Humanism in Business

What is the purpose of our economic system? What would a more life-serving economy look like?

There are many books about business and society, yet very few of them question the primacy of GDP growth, profit maximization, and individual utility maximization. Even developments with a humanistic touch like stakeholder participation, corporate social responsibility, or corporate philanthropy serve the same goal: to foster long-term growth and profitability. *Humanism in Business* questions these assumptions and investigates the possibility of creating a human-centered, value-oriented society based on humanistic principles. An international team of academics and practitioners present philosophical, spiritual, economic, psychological, and organizational arguments that show how humanism can be used to understand, and possibly transform, business at three different levels: the systems level, the organizational level, and the individual level. This groundbreaking book will be of interest to academics, practitioners, and policymakers concerned with business ethics and the relationship between business and society.

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as Chief Executive through 2002. In 2004, he co-founded Corporation 2020, an initiative focused on designing future corporations to sustain social purpose. He advises multilaterals, foundations, corporations, and NGOs on corporate responsibility and sustainability strategy, policy, and practice. He has held faculty and research positions at the University of Connecticut, Clark University, Tufts University, and Battelle Laboratories, and is a former Fulbright Scholar in Peru and Peace Corps worker in Nicaragua. Dr. White has served on advisory boards and committees of a multitude of non-profit organizations in the US and abroad. He is Chair of GAN-Net, a non-profit organization dedicated to building capacity and building the movement of global, multistakeholder civil society organizations. He is a member of the Steering Committee of the Institute for Responsible Investment, Boston College Center for Corporate Citizenship, and, since 2004, has served as Senior Advisor to Business for Social Responsibility.

Stephen B. Young

Stephen B. Young, Global Executive Director of the Caux Round Table, is a lawyer and writer. He has served as Dean of the Hamline University School of Law and as an assistant dean at the Harvard Law School. He has taught law and Vietnamese history and served on the boards of numerous non-profit organizations. While Dean of the Hamline University School of Law he initiated the *Journal of Law and Religion*. Young studied anthropology and government at Harvard College and took his law degree at Harvard Law School. In 2004 Berrett-Koehler of San Francisco published Young's book *Moral Capitalism*. It has been translated into Japanese, Spanish, Polish, and Croatian. Young has contributed chapters to a number of recent books on ethics and corporate social responsibility and blogs regularly for the *Twin Cities Daily Planet*. As an attorney, Young has both served corporate clients and litigated in state and federal courts. In 1966 Young discovered the Bronze Age site of Ban Chiang in northeast Thailand, now a UNESCO world heritage site. In 1975 Young initiated efforts to open the United States to refugees from South Vietnam and later served on the Citizens' Commission for Indochinese Refugees. He later suggested the framework of a United Nations trusteeship interim administration for Cambodia as a means to end the civil war in that country.

Muhammad Yunus

Muhammad Yunus earned the nickname "banker to the poor" by giving small cash loans to the poorest people in Bangladesh. Yunus completed his PhD in economics at Vanderbilt University in 1969. He taught at Middle Tennessee State University before returning to Bangladesh in 1972 to teach at Chittagong University. His first loan was given to a group of very poor village women in 1974, an amount equivalent of $27. Yunus founded the Grameen Bank two years later to institutionalize this small-scale loan giving, usually to people who had no collateral and would have been turned away by the traditional banks. This notion of "microcredit" has now become a worldwide phenomenon, giving millions the opportunity to pull themselves out of abject poverty. Yunus and Grameen were jointly given the Nobel Prize for Peace in 2006. By that time the bank had helped more than six million borrowers, the vast majority of them women. In awarding the prize, the Nobel Committee stated: "Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty. Microcredit is one such means."

Humanistic Management Network: paving the way towards a life-serving economy

In the Aristotelian concept of the economic system, the economy served political goals. As far as these political goals were democratically legitimized, the economy directly served the people. The humanist credo of "man as the measure of all things" (*Protagoras*) led us to a free, liberal, and democratic world. However, the current global economic system more often than not treats humans as instruments for profits or GDP growth, ignoring the democratic rights and liberties they enjoy within their nation-states. The effects are injustice, environmental degradation, and unhappiness – even for those who currently profit from the existing system. To counter these inhumane effects, Humanistic Management Network creates and disseminates *actionable knowledge* that puts humans first and supports the creation of a life-serving economic system.

