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Spiritual Value-Orientation in Renewing Management

Laszlo Zsolnai

Post-Materialistic Business

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Laszlo Zsolnai

Business Ethics Center, Corvinus University of Budapest, Hungary

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Preface

With its pervasive materialistic and individualistic value orientation, business is destroying the material world.

Important indicators show that the state of the Earth (the sum of our planet's interacting physical, chemical, biological and human processes) has drastically worsened over the past 50–60 years. A set of global indicators studied by the Stockholm Resilience Center shows that socioeconomic trends (such as increase in population, real GDP, foreign direct investment, the urban population, primary energy use, fertilizer consumption, water use, paper production, transportation, telecommunications, and international tourism) have caused Earth system trends (such as increase of carbon dioxide, nitrous oxide, methane, rising surface temperature, ocean acidification, marine fish capture, tropical forest loss, domesticated land use, and degradation of the terrestrial biosphere) to deteriorate convergently since 1950.

This dramatic deterioration of the Earth is mainly due to current patterns of production and consumption. Business activities have come to dominate almost all spheres of life almost everywhere on the planet. We must change the current mainstream paradigm by which business operates to bring into being a sustainable Earth, or at least come closer to this. The transformation requires the development of a non-materialistic and non-individualistic conception of business. I call this emerging conception of management "post-materialistic business".

Post-materialistic business does not deny the importance of material and individual values but it fits them

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into a larger and higher order system where they are embedded in and subject to spiritual and holistic values. This book presents real-life models of post-materialistic business in which frugality, deep ecology, trust, reciprocity, responsibility for future generations, and authenticity are at work. Within the post-materialistic business framework, profit and growth are no longer ultimate goals but are subordinated to higher order values. In a similar way, cost-benefit calculations must not remain the main means of managing business but become part of a broader concept of wisdom. Post-materialistic businesses capture the intrinsic motivation of agents who serve the common good, and use holistic evaluation schemes to evaluate their success.

The book argues that management renewed by spiritual value-orientation offers a chance for humanity to achieve a state of "Earth citizenship", which could lead to the flourishing of all life forms (human and non-human alike).

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The Fallacy of Materialistic Management

Abstract: *The dominant model of today's mainstream business is the materialistic management model, which uses money-driven, extrinsic motivation and measures success only in money terms. Profit is not appropriate as the sole measure of the success of economic activities, as it provides an incomplete and imperfect evaluation of economic activities. Money becomes problematic as the exclusive motivation for economic activities. It can crowd out the intrinsic motivation of economic actors and cultivates self-centered value orientation, which results in socially insensitive and ethically irresponsible behavior.*

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The basic assumptions underlying mainstream business management have become questionable. The dominant model upon which modern business is based involves a materialistic conception of man. Human beings are considered creatures with only materialistic desires, who act out of egoistic motivation alone. This materialistic and individualistic model is leading to decreases in the well being of people and their communities and resulting in large-scale ecological destruction.

American psychologist Tim Kasser states that materialistic values reflect the priority that individuals give to goals such as money, possessions, image, and status. Numerous empirical studies have documented the fact that the more people prioritize materialistic goals, the lower their personal well being, and the greater the likelihood they will engage in manipulative, competitive and ecologically degrading behaviors (2002, 2011).

1.1 Malfunctioning business

The main problem with modern business is that it employs self-centered perspectives and pursues the goal of self-enhancement. Mainstream business leaders act as if they and their organizations are separate from their larger environment and tend to pursue goals that are narrowly defined. Business organizations are disembedded from the environmental and social context in which they function and may consider the natural environment and humans as mere means to accomplish their own purposes and goals. This self-centered, self-enhancement orientation of modern business unavoidably leads to ecological destruction and human deprivation.

Self-centered orientation

The perverse decisions of modern business organizations occur in such phenomena as decision under risk and the discounting of value over space and time. Prospect theory and the general theory of discounting can help us to describe these phenomena.

Consider the following decision problem:

(1) Choose between making a sure gain "G" or making a gain of "xG" with 1/x probability where x > 1.

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Prospect theory tells us that the majority of decision makers will prefer the first alternative (a sure but smaller gain) against the second one (a greater but uncertain gain). Decision makers usually display risk aversion in choices involving sure gains. (Kahneman and Tversky 1979)

Now, observe at the situation in reverse:

(2) Choose between making a sure loss "L" or making a loss of "yL" with 1/y probability where y > 1.

Prospect theory indicates that the majority of decision makers will prefer the second alternative (a greater but uncertain loss) against the first one (a smaller but sure loss). Decision makers are usually risk seeking in choices involving sure losses. (Kahneman and Tversky 1979)

The next decision problem concerns a combination of situations (1) and (2):

(3) Choose between making a sure gain "G" and a loss of "yL" with probability 1/y, or making a sure loss "L" and a gain of "xG" with a probability of 1/x.

Prospect theory tells us that the majority of decision makers will prefer the first pair of alternatives (a smaller but sure gain and a larger but uncertain loss) against the second pair of alternatives (a smaller but sure loss and a larger but uncertain gain). Decision makers are usually more sensitive to losses than to gains. (Kahneman and Tversky 1979)

Risky decisions made by business organizations often endanger the safety and integrity of the natural environment and human populations. So-called catastrophic risk is a closely related phenomenon. The probability of a catastrophe being caused by modern, large-scale forms of technology is usually low, but it is never zero, while the potential consequences may be horrifying: the destruction of ecosystems and enormous losses to society. Recent examples of this kind of ecological and human tragedy include Fukushima and the BP oil spill in the Gulf of Mexico.

Decision makers usually overvalue things that are in the here and now, compared to things further away in space and time. This phenomenon is called "discounting". The main principles of discounting in space and time can be studied through examining the following decision problems:

(4) Choose between making a gain "G" here and now, and making the same gain "G" further away, and later in time.

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According to the general theory of discounting, the majority of decision makers will prefer the first alternative (a gain here and now) to the second (the same gain further away and later in time). The adage "a bird in the hand is worth two in the bush" encapsulates how people discount gains that are distant in space and time.

Now, consider the situation in reverse:

(5) Choose between making a loss "L" here and now and making the same loss "L" further away and later.

According to the general theory of discounting, the majority of decision makers will prefer the second alternative (a loss further away and later) to the first (the same loss here and now). Individuals tend to put off negative things until tomorrow because they discount losses that are distant in space and time.

The next decision problem involves a combination of (4) and (5):

(6) Choose between making a gain "G" in the here and now and a loss "L" further away and later, and making a loss "L" here and now and a gain "G" further away in space and later in time.

The majority of decision makers will prefer the first pair of alternatives (a gain here and now as well as a loss further away and later) against the second pair of alternatives (the same gain further and later, as well as the same loss here and now) because they undervalue gains and losses that are distant in space and time.

Decision makers use discount rates to value things that are distant in space and time. The present value of a thing is calculated as follows:

(7) $Pv = v \,/\, (1 + \alpha)^x$

where Pv is the present value of the item under valuation, x is a measure of the distance of v in space or in time, and α is the discount rate – which is usually between 5% and 15%.

If the distance of the evaluated item in space and/or time is great enough, then its present value is extremely small. Also, the present value depends on the discount rate that is applied: the higher the discount rate, the smaller the present value. Thus the present value of a thing is

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determined by the discount rate that is used, and its distance from the decision maker in space and time.

Discounting in space and time is liable to have negative consequences for business and society. Decision makers who significantly discount things in space and time are not interested in solving long-range ecological and human problems, or in the global impacts of their activities on the natural environment and human communities.

The international trade in hazardous wastes is an illustrative case in point. Industrially advanced countries transport and dump hazardous wastes in distant and less-developed countries, displaying no interest in the future ecological impact of these materials on human health.

By combining the main lessons of prospect theory and general theory discounting, we gain insight into the nature of the self-centeredness of modern business organizations.

Consider the following decision problem:

(8) There are two alternatives for a modern business organization. The first alternative is to make a sure gain, "G", here and now, and at the same time, to make a loss of "yL" further away and later in time, with a probability of 1/y where y > 1. The second alternative is to make a sure loss, "L", here and now, and at the same time, to make a gain of "xG" far away and later with a probability of 1/x where x > 1.

Decision makers in modern business organizations will prefer the first alternative (a smaller but sure gain here and now, and a greater but uncertain loss far away and later) against the second one (a greater but uncertain gain here and now and a smaller but sure loss further away and later). Generally speaking, modern businesses favor sure gains here and now and uncertain losses far and later, while they disfavor sure losses here and now and uncertain gains that are positioned further away and later in time (Table 1.1).

TABLE 1.1 *The self-centered choices modern business organizations make*

	Sure, here and now	**Uncertain, further and later**
Gains	Accept	Reject
Losses	Reject	Accept

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The self-centered orientation of modern business organizations produces environmental and social ills of various kinds.

Self-enhancement goals

Psychologists claim that a division between thought and action takes place when leaders break the rules or get involved in dirty business or politics. What is most surprising in cases of rule violation and misconduct is that leaders are not bothered by their consciences, do not fear being sanctioned, and do not feel obliged to make reparations (Caprara and Capanna 2006).

Stanford psychologist Albert Bandura has described the mechanisms of "moral disengagement," the psychosocial maneuvers by which moral self-sanctioning becomes disengaged, giving free way to a variety of misbehaviors carried out without moral concern. Self-sanctioning can be disengaged through numerous means: by reconstructing the former conduct, obscuring personal causal agency, misrepresenting or disregarding the injurious consequences of one's actions, and vilifying the recipients of maltreatment by blaming and devaluing them (1986, 1990, 1991).

The mechanisms of moral disengagement enable otherwise considerate decision makers to commit transgressive acts without experiencing personal distress.

Moral justification

Decision makers do not ordinarily engage in reprehensible conduct until they have justified the rightness of their actions to themselves. In this process of moral justification, detrimental conduct is made personally and socially acceptable by portraying it in the service of valuable social or moral purposes.

Euphemistic labeling

Activities can take on markedly different appearances depending on what they are called. Euphemistic labeling provides a convenient tool for masking reprehensible activities or even conferring respectable status upon them. Through sanitized and convoluted verbiage, destructive conduct is made benign, and those who engage in it are relieved of a sense of personal agency.

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Advantageous comparison

Behavior can also assume very different qualities, depending on what it is contrasted with. By exploiting advantageous comparisons, injurious conduct can be rendered benign or made to appear to be of little consequence. The more flagrant the activities that are contrasted, the more likely it is that one's own injurious conduct will appear trifling or even benevolent.

Displacement of responsibility

Through displacement of responsibility, decision makers view their actions as springing from the social pressures or dictates of others, rather than as something for which they are personally responsible. Because they are not the actual agents of their action, they are spared self-censuring reactions. Hence, they are willing to behave in ways they normally repudiate, if a legitimate authority accepts responsibility for the effects of their actions.

Diffusion of responsibility

The exercise of moral control is also weakened when personal agency is obscured by diffusion of responsibility for detrimental conduct. Any harm done by a group can always be attributed largely to the behavior of others. People behave more cruelly when there is group responsibility than when they hold themselves personally accountable for their actions.

Disregarding or distorting the consequences

Disregarding or distorting the consequences of actions is another way to weaken self-deterring reactions. When people pursue activities harmful to others for personal gain, or because of social inducements, they avoid facing the harm they cause, or they minimize it. In addition to selective inattention and cognitive distortion of effects, the misrepresentation may involve active efforts to discredit evidence of the harm that is caused.

Dehumanization

Self-censure for injurious conduct can be disengaged or blunted by dehumanization that divests people of human qualities or attributes bestial qualities to them. Once dehumanized, they are no longer viewed as people with feelings, hopes, and concerns, but as subhuman objects.

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Attribution of blame

Blaming one's adversaries or compelling circumstances is still another expedient that can serve to self-exonerate. In moral disengagement by attribution of blame, people view themselves as faultless victims driven to injurious conduct by forcible provocation. By fixing the blame on others or on circumstances, not only are one's own injurious actions excusable, but one can also even feel self-righteous in the process.

Moral disengagement can affect detrimental behavior both directly and indirectly. Decision makers have little reason to be troubled by guilt or to feel any need to make amends for harmful conduct if they construe it as serving worthy purposes, or if they disown personal agency for it. High moral disengagement is accompanied by low guilt, thus weakening anticipatory self-restraints against engagement in detrimental behavior. Self-exoneration for harmful conduct, and self-protective dehumanization of others and treating them as blameworthy, spawn a low pro-social orientation. Low pro-socialness, in turn, contributes to detrimental conduct in two ways: Having little sympathy for others both removes the restraining influence of empathetic considerateness of others and activates little anticipatory guilt over injurious conduct. Under some circumstances, effective moral disengagement creates a sense of social rectitude and self-righteousness that breeds ruminative hostility and retaliatory thoughts for perceived grievances. Bandura and his colleagues (2000) have demonstrated the working of such types of disengagement mechanisms in significant business decisions.

Empirical findings suggest that the more decision makers are concerned with self-enhancement, the more they are inclined to resort to mechanisms that permit them to disengage from the duties and obligations of civic life and to justify transgressions when their self-interest is at stake (Caprara and Capanna 2006).

If decision makers become self-concerned, then it is likely that – by employing moral disengagement mechanisms – their self-exonerative maneuvers will do harm to others and the environment. In order to promote the common good, we need agents who care about and pursue self *and* community interests.

