



Empowering Responsible Leaders

The “Why”, “What” and “How” of Ethical Leadership & Corporate Governance



THREE ORGANIZATIONS, ONE MINDSET

Dignity, Integrative Business Ethics, Stakeholder Engagement




Humanistic Management Network

Humanistic: Because organizations exist to serve people

Management: Because we need to rethink what business is all about

Network: Because together we are stronger



Humanistic Management Center


**KNOWLEDGE
DRIVEN
IMPACT
ORIENTED**

The Humanistic Management Center addresses the root cause of some of the most pressing challenges we face as a global community. Focused on CSR and business ethics we provide thought leadership and advisory services that lead from principles to practice. As business success and societal value generation are increasingly interdependent, we:

- assess, evaluate and help to improve your CSR strategy and activities to enhance your positive impact
- support you in formulating and executing stakeholder engagement strategies to successfully navigate the stakeholder economy
- build tools that enhance your sustainability performance

Contact us under advisory@humanisticmanagement.org for further information.

www.twitter.com/HumanisticMgmt
www.linkedin.com/company/humanistic-management-center




ETHICS FIRST
EMPOWERING RESPONSIBLE LEADERS

**EMPOWERING
RESPONSIBLE
LEADERS**

ETHICS FIRST offers executive training to empower responsible leaders. Developing ethical competences creates unique opportunities to gain and sustain a leading position in competitive global markets. With our world class faculty ETHICS FIRST builds customized and tailored training solutions, delivering long lasting learning experiences. Topics of our trainings include:

- Success Factor Ethics: Driving innovation, enhancing resilience and creating value with values
- Leadership 2020: Operating successfully in the VUCA world
- Stakeholder Engagement: Creating and maintaining mutually beneficial relationships with stakeholders

Contact us under opportunities@ethicsfirst.eu for further information.

A photograph of Larry Fink, Chairman & CEO of BlackRock, speaking. He is a middle-aged man with glasses, wearing a grey suit, white shirt, and blue patterned tie. He is gesturing with both hands raised, palms facing forward. The background is blurred, showing greenery and a building.

“Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.”

Larry Fink: Chairman & CEO of BlackRock



Contents

- 1 Why: Global Context**
- 2 What: Mental Model and Key Drivers**
- 3 How: Tools and Frameworks**

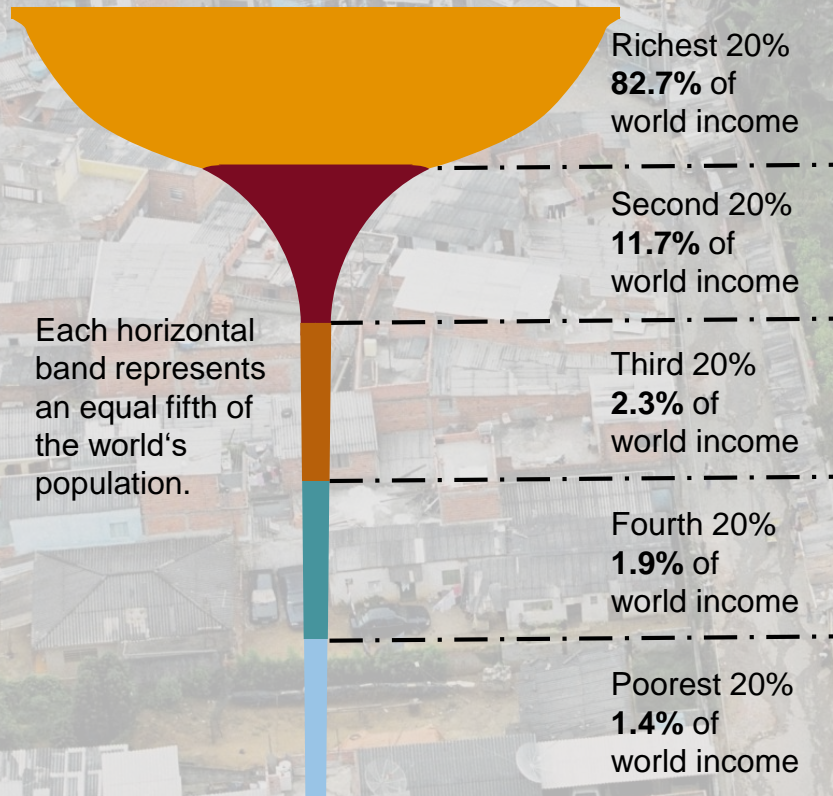
THE ENVIRONMENTAL CHALLENGE



THE ENVIRONMENTAL CHALLENGE



THE DISTRIBUTIONAL CHALLENGE



According to an Oxfam study the richest 1% own more than the remaining 99% of the world's population.

The substantial inequality in global wealth distribution increasingly puts peace and social cohesion at risk.

