people as one of his great services to God. He made service and daily labor one (Mosiah 2:14–16).

There is much that could be said about business and service, but as I have thought about it, one lesson has always stood out to me and that is how easily Cain—who the scriptures say "hearkened" to himself over the voice of the Lord (Moses 5:16)—rejected the higher principle of service as his brother's keeper for the sake of gain. Modern revelation also cautions us about this temptation. We are to resist inappropriate emphasis on property and material gain. In Doctrine and Covenants 117:4, 6–8 we read:

"For what is property unto me? saith the Lord. . . . Have I not the fowls of heaven, and also the fish of the sea, and the beasts of the mountains? Have I not made the earth? Do I not hold the destinies of all the armies of the nations of the earth? Therefore, will I not make solitary places to bud and to blossom and to bring forth in abundance? . . . Is there not room enough . . . that you should covet that which is but the drop, and neglect the more weighty matters?"

Consequently, as you go forward from here, the questions that you will constantly need to ask yourself are these: Will you set your heart more on personal gain or on being your brother's keeper? And if a brother's keeper, then what of your heart, mind, and strength will you consecrate on the daily altar of brotherhood? I believe you will find your response to these summons of the Spirit to be the defining force of your soul's character throughout the remainder of your life.

As you look to that voice as your guide you will also find that how you and I individually respond to issues and challenges may be different because of our customized talents, tests, and missions—for in the world of the Spirit, every man arrives only, as Whittaker Chambers once observed, as he "hangs on the cross of himself." Honoring conscience, not conformity of thought or tradition, is what matters. Others will always be willing to make tough choices for you.

Your charge is to attune yourself and then exercise your God-given agency to act in accordance with His will. This choice is the cross each of us is expected to bear. As you take up that cross and prayerfully continue to follow the voice of the Spirit, your business labors may or may not bring you wealth or prestige, but I promise you this: your work will bring you joy and happiness, and your life will not have been spent in a career, but in a ministry that will be a benediction to your family and to others in ways you cannot imagine.

Let me close now with this final thought from Elder LeGrand Richards, who said the following when asked to define what success meant:

"When I was eight, my father, who had just recently been ordained a patriarch, gave me a blessing. Among other things, he said that I had not come here upon earth by chance, but in fulfillment of the decrees of the Almighty to accomplish a great work, and then he defined that. All my life, I have prayed that if I didn't come by chance, that the Lord would help me accomplish what He sent me to do, so when my mission here on earth was completed, He wouldn't say to me: 'This is what we sent you to do, but you failed and we had to raise up someone else to do your work for you.' True success, to me, is to accomplish the purpose for which the Lord sent me upon the earth."

That is my sacred prayer for myself, and it is also my hope and prayer for you. May each of you know that you are not here by chance. Great days and great success await if you leave here not only to go to work or to more schooling but to minister and attend to the Lord's purpose especially asked of you by the soul's light in your chosen endeavors. In the name of Jesus Christ, amen.

ABOUT THE SPEAKER

Robert C. Gay is a managing director and senior partner of Bain Capital, a privately owned investment firm. Before joining Bain Capital, Gay was an executive vice president of General Electric Credit Corporation Capital Markets Group and vice president in the Merchant Banking Group at Kidder Peabody.

Gay taught economics for two years at Harvard University, where he received a PhD in business economics and a Harvard Business School Division of Research Scholarship. Before serving an LDS mission in Spain, he attended BYU, where he was awarded Phi Eta Sigma. Gay graduated top 1 percent Phi Kappa Phi and Phi Beta Kappa with a BA from the University of Utah.

This article is adapted from Gay's speech given at the Marriott School Convocation 26 April 2002.