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1.2 The flaws of rationality

Rationality in economics and business is understood as the maximization of one's own utility function. Agents are considered rational if their preferences are transitive and complete, and they choose what they most prefer from the alternatives available to them.

The rational choice model makes no presuppositions about the preferences people have. Individuals may have self-centered, altruistic or even sado-masochistic preferences. The rational choice model is a formal theory that says nothing about what people prefer or should prefer. Hereafter, this model is referred as "the weak form of rationality".

In economics and business, a much stronger theory of rationality exists, in which the assumptions of self-interest and perfect knowledge are combined with the weak form of rationality. We refer here to the model of *homo economicus*, according to which individuals are rational, exclusively self-interested, and perfectly knowledgeable about the consequences of their choices. The homo economicus model makes substantive assumptions about what people want and the manner in which they want it. This model is hereafter referred to as "the strong form of rationality".

Bounded rationality

Herbert A. Simon has been a relentless critic of the rational choice model for decades. He states that the model makes overly strong claims about the decisions of human beings. Real people have poor cognitive capacity, and the information available to them is rather limited in most cases.

Agents in the real world are not capable of maximizing their utility function. Instead of maximizing, they make satisficing decisions. This usually involves choosing the first available alternative that they consider to be "good enough," in the sense that it satisfies their level of aspiration. This is the main message of the theory of bounded rationality, for which Simon received the Nobel Prize in economics.

Simon (1987: 244) writes,

> Faced with a choice situation where it is impossible to optimize, or where the computational cost of doing so seems burdensome, the decision maker may look for a satisfactory, rather than an optimal alternative. Frequently, a course of action satisfying a number of constraints, even a sizeable number, is far easier to discover than a course of action maximizing some function.

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The question then arises: what criteria do decision makers use to define what is satisfactory?

> Psychology proposes the mechanism of levels aspiration: if it turns out to be very easy to find alternatives that meet the criteria, the standards are gradually raised; if the search continues for a long while without finding satisfactory alternatives, the standards are gradually lowered. Thus, by a kind of feedback mechanism, or "tatonnement," the decision maker converges toward a set of criteria that are attainable, but not without effort. The difference between the aspiration level mechanism and the optimization procedure is that the former calls for much simpler computations than the latter. (Ibid.)

During the last few decades, economists and psychologists have produced abundant empirical evidence that shows that bounded rationality applies in real world situations.

Myopic and deficient choices

Psychologist Daniel Kahneman (2011) criticizes the rational choice model on the basis of research findings that indicate that people are myopic in their decisions, may lack the skill to predict their future tastes, and can be led to make erroneous choices due to their fallible memories and incorrect evaluation of past experiences.

Kahneman differentiates between "experienced utility" and "predicted utility". The experienced utility of an outcome is the measure of the hedonic experience of that outcome. The predicted utility of an outcome is defined as the individual's beliefs about its experienced utility at some future time. Predicted utility is an ex ante variable, while experienced utility is an ex post variable in the decision-making process.

According to the rational choice model, decisions are made on the basis of predicted utility. If experienced utility greatly differs from predicted utility, then this may lead to sub-rational, or even irrational, decisions.

The problem of predicted utility raises the question: Do people actually know what they will like? The answer is a definite "No". The accuracy of people's hedonic predictions is generally quite poor.

Experimental studies offer two conclusions: (1) people may have little ability to forecast changes in their hedonic responses to stimuli, and (2) even in situations that permit accurate hedonic predictions, people may tend to make decisions about future consumption without due consideration of possible changes in their tastes (Kahneman 2011).

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Discrepancies between retrospective utility and real-time utility should also be addressed. This leads to the question: "Do people know what they have liked?" The answer is again a definite "No". Psychological experiments show that retrospective evaluation should be viewed with greater distrust than introspective evaluations of current experiences.

The results of these observations support the following two empirical generalizations: (1) The Peak and End Rule: Global evaluations are predicted with high accuracy by a weighted combination of the most extreme affect recorded during an episode, and of the affect recorded during the terminal moments of an episode. (2) Duration Neglect: The retrospective evaluation of overall or total pain (or pleasure) is not affected by its duration (Kahneman 2011).

Since individuals use their evaluative memories to guide them in their choices of future outcomes, deceptive retrospective evaluations may lead to erroneous choices.

Kahneman identifies two major obstacles to the assumption that the rational choice model makes concerning maximization of experienced utility. People lack skill at the task of predicting how their tastes might change. Rational agents are prone to making significant errors when predicting what they will want or enjoy next week. Another obstacle is a tendency to use the affect associated with particular moments as a proxy for the utility of extended outcomes. Observations of memory biases are significant because evaluations of the past determine what is learned from them. Errors in the lessons drawn from experience will inevitably be reflected in deficient future-related choices (Kahneman 2011).

Rational fools

Nobel Laureate economist Amartya Sen concluded that if real people behaved in the way that is required of them by the rational choice model, then they would act like "rational fools" (Sen 1987).

Sen criticizes both the weak and strong forms of rationality. He refers to the weak form as "internal consistency of choice" and to the strong form as "maximization of self-interest". He states,

> It is hard to believe that internal consistency of choice can itself be an adequate condition of rationality. If a person does exactly the opposite of what would help achieving what he or she would want to achieve, and does this with flawless internal consistency (always choosing exactly the opposite of what will enhance the occurrence of things he or she wants and values), the person

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> can scarcely be seen as rational. ... Rational choice must demand something at least about the correspondence between what one tries to achieve and how one goes about it. (Ibid.: 13)

Sen uses the term "correspondence rationality" to describe the correspondence between a choice and the aims and values of the agent. He states that this kind of correspondence must be a necessary condition of rationality, regardless of whether or not it is also a sufficient condition. Correspondence rationality may be supplemented by some requirements concerning the nature of reflections about what the actor should want and value (ibid.: 13–14).

It is arguable that rational behavior must demand some level of consistency, but consistency itself can hardly be sufficient to ensure the rationality of choice. Internal consistency of choice is not a guarantee of a person's rationality.

Rationality as self-interest maximization has additional problems. Sen asks, "Why should it be uniquely rational to pursue one's own self-interest to the exclusion of everything else?" Sen argues that the self-interest view of rationality involves inter alia a firm rejection of the "ethics-based" view of motivation. Trying to do one's best to achieve what one would like to achieve can be a part of rationality, and this can include the promotion of non-self-interested goals which we may value and wish to aim at. To see any departure from self-interest maximization as evidence of irrationality must imply a rejection of the role of ethics in actual decision-making. (Ibid.: 15)

According to Sen, "universal selfishness as actuality may well be false, but universal selfishness as a requirement of rationality is patently absurd" (ibid.: 16).

Rationality can be interpreted broadly as the discipline of subjecting one's choice – of action as well as objectives, values and priorities – to reasoned scrutiny. In the light of this definition, reasonable economic choices should not necessarily satisfy the criteria of "internal consistency of choice" or "maximizing self-interest". Economic choices should be subjected to the demands of reason (Sen 2004).

The strategic role of emotions

Behavioral economist Robert Frank has developed a model that emphasizes the role of the emotions in making choices. Frank argues that passions often serve our interest very well indeed, because we face

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important problems that are simply unsolvable using rational means. "Emotions often predispose us to behave in ways that are contrary to our narrow interests, and being thus predisposed can be an advantage" (1988: 4–7).

Human behavior is directly guided by complex psychological reward mechanisms. Rational calculations are the input for the reward mechanisms. "Feelings and emotions, apparently, are the proximate causes of most behavior.... The reward theory of behavior tells us that these sentiments can and do compete with feelings that spring from rational calculations about material payoffs" (ibid.: 51–53).

Modular brain theory supports Frank's ideas. According to this theory, the brain is organized into a host of separate modules. Each module has its own capacity for processing information and motivating behavior. Most of these brain modules do not "speak"; they simply do not have language capability. Even more importantly, these non-language modules are not equally well connected to the central language module of the brain. Perhaps this is the cause of the seeming disparity between different methods of assessing motivation.

Modular brain theorists view the language module of the brain as the center of our rational consciousness, obsessed with rationalizing all that we feel and do. However, there is a great deal of information that enters the central nervous system that cannot be accessed by the language module. Modular brain theory suggests,

> that when economists talk about maximizing utility, they are really talking about the language module of the left hemisphere, however, it does not account for all of our behavior.... The rational utility-maximizing language module of the brain may simply be ill-equipped to deal with many of the most important problems we face. (Ibid.: 205–211)

Frank's main conclusion is that persons directly motivated to pursue their own self-interest are often doomed to fail for exactly this reason. Problems are often solved by people who have abandoned the quest for maximal material advantage. The emotions that lead people to behave in irrational ways can indirectly lead to greater material well being (ibid.: 258–259).

Social norms

After a decade-long preoccupation with the rational choice model, sociologist Jon Elster developed an alternative theory that he calls the theory

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of social norms (1989, 2007). Elster contrasts rational action with norm-guided behavior. Rational action is outcome-oriented. Rationality says: "If you want to achieve X, do Y." Elster defines social norms as devices that are not outcome-oriented. Social norms say "Do X" or "Do not do Y", or "If you do X, then do Y" or "Do X if it would be good if everyone did X."

> Rationality is essentially conditional and future-oriented. Its imperatives are hypothetical; that is, conditional on the future outcomes one wants to realize. The imperatives expressed in social norms are either unconditional or, if conditional, not future-oriented. In the latter case, norms make the action dependent on past events or (more rarely) on hypothetical outcomes. (Elster 1989: 98)

Not all norms are social. Two conditions are required for norms to be considered social. First, others must share them, and second, they should be partly sustained by others' approval or disapproval.

> In addition to being supported by the attitudes of other people, norms are sustained by the feelings of embarrassment, anxiety, guilt and shame that a person suffers at the prospect of violating them, or at least at the prospect of being caught violating them. Social norms have a grip on the mind that is due to the strong emotions their violations can trigger. ... A norm, in this perspective, is the propensity to feel shame and to anticipate sanctions by others at the thought of behaving in a certain, forbidden way. (Ibid.: 99–100 and 105)

Elster argues for the reality and autonomy of social norms. By "the reality of norms," he means that norms have independent motivating power. They are not merely the ex post rationalization of self-interest. They serve as ex ante sources of action. The autonomy of norms refers to their irreducibility to optimization. Norms are partly shaped by self-interest because people often adhere to the norms that favor them. However, norms are not fully reducible to self-interest. The unknown residual is a brute fact (ibid.: 125, 150).

The communitarian challenge

Communitarian thinkers criticize the liberal conception of the self that is at the heart of the rational choice model. Philosopher Charles Taylor (1985) has argued that the liberal conception of the self basically involves an atomistic conception of the person and of human agency that focuses exclusively on will and freedom of choice. Taylor defends a relational, inter-subjective conception of the self that stresses the social, cultural,

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historical and linguistic constitution of personal identity. By rejecting the voluntaristic conception of human agency, he has formulated a cognitive conception that emphasizes the role of critical reflection, self-interpretation, and rational evaluation.

Catholic philosopher Alasdair MacIntyre (1988) defends a teleological and contextualist view of human agency. According to him, moral conduct is characterized by the exercise of virtues that aims at realization of the good. No agent can properly locate, interpret, and evaluate her or his actions except by participating in a moral tradition or in a moral community.

Feminist criticism

In feminist literature, rational choice theory, particularly the strong form of rationality, is often criticized for presupposing an androcentric, male-biased conception of the human person, the so-called separative self (Ferber and Nelson 1993; Nelson 2006).

In her book, *Beyond Self-Interest*, Jane J. Mansbridge (1990) offers an alternative theory of choice that is inspired by feminine values. She distinguishes between three forms of motivation: duty, self-interest, and love. Using an example from her own life, she says,

> I have a duty to care for my child, and I am happy by his happiness, and I get a simple sensual pleasure from snuggling close to him as I read him a book. I have a principled commitment to work for women's liberation, and I empathize with women, and I find a way to use some of my work for women as background to a book that advances my academic career. Duty, love (or empathy), and self-interest are intermingled in my actions in a way I can rarely sort out. (134)

Mansbridge favors the comingling of duty and love with self-interest. She says that both forms of non-self-interested motives (empathic feelings and moral commitments) are embedded in a social context, which makes them susceptible to being undermined by self-interested behavior on the part of others. Arrangements are required that generate some element of self-interest-based return on non-self-interested behavior for the creation of an "ecological niche" to sustain such behavior. Arrangements that make the absence of self-interested behavior less costly in terms of self-interest increase the degree to which individuals feel that they can afford to indulge their feelings of empathy and their moral commitments (ibid.: 136–137).

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Based on the criticisms reported above, we find the rational choice model to be empirically misleading and normatively inadequate. Stanford organizational theorist James March has rightly characterized it as "the myth of rationality" (March 2006).

1.3 Problems with the profit-principle

The materialistic management model of business infers the existence of money-driven, extrinsic forms of motivation, and measures success only in monetary terms. There are two distinct but interrelated problems with the underlying assumptions of the materialistic management model. One deals with profit as the sole measure of economic success, while the other deals with money as the main motivation for engaging in economic activity.

Using the indicator "profit" to evaluate the success of economic activities is not appropriate, as it offers an incomplete and imperfect evaluation of those activities. Profit reflects the values of the strongest stakeholders, favors preferences concerning the here and now, and presupposes the reducibility of all kind of values to a monetary form.

