



Book Review:

Humanism in Business, Perspectives on the Development of Responsible Business in Society

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The book named above is still in press with Cambridge University Press. I received an advance draft copy from one of its five editors, Michael Pirson, who approached me after having read a draft of *Being Human*. [Michael not only read *Being Human*, he wrote a short review of it that I will post separately.] Michael's book lives up to its sub-title, "Perspectives on the Development of Responsible Business in Society" by having 23 chapters with 28 authors. It is truly an unusual book whose goal is no less than the launching of a movement dedicated to focusing business on the improvement of the human condition, no longer on the maximization of shareholder wealth. The book's contributors are members of an informal network called [The Humanistic Management Network](#), and they are mostly a mix of business school academics, philosophers, along with NGO and conventional business managers. Of course, no one book will be able to establish a serious social movement but, in my opinion, this book gives their effort a serious start. As the author of *Being Human*, I am frankly astonished at the amount of overlap of this new book with mine, given such different origins. In contrast to *Being Human*, which is built on the contributions of all the sciences of human behavior starting with Darwin, the *Humanism in Business* book is built primarily upon the

contributions of leading philosophers throughout human history. In spite of this difference their definition of human nature has significant overlap with that of RD theory. Beyond that, their implications for action directed toward the business community are remarkably parallel to those in *Being Human*.

I am in a quandary as to how to convey in a few words the evidence of this remarkable overlap. I can say that my first message back to Michael Pirson after finishing the book was, “There cannot be a shadow of a doubt that we are studying the same beast.” Beyond such a declaration I will offer below just a few highlights of this as yet unpublished book so that its relevance to the *Being Human* story becomes clear.

This volume starts off with an analysis of humanistic thought by citing the work of sages and philosophers across time and place. I will quote from Cherry’s chapter on ‘The Humanist Tradition’:

“Strands of humanist thought can be seen throughout human history. Just as most human societies have held a wide range of beliefs in gods and supernatural forces, it seems too that most societies have included skeptics who have doubted these gods and sought to explain the world solely in natural terms. Many of these skeptics emphasized that happiness here on earth was more important than speculative notions about life after death. Similarly, human communities have always developed moral codes, and some have justified these codes by appeals to reason, humanity, or community, rather than to gods and the supernatural... In addition to humanist thought that stood outside of, or in opposition to, religion, we also see more or less humanist thinkers within many religions traditions... Humanism has often been portrayed as a Western invention, but in fact humanist ideas have arisen independently in cultures all over the world. The humanist heritage of ancient Greece shaped Western civilization and therefore is central to the development and spread of humanism in the modern world. However, India and China have older humanist histories. These rich humanist traditions reveal that common principles can arise in the most diverse environments, and

suggest that the humanist goal of living an ethical and fulfilling life, guided by reason, is an aspiration with universal appeal.”

In a summation that appears tautological but is not, “Humans are humane, guided by reason they care about others as well as about self.” Such a definition is consistent with that of RD theory in its proposition that humans have a drive to bond and to comprehend as well as drives to acquire and defend, with the resultant conflicts worked through by the balancing and reasoning capacity of the prefrontal cortex.

The book proceeds to address how humanism is expressed through the historical development of basic human institutions, political, economic, art, religion and science. They cite the American Revolution and the U.S. Constitution as a turning point in humanizing political institutions. Its watchword, ‘government of the people, by the people and for the people’ is the very essence of humanism. This parallels the treatment of this issue in *Being Human*.

At this point the book moves on to its central theme, the relevance of humanism to corporations, the business structures that grew in the 19th century to be the dominant economic institutions worldwide. The book analyzes the almost chance way corporations became defined, both by legal logic and by academic economics, in ways that locked corporate power to property ownership. This definition marginalized the contributions of all other stakeholders to corporate wealth creation. It created the presumption that the single goal of the corporation was the maximization of stockholder wealth. This presumption played out in the rapid growth of corporations to national and international scope in the 19th century. In Europe and in America this created great inequalities in the distribution of wealth along with many other abuses. Marx was moved by a humanist impulse to decry this situation, but, at enormous cost to the world, his explanations and his recommendations proved to be far off target. The book’s overall historic analysis of corporations is again parallel with that offered in *Being Human*, except the latter book explains the process as being more a result of the

Spencerian misunderstanding of Darwin and the existence of free-riders who, without a conscience, led the way in using the corporate form to marginalize contributors other than investors.

