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978-0-521-72762-4 - Humanism in Business

Edited by Heiko Spitzbeck, Michael Pirson, Wolfgang Amann, Shiban Khan and Ernst von Kimakowitz

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Praise for *Humanism in Business*

Values make a difference. For the most part, having a ‘purpose beyond profit’ has proven one of the best ways for a company to be profitable and socially valuable. Some of the earliest socially responsible businesses achieved this purpose beyond profit from the religious convictions of their founders. In this more secular age, there are many who will be interested in how such values translate into the pragmatic, success-oriented business environment of today. Those seeking a rigorously academic study from an avowedly humanistic perspective will find a wealth of food for thought in *Humanism in Business*.

Mallen Baker, *CEO Business Respect and Development*
Director for Business in the Community in the UK

This book is a most crucial and insightful collection showing persuasively how humanism can be practiced creatively at the core centre of economic development policy agenda, not being a rhetorical flourish but the fundamental basis of economic prosperity and sustainability. Many contributors to this collection illuminate the role of business within society and its potential as a life-serving organ for positive social change. It offers an intriguing blueprint for how the world would be better with a more life-conducive economic system. A must-read for world policy leaders of the future.

Kriengsak Chareonwongsak, *Member of Parliament, Thailand*

This 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. Call it sustainability plus.

Paul Lawrence, *Professor Emeritus, Harvard Business School*

The notion that “humanism in business” is an oxymoron is nonsensical, discredited by both history and logic. Ultimately, business – the centralization and utilization of physical, financial resources, human energy and intellect within organizations great and small – has the societal function of providing the goods and services essential for

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human survival and well-being. How this function is fulfilled has varied greatly over time and place. An important factor in determining the “how” are the values which underlie the society and are manifested in the operations of its business institutions and those who lead them. The editors and authors of this creative volume demonstrate convincingly that business activity in the twenty-first century is not, and cannot, be governed by mechanistic markets operating autonomously of broader societal values and expectation. It is our humanistic traditions developed over millennia from philosophical, religious and cultural sources that in the final analysis define the appropriate role of business in society. Congratulations to the editors of this volume for underscoring this point so convincingly.

Edwin M. Epstein, *Professor Emeritus, International and Area Studies and Haas School of Business, University of California, Berkeley*

In the last few decades business has become increasingly aware that shareholder value cannot be the only indicator for success. Sustainable development and corporate social responsibility (CSR) concepts attempt to address negative trade-offs. But at the heart of the matter stands a humanistic attitude, an ethical stance towards all we do, be that in business or as private individuals.

Claude Martin, *former Director General, WWF International*


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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.

HEIKO SPITZECK is a lecturer at the Doughty Centre for Corporate Responsibility, School of Management, Cranfield University.

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CAMBRIDGE UNIVERSITY PRESS

Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo, Delhi

Cambridge University Press

The Edinburgh Building, Cambridge CB2 8RU, UK

Published in the United States of America by Cambridge University Press, New York

www.cambridge.org

Information on this title: www.cambridge.org/9780521727624

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First published 2009

Printed in the United Kingdom at the University Press, Cambridge

A catalogue record for this publication is available from the British Library

Library of Congress Cataloguing in Publication data

Humanism in business / Heiko Spitzcek . . . [et al.].

p. cm.

Includes bibliographical references and index.

ISBN 978-0-521-89893-5 (hardback) – ISBN 978-0-521-72762-4 (pbk.)

1. Business ethics. 2. Economics—Moral and ethical aspects. 3. Economics—Social aspects. 4. Humanism—Social aspects. I. Spitzcek, Heiko.

HF5387.H859 2008

174'.4—dc22

2008037142

ISBN 978-0-521-89893-5 hardback

ISBN 978-0-521-72762-4 paperback

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Cambridge University Press

978-0-521-72762-4 - Humanism in Business

Edited by Heiko Spitzneck, Michael Pirson, Wolfgang Amann, Shiban Khan and Ernst von Kimakowitz

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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.”

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978-0-521-72762-4 - Humanism in Business

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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

Cambridge University Press

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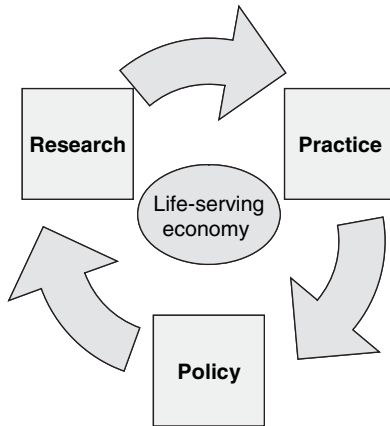
Humanistic Management Network

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

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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.