Money becomes problematic when considered the exclusive motivation for engaging in economic activity. It can crowd out the intrinsic motivation of economic actors, which may lead to decreases in the quality of economic performance (Frey 1997). Additionally, monetary incentives cultivate a self-centered value orientation that results in socially insensitive and ethically irresponsible behavior. If economic agents become overly self-interested, then it is likely that – by employing moral disengagement mechanisms – their self-exonerative maneuvers will do harm to others.

Problems with profit as an indicator

The market as an evaluation mechanism has its inherent deficiencies. First, there are stakeholders that are simply unrepresented when market values are determined. Natural beings and future generations do not have the opportunity to directly influence the marketplace. Second, the preferences of human individuals count rather unequally – that is, in proportion to their purchasing power; the interests of the poor and

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disadvantaged people are thus underrepresented in free market settings. Third, the actual preferences of the market players are rather self-centered and myopic – that is, economic agents make decisions regarding only short-term consequences.

To use profit as the sole criterion for judging economic activities implies that there exists strong commensurability of values – implying that there can exist a single measure for evaluating different values based on a cardinal scale of measurement. Mainstream economics suggests that values external to the market should be calculated by using shadow prices and other market-based evaluation techniques. In this way, externalities can be internalized, and the full cost pricing of activities can be undertaken.

Ecological economists have demonstrated that the strong comparability of values is not possible in economics. The value of natural assets cannot adequately be expressed in monetary terms (McDaniel and Gowdy 2000). Similar arguments can be developed about important human and social values such as health and safety, ethics and aesthetics.

Profit can be used as an indicator of the financial viability of economic projects but not as an exclusive criterion for judging the appropriateness of economic activities. To assess the overall value of an economic activity, we should use a number of non-financial value-criteria in addition to profit.

The following is an illustration of such a multidimensional and holistic evaluation procedure.

The underlying idea of project evaluation is that a project is worthy of being undertaken if, and only if, the state of affairs *with* the project is better than the state of affairs *without* the project.

Let **P** be a project whose total monetary cost is **p***. Let **Q** be the original state of affairs (that is, the state of affairs without the project). Let **Q*** be the new state of affairs (the state of affairs with the project).

There are two alternatives uses for the money **p***. One alternative is to undertake project **P** by financing it with money **p***. The other is not to undertake project **P** and use money **p*** for financing other projects (such as investing in treasury bonds).

Let **d (P)** be the discounted cash flow that project **P** can produce for a given period of time. Let **d (p*)** be the discounted total earnings of the amount of money **p*** for the same period of time. So **d (P)** and **d (p*)** represent two alternative uses of the same amount of money.

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Let **E( )** be a value function by which the state of affairs can be evaluated using an ordinal scale from the ecological point of view.

$$\text{(I)}\quad \mathbf{E(Q)} = \begin{cases} 1 & \text{if the state of affairs } \mathbf{Q} \text{ is beneficial to nature;} \\ 0 & \text{if the state of affairs } \mathbf{Q} \text{ has a neutral impact on nature;} \\ -2 & \text{if the state of affairs } \mathbf{Q} \text{ is harmful to nature.} \end{cases}$$

Let **S( )** be value functions by which the state of affairs can be evaluated using an ordinal scale from the social point of view.

$$\text{(II)}\quad \mathbf{S(Q)} = \begin{cases} 1 & \text{if the state of affairs } \mathbf{Q} \text{ is good for society;} \\ 0 & \text{if the state of affairs } \mathbf{Q} \text{ has a neutral impact on society;} \\ -2 & \text{if the state of affairs } \mathbf{Q} \text{ is bad for society.} \end{cases}$$

Let **M( )** be a monetary value function as follows:

$$\text{(III)}\quad \mathbf{M(P)} = \begin{cases} 1 & \text{if the discounted cash flow } \mathbf{d(P)} \text{ is positive;} \\ 0 & \text{if the discounted cash flow } \mathbf{d(P)} \text{ is zero;} \\ -2 & \text{if the discounted cash flow } \mathbf{d(P)} \text{ is negative.} \end{cases}$$

The following vector provides an overall evaluation of the original state of affairs:

$$\text{(IV)}\quad [\mathbf{E(Q), S(Q), M(p^*)}]$$

where **E(Q)** and **S(Q)** represent the environmental evaluation and the social evaluation of the original state of affairs, and $\mathbf{M(p^*)}$ represents the financial outcome of not undertaking the project.

The overall evaluation of the new state of affairs is provided by the following formula:

$$\text{(V)}\quad [\mathbf{E(Q^*), S(Q^*), M(P)}]$$

where $\mathbf{E(Q^*)}$ and $\mathbf{S(Q^*)}$ represent the environmental evaluation and social evaluation of the new state of affairs, and **M(P)** represents the monetary evaluation of the project itself.

The necessary and sufficient condition for undertaking a project is that the following preference relation is hold true:

$$\text{(VI)}\quad [\mathbf{E(Q^*), S(Q^*), M(P)}] \Rightarrow [\mathbf{E(Q), S(Q^*), M(p^*)}]$$

This means that the state of affairs with the project should be *better* than the state of affairs without the project, with due regard to environmental, social, and monetary values simultaneously.

Social choice theory may help us to make decisions in situations such as (VI).

The process of evaluating a multidimensional project outlined above demonstrates that economic projects can be evaluated without accepting the strong commensurability assumption of mainstream economics. The crux of the matter is that we should extend the informational bases of analyses and broaden the evaluative space beyond monetary values to include ecological and social values that cannot adequately be translated into financial indicators.

Problems with profit as motivation

Considering profit to be the main motivation in economic activity is dangerous, as a focus on profit may decrease the intrinsic motivation of economic actors, which can lead to decreases in quality. Additionally, it cultivates a self-centered value orientation, which results in socially insensitive and ethically irresponsible behavior.

Bruno Frey's "crowding out" theory shows why a motivation for profit may be counterproductive. A monetary reward offered or expected tends to crowd out an agent's willingness to perform the task for its own sake (i.e., based on intrinsic motivation) if the agent's sense of recognition, fairness, or self-determination is thereby negatively affected. The crowding-out effect of pricing may also spill over into sectors where no pricing is applied (the "spillover effect") if the people affected find it costly to distinguish their motivations according to sectors. Motivation crowding-out and spillover narrow the scope for successfully applying monetary rewards (Frey 1997).

The crowding out mechanism has important consequences for the famous statement of Adam Smith that we should expect our bread to be produced not due to the benevolence of the baker, but from his own self-interest. Certainly, the expectation that the baker will make a profit is a major incentive, but the production of truly healthy and aesthetically gratifying bread requires something different: prioritizing intrinsic commitment over monetary reward. The dangerous and unsustainable practice of modern agribusiness clearly demonstrates this point.

Modern agribusiness is failing to provide people with healthy, ethical, and ecologically sensitive food because of the underlying business

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paradigm: it produces low-quality food and has negative effects on nature, human health, and society (Zsolnai and Podmaniczky 2010).

Modern agribusiness involves the use of large-scale, industrialized, vertically integrated food production systems. It creates harm to both natural ecosystems and social communities. The products of industrial agriculture are typically low quality, with low nutritional value. Industrial agricultural systems focus on production and largely neglect the biological and social functions of the landscape. The methods and technology they employ are based on the principles of efficiency, productivity, and profitability.

A critical question that must be addressed is whether the quality of the food that reaches the consumer is as good as it would be under alternative structures of ownership and production. To the extent that corporate farming primarily seeks to maximize profit, it may adversely affect nutritional value, freshness, and flavor, as well as the range of products available to consumers. Corporate farming practices typically involve the use of genetically modified crops, preservatives, color additives, and insecticides.

Agriculture is a multi-output activity that produces not only commodities (food, feed, fibers, agro-fuels, medicinal products, and ornamentals), but also non-commodity outputs, such as environmental services, landscape amenities, and cultural heritage (IAASTD Synthesis Report 2009: 4). The dominant competitive orientation of modern agribusiness makes a profit and increases productivity at the expense of the environment, society, and human health.

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2
The Promise of Spiritually-Based Management

Abstract: *Spirituality is people's multiform search for a deep meaning of life that interconnects them with all living beings and with "God" or "Ultimate Reality." Spiritually-based management can be characterized as an inclusive and holistic approach that integrates leaders' inner perspectives on identity, purpose, responsibility and success with their decisions and actions in the outer world of business. It prioritizes basic needs over subjective preferences, commitment over self-interest, mutual trust over mutual advantage in the market, and economic democracy over shareholder capitalism.*

Zsolnai, Laszlo. *Post-Materialistic Business: Spiritual Value-Orientation in Renewing Management*. Basingstoke: Palgrave Macmillan, 2015.
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In agreement with Peter Pruzan (2011), we can state that post-materialistic, spiritually-based management is emerging as an inclusive and holistic approach to business that integrates leaders' inner perspectives on identity, purpose, responsibility and success with their decisions and actions in the outer world of business. Spiritual-based management can also be seen as a new and overarching perspective on other approaches that is characterized by a focus on concepts such as business ethics, value-based leadership, corporate social responsibility, and sustainability, but post-materialistic management considers ethics, social responsibility and sustainability not as instruments for protecting and promoting the classical business rationale, but as fundamentally important objectives in their own right.

While traditional management strives to optimize economic performance subject to both self-imposed and societal constraints that mandate that attention must be paid to the well being of the organization's stakeholders, post-materialistic business essentially interchanges the means and the ends. The "why" of organizational existence is no longer economic growth, but the material and spiritual fulfillment of all those affected by the organization, where a major restriction is the requirement that the organization maintains and develops the economic capacity to serve its stakeholders (Pruzan 2011).

Luk Bouckaert (2011b: 159–161) has defined the priorities for post-materialistic management as follows:

(1) *Prioritizing basic needs over subjective preferences.* Preferences are individual and social constructions that express, intensify and transform basic needs, and in certain cases suppress and obstruct them. Basic needs, on the other hand, are the necessary preconditions of a humane existence in a historically and culturally determined community. One can translate basic needs into rights that individuals can claim on the basis of their human dignity.

The classical objection to the basic needs approach is that there is no consensus about the content of basic needs. What people experience as a basic need, according to this argument, depends precisely on their individual preferences. This is partially true. One cannot subtract basic needs from an individual's subjective aspirations, but that does not mean that basic needs should be reduced to those aspirations.

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(2) *Prioritizing commitment over self-interest*. Experimental economics and econo mic psychology gives empirical support to the claim that social commitment should have moral priority over selfish behavior. Genuine commitment has its own logic. One who selflessly devotes his or her life to promoting justice aims at something other than maximizing the pleasure of satisfying his or her own altruistic preferences. He or she does it for the sake of justice itself, not (or at least not primarily) as a means to an extrinsic end such as personal happiness or prestige. There is an essential difference between the instrumental function of a preference and the non-instrumental function of a commitment. While a commitment is directed at bringing about an identity or a way of being, preference satisfaction aims at bringing about an advantage or a pleasure.

(3) *Prioritizing mutual trust over mutual advantage in the market*. A well-functioning market requires cooperation and mutual trust. The market instrumentalizes all values as individual, subjective preferences. When people determine their values themselves, the resulting lack of moral cohesion can open the way to far-reaching opportunistic behavior, which is, in the long term, a threat to the functioning of the market. Hence there is growing awareness that moral self-regulation and "social capital," in the form of mutual trust, are constitutive elements of a well-functioning market.

(4) *Prioritizing economic democracy over shareholder capitalism*. Economic democracy is an alternative to bourgeois capitalism and to Marxist collectivism. Stakeholder management and co-creative entrepreneurship are highly valued in today's capitalist society. Business ethics criticizes shareholder capitalism and promotes the stakeholder theory of the firm. The strong version of stakeholder theory empowers stakeholders and makes them full partners of the firm, in doing so providing them with the rights and claims of partners, thereby forming a community of co-responsible persons. In principle, an economic democracy is broader than a workers' democracy, while it aims to promote the balanced participation of all stakeholders.

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2.1 Spirituality and business

How can spirituality be defined?

Spirituality cannot be captured in one standard definition. If we seek to maintain the notion of spirituality as experience-based, we must accept that spirituality is a rich, intercultural and multilayered concept. As a guideline, I suggest using the working definition created by the SPES Forum: Spirituality is people's multiform search for a deep meaning of life that interconnects them to all living beings and to "God" or "Ultimate Reality." (European SPES Institute 2015) Most definitions of spirituality share a number of common elements: notions of reconnection with the inner self, the search for universal values that can lift the individual above egocentric strivings, deep empathy with all living beings, and finally, a desire to keep in touch with the source of life (whatever name we may give it). In other words, spirituality is a search for inner identity, connectedness and transcendence.

Whereas spirituality was for a long time considered the exclusive interest of institutional religions, interest in this topic has now clearly extended beyond this realm. For believers and nonbelievers as well, spirituality functions

(1) as a transconfessional good and therefore a suitable platform for interreligious dialogue that may move humanity beyond the clash of religions and cultures;
(2) as a public (and thus a vulnerable) good, not only a private matter (which requires that is has an appropriate form of public management);
(3) as a profane good, in the sense that the goal is not to elevate the spiritual as an abstract concept but to integrate it into political, social, economic and scientific activities;
(4) as an experience-based good that is accessible to each human being reflecting on his or her inner experiences;
(5) as a source of inspiration in the human and social quest for meaning. (Bouckaert and Zsolnai 2012)

The nature of spirituality

Jesuit scholar Paul de Blot (2011) has analyzed the complex relationship between religion and spirituality. He states that while "spirituality"

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relates to the soul or spirit, "religion" refers to the existence of a superhuman controlling power, especially a God or gods, usually expressed in worship. Religion is an organized approach to dealing with a posited supernatural reality through human activity and usually encompasses a set of narratives, beliefs and practices. Spirituality, on the other hand, is the multiform search for a transcendent meaning to life based on a reflection of our experience as humans. Spirituality means becoming conscious of our connection to all beings and to the whole of creation.

