Ricardo Aguado
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Virtuous Cycles in Humanistic Management

From the Classroom to the Corporation

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The Necessity of a Paradigm Shift in Business Education: Humanistic Management as a Bridge to Link Social Needs with Corporate Purposes

The original idea of this research project has been developed by a group of researchers which form the HUME (Humanism in Management and Economics) research group, headquartered at the University of Deusto, Deusto Business School (Bilbao, Spain). The main purpose of HUME is to work in interaction with others in the creation of new knowledge in the field of management (management education, theory of the firm, people's management, monetization of social value created by firms, spirituality) and economics (sustainable development), closely linked with the protection and development of human dignity and social well-being. This book is one of the ways in which HUME tries to fulfill the aforementioned objective. Authors are scholars participating in the HUME research team, plus other international professors and practitioners from Europe, America, Australia, and Asia, which are also interested in the widespread of humanistic management in organizations around the world.

The aim of the book is to show the linkages between business and management education at graduate and undergraduate levels and the way corporations are managed. If, as contributors to this book, we are able to show paths to deliver a management education with humanistic foundations, it could be easier for corporations to include those humanistic principles in their strategic planning and daily operations. A second aim of the book is to include existing cases of this kind of management style, so that other practitioners could find examples and ways to implement humanistic management (HM) in their organizations. We hope that the work we present in these pages will be a source of inspiration for universities, professors, practitioners, and corporations.

Well before the economic and financial crisis that took place in 2008, many academics started to worry about the role of corporations regarding their whole set of stakeholders and society at large (Porter & Kramer, 2002). Traditionally, shareholders required all the attention from managers, and corporations based their actions in achieving profit maximization (Jensen & Meckling, 1976). In contrast, some academics and practitioners started to ask for a responsible behavior of

corporations not only regarding shareholders but also the environment and society (Freeman & Ginena, 2015).

After the crisis of 2008, the necessity of incorporating corporations in achieving the well-being of society within the environmental limitations has grown in importance. Initiatives coming from the UN (such as PRME, the Global Compact, and the sustainable development goals), the academia (developing concepts such as shared value, CSR, sustainability, business ethics, education in values), and the corporations themselves highlight the role of corporations in making a positive contribution toward social well-being, the environmental protection, and the satisfaction of all stakeholders (including, but not only, shareholders) (Hiller, 2013).

In this regard, the long-standing tradition of humanism applied to the economic activity provides a comprehensive framework to link the purpose of corporations with the development of all persons that are engaged with them (Kimakowitz, Pirson, Spitzeck, Dierksmeier, & Amann, 2011). At the same time, humanism connects the satisfaction of stakeholders (employees, customers, shareholders, suppliers, public agencies) with the making of a positive contribution to social well-being in a sustainable way (Melé & Dierksmeier, 2012).

The core concepts that are in the base of humanism (human dignity, freedom, human integral development, cooperation) make possible this linkage between individual development and social well-being, between corporate social performance and sustainability (Melé & Schlag, 2015). In order to have a greater impact on the management of corporations and other social and economic organizations, it is important to introduce the basic concepts of humanistic management inside the undergraduate and graduate programs in business schools. In this way, current and future managers could develop leadership styles rooted in a kind of understanding of economic activity that is focus in serving stakeholders and social well-being in a sustainable way (Kassoy, Houlahan, & Gilbert, 2016; Keay, 2007; Naughton, 2015).

Following this idea, the book has three distinct parts that analyze the interaction between business education and management inside organizations. At the same, the book illustrates that humanistic management is a real possibility that is currently applied in many organizations which, at the same time, are competitive institutions and engaged in fostering human dignity among their stakeholders and society at large. According to some authors (Aguado, Alcaniz, & Retolaza, 2015), there are important interactions between academic education in the field of management (undergraduate and graduate levels), current management procedures in corporations, and demands about the role of firms in society coming from governments, international agencies (Global Compact, PRME, Sustainable Development Goals), and citizens (Hibbert & Cunliffe, 2015). In fact, leading corporations which are supportive of UN programs or activities in the field of sustainability are demanding management procedures that may facilitate them the alignment between financial and social goals (Retolaza, San-Jose, & Aguado, 2016). In order to provide this kind of knowledge in the field of management, universities are building new programs and methodologies both in the undergraduate and graduate levels, so that current managers and students could internalize this knowledge and put it in practice in the process of decision-making in institutions (Aguado, Alcaniz, Retolaza, & Albareda, 2016). This kind of interaction between higher education institutions, corporations,

and society could create virtuous cycles that may facilitate the widespread of a kind of management based on humanistic principles, such as human dignity and social well-being (Lepeley, Kimakowitz, & Bardy, 2016; Stachowicz-Stanusch & Amann, 2018).

