



# Global Business and the Sustainability Transformation

Challenges, Success and Private Public Partnerships

**Humanistic Management Center**  
Addressing the root cause of global  
socio-economic challenges

# Business in the Global Perspective

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We need to use markets more wisely

## Situation:

The combination of democratic government and market economies has had a hugely liberating effect on the individual and has created unprecedented wealth in many parts of the world.

## Consequence:

We are talking about the negative side effects of a big success story. However these have become too grave to be ignored.

## Complication:

We are facing a situation where the natural capacity of the planet as well as the inequality in wealth distribution is stretched to the point where we are biting the hand that feeds us.

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PPPs as a Tool to Make Impact

# The Environmental Challenge

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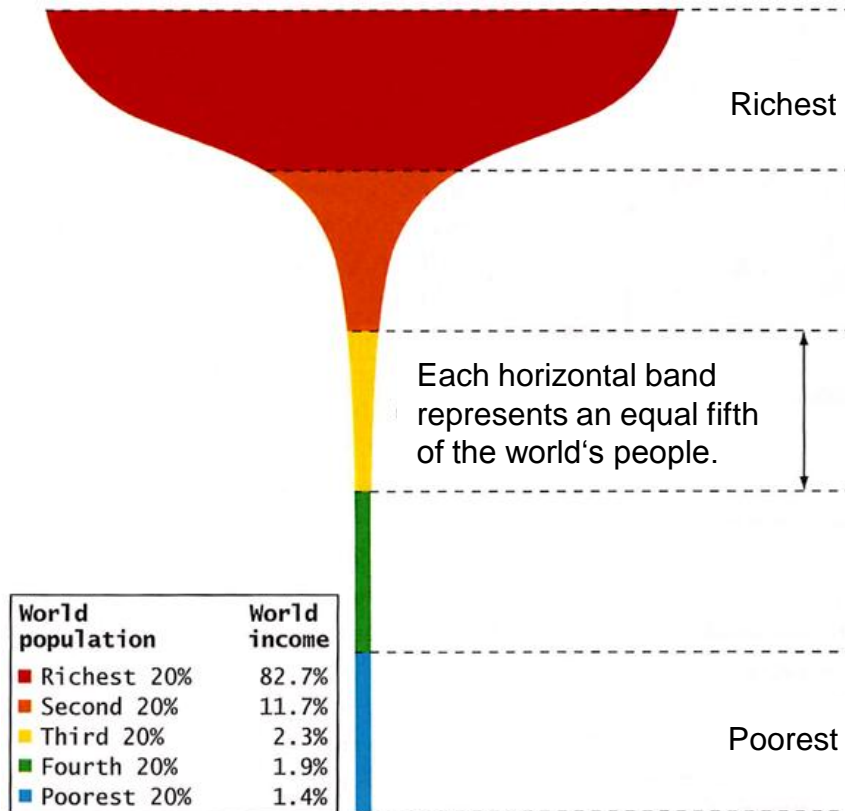


# The Environmental Challenge

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# The Distributional Challenge