This difference between religion and spirituality can be a cause of conflict. If institutionalized religious belief enlarges the divide between a formalized spirituality and spiritual awareness, the spiritual experience of being will no longer be represented by formal religious practice. We may avoid this disconnection by keeping religion in touch with spiritual experience so that religion can function as a source of inspiration for individuals' spiritual growth.

Luk Bouckaert (2011a) characterizes rationalism as a way of life dominated by positive science (which is believed to be the ultimate source of truth) and by utility maximizing rational choice (as the ultimate criteria for ethics and management). The consequences of the dominance of the rational in Western culture and business are ambiguous. We can acknowledge growing prosperity and improving material life conditions but are also experiencing the collapse of communities and the overexploitation of natural ecosystems.

Spirituality may help with discovering meta-scientific sources for truth, such as wisdom, tradition, introspection and meditation, and promote the cultivation of meta-utilitarian sources used in decision-making, such as intrinsic motivation, emotions, intuitions, and spiritual discernment. However, rationality need not crowd out spirituality, or vice versa. The challenge is to identify priorities. A spiritual-based concept of rationality can restore the priority of the spirit over the rational.

Neuroscientists Andrew Newberg and Daniel Monti (2011) argue that for a synthesis of neuroscience and spirituality to be successful, the understanding and preservation of the fundamentals of science must be merged with an analysis of the cognitive elements of religious and spiritual experiences. This requires the investigation of religious and spiritual experience from the perspective of neurocognition.

Taking such a neurocognitive approach, it is important to consider the two major routes to spiritual experience: group rituals and personal

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contemplation or meditation. The two practices are similar along two dimensions: both involve intermittent emotional discharges involving the subjective sensations of awe, peace, tranquility, or ecstasy, and varying degrees of unitary experience that are correlated with the emotional discharges. These unitary experiences consist of a reduction in the awareness of the boundaries between the self and the external world. Such experiences can also lead to the creation of a sense of oneness between the individual self and other individuals, thereby generating a sense of community. At the extreme, unitary experiences can eventually lead to the abolition of all boundaries of discrete being, thus generating a state of absolute unity.

Former president of the European Transpersonal Association (EUROTAS), John Drew (2011) recalls that the literal meaning of transpersonal is "beyond the personal." This term describes a philosophy of life that puts less emphasis on personal and material issues and more on wider spiritual considerations. It has to do with the inner rather than the outer self and the vertical (the relationship of body, mind and spirit) rather than the horizontal (the relationship of the individual to the external world). It thus describes a spiritual approach to living and is, as such, consistent with religious belief, but is definitely neither a religion nor a sect.

Transpersonal psychology is a framework used by therapists and psychologists both for their own development and for helping others to contemplate big spiritual and psychological issues: Who am I? Where do I come from? What is the future for humans and our planet? What contribution should I make? It can facilitate all who wish to reflect on these eternal questions to broaden their perspective from the personal to the spiritual. It is a view that acknowledges the unity of all life and the need to act from a higher level of consciousness. The idea behind the transpersonal is that one should embark on a spiritual journey that focuses on internal, rather than external, matters and which runs parallel to, although intersecting and not inconsistent with, the physical journey through life.

In a paper published in 2011, I argued (Zsolnai 2011a) that, for decision-makers, the nature of the "self" plays an important role in determining the ethical content of their decisions. Decisions can be understood as the self-expressions of decision-makers. Spiritual experiences have a vital function in developing the personalities of managers and making their decisions more ethical.

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Oxford-based management thinker Danah Zohar (2002) introduced the term "spiritual intelligence". This refers to a transformative intelligence that makes us ask basic questions about meaning, purpose, and values. Spiritual intelligence allows us to understand situations and systems deeply, to invent new categories, to be creative and to go beyond the given paradigms. Spiritual intelligence is badly needed in management. Management decisions considerably affect the life and fates of human communities, natural ecosystems, and future generations. The well being of these primordial stakeholders requires authentic care, which may be developed through an experience of experiential oneness with others and with the universal source of creation.

Veerle Draulans (2011) demonstrates that a gender approach to spirituality reflects on the powerful consequences of divisive and dichotomous thinking. It pleads for solidarity and for a more prominent and positive place for the experience of corporeality in spiritual life and the experiences anchored in the pragmatic daily lives of men and women across the world.

Certain characteristics such as solidarity, recognition and acknowledgment are strongly related to femininity. They are central to the female experience of spirituality and are significant assets in contemporary leadership. It is increasingly recognized that female leaders are more inclined than their male colleagues towards transformational leadership, paying more attention to expressing appreciation, providing support and positively encouraging employees. Male leaders attach slightly more importance to hierarchical relationships. The areas in which women excel (such as communication or attention to horizontal relationships) are valuable assets for middle management. Top management still retains its stereotypes of masculinity and the associated characteristics. The question of whether women in top management positions can be motivated and inspired by specific sources of spirituality – and if so, how – is still an open question.

Spiritually-inspired economics

The most important traditions of faith influence economics in meaningful ways. In this regard, it is worth considering the role of Indian management philosophy, Confucianism and Taoism, Buddhist economics, Budo philosophy, Jewish economic thinking, Catholic social teaching, Protestant economic principles, Islamic economics, Quaker spirituality,

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and Personalism. Finally, Schumacher's people-centered economics, liberation theology, the Baha'i perspective on business, and the aboriginal spirituality may also be included here.

Indian business ethicist Sanjoy Mukherjee (2011) offers insight into the 5,000-year-old Indian philosophical tradition and explores its consequences for economics and management. He emphasizes that the *Advaita* (or unitary) nature of our consciousness, as propounded in the Upanishads, absorbs all dualities in the overarching canvas of a grand continuum of cosmic experience across space and time. Polarities – or opposites – exist in this scheme, not as disparate fragments of reality, but deeply interconnected in time, space and essence against that backdrop.

Mukherjje shows that the Bhagavad Gita contains a sequential, three-tier methodology for resolving the value conflicts of decision-makers. The three steps are as follows: (1) disengagement from the problem – the dominant theme here is karma or action, but action that is centripetal in denouement, so the individual can gain inner consolidation and repose; (2) engagement in higher wisdom through loving and emotive communion with a source of enlightened knowledge for comprehensive assimilation of this wisdom through intimate personal contact; and, (3) re-engagement in the problem – the descent of human consciousness from the level of highest wisdom to the specific context of the problem in question to translate the attained wisdom into the requisite action with an enlightened perspective. The message of the Bhagavad Gita serves as an eye-opener in the process of the evolution of our consciousness, from the throes of death to a new awakening, a rebirth in the realm of human consciousness to the land of freedom and bliss.

Philosopher Robert Allinson (2011) shows the relevance of Confucian and Taoist ethics to economics. For Confucius, kindness is intrinsic to human nature, and his ideas include the concept of "natural kindness." One way Confucius teaches that one can reach one's natural state of kindness is through the application of his version of the Golden Rule: "Do not unto others what you would not have them do unto you." This maxim explains his views about economic exchange. One would not like to be taken advantage of by others; hence, one should not endeavor to disadvantage others. Confucius considered one of the main goals of life to be moral growth and moral development. If a life is fully devoted to making a profit, it cannot also be devoted to moral growth.

In the case of Taoism, one can point to statements by the philosophers Laoji and Zhuangzi that embrace the idea of the simple – hence, modest

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– economic life. "Harmony" is a key concept in Chinese philosophy, extending to the notion of human beings in harmony with nature and with heaven. The city of Hong Kong appears to be employing an economic model that incorporates both Eastern and Western influences, with an effort to find the harmony between self-interest and public interest.

In different publications, I have suggested that the principles of Buddhist economics may be viewed as a genuine alternative to the Western economic model. (Zsolnai 2011b) Buddhists believe that the ego mindset cannot be fulfilled, and its greed for greater satisfaction and recognition becomes the source of its own destruction. The ego mindset is a source of suffering because the human spirit becomes captured by an avaricious mind.

Buddhist economics challenges the basic principles of modern Western economics: namely profit-maximization, the cultivation of desires, the promotion of markets, the instrumental use of the world, and self-interest-based ethics. Buddhist economics proposes alternative principles such as minimizing suffering, simplifying desires, nonviolence, genuine care, and generosity. It is better to consider Buddhist economics not as a system but as a strategy that can be applied to any economic setting.

Henk Oosterling (2011) claims that Budo philosophy offers a coherent set of views that has been developed over a period of 400 years in Japanese martial arts. The exponentially growing power of the Japanese economy in the 1980s raised questions about the specific role of this martial tradition with its psychology of alertness, determination, endurance and loyalty. It was assumed to be one of the keys to the overwhelming success of Japanese corporations. Although the Japanese are socioeconomically adapting more and more to Western imperatives, their Shinto affinity with nature and purity, Confucian focus on form and harmony, and Buddhist rejection of selfishness still underpin their work ethic.

Business ethicist Moses L. Pava (2011) underlines the fact that Jewish traditions can provide a much-needed historical perspective about wealth distribution. Judaism's highly refined notion of *chesed* (usually translated as "loving kindness" or "acts of loving kindness") is a useful and usable paradigm for contemporary democratic thought. Ethics is ultimately about seeing our own humanity in the other, and seeing the other's humanity in ourselves. Judaism has not been able to produce a

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Solomon-like solution to the problem of income and wealth inequality. Any solution that is proposed must begin with an examination of the root causes of the increasing disparity between the haves and the have-nots.

Catholic priest Domènec Melé (2011) argues that Christian spirituality and morality are closely related. While Christian spirituality consists of progressive identification with Christ's love of the truth, Christian morality is based on following Jesus Christ. Some action to this end can be expressed through values and virtues, along with some principles and norms.

In Catholic social teaching, there are no technical solutions, models, or specific policies, but the defense of human dignity is ongoing, and integral human development is considered to be the ultimate vocation of every human being . Paramount among the permanent principles are human dignity and the common good, on the one hand, and solidarity and subsidiarity on the other. According to Catholic social teaching, economic life should not be solely geared to multiplying goods and increasing profit or power: it should serve people. Catholic social teaching encourages us to pay particular attention to the quality of the services provided by a business, along with the quality of the environment and of life in general.

Jurjen Wiersma (2011) describes important principles that underline the Protestant view of the economy. The first concerns the protestant understanding of the human person. Individual capabilities, needs and desires are of major importance in the Protestant point of view. Specifically, an individual's conscience is considered to be extremely valuable; it allows the individual the right to choose, decide and refuse. Ultimately, ecclesiastical, moral, political or secular authorities may not override a person's ethical decisions. The only authority to obey, to rely on, and to listen to is God.

The second principle is the Weberian concept of inner-worldly asceticism. In his book, *The Protestant Ethic and the Spirit of Capitalism* Max Weber held that certain Protestant values have particular consequences, which first and foremost can lead to a capitalist ethos. The third principle is joyful commitment to life and work. Wiersma argues that these principles and the related practices reflect a vigorous strategy of liberation from social-political exploitation and economic distress, from which men and women aound the world still suffer.

Feisal Khan (2011) underlines the fact that while Islamic economics is confined to Muslim-majority countries, there is no Muslim country

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whose economy can actually be described as "Islamic." For its advocates, Islamic economics is the third way: between the two main Western extremes of free market capitalism (with its emphasis on rational, individual self-maximizing behavior) and socialism (with its emphasis on social ownership of the means of production and the sublimation of the individual's needs to those of society).

Islamic economics can be characterized using three basic tenets: (1) prohibition of *riba* (i.e., interest or usury) in all financial transactions; (2) wealth redistribution through *zakat* (a religious tax); (3) adherence to Islamic norms that "command good" and "forbid evil" – this includes forswearing products and activities deemed *haram* (forbidden) to Muslims, such as economic activities involving alcohol, pork, gambling or pornography. The most advanced and developed part of Islamic economics is banking and finance, where the financier takes a direct equity stake in the venture, rather than a fully collateralized, interest-based loan.

Laurie Michaelis (2011a) emphasizes that Quaker spirituality is centered on inward listening and listening to others. Quaker meetings seek a "gathered stillness." Moreover, it Quaker spirituality that is practiced through ways of living, speaking and acting in the world. Quaker social values (including integrity, equality and community) have shaped their approach to business and trade and led them to campaign and act to promote economic reform.

Recently, as the threat of climate change becomes increasingly real, Quakers have seen economic reform as an essential part of societal change. Some believe that the economy will need to shrink considerably to avoid dangerous climate change and have acted accordingly, by downshifting their work, income and consumption and devoting time to voluntary work in their communities. Others are less ready to change and cite concerns about unemployment and the reduced incomes of producers in low-income countries as justification for maintaining an affluent lifestyle.

Luk Bouckaert (2011b) describes Personalism as a modern philosophical and ethical stance that emerged in academic and public debate in France, Germany and the United States at the beginning of the 20th century. Although Personalism is deeply inspired by Christian humanism, its arguments and style are philosophical and open to religious and nonreligious people.

