

About Humanistic Management

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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 success. Being profitable is a necessary 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 reason why we want prospering businesses in our communities is because they deliver goods and services that

meet genuine human needs, 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

As a guiding framework to support the positive impact business can generate, we have developed the Three Stepped Approach to Humanistic Management. Combining theoretical insight with empirical evidence has led us to define three main characteristics of 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 ongoing engagement with stakeholders

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Unconditional respect for human dignity	Integration of ethical reflection in management decisions	Active and ongoing engagement with stakeholders

Respect for Human Dignity

The respect for human dignity may seem somewhat remote from business at first sight but it is central to a humanistic management paradigm. A 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 not pose preventable limitations on their stakeholders' ability to live a self determined life.

Integration of Ethical Reflection in Management Decisions

Secondly, ethical reflection forms an integrated part of 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 of a humanistic management paradigm is the active and ongoing engagement with stakeholders. Through stakeholder engagement businesses learn about the interests and concerns of all those who are touched by their operations. Aiming for 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 are willing and able to make their decisions transparent and listen to and act upon concerns voiced by their stakeholders. Stakeholder engagement allows to share responsibility and gain insights on public perceptions. This, in turn, provides business intelligence to refine value propositions and promote the ongoing success in the market place.

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

Reality Proves Possibility

Reality proves possibility and many business leaders know that sustaining business success over time depends on a value proposition to society at large. They have a deep sense of responsibility towards the communities in which they 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 lag behind and yet have to embrace ideas that establish a meaningful relationship between the means and ends of business. Making progress towards a more 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 be possible without the great 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.