



Humanism in Business

Perspectives on the development of responsible business in society

Editors - The Humanistic Management Network

The Humanistic Management Network (www.humanetwork.org) is a group of academics trying to change the way businesses operate by integrating humanistic approaches into strategy in the quest for a more 'life-conducive' economy. The group currently consists of: Heiko Spitzeck (Cranfield University, UK), Wolfgang Amann (University of St. Gallen, Switzerland), Michael Pirson (Harvard University, U.S.), Shiban Khan (University of St. Gallen, Switzerland) and Ernst von Kimakowitz (University of St. Gallen, Switzerland).

Why this book?

Humanism is an active ethical and philosophical approach to life, focusing on human solutions to human issues through rational arguments. Humanism underlines the value of human life and has influenced philosophers since the time of Protagoras. Humanism was also heralded as an educational ideal e.g. by Wilhelm von Humboldt. However, business education and especially business practice lack a consistent approach to integrate humanistic values into economic life. Only a few humanistic contributions could be identified in academic journals; this book therefore tries to bring together the most prominent authors in the field in order to develop a consistent approach to humanism in business. The editors intend to develop a research agenda for humanism in business and wish to help practitioners in creating human-centered organizations.

Aim of the book

Throughout history, philosophers have pronounced human life and dignity a central value. Economic activity impacts human life in diverse aspects, and can either support or endanger an individual's dignity and capacity for self-realization. This book will first examine humanism's philosophical and historical roots in order to create an understanding of what humanism means in today's economic world. In a second step, it will show where the current business framework and management practices can be enhanced to embrace a more life-serving practice in which "man is the measure of all things". As man is also responsible for improving the system as well as organisations, the last chapter of this book focuses on the individual as a change agent and provides tools and thoughts on how to move forward towards a humane business society.

Structure

Part 1: Philosophic-historical grounding of humanism

Insights from humanist philosophers throughout history introduce this book, clarifying the current understanding of the term. Philosophy is, after all, the mother of all sciences. These views are complemented by a historical perspective that demonstrates the effects that humanism or humanists have had on politics, business and social movements, thus outlining its practical impact. An exploration of humanistic thinking and its implications for business studies concludes Part I.

Philosophical Grounds of Humanism

As the Protagoras statement indicates, humanism is deeply rooted in philosophy. In this context, people are the ultimate determiners of value and morality— not objective or absolutist codices. Humanism is a philosophy, attitude, or way of life centred on human interests or values; it is esp. a philosophy that usually rejects supernaturalism and stresses an individual's dignity and worth, and capacity for self-realization through reason.

(Author: Julian Nida-Rümelin - University of Munich, Germany)

Historical review of humanism

Our societies are path-dependent on our history. A historical perspective is essential to track humanistic thought from its cradle within Greek culture to our modern, globalised world.

(Author: Matt Cherry – Executive Director Institute for Humanist Studies, U.S.)

Theological Grounds of Humanism

Besides those in philosophy, the roots of humanism are also found within theological contexts. The “golden rule” has, for example, been identified in all the world's major religions. The theological perspective on humanism is essential, as religion influences the values of societies and individuals.

(Author: Greg Epstein - Harvard University, U.S.)

A Requisite Journey: From Business Ethics to Economic Philosophy

To put humans first in business and to implement humanistic values into management are noble endeavors. In order to make room for more humane business practices, however, a new kind of business ethics is requisite: one that does not subordinate its principles to the narrow confines of short-term profit maximization.

(Author: Claus Dierksmeier – Harvard University, U.S.)

The global economy from a moral point of view

World peace and stability depend on corporate responsibility worldwide and corporations helping to reduce social and economic threats. The Caux Round Table Principles were developed by means of a discursive approach in order to enable a form of moral capitalism.

(Author: Stephen B. Young - Caux Round Table Global Executive Director, U.S.)

Implications for business studies

What does humanism mean for business? Why is it important to consider humanism in today's stakeholder society? The role of humanistic thinking in a modern business context is explored in this contribution.