The personalist "primacy of the spiritual" is deeply related to a concept of humanity that distinguishes the person from the individual. This

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distinction is fundamental to Personalism. Individuality is a characteristic of all beings that belongs to the material world. Personality is the capacity of human beings to move away from the self toward others in freedom and love. It relates the self to all beings and to the source of life.

Economic philosopher Hendrik Opdebeeck (2011) reconstructs the economic ideas of the influential 20th century British alternative economist E. F. Schumacher. In his view, the supremacy of science-for-use over science-for-insight has important consequences for modern technology and economics. This leads to what Schumacher calls the neglect of man's important "diverging problems". Crucial to his view is the importance of frugality in economics. This philosophical-ethical exploration leads him to recognize the forgotten dimension of spirituality in economics.

In contrast to the philosophical foundations of the prevailing economic paradigm, Schumacher's people-centered economics reacts against the proposition that the foundations for peace can be laid only by bringing about prosperity. He considers it a fact that prosperity is based on greed, and notes that envy provokes violence instead of peace. For Schumacher, the ethics of an economy that really guarantees peace insists on the value of "enough," or frugality, so that forms of discontentment or violence with respect to the planet and its people can be avoided.

Eelco van den Dool (2011) interprets liberation theology's struggle for a just world as the way to meet God. Liberation theology is critical of dogmatic approaches to faith as a system of ideas and concepts. It seeks to move from orthodoxy to orthopraxis: social action aimed at bringing justice to oppressed groups, and considers faith to be a truth that has to be lived and practiced. It therefore stresses the relationship between faith and social praxis. Liberation theology has become particularly influential in Latin America in the form of bottom-up movements in which grassroots ecclesial communities appear and poor farmers and workers organize themselves in cooperatives and unions.

Although liberation theology has been less influential in the Western world, German liberation theologian Dorothee Sölle (2001) has developed a unique theological position. Her notion of the "democratization of mysticism" is characterized by the development of a critical, moral understanding of the world and of oneself – typically following initial resistance and taking action about a public issue – which culminates in the collective praxis of resistance, action and liberation.

Organizational scholar Marjolein Lips-Wiersma (2011) clarifies what it means to be human according to the Bahá'í perspective and its

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implications for business. The Bahá'í faith recognizes the unity of God and of His prophets, upholds the principle of an unfettered search for truth, and condemns all forms of superstition and prejudice. It teaches that the fundamental purpose of religion is to promote concord and harmony, that religion must go hand-in-hand with science, and that this constitutes the sole and ultimate basis of a peaceful, ordered and progressive society.

Bahá'ís people believe that the shaping of our future (whether through business or other institutions) is a collective and participative act. Organizations are a composition of diverse, interacting participants who can rise above their own limited capacities and insights (and hence grow spiritually) as a result of their participation in a collective. At the same time, it is the responsibility of each individual to attend to, and be in charge of, his or her own spiritual growth. The purpose of serving the real needs of humanity is inspirational and can guide companies – and the societies within which they operate – in healthy and sustainable directions.

Canadian community consultant Mike Bell (2011) summarizes the worldview of aboriginal cultures and explores its relevance to modern organizations. He argues that we must find a way to realign our primary relationships and maintain a balance of "spirit". Our primary relationships are with the spirit of the land, our own inner spirit, the spirit of our families, relatives and the people who are closest to us, and the spirit within our organizations and in our relationships with other people and organizations.

Rediscovering and realigning our organizational relationships with our relationships to the land does not mean that we must move out of the cities, abandon our companies and adopt some kind of aboriginal lifestyle. Renewing the spirit of our organizations means finding ways of going deeper: finding our way beneath our organizational coding, our personal and family coding, and our cultural coding. Our individual spirit and that of our organizations has come from the spirit of the universe. The genius of the elders – and the significance of their teaching – has been their ability to uncover universal truths that are part of the universal human experience and consciousness.

Socioeconomic problems in a spiritual perspective

Pressing socioeconomic problems can be discussed and analyzed using a spiritual perspective. The process begins with an analysis of the spiritual

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meaning of the economic crisis and the problems with materialistic value-orientation and avarice. It continues with an exploration of globalization, the deep ecology perspective, climate change and spirituality and ecological sustainability and organizational functioning. Finally, it presents the problems of responsibility for future generations, frugality, authenticity and the civil economy.

Carlos Hoevel (2011) argues that the economic and financial crisis, which began in 2008, has a specific spiritual dimension. Behavioral economists believe that the serious and extended crisis was caused by a series of "psychological irrationalities" in the behavior of players (borrowers, lenders, investment banks, rating agencies, regulators and end-investors). However, these psychological and behavioral factors presuppose the existence of a deeper and broader existential or spiritual transformation on which one may build.

From a spiritual perspective – Hoevel concludes – the infinite Faustian race to overcome every limit and obtain more and more money (which we could witness during the big bubble that preceded the present crisis) was the result of an addictive and compulsory multiplication of illusions which, in turn, can be conceived of as a deformed and perverse imitation of our call for a responsible, intelligent and free transition towards an ultimate and infinite reality.

Italian economist Stefano Zamagni (2011a) gives a detailed historical analysis of avarice or greed. Among economists, the idea that greed is a minor vice is quite prevalent and is thought to be correctable with the use of adequate incentives. Economics has a theory that describes the reasons why *Homo oeconomicus* does what he or she does, but it lacks a theory to describe an individual's motives for doing what he or she *should* do. The seemingly limitless lust for material possessions is a serious impediment to our civil and moral progress.

Zamagni asks, what is the essential nature of greed? There is in every human being a sentiment that passionately urges us to satisfy our desires. Human desire, when not corrupted, seeks out things such as material goods that satisfy it. But desire may be misdirected. This is because some of the goods to which individuals are attracted are not, in fact, good: they are evil – goods that appear to slake desire but in reality turn desire into disorder and drive an individual towards a state of unhappiness. Today we are in a position to see greed as the deadly sin which, if not counterbalanced by authentic, widespread practices of gratitude, threatens the very sustainability of our civilization.

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Jean–Jacques Rosé and François Lépineux (2011) argue that globalization is the fulfillment of Western thinking and lifestyles. This fulfillment has attained its limits, which now need to be surpassed through an alternative that can be clearly perceived by the international community. This choice presupposes that humans can move beyond the values of the "society of development" through structuring a new ethical and spiritual framework for global society. As Asia now enters the modern world, Rosé and Lépineux ask if it will it be able to bring forth the major contributions that the paradigms of Kyosei and "no-self" represent.

Knut Ims (2011) presents deep ecology as a foundational approach to environmental problems, focusing on their underlying causes. It assumes a relational, total field perspective that fits into a holistic, non-reductionist, non-anthropocentric worldview. It may be compared to "shallow ecology", which represents the technocratic attitude about pollution and resource depletion and employs rules such as "the polluter pays," and which treats environmental symptoms through technological quick fixes.

Self-realization is a fundamental tenet of deep ecology and refers to all beings. The concept employed in deep ecology extends beyond the usual concept of realizing oneself in the Western sense, where it is regarded as an ego trip – an individual's effort to satisfy his or her own wishes. Deep ecological thinking involves a redefinition of the concept of the self, and suggests the possibility that all sentient beings are ecological selves. The central motto of deep ecology is to live a rich life with simple means, or simple in means, but rich in ends. The required change in ideological structure implies that quality of life is more important than economic welfare as measured by GDP.

Laurie Michaelis (2011b) warns that there are signs that the global climate may be close to a tipping point, after which the Earth will transition to a warmer world. Amid calls for a transition to a zero-carbon economy, politicians and some segments of the public are in denial. Their preferred technological and market solutions will prove insufficient; a transformation in our way of life is needed. We must question the nature of selves, our relationships with each other, the Earth and beyond, our ways of life and our sources of meaning.

Michaelis argues that even if climate change is addressed primarily through outward, technological and economic means, it will demand inner change. The phenomenon can be understood as a symptom of spiritual malaise and demands a development in consciousness. The

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most important part of the spiritual work related to climate change is to develop the personal and collective will and capability to change. This calls for deep self-questioning, self-understanding, and the willingness and ability to cast off many social norms. These are capacities that may be developed through spiritual practice and can be supported by involvement in a strong spiritual community.

John Adams (2011) considers ecological sustainability in the context of organization functioning to mean that we must learn to operate all of our enterprises in such a way that we create a world in which resources are not declining but abundant, and high-quality choices remain available to future generations. Adams refers to the Swedish scientist Karl-Henrik Robèrt, who developed some non-negotiable sustainability principles (called The Natural Step Framework or the Framework for Strategic Sustainable Development), which are now widely applied to create ecologically sustainable organizational practices. Adams adds that in order to approach ecological sustainability, thinking that focuses on the long term, envisioning, the big picture, connecting, learning, being, and sharing will also be required.

In my paper on future generations (Zsolnai 2011c), I underline that the activities of present generations affect the fate of future generations for better or worse. What we do with our natural and cultural heritage determines the way future generations will live their lives. I argue, along with Hans Jonas (1984, 1996), that moral responsibility demands that we take into consideration the welfare of those who, without being consulted, will later be affected by what we are doing now.

Edith Brown Weiss (1989) developed three principles that underline our obligations to future generations: (1) Each generation should be required to conserve the diversity of the natural and cultural resource base, so future generations' problem-solving options are not undully restricted. (2) Each generation should be required to maintain the quality of the planet, in order to pass it on in no worse condition than the present generation received it. (3) Each generation should provide future generations with access to the legacy of past generations . Caring for future generations is not only of altruistic concern. Improving the position of future generations also enhances the future of present generations.

With Luk Bouckaert and Hendrick Opdebeeck, I suggest defining frugality as an *art de vivre,* which implies living a simple lifestyle with low material consumption and opening the mind to accepting and striving

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for spiritual goods such as inner freedom, social peace, justice or the quest for "ultimate reality" (Bouckaert, Opdebeeck and Zsolnai 2008).

In economics, Adam Smith praised and Max Weber promoted the frugal and industrious man has as the embodiment of worldly asceticism, the driver of early capitalism. But by focusing on frugality as a means of increasing material welfare, the authors initiated a shift in its meaning. Instrumentalizing frugality paradoxically ended up eliminating it from the economic scene. Consumerism and material greed became the basic drivers of wealth and led to an erosion of frugality's intrinsic spiritual meaning.

As a rational concept, frugality refers to an enlightened but egocentric relation to the environment. In the spiritual traditions, frugality receives another meaning, primarily involving self-detachment: a release from the active, self-seeking ego. Living a frugal life means living a life of self-detachment, or, phrased in a more positive way, a life of other-directedness. Frugality signifies a release from egocentrism, opening the mind to the inner voice of things, in contrast to focusing on the instrumental meaning we get from satisfying our needs. It is important to realize that a genuine form of the spirituality of frugality as self-detachment and other-centeredness does not exclude instrumental economic rationality. To be implemented, a spiritually driven praxis of frugality requires rationally conceived business planning. And from a macro point of view, spiritually based practices of frugality may lead to rational outcomes, such as reductions in ecological destruction, social disintegration, and the exploitation of future generations.

David Boyle (2011) stresses that the demand for what is "real" is obvious from packaging in shops and the world of advertising, where appeals to authenticity are constantly made, often to obscure the fact that a product is deeply inauthentic in some way. The demand for authenticity is itself a critique of prevailing postmodern culture. It involves an ongoing search for what holds people together despite their atomization by postmodern culture, endlessly deconstructed into their own distant silos.

There clearly is an ethical dimension to authenticity, too. It represents a critique of the way mainstream business operates, distancing customers from human reality by replacing human interaction with software or other forms of automation. These are particularly relevant issues for public and private organizations that deliver public services, and may believe they can do so in an increasingly virtual way. It is also an issue for organizations that increasingly try to micromanage every decision,

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reaction and interaction of their staffs. Offering authenticity is not just a vague marketing whim, concludes Boyle. The notion of authenticity is a tool by which we can begin to analyze the failures and successes of our institutions.

Stefano Zamagni (2011b) warns that conventional economics hinges on a description of human behavior that consists almost entirely of "acquisitive aims". From the economic standpoint, human behavior is relevant insofar as it enables individuals to get things (goods or services) that they do not yet have and that can increase their welfare. The necessity, then, is to make space for the principle of gift-giving within economic theory. The power of a gift does not lie in the thing given or the amount donated but in the special human quality that the gift represents as a component of an interpersonal relationship. What constitutes the essence of gift-giving is a specific interest in forging a relationship between donor and recipient. To broaden the horizons of economic research to include relational value is today's most urgent intellectual challenge.

In the civil economic tradition, the market, enterprise, and the economy are themselves the places for friendship, reciprocity, gratitude and fraternity. The civil economy rejects the notion that the market and the economy are radically different from civil society and are ruled by different principles. Instead, the economy is civil; the market is a shared form. "Economics as if people mattered" concisely indicates the essence of a civil economy. Zamagni emphasizes that the civil economy approach proposes a multifaceted humanism in which the market is conceived and experienced as a place that is also open to the principles of reciprocity and generosity.

Business spirituality

Diverse approaches to business spirituality exist. They include deep leadership, transformation management, spirit-driven business organizations, mindfulness in business, and spirituality at the workplace.

