Management **Network**

About Humanistic Management

Ernst von Kimakowitz

Making progress towards addressing the main challenges we face as a global community is contingent upon business playing a more active role than it does today. Taking up this more active role in turn depends on re-establishing a meaningful relationship between the means and ends of business.

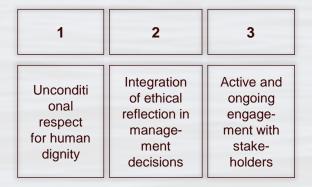
In essence we need to depart from a one dimensional goal-set where maximizing profit is the singular aspiration of a business organization and shift towards the triple bottom line in assessing business Beina success. profitable is a necessarv condition of sustainability for any business organization, but it is not its raison d'être, profit is a means but not an end in itself. The why reason we want prospering businesses in our communities is because they deliver goods and services that

meet genuine needs, human because they provide livelihoods through employment opportunities, because they allow us to collaborate in creating value and finding innovative solutions to challenges we face. In short: the end of business is to serve society and healthy profits are a means to gain and maintain the capacity for doing so, not vice versa.

The Three - Stepped Approach to Humanistic Management

guiding framework to As a positive support the impact business can generate, we have developed the Three Stepped Approach Humanistic to Management. Combining theoretical insight with empirical evidence has led us to define three main characteristics companies that seek to do well as much as they do good. These are 1) the unconditional respect for human dignity, 2) integration of

ethical reflection in management decisions and 3) the active and with ongoing engagement stakeholders



Respect for Human Dignity

The respect for human dignity may seem somewhat remote from business at first sight but it central to a humanistic Α management paradigm. precondition for fruitful human interaction is the mutual respect for one another. Business is human interaction and business leadership is first and foremost about being a human being. Our dignity lies in our capacity to define autonomously the purpose of our existence and business can promote as well as hamper our capability for doing so. Paying living wages, ensuring safe working conditions or avoiding environmental damages that adversely affect peoples' health

or their ability to farm their own food are but a few examples for how business can be an agent for self determination and a life in dignity. With humanistic management businesses do not accept that people create value for the business under undignifying conditions and they do pose preventable not limitations on their stakeholders' ability to live a self determined life.

Integration of Ethical Reflection in Management Decisions

reflection Secondly, ethical forms an integrated part business decisions in a humanistic management paradigm. Businesses that are serious about respecting human dignity examine management decisions in terms of their consequences and risks for all those affected. They do not wait for costly public outcry if and when misdemeanour makes the headlines before they respond with corrective action nor do they view CSR programs only as a tool to manage reputational risks. With humanistic management businesses think that protecting their integrity through adhering to

self-imposed, strong values needs no further reasoning for it is the right thing to do.

Active and Ongoing Engagement with Stakeholders

The third hallmark humanistic management paradigm active is the and with ongoing engagement stakeholders. Through engagement stakeholder businesses learn about the interests and concerns of all those who are touched by their operations. Aiming compromise where interests are in conflict and allowing for the power of the better argument to supersede factual power, they gain and maintain a high level of public legitimacy. With humanistic management businesses willing and able to make their decisions transparent and listen to and act upon concerns voiced their stakeholders. by Stakeholder engagement allows to share responsibility and gain insights on public perceptions. This, in turn, provides business intelligence refine value to promote the propositions and ongoing success in the market place.

humanistic In summary, management follows strategies and practices aimed at creation of sustainable human welfare. A desire to generate value for society at large is part of organizational DNA businesses that embrace the three stepped of approach Humanistic Management.

Reality Proves Possibility

Reality proves possibility and many business leaders know that sustaining business success over time depends on value а proposition to society at large. They have a deep sense of responsibility towards the communities which in thev operate and act accordingly. Not only at home, but around the globe, not only within their own operations but also along their supply chains, they create shared value and share the value created. Others however behind and yet have to embrace ideas that establish a meaningful relationship between the means and ends of business. Making towards progress more a sustainable and more equitable planet is an imperative, not an option. We need to step up our

efforts to preserve the natural capacity of our planet to support life and we need to find more equitable ways to distribute wealth and neither will possible without the innovative powers of business. With our approach to humanistic management we provide stimulus, facilitate reflection and offer guidance to organizations that share our passion for achieving these goals.

> This text was originally published as The Makings of Humanistic Management in the AisianNGO Magazine Edition 16, April -June 2016, Pages 39 - 41

Management **Network**