(Author: Omar Aktouf, University of Montreal, Canada)

Current trends in humanism & business

What is the actual challenge in bringing humanism into the business sphere? What should research on humanism in a business context focus on? The current state of the art of humanism in business is explored and the need for more research identified.

(Author: Domènec Melé - IESE Business School Barcelona, Spain)

Part 2: A humane business society (system level, international framework, global governance)

Following the philosophical grounding, we now direct our attention towards the current state of humanistic values in the global economy, and develop a vision of the role and responsibilities that business should have in society. The starting point is a depiction of a humane society and businesses' role within such a society, which is then assessed against the reality in different domains. These domains are: human rights, economic growth as a means of development - not an end in itself, global corporate citizenship and global corporate regulators. These views are then complemented by the insights that NGOs and international organizations have gained on corporate behavior's impact, and are followed by an intercultural perspective that examines the discourse between relativistic and universal thinking. Part 2 concludes with a call for action by first delivering arguments for change, thus creating momentum, and, secondly, by suggesting concrete action for integrating humanistic values into corporate conduct.

What does a humane society look like?

In order to define research and practice's goal, it is necessary to draft a picture of a humane society. If business is understood as having a societal function, this basis is necessary in order to define its purpose within a humane society.

(Author: Peter Ulrich - University of St. Gallen, Switzerland)

Economic growth and human development

Both politicians and economists currently stress the connection between economic growth and human development. But does economic growth really lead to human development? And if so, under which conditions? Or, is a new theory on human development required?

(Author: Amartya Sen - Harvard University, U. S.)

Business and human rights

Human rights have been ratified by the UN and a number of other international organizations. They embed core humanistic values that are also relevant within a business context. How business deals with human rights and the innovative approaches that apply, are the topic here.

(Author: Klaus Leisinger - Novartis Foundation for Sustainable Development, Switzerland)

Value Shift

Many companies have launched values initiatives, ethics programs and legal compliance efforts. Why then have so many companies come under ethical scrutiny? This paper gives a better understanding of the corporation's role in the modern societies.

(Author: Lynn Sharp Paine - Harvard Business School, U.S.)

The risks for humanism in globalizing business

Globalization impacts humanism in business strongly creating several vicious cycles. The chapter outlines trends and needed counter-trends to ensure a humanistic face to globalization.

(Author: Ulrich Steger - IMD Lausanne, Switzerland)

Part 3: Humanistic Management

Focusing on the corporate level, several questions arise: What would corporate mission statements that incorporate more humanistic management comprise? What route has emerged from the progress made towards corporate humanism? Part 3 also scrutinizes the potential of the ongoing sustainability discussion as a catalyst for change. The current dynamics of the discussion among academics and practitioners has a unique potential to leapfrog petty issues. Humanism in management is a value in itself, but to accelerate its progress, transparency is required with regard to the associated advantages that would help convince organization-internal stakeholder groups. The positive spill-over effects of humanism in business include a sounder justification of the licence to operate, reputation enhancement, attracting talent, and a more committed, loyal and motivated workforce.

Stakeholder Governance - Democratizing the Corporation

The board is in most countries the supreme governing body of a corporation and could shape a firm's strategy towards humanistic ideals. Giving not only shareholders but also stakeholders a voice in determining our common future within an organization could be a major step towards humanistic corporations.

(Author: Allen L. White, Vice President and Senior Fellow, Tellus Institute; Senior Advisor, Business for Social Responsibility, U.S.)

Social Entrepreneurship as a Blueprint for Humane Organizations?

The creation of so far unrealized social value is often realized by systemic change. Social entrepreneurs identify the right tools for systemic change and create social and financial returns by applying business thinking to social needs. By simultaneously addressing social and financial needs, social entrepreneurs could serve as blueprints for a humane corporation.

(Author: Michael Pirson – Harvard University, U.S.)