Gerrit Broekstra and Paul De Blot (2011) introduce the concept of deep leadership, the essence of which consists of asking deep questions: Why do we exist? What is our reason for being? What do we really stand for? How strong is our organizational spirit? How sustainable is our entrepreneurship? What is our meaning to society? These profound questions – directed at uncovering the organizational essence, or self

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– can be thought of as parallels to the central questions of self-inquiry that are posed at the individual level, and can thus be seen as intrinsically spiritual in nature. When pursued in depth, the answers to these fundamentally important questions may produce a kind of genetic code – the organizational DNA – consisting of its mission, values and energy.

The concept of deep leadership is entirely in tune with the way organizations are described in complexity science: as complex adaptive systems that operate effectively and efficiently. In a similar way, natural systems operate using shared genetic code or programs that normally consist of a surprisingly small number of rules or heuristics. The message is that companies need to recalibrate their genetic codes towards a higher degree of alter-intentionality and to make them a living reality in their organizations. In this way, they can become truly spirit-driven organizations run by empowered people, respected guardians of a sustainable planet, and profitable players in the marketplace.

Ronald Lessem and Alexander Schieffer (2011) explore the specific potential of an enterprise to meaningfully engage with the transformational capacity embedded in a particular societal culture. They traverse what they term "four worlds" of the globe to investigate four examples of indigenous cultural or "soul forces": from the South, the African concept of *Ubuntu* – to the East, Japan's *kyosei* – from the North, the Nordic notion of *naringsliv* – to the West, the Anglo-Saxon idea of individuation.

The cultural force that they say underlies a society, community, organization or individual – linking body and spirit, heart and mind – can be identified in both inner-directed and outer-directed movement. Inner-directed movement reaches into the depths of local identity and celebrates the uniqueness implicit in every identity. In order for it to fulfill its transformational and transcultural potential, it depends upon outer-directed movement that reaches out and enters into contact with the other. Without outer-directed force, societies and organizations either become ossified or lose their vitality by being subsumed by exogenous forces. Each individual and every community, organization and society has a unique core, or soul force, to which it must remain faithful and which it must help evolve.

Sharda Nandram and Margot Esther Borden (2011) define mindfulness as a state of mind involving a heightened, more detailed and more objective awareness of self, others and life situations. This gives our experiences a sense of meaning and allows us to see them objectively, and thereby enables us to harness our greatest potential. Ultimately, practitioners

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develop the power to see themselves with greater lucidity and navigate in their inner and outer worlds with greater self-mastery. On a deeper level, mindfulness develops love, forgiveness, gratitude, equanimity, and ultimately, a grasp of the infinite nature of consciousness.

Allotting both physical space and time for mindfulness practices in the work environment, at work-related meetings and breaks, and at motivational gatherings are ways of directly contributing to improving organizations at all levels. Mindfulness can be adopted as a standard part of training or mentoring programs for newly hired personnel. Mindfulness helps individuals develop their qualities and fine-tune their perceptions, resulting in smoother working relationships, win-win reasoning and actions, and greater happiness and fulfillment. The deeper, broader perception of self, other, society and nature that is developed has the power to transform the very axis around which we think and act in our business and personal interactions.

Marjolein Lips-Wiersma and Lani Morris (2011) emphasize that the domain of workplace spirituality has defined itself in relation to doing meaningful work. While this might be the most important thing we do to honor our humanity, it is very hard to do, and to do well, under the conditions of current organizational life. In order to move beyond the spirituality-versus-religion debate, the task is to create a structure and culture in which leaders and followers can respectfully negotiate religious and spiritual diversity.

Lips-Wiersma and Morris present the "holistic development model" as a way to have a grounded discussion about spirituality in the workplace. The structure of this model creates a space that is safe enough for differences to be held and expressed without coercion. At the same time, it identifies common purpose, and hence, it is a method of uncovering existing connections and agreements while acknowledging the individual journey.

2.2 Human reason in economic action

Reason and spirituality are not incompatible with one another. Amartya Sen (2004) proposes a broader definition for human reason than the conventional conception of rationality. He suggests that human reason requires an action to be based on right motivation, executed by fair processes, and leading to desirable outcomes. Within this interpretation,

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economic rationality as we know it is neither intelligent nor ethical by definition.

In my view, economic activities should pass the tests of ecology, future generations and society to qualify as reasonable. These triple criteria require that economic activities may not destroy nature, violate the interests of future generations or have negative impacts on society. Economic activities can be deemed "reasonable" only if they satisfy all of these criteria.

Ecology

From the perspective of nature, ecological integrity is a central value. American environmentalist Aldo Leopold, in his classic *A Sand County Almanac* introduced the notion of ecological integrity. He writes: "A thing is right when it tends to preserve the integrity, stability, and beauty of the biotic community. It is wrong when it tends otherwise" (Leopold 1948).

Economic activities may be evaluated against environmental indicators that operationalize the notion of ecological integrity, as demonstrated:

Let **A** be an economic activity. Let **E1,...,Ej,...,En** be environmental indicators. (**n** > **1**)

Ei( ) is an ecological value function that may be defined as follows:

$$\text{(i)}\quad \mathbf{Ej(A)} = \begin{cases} \mathbf{1} & \text{if economic activity } \mathbf{A} \text{ is positive regarding environmental indicator } \mathbf{Ej}; \\ \mathbf{0} & \text{if economic activity } \mathbf{A} \text{ is neutral regarding environmental indicator } \mathbf{Ej}; \\ \mathbf{-2} & \text{if economic activity } \mathbf{A} \text{ is negative regarding environmental indicator } \mathbf{Ej}. \end{cases}$$

Ei(A) reflects the ecological value of economic activity **A** regarding environmental indicator **Ej**.

The following equation represents the ecological value of economic activity **A** regarding all the environmental indicators **E1,...,Ej,...,En**.

$$\text{(ii)}\quad E(A) = [E1(A),\ldots,Ej(A),\ldots,En(A)]$$

To obtain an aggregate picture about the ecological value of the economic activity in question we should define a weight for each environmental indicator. Let **a1,...,aj,...,an** be the weights.

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It is required that

(iii) Σ aj = 1

The aggregate ecological value of economic activity **A** can be calculated as follows:

(iv) E(A) = Σ aj Ej(A).

E(A) shows the aggregate ecological value of economic activity **A**. (**1** ≥ **E(A)** ≥ **−2**).

An economic activity may be considered "ecological" if, and only if, its aggregate ecological value is positive. That is, if

(v) E(A) > 0.

Future generations

How can we evaluate economic activities from the perspective of future generations? We cannot know too much about their interests, but it is clear that freedom will be of central importance for them. As mentioned earlier, Edith Brown Weiss (1989) insists that satisfying the following principles should ensure the freedom of future generations: conservation of options, conservation of quality, and conservation of access.

Considering the above-listed principles, indicators for future generations can be created. Let **F1, ... ,Fj, ... ,Fn** be the indicators against which an economic activity or system can be evaluated. (**n** > **1**)

The future generations value function **Fj( )** may then be defined as follows:

			1	if economic activity **A** is positive regarding future generation indicator **Fj**;
(vi)	**Fj(A)**	=	**0**	if economic activity **A** is neutral regarding future generations indicator **Fj**;
			−2	if economic activity **A** is negative regarding future generations indicator **Fj**.

Fj(A) reflects the future generation-related value of economic activity **A** regarding indicator **Fj**.

The following equation represents the future generation-related value of economic activity **A** regarding future generations indicators **F1,...,Fj,...,Fn**.

(vii) $F(A) = [F1(A),\ldots,Fj(A),\ldots,Fn(A)]$

To obtain an aggregate picture about the value of economic activity **A** to future generations, we should introduce weighting to show the importance of the indicators **F1,...,Fj,...,Fn**. Let **b1,...,bj,...,bn** be these weights.

It is required that

(viii) $\Sigma\, bj = 1$

The aggregate future generation-related value of economic activity **A** can be calculated as follows:

(ix) $F(A) = \Sigma\, bj\, Fj\,(A)$

F(A) shows the aggregate future generation-related value of economic activity **A.** $(1 \geq F(A) \geq -2)$

An economic activity can be considered "future respecting" if its aggregate future generation-related value is positive. That is, if

(x) $F(A) > 0$.

Society

Economic activities should be pro-social: i.e., they should contribute to the development of individuals' capabilities.

Amartya Sen proposed that we should understand people's well being in terms of capabilities, which are a reflection of a person's freedom to achieve valuable functioning. Capabilities can therefore be interpreted as the substantive freedom that people enjoy. (Sen 1992)

Let **G1,...,Gj,...,Gn** be capability indicators against which economic activities can be evaluated. **(j > 1)**

Let the social value function **Gj ( )** be defined as follows:

(xi) **Gj(A)** =
- **1** if economic activity **A** is good regarding capability indicator **Gj**;
- **0** if economic activity **A** is neutral regarding capability indicator **Gj**;
- **−2** if economic activity **A** is bad regarding capability indicator **Gj**.

Gj(A) shows the social value of economic activity **A** regarding capability indicator **Gj**.

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The following vector represents the social value of economic activity system **A** regarding the set of capability indicators **G1,...,Gj,...,Gn**.

(xii) G(A) = [G1(A),...,Gj(A),...,Gn(A)]

To obtain an aggregate picture about the social value of economic activity **A**, we should introduce a weighting system that demonstrates the importance of the capability indicators. Let **c1,...,cj,...,cn** be such weights.

It is required that

(xiii) **Σ cj** = **1**

The aggregate social value of economic activity **A** can be calculated as follows:

(xiv) G(A) = Σ cj Gj(A)

G(A) shows the aggregate social value of the economic activity **A**. (**1** ≥ **C(A)** ≥ **−2**)

An economic activity system may be considered "pro-social" if its aggregate social value is positive. That is, if

(xv) G(A) > 0.

2.3 The laws of economizing

According to reason, economic activities should be ecological, future-respecting and pro-social. Accordingly, (v), (x) and (xv) should simultaneously hold true. That is, the following equation should apply:

(xvi) E(A) > 0, F(A) > 0, G(A) > 0

From (xvi), we may derive some basic laws of economizing.

The first law says that

(α) Economic activities may not harm nature or allow others to come to harm.

The second law says that

(β) Economic activities must respect the freedom of future generations, except where such respect would conflict with the first law.

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The third law says that

(γ) Economic activities must serve the well being of society as long as such service does not conflict with the first or second laws.

Putting the economic reason as defined above into practice requires spiritual motivation from economic agents. By experiencing transcendence and oneness with others and other life forms, individuals may be able to develop critical sensitivity and commitment to the flourishing of nature, future generations and society and organize their activities accordingly.

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3
Post-Materialistic Business Models

Abstract: *Post-materialistic business models activate the intrinsic motivation of the economic actors for serving the common good and suggest measuring success in a holistic, multidimensional way. In these models, profit and growth are no longer final ends, but only elements of a broader set of material and non-material goals. Similarly, cost-benefit calculations are not the only means of making business decisions, but integrated into a more comprehensive scheme of wisdom-based management. They transcend the traditional logic of materialistic business and work in a holistic way in order to produce goods that are truly good, and provide services that really serve.*

Zsolnai, Laszlo. *Post-Materialistic Business: Spiritual Value-Orientation in Renewing Management*. Basingstoke: Palgrave Macmillan, 2015.
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In the following pages, details about 12 post-materialistic business initiatives are presented. They include illycaffè (illy), Focolare Enterprises, Slow Food, Triodos Bank, Community-Supported Agriculture (CSA), Fair Trade, Seventh Generation, SEKEM, Grameen Bank, Organic India, Aravind Eye Care and the Greyston Bakery. These businesses are active in sectors such as coffee production, sustainable banking, food production, international trade, household and personal care supplies, community development, ecological restoration, health care, gifts and homeware, and technology development. They are inspired by a wide range of spiritual traditions, including the Greek idea of beauty and goodness, Christian love, ecological respect, anthroposophy, universal human solidarity, aboriginal spirituality, Islamic and Hindu spirituality, and Buddhism. The selected cases are analyzed according to their inspiration, vision, means and outcomes.

3.1 Illycaffè

Illycaffè is an Italian coffee roasting company that specializes in producing espresso. Illy is engaged in coffee making and promotes "coffee drinking as an art."

The company was founded by Francesco Illy in 1933 and was later led and expanded by his son, Ernesto Illy. Ernesto's diligence and creativity resulted in him being labeled a perfectionist, a coffee evangelist, and a world authority on the espresso coffee business (Andriani and Detoni, 2008). Today, Andrea Illy is president and CEO of Illycaffè and represents the third generation of family leadership. The company has more than 800 employees, and in 2012, it grossed 361 million euros in revenue. Illy produces one coffee blend in three roasts: normal, dark roast, and decaffeinated. In addition, the company offers Monoarabica: single-origin Arabica beans from six different countries – Brazil, Guatemala, Ethiopia, Columbia, Costa Rica, and India. On a seasonal basis, the company sells "idillyum", a low-caffeine Arabica that is grown in the rich, volcanic soils of El Salvador.

The history of illy is inextricably linked with the lives of the company's founder, Francesco Illy, and his family. The Hungarian-born Francesco Illy moved to Trieste during World War I, and in 1933, he set up a business in the cocoa and coffee sector, eventually deciding to concentrate exclusively on coffee. Francesco Illy's interest in espresso coffee was

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evident from the very beginning. In 1935, he invented the first automatic coffee machine, which substituted compressed air for steam: the "illetta", the predecessor of modern espresso machines. He also devised a new packaging system for preserving coffee that filled packages with inert gases instead of pressurized air. This process made the coffee last three times longer and strengthened its aroma (Illy and Viani, 2005). Illy coffee was soon being exported outside the immediate vicinity of Trieste, and was eventually sold all over Italy.