Humanistic Management Network's *vision* is to encourage businesses to embrace a more 'life-serving' approach by integrating humanistic values into their core strategy. Our *mission* is to influence business academia, management, and the general public in defining the purpose and role of business in a global society. We foster the creation and dissemination of actionable knowledge to change business practices towards humanistic ideals.

In a first step, Humanistic Management Network is focusing on the creation of a research platform based on humanistic principles. We are establishing a common research agenda for researchers of various disciplines and fields to address the need for a life-serving economy and to build our network of likeminded think-tanks and research groups around the world. In a second step, we will create products and services based on humanistic principles and offer them to organizations in consultations. In a third step, we will use the insights gained from research and practice to influence public discourse and policy decisions towards a human-centered economy. These three steps will be the basis of a continuous feedback loop, which will

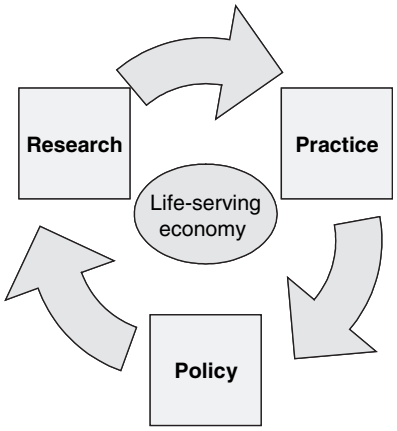


Figure A.1 Humanistic Management Network's integrated approach for a more life-serving economy

slowly but systematically support the creation of a life-serving economic system in which authentic human needs will be served.

Humanistic Management Network currently consists of the editorial team of this book.
They are:

Wolfgang Amann
Shiban Khan
Michael Pirson
Heiko Spitzeck
Ernst von Kimakowitz

Our pledge

If we do not take responsibility for reshaping our economic system and business organizations, who will? And even if – in the end – our collective efforts fail to reach the goal of a humane future, we can say that we tried our best in order to achieve it. Or as Martin Luther put it: "Even if I knew that tomorrow the world would go to pieces, I would still plant my apple tree."

This is easy to demand but hard to live up to. However, if we do not strive for the highest goals right at the beginning, we will not get very

far at all. This is why we as editors pledge the following and encourage any reader, student, colleague, and critic to hold us accountable to this and to indicate if we lose our way to a humane future.

Our pledge:

- As *researchers*, we aim to generate *actionable knowledge* to help others to grow as humans. We will focus on publishing books and articles of which we can be proud, but we will also act on this knowledge as teachers and consultants.
- As *teachers*, we will make sure that our students understand the duality of success and humanism and, in case of doubt, to strive to make man the measure of all things. Our duty as education professionals is to help our students grow professionally and as humans.
- As *consultants*, we make sure that we combine our ideals with our capabilities to generate pragmatic solutions that make a difference to humans as well as to business.
- As *citizens*, we will foster discourse on humanism in business to enable people to understand the challenges of our shareholder economy and to start thinking of creative solutions.
- Finally, we hold ourselves accountable, open to discourse, and undertake to be transparent, to develop measures for academic accountability.

This pledge mirrors what this book is about: reflection, principles, and action. However, as editors, we would not be the servants we strive to be, if we were merely satisfied with the publication of a book that includes a pledge. We are striving for a real-life impact towards a more humane business environment.

Where do we go from here?

We encourage fellow researchers from diverse disciplines to cooperate and evaluate the interactions between business and society, and, we hope, to exemplify that humane and successful organizations and institutions are feasible. This would encourage practitioners to experiment with similar life-conducive endeavors. In the same spirit, we encourage practitioners to share their stories of what worked and what did not. Research, case studies, etc. would help to initiate a constructive public discussion about humanistic values in our current business environment – a topic that we believe affects each of us.

We believe in the power of change through dialogue and insight. Just talking about humanism and business will generate change: change in individuals, in organizations, and in systems. Let us start the dialogue and try to keep it alive. We therefore encourage every reader with ideas on how we can approach the idea of a humane form of business to contact us at info@humanetwork.org. In order to make this idea come true, we all need to stand together and show courage when this is required.

When your grandchildren ask you what you did to give them a life-conducive world in which to grow up, what will your answer be?

Please visit us at www.humanetwork.org.