


[Home](#) > [Journal of Business Ethics](#) > [Article](#)

Humanism in Business – Towards a Paradigm Shift?



Published: 06 November 2009

Volume 93, pages 553–565, (2010) [Cite this article](#)[Journal of Business Ethics](#)[Aims and scope](#) →[Submit manuscript](#) →[Michael A. Pirson](#) ¹ & [Paul R. Lawrence](#)² **2879** Accesses  **167** Citations [Explore all metrics](#) →

Abstract

Management theory and practice are facing unprecedented challenges. The lack of sustainability, the increasing inequity, and the continuous decline in societal trust pose a threat to ‘business as usual’ (Jackson and Nelson, [2004](#)). Capitalism is at a crossroad and scholars, practitioners, and policy makers are called to rethink business strategy in light of major external changes (Arena, [2004](#); Hart, [2005](#)). In the following, we review an alternative view of human beings that is based on a renewed Darwinian theory developed by Lawrence and Nohria ([2002](#)). We label this alternative view ‘humanistic’ and draw distinctions to current ‘economistic’ conceptions. We then develop the consequences that this humanistic view has for business organizations, examining business strategy, governance structures, leadership forms, and organizational culture. Afterward, we outline the influences of humanism on management in the past and the present, and suggest options for humanism to shape the future of management. In this manner, we will contribute

to the discussion of alternative management paradigms that help solve the current crises.

 This is a preview of subscription content, [log in via an institution](#)  to check access.

Access this article

[Log in via an institution](#) →

[Buy article PDF 39,95 €](#)

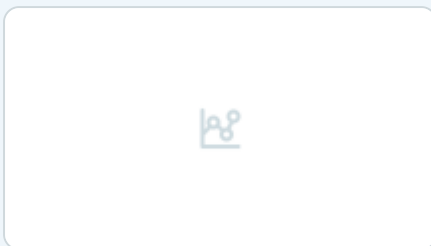
Price includes VAT (Poland)

Instant access to the full article PDF.

Rent this article via [DeepDyve](#) 

[Institutional subscriptions](#) →

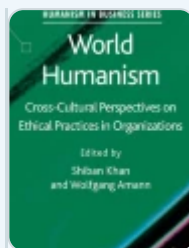
Similar content being viewed by others



[What Is \(Business\) Management? Laying the Ground for a Philosophy of Management](#)

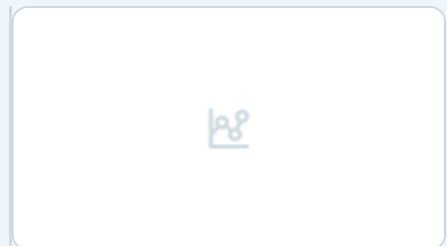
Article | Open access

24 December 2019



[Humanistic Management and North American Business Ethics](#)

Chapter | © 2013



[The Integral Common Good: Implications for Melé's Seven Key Practices of Humanistic Management](#)

Article | 30 April 2020

References

Alter, S. K. (2006). Social Enterprise models and their mission and money relationships. Social Entrepreneurship - new models for sustainable social change. A. Nicholls. Oxford, Oxford University Press.

[Google Scholar](#)

Anderson, C.: 1997, 'Values-Based Management', *Academy of Management Executive* **11**(4), 25-46.

Arena, C. (2004). Cause for Success: 10 Companies That Put Profit Second and Came in First. New World Library.

[Google Scholar](#)

Argyris, C. (1957). Personality and Organization. The Conflict Between System and Individual. New York, Harper.

[Google Scholar](#)

Argyris (1973). "Some limits of rational man organizational theory." *Public Administration Review* 33: 253-267.

[Article](#) [Google Scholar](#)

Bass, B. M. and B. J. Avolio (1994). "Transformational Leadership And Organizational Culture." *International Journal of Public Administration* 17(3/4): 541 - 554.

[Article](#) [Google Scholar](#)

Bentham, J. (1789). Introduction to the Principles of Morals and Legislation. London.

[Google Scholar](#)

Brickson, S. L. (2007). "Organizational Identity Orientation: The Genesis of the Role of the Firm and Distinct Forms of Social Value." *Academy of Management Review* 32(3): 864-888.