After World War II, control of the company passed to Ernesto Illy, son of the founder, who started a research laboratory that soon became the source of numerous new inventions and patents. Ernesto, a scientist and researcher, established cooperation agreements with universities and research centers and promoted premium coffee around the globe. This was not an easy feat, as the coffee market is renowned for its complexity and unpredictability. Yet Ernesto's tireless work has raised global awareness that a cup of espresso is the most sophisticated way to drink coffee (Andriani and Detoni 2008). Ernesto's son, Andrea Illy and his sister Anna Illy and brother Riccardo Illy both serve as board members.

Today, illycaffè is a large international company that sells its coffee-related products in approximately 130 countries worldwide. Moreover, since the late 1980s, illy has been purchasing green coffee directly from source instead of from the international commodity markets.

Illy is famous for its sustainability practices and community engagement. The company has focused on developing a new relationship with local coffee producers based on networking translated into knowledge transfer, and innovation translated into quality. Illy's coffee producers have become responsible for their operations all along the supply chain and are committed to creating a product of exceptional quality, a Ferrari among coffees (Perrini and Russo 2008).

Excellence and ethics are guiding values for illy. As Andrea Illy explains,

> *illycaffè* is a stakeholder company, not a shareholder company. We have always paid primary attention to several stakeholders – specifically clients, partners, collaborators, suppliers, local communities, and then shareholders. We manage our relationship with these stakeholders by activating our two main values, excellence and ethics, which drive the company, while striving for perfection in all that we do. Of course illy is a private company that has to

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> manage its cash-flow; but cash-flow together with environmental and social concerns comprise our approach to sustainability, through which we respond to our stakeholders' needs." (Perrini and Russo 2008: 145)

Illy's guiding principles are based on a cult of quality. They include the following:

Consumer comes first. The main object of illy's passion for quality is to completely satisfy customers and clients. Besides being responsible for the unfinished product that leaves the plant, the company feels it is also responsible for the finished product – an espresso must always be perfect wherever it is sold. To this end, illy adheres to and makes an effort to improve every component of the company's quality standards, its production, processes, and its customer service.

Care for collaborators. The policy of collaborator growth is based on the need to nurture self-fulfillment and team happiness by respecting the dignity of others, promoting professional and personal growth, encouraging their involvement in their work, their sense of responsibility, and building a system of rewards for commendable work output. The company recognizes that its success depends on the skill and contribution of all collaborators. Hence, illy focuses on developing their competencies through technical training in each sector, while providing the necessary resources. Moreover, the company believes in creating a pleasant, stimulating, and safe working environment.

Partnership with suppliers. In the area of business ethics, the company policy emphasizes the mutual benefits of working with its suppliers by both selecting and leading them based on its own values. Illy fosters long-term collaborations and believes that only a relationship based on mutual interest and growth can guarantee the quality needed to improve the value of the product. Illy provides the producers of green coffee with its acquired know-how and expertise regarding ways to create better-quality coffee, for which it offers a sustainable, higher market price.

Social commitment. Illy takes pride in how deeply it respects the environment and the communities where it operates. The company not only undertakes to comply with regulations, but also to implement policies that promote the sustainable development of both environment and society. They achieve this by contributing to the development of the growing region and the community who live there.

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Commitment with financers. Illy's commitment to, and passion for, quality and protection of its shareholders' and financiers' legitimate interests, mean it constantly works toward improving economic performance, self-financing and the growth of company value (Illycaffè 2005).

Successful collaboration only works if a long-term, mutually beneficial relationship is established (Tencati and Zsolnai 2009). For illy, this meant finding growers willing to join them in creating a virtuous cycle of sustainability.

Illy's main organizing principles for sustainability are as follows:

Sustainable development and quality are inseparable. To make the best coffee, one needs to use the best coffee beans. Illy quality begins with its cooperative relationship with cultivators, which is based on the principles of mutual respect and listening to each other's requirements and needs.

100% of illy coffee is purchased directly from its producers. The company knows each and every one of its suppliers; it educates and trains them to produce quality beans in an environmentally friendly way; it purchases the high-quality material that the suppliers produce, and always pays a price that ensures they make a profit. This attitude is at the core of the relationship. It is a relationship based primarily on trust.

Quality as a tool for enhancing the living conditions of growers over time. Suppliers are very carefully selected and transfer of know-how begins at this point. Illycaffè agronomists make every effort to transfer knowledge about cultivation, harvesting, and processing techniques. This enables growers to meet the high standards of quality demanded of illy. Each year, the company's team of agronomists provides an extensive training to growers. Moreover, illy, in conjunction with the University of São Paolo, has created the University of Coffee in Brazil, which offers both practical and theoretical courses to producers.

Fair price. Illy calculates a minimum price that is non-negotiable, regardless of the circumstances. This price is based on variables such as the country of origin, the type of market, the quality of the product, and the cost of production. This minimum price is based on international market quotations (NYC) and on the cost of production to which a fair margin is added: a margin to reward the producers for the greater care they have taken with their crops and to guarantee them a profit. Illy price policy is based on an empirical approach, built partly on the long-term relationships the company maintains with its producers (Illycaffè, 2007)

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Illycaffè's functioning is inspired by the ancient Greek ideal of *kalokagathia*: a union of beauty and goodness that defines the scope of human perfection; the integration of the ethical and the aesthetic (Illycaffè, 2014).

Illy's longstanding interest in the arts takes many forms. One way is by making important contributions to the creation and exposure of contemporary art by supporting artists, institutions and international exhibitions. Illy's collaborations with contemporary masters have involved Marina Abramovic, Michelangelo Pistoletto, Jannis Kounellis, Daniel Buren, Louise Bourgeois, Jeff Koons, Robert Rauschenberg, Joseph Kosuth, Jan Fabre, Sandro Chia, and James Rosenquist, creator of the iconic white brushstroke-on-red square illy logo.

In the realm of photography, ongoing collaboration with celebrated humanist photographer Sebastião Salgado chronicles the origins and people involved in coffee: a multi-nation story of sustainability brought to life through moving black and white images.

Undoubtedly, the illy Art Collection is acknowledged as illy's highest profile ongoing cultural project. It involves transforming everyday objects, such as coffee cups, into small works of art. This project has elevated the simple pleasure of drinking an espresso into an experience that fully engages the senses and the mind. More than 70 contemporary masters have contributed designs, each adorning the signature white porcelain illy cup introduced by Mattheo Thun in 1992. In 2006, the project expanded to another common, if wonderfully unexpected, medium: illy's own coffee cans.

For a company that pursues excellence in every facet of operations, the quest for beauty is not merely a trivial interest or a marketing exercise, but the cornerstone of corporate culture and decision-making.

Table 3.1 summarizes the main characteristics of Illycaffè's approach.

TABLE 3.1 *Profile of Illycaffè*

	Inspiration	Vision	Means	Outcome
Illycaffè	"Kalokagathia": unity of beauty and goodness	Coffee making and coffee drinking as art	Sustainability practices and community engagement	Collaborative relationships with producers and their communities in developing countries

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3.2 Focolare Enterprises

Linard (2003) describes the "economy of communion" (EoC) – founded by Chiara Lubich in May 1991 in San Paolo, Brazil – as a business paradigm that arose from the spirituality and social praxis of the Focolare Movement. This paradigm represents a "third way" between Marxism and capitalism and is a genuine contrast to many earlier business movements, such as cooperative or Quaker businesses, which have been successful on a national as well as international scale. The problem with those movements, according to Linard, is that "they have generally merged with the prevailing business ethos to the extent that their outward face to the world is indistinguishable from that of their Capitalist competitors" (Linard 2003: 166). The praxis of the Focolare enterprises thus stands in sharp contrast to those movements, whose practitioners live an ideal life, and create economic theory as they do so. EoC is no longer a localized phenomenon, but "part of a global praxis – a living 'Third Way'" (ibid, 166). Within the first decade of its existence, 800 businesses operating according to the Focolare paradigm could be found across 100 countries.

Focolare entrepreneurs, workers, directors, consumers, savers, citizens, scholars and economists are all committed, at various levels, to promoting and practice a form of economic culture founded on the principles of communion, gratuity and reciprocity. Entrepreneurs are invited to share their profits to sustain the goals of the EoC: namely, to reduce exclusion and related poverty, spread the culture of giving, and promote the communal development of businesses and the creation of new jobs. This requires business people who can conceive of and treat their activities as part of their vocation in the service of the common good, with the goal of empowering the excluded in every part of the world and every social context (Economy of Communion 2014).

The three-way sharing of profit is carried out according to the following proposal: (1) One part of profit should be reinvested in the business in order to develop and create new jobs; (2) the second part should be used to create a new culture which can inspire women and men to incorporate communion into their lives; (3) the third part goes directly to the poor, so as to reintegrate them fully into the dynamics of communion and reciprocity (Bruni and Hejj 2011).

Focolare businesses are involved in an economy of communion, even when they have no profits to donate, so long as they are operational and are producing a culture of fraternity. Chiara Lubich, who started this

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movement, is very explicit about how this type of redistribution took place in the community:

> The spirit of unity in charity was the ever-living flame that kept this fraternity alive.… It did not require everyone to sell all that they possessed, depriving themselves of what they could without causing themselves harm.… Everyone brought the extra that they had, above all in money, and committed themselves to giving a monthly sum. The donor and the amount promised remained secret. With the money received, the committee would help, month by month and in secret, those families in the community in need, carrying out this delicate task with the greatest charity and discretion. (Gold 2003a: 148)

People have a vital need for communion, happiness, relational goods and the gift economy. By remaining faithful to its vocation, day by day, the EoC is increasingly capable of producing these kinds of "goods". As the movement is concerned with unity with God and thinking in terms of community, it relates to the essence of the economy of communion (Bruni and Hejj 2011). Gold (2003b) emphasizes that this model generates a high level of "relational goods" in the sense of "relational capital", and involves a wide client base and high standards of loyalty from both employees and clients, especially given this age of crisis. Gold states that an important aspect of the communitarian ethos of Focolare is the building of relationships based on communion. This ethos may be called "a culture of giving", and rests on a different anthropology of the human person than is currently dominant within economic theory. Thus the EoC stresses an anthropology which sees human beings as "in search of the others' gaze in search of communion" (Gold, 2003b: 171), not as isolated, but as beings who find fulfillment in meaningful relationships with others. As a consequence, barriers that arise due to the distrust that often exists between businesses and NGOs in formal partnerships have not been a problem for EoC, due to the high level of pre-existing knowledge about the work of Focolare. The aim of its enterprises is not poverty alleviation per se, but the building of relationships that are based on mutual care and solidarity.

Table 3.2 summarizes the main characteristics of Focolare enterprises.

TABLE 3.2 *Profile of Focolare Enterprises*

	Inspiration	**Vision**	**Means**	**Outcome**
Focolare Enterprises	Christian love, spirituality of unity	Serving the poor and the needy	Building relationships based on a culture of giving, solidarity and sharing	Restoring the dignity of persons and communities

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3.3 Slow Food

The Arci Gola (later, Arcigola) association was established by Carlo Petrini in 1986 in Italy to promote a gastronomic culture that combines the pleasure of food (and wine) with knowledge of local traditions, capabilities, and the resources needed to create quality products (Petrini and Padovani 2005: 64–68). In order to advance an alternative to the prevailing, homogenizing competitive model based on bulk production, economic efficiency, standardization, and fast food, Petrini and his friends decided to extend and further develop the Arcigola experience. Thus, in Paris in 1989, 400 members from 18 countries launched the Slow Food International Association (Petrini and Padovani 2005: 97–101).

Today, Slow Food is a nonprofit, member-supported organization which has over 100,000 members and has spread throughout the world.

The basis of Slow Food is a vision called "neo-gastronomy". This innovative approach calls for an awareness of the cultural, historical, social, and ecological conditions and mechanisms behind the creation of quality food (Petrini 2005). In this perspective, real gastronomic pleasure is combined with responsibility and care: that is, knowledge of and respect for local traditions, land, and cultural and biological diversity. Eco-gastronomy recognizes the strategic linkages among people, planet, and plate. Local and sustainable food can feed people, respect the carrying capacity of the Earth and ensure better living conditions for farmers and consumers.

According to this holistic perspective, the quality of food is deeply rooted in the quality of the surrounding ecosystem: the material and non-material identity of the local community involved in the cultivation, breeding, and production processes and the overall quality of life. Conviviality is based on the concepts of sharing and reciprocity. The pleasure of food should be shared, and dining is mainly an expression of sociality. Thus, Slow Food promotes food and wine culture by defending and safeguarding the cultural heritage of local communities, the social relationships that express them and interrelated biodiversity.

The concept of quality, as fostered by Slow Food, encompasses three principles (Petrini 2005; Slow Food International 2011):

- Food must be good. This means that the food each person eats should taste good and give pleasure in terms of its authenticity and naturalism at a certain moment, in a certain place, and within a certain culture.

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- Food must be "clean". Food should be produced in a sustainable way that does not harm the environment or human health, nor reduce animal welfare. With regard to this point, food production methods should be designed not only to avoid negative ecological and social impacts, but also to help to restore and protect ecosystems and ecosystem services.
- Food must be fair. Food producers should receive fair compensation for the work they do. They should work in humane conditions, and their dignity, knowledge and capabilities should be valued and respected.