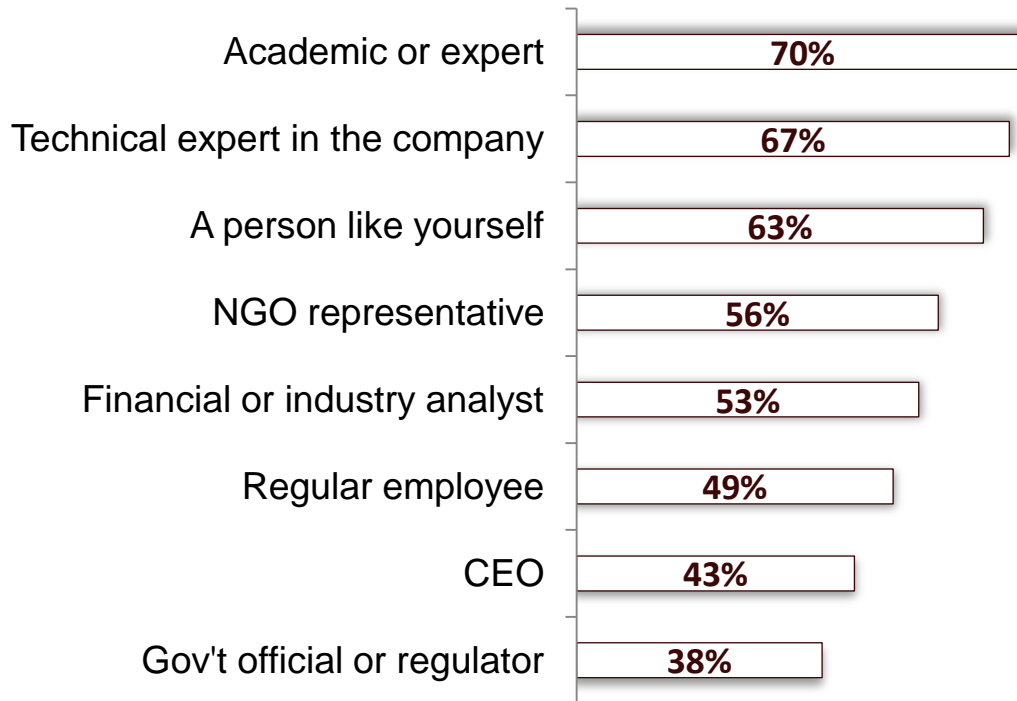
The substantial inequality in global wealth distribution increasingly puts peace and social cohesion at risk.

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

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Credibility of spokespeople: trust in our 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

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## Organizational Well being

### Three types of employees

70% do not like what they do

1

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

Around 30%

2

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

Around 50%

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.

Around 20%

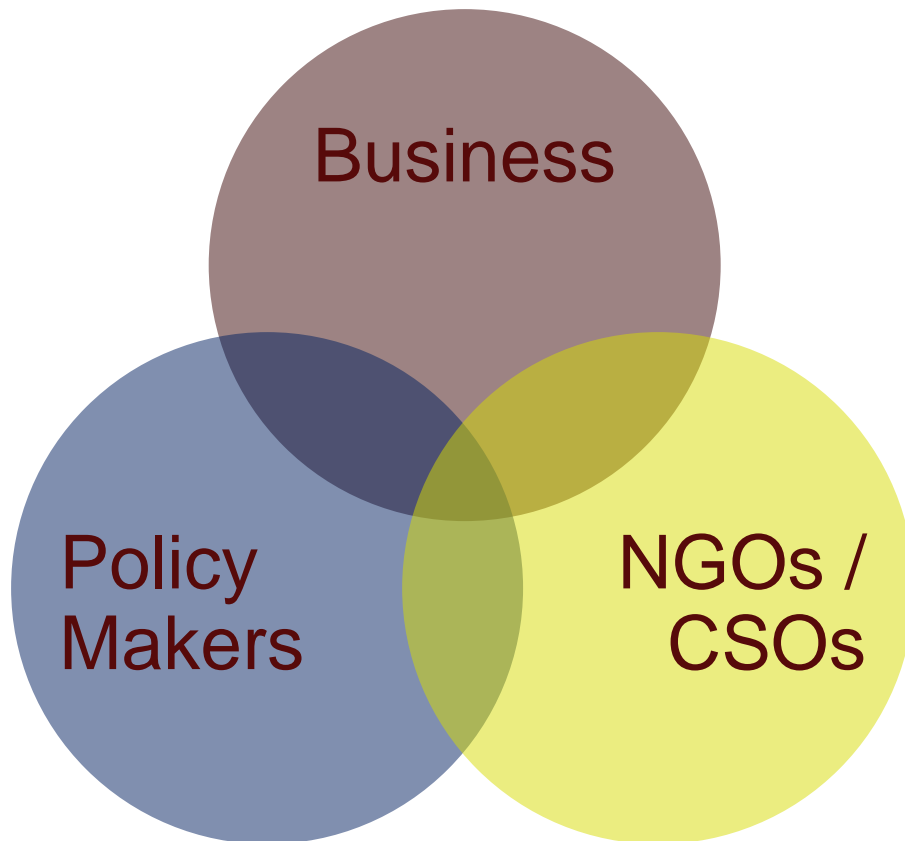
Gallup employee engagement study: <http://www.gallup.com/strategicconsulting/en-us/wellbeing.aspx?ref=f>