[Google Scholar](#)

Buckingham, M. and C. Coffman (1999). *First Break All the Rules*. New York, Simon and Schuster.

[Google Scholar](#)

Cable, D. M. and T. A. Judge (1994). "Pay preferences and Job Search decisions: A Person-Organization Perspective' ,." *Personnel Psychology* 47(2): 317-348.

[Article](#) [Google Scholar](#)

Chatman, J. A. (1989). "Improving Interactional Organizational Research: A Model of Person-Organization Fit." *Academy of Management Review* 14(1): 333-349.

[Article](#) [Google Scholar](#)

Collier, J. and R. Esteban (1999). "Governance in the Participative Organisation: Freedom, Creativity and Ethics." *Journal of Business Ethics* 21(2-3): 173-188.

[Article](#) [Google Scholar](#)

Collins, J. and J. Porras (2002). *Built to last*. New York, HarperCollins.

[Google Scholar](#)

Darwin, C. (1909). *The Descent of Man and Selection in Relation to Sex*. New York, Appleton and Company.

[Google Scholar](#)

Davis, J. H., F. D. Schoorman, et al. (1997). "Toward a Stewardship Theory of Management." *Academy of Management Review* 22(1): 20-47.

[Article](#) [Google Scholar](#)

De Cremer, D. and S. Blader (2005). "Why do people care about procedural fairness? The importance of belongingness in responding and attending to procedures." *European Journal of Social Psychology* 36(2): 211-228.

[Article](#) [Google Scholar](#)

Diener, E. and M. E. P. Seligman (2004). "Beyond money: Toward an economy of well-being." *Psychological Science in the Public Interest*, 5: 1-31.

[Article](#) [Google Scholar](#)

Dierksmeier, C. and M. Pirson (2008). *Freedom and the Modern Corporation*. ISBEE, Capetown, SA.

[Google Scholar](#)

Donaldson, L. and J. H. Davis (1991). "Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns." *Australian Journal of Management* 16(1): 49-66.

[Article](#) [Google Scholar](#)

Frederick, W. C., K. Davis, et al. (1988). *Business and Society: Corporate Strategy, Public Policy, Ethics*. New York, McGraw-Hill.

[Google Scholar](#)

Ghoshal, S. (2005). "Bad Management Theories Are Destroying Good Management Practices." *Academy of Management Learning and Education* 4(1): 75-91.

Gratton, L. (2004). *The Democratic Enterprise: Liberating your Business with Freedom, Flexibility and Commitment*. London, Financial Times.

[Google Scholar](#)

Hart, S. (2005). *Capitalism at the Crossroads: The Unlimited Business Opportunities in Solving the World's Most Difficult Problems*. Philadelphia: Wharton School Publishing.

[Google Scholar](#)

Herzberg, F. (1976). *The managerial choice: to be efficient and to be human*. Homewood, Dow Jones-Irwin.

[Google Scholar](#)

Jackson, I. and J. Nelson (2004). *Profits with Principles- seven strategies for delivering value with values*. New York, Currency Doubleday.

[Google Scholar](#)

Jensen, M. C. (2002). "Value maximization, stakeholder theory and the corporate objective function." *Business Ethics Quarterly* 12(2): pp.235-257.

[Article](#) [Google Scholar](#)

Judge, T. A. and R. D. J. Bretz (1992). "Effects of Work Values on Job Choice Decisions." *Journal of Applied Psychology* 77(3): 261-271.

[Article](#) [Google Scholar](#)

Lawrence, P.: 2007a, *Being Human - A Renewed Darwinian Theory of Human Behavior* (Cambridge, MA). www.prlawrence.com.

Lawrence, P.: 2007b, 'Organizational Logic - Institutionalizing Wisdom in Organizations', in E. H. Kessler and J. R. Bailey (eds.), *Handbook of Organizational and Managerial Wisdom* (Sage, Thousand Oaks, CA), Chap. 3.

[Google Scholar](#)

Lawrence, P. and N. Nohria (2002). *Driven: How Human Nature Shapes Our Choices*. San Francisco, Jossey-Bass.