Each part of the book is understood as one of the cycles that, in interaction with the other two, can set in motion the whole paradigm shift in business education toward a humanistic management approach. The first part is devoted to humanistic education (including three chapters), the second part analyzes humanistic management (with three chapters), and, finally, we include four chapters that highlight humanistic management in practice. Each part symbolizes a new virtuous circle that is added to the previous one in order to foster the dissemination of humanistic management (HM) among corporations and social institutions. Each of these parts is presented below.

Humanistic Education

This first part begins with the chapter titled "How to Develop the Humanistic Dimension in Business and Management Higher Education" written by Almudena Eizaguirre, Leire Alcaniz and María García-Feijoo from the University of Deusto in Spain. The chapter highlights how societies today face very complex social, economic, political, or environmental challenges. In order to address these challenges, it is necessary to train new generations of graduates in management with a new conception of organizations. In this challenge, higher education plays a fundamental role. The chapter begins by clarifying what is meant by the development of the humanistic dimension of university graduates. The challenges and difficulties we may encounter in developing the humanistic dimension of graduates are described below. This chapter concludes that there are two complementary lines of action. On the one hand, it is important to educate for humanism and, at the same time, this cannot be achieved without educating in a humanistic way. In this sense, the authors have proposed three approaches to educate in a humanistic way: questioning students' beliefs and values about themselves, the world around them, or the business world, incorporating a theoretical basis around humanistic management in the curriculum, and/or inviting students to experience the humanistic dimension and connect with reality. The main idea defended throughout the text is that it is not enough to incorporate some concepts into the existing curriculum but that it should be addressed transversally throughout the entire curriculum.

The second chapter has been written by Ernestina Giudici, Angela Dettori, Federica Caboni from the University of Cagliari (Italy). Under the title "Challenges of Humanistic Management Education in the Digital Era." This chapter aims to reflect on the challenges of humanistic management education in the digital age, based on an analysis of existing literature. Specifically, the authors explore the issue, shedding light on new perspectives; and highlighting to what extent, and in what way, universities in general, and business schools in particular, are modifying their curricula so that they are more social and less rational. On the other hand, the chapter

aims to expose the new role that teachers have to play in giving digital students the essential humanistic training that will enable them to run businesses in the third millennium. Are they instilling in their students the values and skills necessary to be "humanistic managers"? What kind of activities, methods, and strategies are they adopting in their courses to create a more prosperous collaboration dedicated to the implementation of a more appropriate and focused management education?

We end the first part of this book with the chapter titled "Developing Ethical Commitment Competence in Higher Education: Comparing Stakeholder, Disciplinary and Regional Perspectives" signed by Pablo Beneitone (University of Deusto, Spain), Maria Yarosh (University of Deusto, Spain), Margarete Schermutzki (Aachen University, Germany) and Elke Kitzelmann (Universität Innsbruck, Austria). The chapter is based on the analysis of the surveys carried out in the framework of several Tuning projects that have taken place in recent years. The first Tuning project started in Europe in 2000 and involved 100 universities in reflecting on the different ways in which a competency-based approach could be the basis for building a common higher education area. The Tuning methodology combines a series of already established steps, the first of which is to carry out a survey of the different stakeholders of the university environment: graduates, teachers, students, and employers. Currently, 34 projects have been carried out with the collaboration of more than 600 academics from 118 countries around the world. These projects have been supported and financed mainly by the European Commission, which has invested more than 22 million euros in their implementation, and have had the support of national governments and universities. The aim of this third chapter of the work is to explore what Tuning's quantitative data can reveal about what different actors in different regions think about the competence of the ethical commitment. The authors have drawn a complete picture of what Tuning data can tell us in terms of stakeholders, disciplinary and regional perspectives on the importance and development of the ethical commitment competence, with a particular focus on respondents in business, business administration, economics, and management programs. One of the main conclusions of the results is that the data available from Tuning indicate that the ethical commitment is presented as a very important competence for a graduate of any higher education program in any country. All stakeholders—academics, students, graduates, and employers—unanimously share this view. The Tuning data available today also indicates that there are no significant differences between stakeholder groups or regions. They invite us to test these hypotheses in future research, with new data and possibly with additional data collection instruments.

