Humanistic Management: Protecting Dignity and Promoting Well-Being, by Michael Pirson. Cambridge: Cambridge University Press, 2017. 310 pp.

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Michael Pirson's *Humanistic Management: Protecting Dignity and Promoting Well-Being* makes a case about realigning the study and practice of management with human values. In the introductory section, the current global social, ecological, and economic scenario is outlined: ecological crises, the malaise of employee disengagement, a lack of stakeholder trust in many organizations, especially in businesses, as well as the threat of our species' extinction. Pirson then lays out his main argument: that the underlying story about who we are as human beings needs to be rethought to enable our species to organize better and address these existential crises. In chapter 2 he carefully traces the dominant image of man provided by economistic thinkers with an emphasis on the assumptions provided by agency theory. In chapter 3 he consolidates the evidence about human nature with the "consilience of knowledge" concept of E.O. Wilson (2004). In chapters 4, 5, and 6, Pirson outlines conceptual foundations that provide an alternative, universalist narrative about human beings and organizing practices. In the ensuing chapters he outlines the relevance of a humanistic perspective for management research (chapter 7), management practice (chapter 8), management pedagogy (chapter 9), and management related public policy (chapter 10).

Overall, Pirson makes a case for humanistic values, strategies, and leadership in organizations. He puts dignity and well-being in the place of financial results and economistic targets reconciling ethics with economics, values, and figures. His aim is not primarily to offer a new management theory, but to provide a comprehensive overview of what has been thought, researched, and written by diverse scholars in different disciplines. Furthermore, he provides a broader picture of what represents a well-grounded fundament for a new paradigm in management theory and practice.

The central argument of Pirson's theory of change is a thorough deconstruction of neoclassical economics' model of man, homo economicus, and its slightly more refined successor, REMM, the Resourceful, Evaluative, Maximizing Model by Michael Jensen and William Meckling (1994). Pirson comments that "while REMM is based on an assumption that people are in constant evaluation, other people practice meditation to become non-judgmental. Increasing research indicates that when humans behave in nonjudgmental ways, they—unlike what REMM believes—are happier" (29). He adds that "increasing evidence shows that wanting less can be healthy, and that an increasing number of young people reject the notion that more is better" (32). Pirson's extensive exercise of falsification with an interdisciplinary approach is strikingly successful. One last insight is that homo economicus is a mutilated version of *Homo sapiens*, reducing him to only two drives: the drive to acquire (gain of material goods) and the drive to defend (competition and aggression). At least two equally important drives are missing in this radically incomplete model: the drive to bond (create trust and fulfilling relationships) and the drive to comprehend

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(learn, be creative, experience meaning). The humanistic management approach presented by Pirson tries to balance all four drives instead of maximizing only two at the cost of the others. Pirson, who is member of the Humanistic Management Network, differentiates the humanistic from an "economistic" approach to economics and management. Whereas the economistic approach is primarily about money, status, and wealth, the humanistic paradigm is mainly about dignity—one's own and the dignity of all other beings. The ultimate goal behind humanistic management is the common good.

Pirson shows with convincing historical evidence dating back to Aristotle that the humanistic paradigm is much older and broader and that the economistic paradigm is comparatively young and extremely narrow (Dierksmeier 2016). Experts on economic history have come to the conclusion that dignity is the most important single reason for the success of Western civilization in creating wealth—not property rights, trade, or capital investments. Dignity allows for both, fostering individual initiative in the economy, but also requiring mechanisms of social welfare and progressive democracy.

Unusual for an economist, Pirson uses interdisciplinary material to deconstruct the assumptions on which neoclassical economics are based. For instance, he quotes the psychologist and philosopher Joshua Greene: "From simple cells to supersocial animals like us, the story of life on Earth is the story of increasingly complex cooperation" (2014, 59). More human features such as the creation of social bonds, sociality, or morality are corroborated by broad scientific evidence, whereas the ideas of homo economicus or REMM are mainly based on assumptions and assertions apart from empirical proof. For instance, as Pirson points out, in the widely known experimental economic paradigm called the "ultimatum game," large majorities of participants across the globe chose a solution to their own disadvantage in order to prevent an unjust distribution of goods. According to Pirson, morality and sociality are empirically superior to utility maximization or individual advantage seeking.