This means we are biting the hand that feeds us as the ongoing success of democratic societies depends on the capacity to create shared prosperity.

RELEVANCE FOR BUSINESS

Credibility of Spokespeople: Trust in Leaders has Reached a Historic Low



Around 60% of the global public do not think business leaders, government officials or regulators are trustworthy.

RELEVANCE FOR BUSINESS

Organizational Well Being

Three Types of Employees

1

ENGAGED employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

2

NOT-ENGAGED employees are essentially “checked-out”. They’re sleepwalking through their workday, putting time – but not energy and passion – into their work.

3

ACTIVELY DISENGAGED employees aren’t just unhappy at work; they’re busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

70% do not like what they do

Around 30%

Around 50%

Around 20%

ROLE OF BUSINESS

We need to co-create solutions



No actor alone will be able to provide solutions to the challenges we face as a global community.

It would be equally wrong to expect business to singlehandedly fix it as it would be wrong to expect it can be done without the active contribution of business.

GLOBAL CONTEXT

Playing
an active role in
finding solutions to the
challenges we face is both a moral
imperative as well as a requirement for
the ongoing success in the market place



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Mental Model

B2B

Mental Model

B2C

Mental Model

B2G

Mental Model

Human 2 Human

Mental Model

Business
is people
working with people
to create value for people

KEY DRIVERS

The three stepped approach to Humanistic Management

1

Unconditional
respect for the
dignity of life



2

Integration of
ethical reflection
in management
decisions



3

Active and
ongoing
engagement
with
stakeholders

KEY DRIVERS

Step 1: Unconditional respect for the dignity of life

1

**Unconditional
respect** for the
dignity of life

Unconditional:
Not subject to
any conditions

Respect:
Avoid harming or
interfering with

Dignity:
State of having
intrinsic value



What Does Dignity Mean?

KEY DRIVERS

Dignity manifests
itself through self-
determination

KEY DRIVERS

Step 2: Integration of ethical reflection in management decisions

1

Unconditional
respect for the
dignity of life



2

Integration of
ethical reflection
in management
decisions



3

Active and
ongoing
engagement
with
stakeholders

KEY DRIVERS

Step 2: Integration of ethical reflection in management decisions

2

**Integration of
ethical
reflection** in
management
decisions

Integration:
Combine with
another to form
a whole

Ethical:
Aligned to moral
principles and
values

Reflection:
Deep and
careful thought
about something

A close-up photograph of a pink and yellow lily flower, likely a Turk's Cap lily, with its petals curled and pointed. The flower is set against a background of lush green leaves and dark branches, some of which are out of focus. A semi-transparent white rectangular box is overlaid on the center of the image, containing the text.

What are Some Central Moral Principles and Values?

KEY DRIVERS

Great Organizations are Anchored in Strong Values

Purpose
&
Legitimacy

Passion
&
Integrity

Empathy
&
Transparency

KEY DRIVERS

Steap 3: Active and ongoing engagement with stakeholders

1

Unconditional
respect for the
dignity of life



2

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ethical reflection
in management
decisions



3

Active and
ongoing
engagement
with
stakeholders

KEY DRIVERS

Step 3: Active and ongoing engagement with stakeholders

3

Active and
ongoing
engagement with
stakeholders

Active:
Seeking to
participate in an
activity

Engagement:
A formal
arrangement to
do something

Stakeholders:
Persons or
interests effected
by a business

A close-up photograph of a pink and yellow lily flower with green leaves in the background. The flower is in sharp focus, showing its six petals with a mix of pink and yellow hues. The background is a soft-focus green, suggesting a garden or forest setting. A semi-transparent white rectangular box is overlaid on the center of the image, containing the text.

**Is your Business Actively
Engaging with Stakeholders?**

KEY DRIVERS

Stakeholder engagement builds a
safety net against reputational
damages and helps spot future
business opportunities

KEY DRIVERS

The three stepped approach to Humanistic Management

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- 3 **How: Tools and Frameworks**

HOW TO PROMOTE ETHICAL LEADERSHIP

The Ethical Leadership Quotient (ELQ)

360 Assessment
Tool

Measures a
person's ethical
leadership
competencies

Provides leaders
with comprehensive
insight into their
ethical leadership
behaviours

HOW TO PROMOTE ETHICAL LEADERSHIP

Ethical Decision-Making Models (Example)

Step 1:
Define the
problem

Step 2:
Seek
assistance,
guidance...