Humanistic Management

The second part of the book is focused on the implementation of humanistic management to corporations.

This part begins with the chapter titled "Integral Human Development Through Servant Leadership and Psychological Androgyny" written by Alejandro Amillano,

Josune Baniandrés and Leire Gartzia from the University of Deusto in Spain. The aim of the chapter is to introduce a critical psychological perspective centered on two specific antecedents of individual orientations for the common good in organizations: psychological androgyny and service leadership. The authors point out that the promotion of a common good orientation in organizations depends on these two interconnected orientations. They maintain that androgyny is a necessary psychological variable for a common good orientation; and service leadership is a specific behavioral perspective through which a common good approach can be implemented and have real impact on organizations. The approach of this chapter bridges these literatures, which have emerged and evolved in relatively separate dynamics, and provides support for an integrative approach of human development that takes into account how these two key dimensions are inherently associated with the development of common good in organizations. Underscoring the relevance of androgyny for psychological orientations toward the common good and presenting servant leadership as a useful set of leadership behaviors through which such orientations can be materialized clears the way for new connections between literature on integral human development and these more social and psychological dimensions of organizational behavior.

The second chapter of this part entitled "Utilitarian Ethics in the Praxis of Companies: Challenges of Imposition and Duplicity" by Andrzej Sarnacki from the Jesuit University Ignatianum in Kraków (Poland). The chapter describes how organizations often adopt a short-sighted vision, even defending certain corporate practices that have an undesirable effect in the long term. The leadership style is key if we want to achieve companies that seek a balanced relationship with all stakeholders and that the relationship is mutually positive. The author reminds us that in the long term an employee has a more precious value than an immediate benefit, but on many occasions, it seems that we forget this statement in organizations. Only through the exercise of trust can a manager empower the people in the organization to adapt to the complexity of the market. The company that advocates not only the optimization of results but also transparency and work ethics will ultimately achieve better results and a healthy organizational environment, where people can develop personally and professionally.

To finish this second part of the work, we include the chapter titled "From Utility to Dignity: Humanism in Human Resource Management" written by Greg Latemore, Peter Steane, and Robin Kramar from Notre Dame University Australia (Sydney, Australia). The chapter critiques the resource-centered assumptions within HRM studies and presents an alternative approach toward the conceptualization of the employee. Reimagining the employee as person is proposed, employing the distinction made by the French philosopher, Jacques Maritain (1882–1973) between the individual as "lower self" and the person as "higher self." An understanding of person as a subject not object is envisaged, and that dignity, growth, self-determination, and the pursuit of the common good are regarded as key elements within a person-centered conceptualization. The chapter's contribution is to propose an integral humanism which respects the whole person of the employee, who is not just a valuable resource but a valued person within a community of valued persons.

Humanistic Management in Practice

This part begins with the chapter titled "Managing for Good Work: Principles and Practices of Humanistic Management Based on Catholic Social Thought" written by Benito Teehankee and Yolanda Sevilla from the De la Salle University (Manila, Philippines). Authors in this chapter combine humanistic principles based on Catholic social thought with the actual management of a medium-sized corporation in the Philippines. The interest of this chapter is twofold. On one hand, authors show that it is compatible to introduce values and principles that are common in both the catholic and humanistic traditions with the management of medium-sized company that has to struggle in the market to compete and survive. Solidarity, subsidiarity, dignity, the common good, and a true interest in the development of each person are common ground in these two traditions. At the same time, the need to keep a high level of competitiveness in an emerging economy asks for a clever management able to align humanistic principles with economic sustainability. After a brief theoretical introduction, the chapter deepens in the practical implications of the aforementioned challenges.

