



What Makes Organizations Great?

Global Context, Mental Model, Drivers and
Management Paradigm

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

Business in the Global Perspective

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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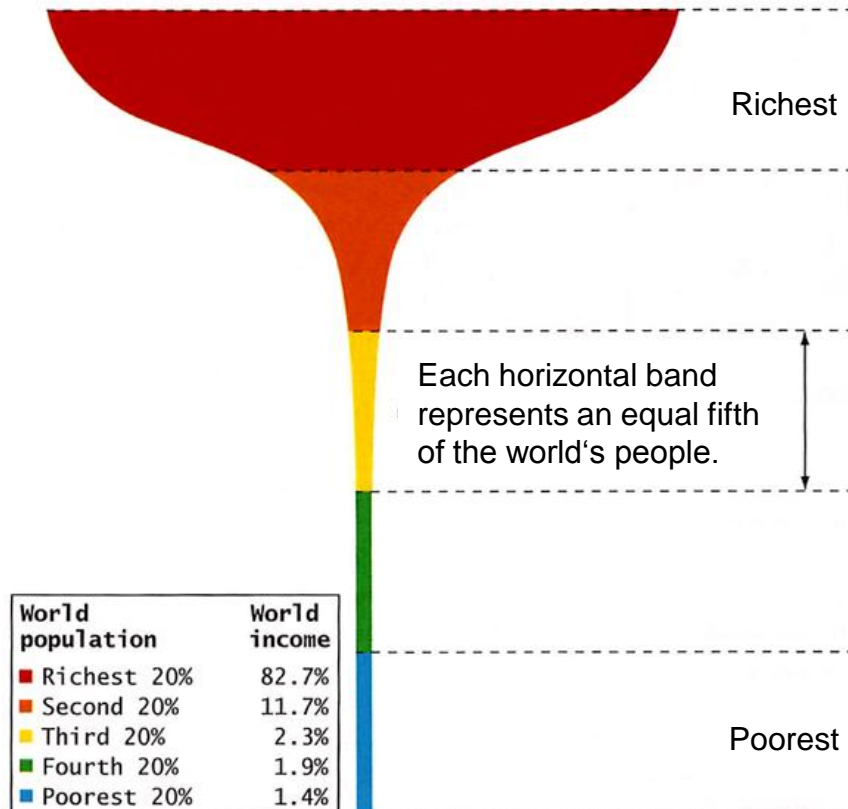
The Environmental Challenge



The Environmental Challenge



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

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

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

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

Great organizations seek to make active contributions to addressing the challenges we face as a global community

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Mental Model

B2B

Mental Model

B2C

Mental Model

B2G

Mental Model

H2H

Mental Model

Human2Human

Mental Model

Great organizations

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

Business is people working with people
to create value for people

Drivers

Purpose
&
Legitimacy

Passion
&
Integrity

Empathy

Drivers: Purpose

Your purpose as a business is *not what you do but why* you do it and why society wants you to do it

"Too many people think only of their own profit. But business opportunity seldom knocks on the door of self-centered people. No customer ever goes to a store merely to please the storekeeper."

Kazuo Inamori: Founder of Kyocera

Drivers: Legitimacy

You gain legitimacy as a business if your purpose, and the values that guide the way in which you pursue it are seen as desirable by society at large

“Free enterprise cannot be justified as being good for business. It can be justified only as being good for society“

Peter Drucker: Management Guru

Drivers: Passion

Passion is a reality when you are walking the extra mile without noticing it because anything less would feel wrong

“Passion isn't something that lives way up in the sky, in abstract dreams and hopes. It lives at ground level, in the specific details of what you're actually doing every day.”

Markus Buckingham: Business Author

Drivers: Integrity

Integrity means to do what you say and say what you do and to constantly work towards the unity of both

*„I rather lose money than lose trust.
The reliability of my promises, the
belief in the value of my goods and
trust in my word always stand higher
than short term gains.“*

Robert Bosch: Founder of Bosch

Drivers: Empathy

Empathy describes the capacity to imagine being in other people's position; it allows you to know what aims and needs others have, what makes them comfortable and what makes them upset

"If there is any one secret of success, it lies in the ability to get the other person's point of view and see things from that person's angle as well as from your own."

Henry Ford: Founder of Ford Motor Company

Drivers

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

Management Paradigm

Three – stepped approach to humanistic management



Management Paradigm

Great organizations

Have unconditional respect for human
dignity,

Integrate ethical reflection into
management decisions

and actively engage with their stakeholders

A Human Centered Management Paradigm

Mental Model

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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