Nevertheless, Pirson mentions that 80 percent of CEOs surveyed in a study said they would pass up making an investment that would fuel a decade's worth of innovation if it meant that they would miss a quarter of earning results. This evidence suggests that the current design of markets contains counterproductive incentives that foster qualities ascribed to homo economicus, such as materialism and egoism, instead of fostering human virtues. Part of the problem of the current design of markets is that disregarding virtues and values provides a competitive advantage: companies that internalize benefits and externalize costs can price their products and services more inexpensively than companies that internalize costs and externalize benefits.

The damage of neoclassical economic education can also be measured among students: "It makes them more selfish and less concerned about the common good," observes Pirson (140), who proceeds to lament an absence of ethics in economic studies. Only half of all MBA programs examined in a study after the financial crisis make ethics a required course, and only 6 percent deal with issues of sustainability in their core curriculum (229, citing the journalist Rana Foroohar). Pirson argues that business students may take thirty classes based on economistic assumptions and then have one class that questions them. Pirson quotes Ed Freeman,

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who calls this the "schizophrenic effect of the separation thesis" (235). He refers to the exclusion of ethics from business judgments; the same holds true for the duality between the worlds of management and the humanities. For Pirson this is surprising as the "father" of economics, Adam Smith, was a moral philosopher and thus presumed to be an expert in ethics; yet Smith's followers challenged the unity of ethics and the economy, breeding greedy and irresponsible business leaders. For Adam Smith, according to Pirson, "wealth is a means to a higher end, which to him was the common good" (76). A telling and worrying consequence of the separation of economics and ethics is the fact that psychopathology is by far more widespread among business leaders than in the average population. Whereas the "drive to bond" is absent in only 1 percent of all humans, this ratio is six to ten times higher among top managers, according to Babiak and Hare's (2006) book on workplace psychopathy. The linkage of psychopathology and success is not only an "irony," as Pirson puts it, but a major systemic risk and central explanation of the broad range of collateral damage caused by the current economy, including climate and environmental degradation, skyrocketing inequality, social exclusion, or the erosion of democracy. According to Pirson, business education has a major part in it. The reintegration of ethics in economics and management theory and education is one of the solutions proposed by Pirson. The current separation, he argues, is due to an "academic inferiority complex" of economics (230), which drove economists to emulate natural sciences, especially physics, which also explains the excessive use of mathematics as a method in economics. Nevertheless, using math does not simply turn a social science into an exact science. On the contrary, Pirson contends, sophisticated equations help to transform an important part of social life that should be open to democratic deliberation and voting into an esoteric ideology that creates the illusion of unquestionable truths. Scholars who chose a more qualitative—or openly normative—approach are attacked as "unscientific."

Another of Pirson's proposed solutions is the enrichment of the predominant model of man (characterized by the drive to acquire and the drive to defend) with two additional drives: the drive to bond (e.g., flourishing relationships) and the drive to comprehend (e.g., meaning and values). Management education and leadership training should be adjusted, accordingly. Ultimately, only those leaders who have the capacity to make relationships flourish and to provide the common good also have the qualification for bearing more responsibility than others. Accordingly, "success" in business and the economy as a whole must not be measured primarily with financial indicators—which don't contain reliable information about social values, dignity, or well-being—but with alternative indicators that measure the achievement of the actual goals and values of business.

Pirson concludes by offering an array of concrete examples of businesses that shift progressively from an orientation toward profit to an orientation toward well-being. He presents cooperatives ("humanistic organizations tend[ing] to involve stakeholders actively in their decision-making process [89]), ethical banks such as the Grameen Bank, "conscious capitalism" organizations, such as Whole Foods Market (acquired by Amazon after the book's publication), or the worker-owned British supermarket chain John Lewis Partnership. He mentions frameworks such as B Corps and the

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Economy for the Common Good, which measure businesses with scorecards and balance sheets and encourage policy makers to pass laws that link ethical results to legal incentives in taxes, tariffs, loans, or public procurement.

Interestingly, Pirson ends his book with a call for overcoming neoliberalism. He describes how the originally unpopular neoliberal narrative became hegemonic thanks to the joint effort of scientific networks, think tanks, and foundations that engaged in policy consulting, academic research, and teaching (fostering textbook dominance). Ethical economists, interdisciplinary scientists, and humanists who develop and propagate models of inclusive well-being and a common-good-oriented economy could achieve the same.

In order to prepare the ground for such a new narrative thoroughly, it would have been convenient to mention the growing movement of plural and heterodox economics that provide not only a different model of man and a new perspective on organizations, but have also started building the fundament of an economic science that is able to find answers to the diverse global problems that Pirson mentions at the beginning of his valuable book.

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