The second chapter of this third part comes through Robin Roslender (University of Aalborg, Lissa Monk (University of Dundee School of Business), and Nicola Murray (University of Aalborg) and is entitled "Promoting Greater Levels of Employee Health and Wellbeing in the UK: How much Worse Do the Problems Have to Get?" The chapter deals with the fundamental role played by employees in the contemporary process of creating, delivering, and capturing value. It is a reality that absences from the workplace due to health and welfare problems reduce employee contributions, and increase costs to organizations. Despite claims to the contrary, there is evidence that the UK continues to have a persistent problem of health and well-being at work, the important dimensions of which remain relatively invisible. Although many employers have introduced a range of responses to these problems, it can be recognized that these actions are accommodative in nature and are not intended to address the structural issues at stake. The chapter begins with documentation of the problem of sick leave in the UK. After this, the wider implications of this sickness absence problem are considered. Below is an indication of how some employers have attempted to respond to the continuing challenges of health and well-being at work, while evidence is also gathered from a recent empirical study that corroborates the largely ephemeral nature of these interventions. The chapter argues for the need to design more ambitious initiatives as part of a new business narrative.

The third chapter is titled "Humanistic Management in the Corporation: From Self-Interest to Dignity and Well-being" and the authorship corresponds to Ricardo Aguado and José Luis Retolaza (University of Deusto, Spain). In this chapter, authors explore how to introduce inside the different processes of decision-making in corporations the main characteristics of humanistic management. In short, authors analyze the anthropological model that underlies the shareholder model (based on short-term profit maximization) and propose a complementary one that is able to take into account the interests of all stakeholders of the corporation and, at the same time,

aligns social interests with the aims of the corporation. Furthermore, authors explore the possibility of not only maintaining but also enhancing human dignity through economic activity performed at the level of the corporation.

We finish this part and the complete work, with the chapter signed by Iñigo Calvo-Sotomayor and Massimo Cermelli (University of Deusto, Spain) and titled "Civil Economy and Population Aging: A Prospective Framework for a Global Phenomenon." In this chapter, the authors base their study in the principles of the civil economy. Although civil economy has its own trajectory and experiences, both humanistic management and civil society share a number of characteristics (Bruni & Zamagni, 2004). Among them, the main one is the centrality of the person regarding economic activity. According to both traditions, corporations are at the service of the entire society, have to make a positive contribution to all stakeholders of the company, and should operate taking into account the long term, not only the short term. In this chapter, authors analyze the economic impact of the process of population aging, which will affect economic actors in many parts of the world (Japan, China, European Union, and many others). Instead of focusing in alarming situations, authors propose a new lens to analyze the process of population aging, acknowledge the positive points of the process, and present civil economy as a way to understand better this process, and manage it in order to convert it into a pleasant economic experience at both micro- and macroeconomic levels.

To conclude, we can only hope that the reading of this book will contribute to some extent to the complex world of management, in which a humanist view is so important today. We also hope that the readers of this work will be more aware of the important task that we, managers and academics, share: building humanistic management inside organizations. We have no doubt that if we all take up the challenge in a collaborative way (academics, entrepreneurs, employers, graduates, employees, policy makers, and society in general) of introducing humanistic management inside organizations, both current society and future generations will be very grateful to us.

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Ricardo Aguado is Associate Professor at Deusto Business School—University of Deusto (Bilbao, Spain) and head of the Economics Department. He is the Senior Investigator of the research group Humanism in Management and Economics (HUME), recognized and funded by the University of Deusto. In this group, he has developed a line of research exploring the relationships between economic growth, sustainability (social, economic, and environmental), human dignity, and social well-being, both at the macroeconomic level and at the company level.

He is also the representative of Deusto Business School in the PRME program of the United Nations and coordinates the network of Jesuit universities in Spain (UNIJES) in the field of Catholic Social Thought. Prof. Aguado holds a PhD in Applied Economics from the University of the Basque Country and has taught graduate, postgraduate, and doctoral courses at various universities in the USA, Latin America, and Europe.

Almudena Eizaguirre holds a PhD in Advanced Management from the University of Deusto. She is currently Professor at Deusto Business School, where she teaches both different BA courses at the Faculty of Economics and Business Administration (in the subjects business, principles of marketing, operative marketing, and services marketing) and different postgraduate university syllabuses.

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She forms part of the HUME research team (Humanism in Management and Economics), has co-managed various PhD theses, and has taken part in different research projects that have received external funding. Her areas of research interest are higher education, competences-based learning in higher education, developing sustainable competencies in higher education, and humanistic management.

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Part I
Humanistic Education