# The Role of Business

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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.

# The Role of Business

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Business success will increasingly depend on the contributions made to addressing the challenges we face as a global community

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# A Human Centered Management Paradigm

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**Mental  
Framing**

**Drivers**

**Management  
Paradigm**

# Mental Framing

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Human2Human

# Mental Framing

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Human-centred organizations

operate under a mental framing that  
sees business first and foremost as  
human interaction

Business is people working with people  
to create value for people

# Drivers

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Purpose  
&  
Legitimacy

Passion  
&  
Integrity

Empathy

# Drivers

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Human-centred organizations are purpose driven and legitimacy seeking, their members are passionate with integrity and are doing what they do with empathy



# Management Paradigm

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Three – stepped approach to humanistic management



# Management Paradigm

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Human-centred organizations

Have unconditional respect for human  
dignity,

Integrate ethical reflection into  
management decisions

and actively engage with their stakeholders

# A Human Centered Management Paradigm

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## **Mental Framing**

All Business is  
Human 2 Human  
Business

## **Drivers**

Purpose &  
Legitimacy  
  
Passion &  
Integrity  
  
Empathy

## **Management Paradigm**

Human Dignity  
  
Integrative Ethics  
  
Stakeholder  
Engagement

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**PPPs as a Tool to Make Impact**

# Private Public Partnerships

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## PPPs as a tool to co-create impactful solutions

Existence of public need with lack of resources and/or competencies of public actors that can be addressed with an entrepreneurial solution

Opportunity to create an attractive value proposition for private sector actors

Possibility to develop a partnership based on a shared vision and values



# Private Public Partnerships

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## Success factors

- 1. Create a strong legal framework at the state level**
- 2. Prioritize projects based on quantifiable public goals**
- 3. Pick politically smart projects**
- 4. Understand what the private sector needs**
- 5. Find the right revenue stream**
- 6. Create a clear and transparent process**
- 7. Build an empowered team**
- 8. Actively engage with stakeholders**
- 9. Monitor and learn from the partnership**

# PPP Example From Europe

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# PPP Example From Europe

## Rationale / Objective:

Airport construction and extension harnessing private sector efficiency

## PPP Actors:

Hanseatic City; Hamburg Airport; Private Sector Consortium

## Financial Structure:

Private equity and public funds

## E.U. Support:

EIB loan

## Contract agreement:

Joint venture and concession

## Risk Allocation:

Shared

## Institutional / Managerial Structure:

Political support; company board

## Tariff Setting:

Fixed by contract regulated under public law

## Strong Points:

The willingness of the private partner to accept compromises such as price-cap regulation or noise protection; attractive asset: well managed company