The book moves on to examine the gradual development of humanist thought about the corporation in the 21st century. This was expressed in many ways; in the governmental reform and regulatory efforts of both of the Roosevelt administrations, in critiques of neo-classical economics, in philosophical writing about human rights and freedom from coerced choices, in reform movements within corporations themselves and in some of the research and teaching in business schools.

The final chapters of the book report on several recent developments that the authors see as concrete manifestations of a here-and-now humanist movement, alive and well in business practice. They report on the activities of three corporations that have in their own industries become successful exemplars of making the improvement of the human condition the central mission of their corporate life. One chapter focuses on the development within business schools of Positive Organizational Scholarship (POS). This is a rapidly growing research network that focuses on the systematic study of how business can improve its performance in human terms. Another chapter focuses on the long-term partnerships that the World Wildlife Federation has forged with several large transnational firms to jointly pursue the goal of complete sustainability in regard to natural resources and climate stabilization. One chapter deals with the great promise of micro-financing as an approach to the grass roots development of emerging economies. Another chapter deals with an amazing development in Latin American barrios that is moving forward by local youths training other local youths in computer science using ‘applied empathy’ methods. This is but one example of ‘social entrepreneurship’. The book discusses a shift in the top governance mechanisms of corporations from total control by shareholders toward the ‘stakeholder’ model of control by

means of a balanced representation of all the major stakeholders including not only investors, but also employees, customers, suppliers and the general public.

The last chapter of the book, more than any other, links the theme of humanism to the evolutionary biology approach of Being Human. It was written by [Muhammad Yunus](#), the pioneer of micro-finance and entitled, “Social Business Entrepreneurs Are the Solution.” Some quotes from Yunus’ chapter will best make my point about the linkage:

“Many of the problems in the world remain unresolved because we continue to interpret capitalism too narrowly. In this narrow interpretation, we then create a one-dimensional human being to play the role of entrepreneur. We insulate him from other dimensions of life, such as the religious, the emotional, the political, and the social. He is dedicated to one mission in his business life: maximizing profit. Masses of one-dimensional human beings support him by backing him with their investment money to achieve the same mission. The free market game, we are told, works out beautifully with one-dimensional investors and entrepreneurs. Have we been so mesmerized by the success of the free market that we don’t dare to question it? Have we worked so hard at transforming ourselves absolutely into one-dimensional human beings – as conceptualized in economic theory – to facilitate the smooth functioning of the free market mechanism?

Economic theory postulates that you contribute to society and the world in the best possible manner when you concentrate on squeezing out the maximum for yourself. Once you get your maximum, everybody else will get his or hers too. As we follow this policy, we sometimes begin to doubt whether we are doing the right thing by imitating the entrepreneur created by theory. After all, things don’t look too good around us. We nevertheless quickly brush off such doubts by maintaining that bad things happen as a result of ‘market failures’ – well-functioning markets do not produce unpleasant results, do they? I do not think things are going wrong due to ‘market failure.’ The causes lie much deeper. Let us be brave and admit that they are the result of ‘conceptualization failure.’ More specifically, it is the failure of

economic theory to capture the essence of human beings. Everyday human beings are not one-dimensional entities; they are excitingly multi-dimensional... They are [also] people referred to as 'social entrepreneurs' in formal parlance. Social entrepreneurship is in fact an integral part of human history. Most people take pleasure in helping others and all religions encourage this quality in human beings... Once a social entrepreneur operates at 100 percent or beyond the cost recovery point, he has actually graduated into another world, the business world with its limitless expansion possibilities. This is a moment worth celebrating... This is the critical moment of significant institutional transformation. The social entrepreneur has migrated from the world of philanthropy to the world of business. To distinguish him from the first two types of entrepreneur listed earlier, we will call him a 'social business entrepreneur.' Social business entrepreneurs make the market-place more interesting and competitive... Social business entrepreneurs can become very powerful players in national and international economies... We do not pay attention to them because we are blinded by prevailing theories. If social business entrepreneurs exist in the real world – as it seems they do—it makes no sense that they are not accommodated within current conceptual frameworks. Once we have recognized social business entrepreneurs, the supportive institutions, policies, regulations, norms and rules can be developed to help them enter the mainstream.

In conclusion the book stresses the theme of humanism in business in terms of seeking the goal of sustainability, not only in terms of the earth's resources, but also in terms of relationships to all the contributors to the creation of wealth. They propose that the corporation needs to be conceived as a community of people who are committed not only to one another's sustainable well being, but beyond that to the further enrichment of one another's lives. Call it sustainability plus.