

How Great Companies Think Differently

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Traditional theories of the firm are dominated by the notion of opposition between capital and labor, disconnecting business from society and posing conflicts between them. According to this view, companies are nothing more than money-generating machines.

By contrast, great companies use a different operating logic. They believe that business is an intrinsic part of society, and like the family, government, and religion, has been one of its pillars for centuries.

Great companies work to make money, but in their choices of how to do so, they consider whether they are building enduring institutions. As a result, they invest in the future while being aware of the needs of people and society.

There are six facets of institutional logic, which radically alters leadership and corporate behavior: a common purpose; a long-term view; emotional engagement; community building; innovation; and self-organization. *Read the full article online:* <http://hbr.org/2011/11/how-great-companies-think-differently/ar/1>

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