## Weak Points:

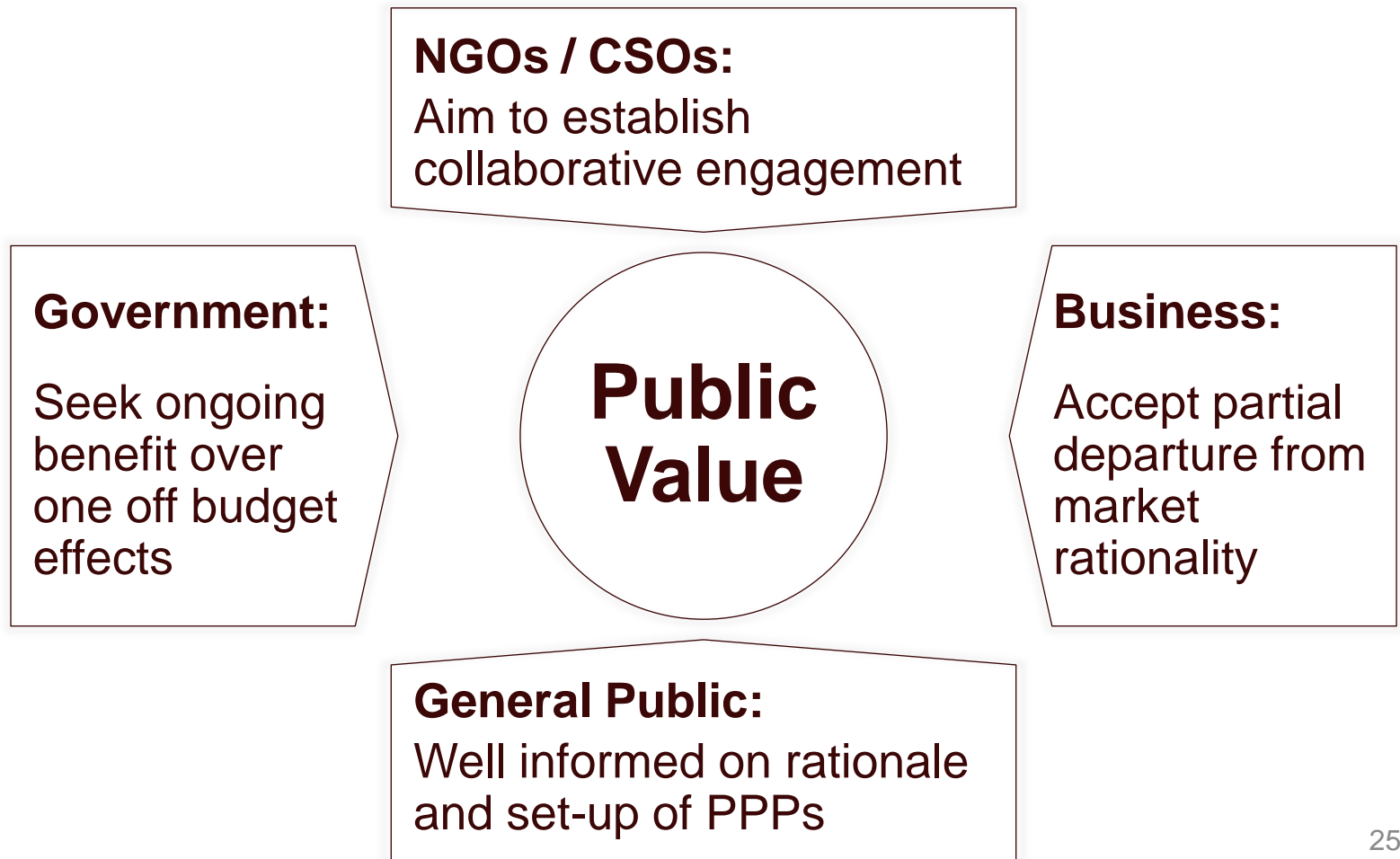
The withdrawal of the state of Schleswig-Holstein and the federal government of Germany as long term financial partners



# Private Public Partnerships

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Mind set needs to embrace generation of public value



# Summary

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## **Global Challenges**

Environmental  
Distributional  
Both hold great opportunities for business

## **Business Success**

Mental framing  
Core values as drivers  
Management Paradigm

## **PPPs**

Public need  
Value proposition for business  
Shared vision and values



# Humanistic Management Center

## From Principles to Practice

Think Tank | Learning Institution | Advisory Firm

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