Macus, M. (2002). Towards a Comprehensive Theory of Boards - Conceptual Development and Empirical Exploration. St. Gallen, HSG: 1-37.

[Google Scholar](#)

Maslow, A. H. (1954). *Motivation and Personality*. New York, Harper & Brothers.

[Google Scholar](#)

Mayo, E. (1933). *The human problems of an industrial civilization*. New York, Macmillan.

[Google Scholar](#)

Mayo, E. (1946). *The social problems of an industrial civilization*. Cambridge, UK, Cambridge University Press.

[Google Scholar](#)

McGregor, D. V. (1960). *The Human Side of Enterprise*. New York, McGraw-Hill.

[Google Scholar](#)

Mele, D. (2009). Current Trends of Humanism in Business. In: H. Spitzack, M. Pirson, W. Amann, S. Khan and E. von Kimakowitz (eds.), *Humanism in Business:*

Perspectives on the Development of a Responsible Business Society. Cambridge, UK: Cambridge University Press.

[Google Scholar](#)

Muth, M. M. and L. Donaldson (1998). "Stewardship Theory and Board Structure: a contingency approach." *Corporate Governance: An International Review* 6(1): 5-29.

[Article](#) [Google Scholar](#)

Nicholls, A. (2006). Introduction. *Social Entrepreneurship- new models of sustainable social change*. A. Nicholls. Oxford, Oxford University Press.

[Google Scholar](#)

Nida-Ruemelin, J. (2009). Philosophical Grounds of Humanism in Economics. In: H. Spitzbeck, M. Pirson, W. Amann, S. Khan and E. von Kimakowitz (eds.), *Humanism in Business: Perspectives on the Development of a Responsible Business Society*. Cambridge, UK, Cambridge University Press.

[Google Scholar](#)

Pfeffer, J. and J. F. Veiga (1999). "Putting people first for organizational success." *Academy of Management Executive* 13(2): 37-48.

[Google Scholar](#)

Porter, M. and M. Kramer (2006). "Strategy and Society: The Link between competitive advantage and corporate social responsibility." *Harvard Business Review* 84(12):78-92.

[Google Scholar](#)

Prahalad, C. K. (2005). *The Fortune at the Bottom of the Pyramid: Eradicating*

Rangan, K.: 1993, The Aravind Eye Hospital, Madurai, India: In Service for Sight. H. c. 9-593-098. Harvard Business School Publishing.

Sharp Paine, L. (2003). Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance. McGraw Hill, New York.

Simon, H. A. (1979). "Rational Decision Making in Business Organizations." American Economic Review 69: 493-513.

Simon, H. A. (1982). Models of Bounded Rationality. Cambridge, MA, MIT Press.

Tichy, N. and W. Bennis (2007). Judgment: How Winning Leaders Make Great Calls. New York, Penguin Group.

Tyler, T. R.: 2006, Social Justice Research. S. f. S. o. Justice. Cambridge, MA.

Yunus, M. (2009). Social Entrepreneurs are the Solution. Humanism in Business: Perspectives on the Development of a Responsible Business Society. H. Spitzack, M. Pirson, W. Amann, S. Khan and E. von Kimakowitz. Cambridge, UK, Cambridge University Press.

Author information

Authors and Affiliations

Graduate School of Business, Fordham University, 1790 Broadway 1147, New York, NY, U.S.A.

Michael A. Pirson

Harvard Business School, Cumnock 300, Soldiers Field Road, Boston, MA, 02163, U.S.A.

Paul R. Lawrence

Corresponding author

Correspondence to [Michael A. Pirson](#).

Rights and permissions

[Reprints and permissions](#)

About this article

Cite this article

Pirson, M.A., Lawrence, P.R. Humanism in Business – Towards a Paradigm Shift?. *J Bus Ethics* **93**, 553–565 (2010). <https://doi.org/10.1007/s10551-009-0239-1>

Published

06 November 2009

DOI

<https://doi.org/10.1007/s10551-009-0239-1>

Issue Date

June 2010

Keywords

[humanism](#)

[economism](#)

[management paradigms](#)

[sustainability](#)

[management theory](#)

[business strategy](#)

Search

Search by keyword or author



Navigation

[Find a journal](#)

[Publish with us](#)

[Track your research](#)