Advantages for humane corporations

Is there a business case for humanistic management? Are there good arguments for the principle "when in doubt do the right thing", besides the business case? How do trust, reputation and financial results profit from a humane course of conduct?

(Authors: Dieter Frey and Claudia Peus, Massachusetts Institute of Technology, U.S.)

From management to humanistic management

In the third chapter we would like to include a view of Positive Organizational Scholarship. The questions would be: Which approaches enable management to be more human centered? What can be learned from Positive Organizational Scholarship? How do organizations enable thriving environments? What are examples of organizations that demonstrate the potential of "humanistic" or "positive" management?

(Authors: Miguel Pina e Cunha and Miguel Lopes - New University of Lisbon, Portugal)

The value added of corporate governance systems and boards to humanism

What roles do boards and corporate governance settings play in assuring progress in humanism?

(Committed Authors: Oliver Salzmann and Ulrich Steger, IMD Lausanne, Switzerland)

The role of NGOs in a humane business society

The influence of global acting NGOs on business is enormous and ranging from confrontational to cooperative campaigns. NGOs are key to raise awareness why our society and the way we do business have to change and what direction this change might take.

(Author: Oliver Rapf, Global Head of Business and Industry Relations, Climate Change Programme, World Wildlife Fund, Brussels, Belgium)

Part 4: The individual as a change agent for a humane business society

In business studies, the role of the individual is often limited to leadership or merely studying human resource issues. This chapter perceives the individual as a driver of change. In order to be an effective change agent, the individual needs to understand his/her responsibilities within a humane business society. A central concern is how to arrive at sound decision-making structures that are not exclusively based on a pure economic rationale. Finally, the momentum for change as well as action initiatives will enable the individual to become a change agent for a humane business society.

Individual co-responsibility for a humane business society

The role of the individual within a humane business society is important. By demonstrating personal integrity and not merely following strict economic rationality, everybody can and should work constructively towards a humane business society.

(Author: Adrian Henriques - Middlesex University Business School London, U.K.)

The power of individuals in cross-stakeholder networks for a humanistic face of globalization

In the interest of enhancing global prosperity for the benefit of all and the greater prospect of peace, individuals can make a difference in assuring a humanistic face to globalization. Networks fostering dialogue, advocacy as well as education and acting as think tanks can make a noticeable difference in assuring transparency and progress for all in the global economic community. These networks are often driven by individuals, but their combined efforts can far exceed the sum of isolated efforts.

(Author: Jean-Pierre Lehmann, Founding Director of the Evian Group)

The leader as a responsible change agent

Individuals make a difference. Responsible leaders have demonstrated that change is possible within corporations as well as on the business system level. Why were these responsible leaders successful in their endeavours, and how did the foundation of their value assist them in doing so?

(Authors: Thomas Maak and Nicola Pless - INSEAD, France)

Decision-making within a humane business understanding

How can humanistic values be integrated into decision-making structures? Individual decisions are key in determining business conduct. Decisions taken within the business context also form the public perception of the represented organisation.

(Author: Joseph L. Badaracco - Harvard Business School, U.S.)

Everyone a Change Maker

The millennium when only a tiny elite could cause change is coming to an end. A generation hence, not just today's few percent, will be changemakers and entrepreneurs. That world will be fundamentally different and far safer, happier, more equal, and more humane place. To get there, we must end the infantilization of young people. They and the rest of us must enable all young people to be fully creative, initiatory, and powerful changemakers for a more humane society.

(Author: Bill Drayton, Founder of Ashoka)

Social Business Entrepreneurs are the Solution

The bottom line for Social Business Entrepreneurs is to deliver benefits to people and the planet, rather to earn money for the investors. This chapter sketches a new version of entrepreneurship combining a no-loss financial perspective with high social and environmental returns for all stakeholders.

(Author: Muhammad Yunus - Grameen Bank, Bangladesh)

Concluding Observations

In this final chapter the editors give a roundup of the contributions provided combined with highlighting some of the most interesting insights gained from the readings.

(Authors: The editors)