Step 3:
Identify
alternatives

Step 4:
Evaluate
the
alternatives

Step 5:
Make the
Decision

Step 6:
Implement
the
Decision

Step 7:
Evaluate
the
Decision

HOW TO PROMOTE ETHICAL LEADERSHIP

Experiential learning

Concrete
Experience

Active
Experimentation

Reflective
Observation

Abstract
Conceptualization

HOW TO PROMOTE ETHICAL LEADERSHIP

Integrated Reporting

Process that results
in communication,
most visibly a
periodic “integrated
report”, about value
creation over time

Concise
communication
about strategy,
governance,
performance and
prospects

Outlines how an
organization
creates value over
the short, medium
and long term


HOW TO PROMOTE ETHICAL LEADERSHIP

GRI G4 Standards

Disclose most critical impacts – be they positive or negative – on the environment, society and the economy

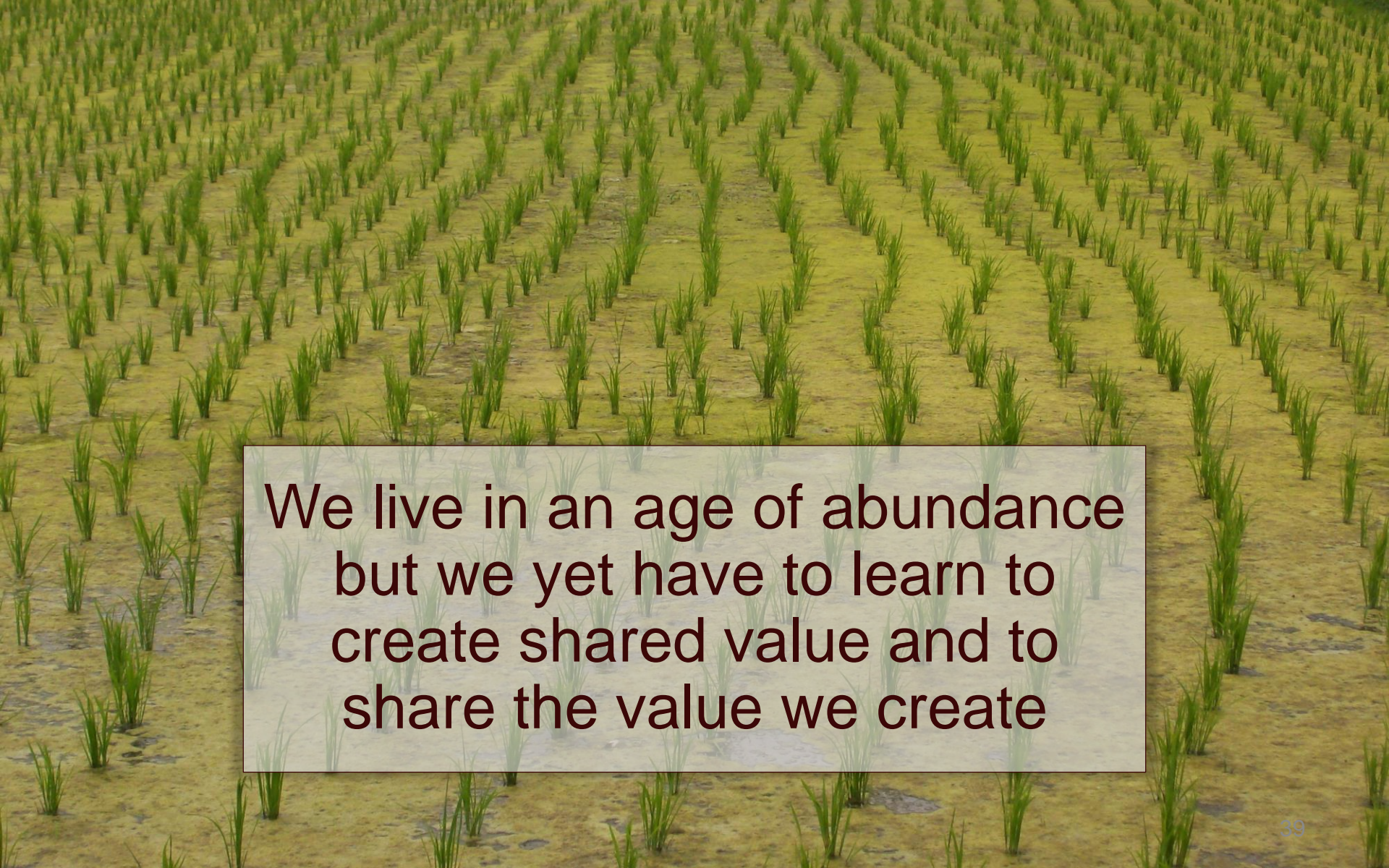
Generate reliable, relevant and standardized information to assess opportunities and risks, and enable informed decision-making

Designed to be universally applicable to all organizations of all types and sectors



Every 6 hours
the deserts of this world
receive as much energy as
humanity uses per year

www.desertec.org



We live in an age of abundance
but we yet have to learn to
create shared value and to
share the value we create



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