This approach to quality requires alternative and innovative methods of production and consumption that contrast with the current mainstream approach of large-scale agribusiness. Such methods are based on three pillars (Tasch 2008):

- The small: adopting the appropriate scale in social, environmental and economic terms;
- The local: respecting and being embedded in the natural environment and the community;
- The slow: because quality takes time and passion, and a slow approach is crucial for promoting a more responsible, just and caring way of living that is in line with natural and human rhythms.

To pursue its goals, Slow Food has developed projects to disseminate best practices. These include the University of Gastronomic Sciences (UNISG), Salone Internazionale del Gusto (an international festival of flavor known as "The Ark of Taste"), and the Slow Food Foundation for Biodiversity.

Table 3.3 summarizes the main characteristics of Slow Food.

TABLE 3.3 *Profile of Slow Food*

	Inspiration	**Vision**	**Means**	**Outcomes**
Slow Food	Ecological worldview	Respect locality, love of the land and its people and culture	Produce good, clean, fair food	Slow food restaurants, University of Gastronomic Sciences, International Festival of Flavor

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3.4 Triodos Bank

Peter Blom, CEO and chairman of the board of the Triodos Bank Group, is a pioneer of sustainable and ethical banking. After studying economics and helping to run one of the first organic food centers in the Netherlands, Peter Blom joined Triodos in 1980, the year the bank first opened for business. Having worked at Triodos since its inception, he was appointed managing director in 1989 and has been CEO since 1997. He is chair of the Global Alliance for Banking on Values and also a member of the board of the Dutch Banking Association. He maintains his interest in food and farming, chairing the Organic Food and Agricultural Council of the Netherlands (Triodos 2013).

Triodos Bank's mission is to make money work for positive social, environmental and cultural change. More specifically, the bank helps create a society that protects and promotes the quality of life of all its members, enables individuals, organizations and businesses to use their money in ways that benefit people and the environment, promotes sustainable development, and provides its customers with innovative financial products and high-quality services. Triodos only lends to and invests in organizations that benefit people and environment. It connects savers and investors who want to change the world for the better with entrepreneurs and sustainable companies doing just that. Triodos is the only specialist bank to offer integrated lending and investment opportunities to sustainable sectors in a number of European countries (Eco Question 2013).

In consonance with its name Triodos (or "three way"), Triodos Bank has built its business model on the three pillars of people, planet and profit. The belief of the bank is simple and its mission is lucid – it finances companies, institutions and projects that add cultural value and benefit people and environment with the support of depositors and investors who wish to encourage social responsibility and a sustainable society. It is influenced by the anthroposophical movement (Worldinquiry 2013).

The money of socially and environmentally conscious depositors and investors is channeled toward businesses that are committed to making positive changes in the world through personal banking, business and charity banking, and investment banking options provided by the bank. The personal banking options ensure that a saver receives a healthy return on their deposit, while being a part of a community that wants to make a genuine change. Through its business and charity banking

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offerings, the bank partners with organizations that share its values. The investment banking service helps raise capital, manages venture capital funds, and brings together like-minded investors by providing information about investment opportunities. The bank has established a benchmark for financial transparency, and in the process, has raised the financial literacy of its customers.

It also has the honor of being a pioneer in the creation of green investment funds in the Netherlands. In partnership with the insurance company Delta Lloyd, the bank launched the first Dutch combined life insurance and pension insurance product that screens its investments using social and environmental criteria. Other creative ways for generating opportunities for investors to make a profit by investing in environmentally conscious projects are done via its Wind Fund and Solar Investment Funds, which finance solar energy projects in developing countries. Further, the Triodos Fair Share Fund offers private individuals and institutions the chance to invest in microfinance institutions in developing countries. Continuing its tradition of innovative and conscious financial products, the bank designed a Real Estate Fund that invests exclusively in sustainable buildings. Living up to its belief of adding cultural value, the Triodos Culture Fund was launched to provide loans for promoting art and culture (Worldinquiry 2013).

In addition to such creative investment opportunities, the bank finances practical and well-grounded initiatives that are dedicated to making positive changes. The bank lends to organizations such as charities, social businesses, community projects and environmental initiatives that benefit the community, environment and human development. More specifically, investing in the environment is done through organic farming, organic food and environmental technology projects. The areas of social business that are served through the bank's offerings include trade, manufacturing, services, catering and business enterprise centers. Culture and welfare is encouraged through lending to borrowers who work to meet individual and community needs, such as by providing healthcare and education, as well as to those working in the arts and on social projects. The bank also gives money to innovative social housing projects in response to the acute shortage of adequate housing in the UK. Religious and spiritual groups that respect human freedom also feature on the bank's list of borrowers.

Realization of the power of partnerships has encouraged the bank to network with organizations that help connect people's money with

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the causes closest to their hearts. The bank has successfully been able to harness the commitment of its depositors and investors by working with groups like Friends of the Earth and The Soil Association to create a powerful force for change.

The bank's success in spearheading a green funding initiative has snowballed into a market for green investment funds totaling more than six billion euros in the Netherlands alone, which has also spread across the developed West over the last 15 years. Since its inception, the bank has helped many microfinance institutions to become microfinance banks by providing both funding and training. By being a bridge for more traditional institutions between the green sector and poverty alleviation, the bank has truly made a sustainable positive impact (Worldinquiry 2013).

Table 3.4 summarizes the main characteristics of Triodos Bank.

TABLE 3.4 *Profile of Triodos Bank*

	Inspiration	Vision	Means	Outcomes
Triodos Bank	Anthroposophy	Banking for positive social, environmental and cultural change	Screening investments according to economic, social and environmental criteria	Financing sustainability and community development projects

3.5 Community-Supported Agriculture

Community-Supported agriculture (CSA) represents an ecologically oriented and socially embedded alternative to modern agribusiness. The essence of CSA is that a group of people agrees to buy, in advance, shares of a farmer's harvest of food that has been grown in an ecologically sound manner. This is by necessity a small-scale system whose central decision-making body is the group formed by the farmers and the consumers themselves. CSA adopts a long-term perspective: the decommodification of food and land, and rejection of the use of monoculture and chemicals. CSA strives to foster trust, to build community, and to unite people with land and farm (Dyck, 1994).

Generally, CSA involves focusing on the production of high-quality foods for a local community, often using organic or biodynamic farming

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methods and a shared-risk membership structure. This kind of farming operates with the involvement of consumers and other stakeholder groups, which results in the development of strong relationships between consumers and producers. The organizational design includes the development of a cohesive consumer group that is willing to finance a farmer's spending requirements for a whole season in order to receive quality food in return.

In Europe and North America, CSAs focus on guaranteeing the following:

(1) a transparent, whole-season budget for producing a specified wide array of products for a set number of weeks a year;
(2) a common pricing system, which is discussed and democratically agreed upon by producers and consumers, conditional on acceptance of the budget;
(3) a shared risk and reward agreement (i.e., an understanding that the consumers will accept what the farmers grow, despite the vagaries of seasonal growing).

Individuals, families, or groups do not pay per kilogram of produce but rather contribute to the budget of a whole farm, and in return receive (on a weekly basis) whatever produce is seasonally available. This approach eliminates marketing risks and costs for the producer (and thus an enormous amount of time), and allows producers to focus on taking care of their soils, crops, animals, co-workers and customers. There is financial stability in the system that allows the farmer to plan thoroughly, and emotional investment by the members.

What advantages can CSA offer to producers and consumers? The circle of permanent buyers means that the farmer's income is secure. Based on the financial and moral support of buyers, a farmer can concentrate on the production and the food-making process, and no middleman (agents or dealers) is required. In addition, a personal and close connection can be established between farmers and consumers, who regularly give each other feedback (Henderson and Van En 1999; Pilley 2001).

The main features of CSA are the following:

(1) Consumers know the farmers who produce their food, and they have access to the fields on which their food is being grown.
(2) Farmers produce for a known group of consumers and can be certain that there is a market for their products.

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(3) Food production and consumption is kept local, thus food miles are reduced and local economies are strengthened.
(4) Generally, organic methods of production are used, and environmental pollution is greatly reduced.
(5) The risks inherent in agricultural production are shared among producers and consumers.

The profitability of CSA farms is also an important factor. Profits associated with this kind of farming are not as high as those generated by farmers engaged in industrial agricultural practices, but due to the pre-financing arrangements, CSA farmers benefit from a relatively constant stream of income. A community often provides further help in the form of financial support or donations for developing a farm. Sometimes a community may actually own the land, the buildings, or the means of production (Pretty et al. 2005).

Table 3.5 summarizes the main characteristics of Community-Supported Agriculture.

TABLE 3.5 *Profile of Community-Supported Agriculture*

	Inspiration	Vision	Means	Outcomes
Community-Supported Agriculture	Sense of community	Long-term and mutually supportive relationships between farmers and their customers	Production of organic or biodynamic food for the local community via a shared-risk membership structure	Preservation of land and satisfaction of the needs of local community at low cost and reduced risk

3.6 Fair Trade

The 21st century global economy has created massive market-driven social change, and major corporations are taking the lead in a form of development often characterized as a "race to the bottom," which in many cases involves exploiting developing countries. One result of this is declining biodiversity and millions of poor producers who are caught in a poverty trap.

Partnership was created between non-profit importers and retailers in the North and small-scale producers in the South. The idea was that

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local producers need a fair income, and by bypassing the middleman, they could get direct access to markets in developed countries. In 1988, a Dutch NGO, Solidaridad, developed an innovative way to increase sales for local, small producers from the South. They created a label called Max Havelaar, which guaranteed that the production practices behind the goods being sold met certain environmental and labor standards.

Max Havelaar is only one of a number of Western initiatives to promote fairer trade. Other examples include Oxfam, Christian Aid, Tradecraft, Gepa and TransFair USA. However, Max Havelaar became one of the most successful initiatives. In 1997, Fairtrade Labelling Organization International (FLO) was established. It is an umbrella organization that defines fair trade standards and supports, inspects and certifies local products. It includes 17 national initiatives and is the largest social certification system in the world. FLO is headquartered in Bonn, Germany, with offices and a network of independent inspectors in Central and South America, Asia and in Africa. Today, fair trade certification marks are used on a number of products, including coffee, tea, rice, bananas, mangoes, cocoa, sugar, honey, fruit juices, nuts, fresh fruits, herbs, spices and wines.

The fair trade model (Ims and Zsolnai 2014) implies a partnership – based on dialogue, transparency, and respect – designed to promote greater equity in international trade. It contributes to sustainable development by offering better trading conditions and by securing the rights of marginalized producers and workers in the South. Backed by Western consumers, fair trade organizations are engaged in supporting small producers and their communities and campaigning for changes in the rules and practices of international trade.

Several conditions have to be met before one can become part of a fair trade organization: (1) Producers should receive a price for the product that covers the cost of production. (2) The local community should get a social premium for use in funding development projects. (3) A partial payment should be given to producers in advance to avoid them or their organizations becoming mired in debt. (4) Producers should have contracts that allow for long-term planning. (5) Producers and importers should develop long-term trade relations that foster sustainable production practices. (6) Producers must be part of democratically managed cooperatives. (7) Sustainable environmental practices should be promoted (Hira and Ferrie 2006).

Table 3.6 summarizes the main characteristics of fair trade

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TABLE 3.6 *Profile of Fair Trade*

	Inspiration	Vision	Means	Outcomes
Fair Trade	Solidarity with the people of the developing countries	Establishment of fair and sustainable relationships between consumers in advanced countries and producers in developing countries	Payment of a guaranteed fair price to producers and investment in the cultural development of their communities	Preservation of land and revitalization of communities in the developing countries

3.7 Seventh Generation

Jeffrey Hollender is a leading authority on corporate responsibility, sustainability and social equity in the United States. He co-founded Seventh Generation and went on to build the fledgling company into a leading natural product brand, known for its authenticity, transparency, and progressive business practices. Today, as a social entrepreneur, author, speaker, consultant, and activist, Hollender's mission is to inspire and provoke business leaders to think differently about the role they and their companies play in society. Along the way, he is working to drive systemic change that makes it easier for businesses to become radically more sustainable, transparent and responsible.

Hollender's is passionate about changing the negative impact that industry has on the environment and society. He is an adjunct professor for sustainability and social entrepreneurship at New York University, co-chair of Greenpeace US, a board member of Practice Green Health, Healthcare Without Harm and Verité, a leading international workers' rights organization. He is also co-founder of the American Sustainable Business Council, a coalition of 200,000 business leaders committed to changing the rules of business.

Seventh Generation articulates a commitment to go beyond solely producing cleaner and greener products; the company is dedicated to creating cultural change through modifying consumer behavior and promoting business ethics. Living up to its name (taken from the Great Law of the Iroquois, which suggests that one should deliberate the impact of each of one's actions on the next seven generations), the novel formulae of the company's household and personal care products ensure

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that the consumer makes a difference through the result that no toxic material enters the environment, saving natural resources and reducing pollution.

Aptly described as "cleaner and greener", Seventh Generation's products are manufactured in the most sustainable way possible. Ingredients used in dishwashing liquids, laundry detergents, household cleaners, and feminine care are safe for the environment and do not generate chronic health risks. Paper products only contain unbleached recycled paper. The company's core activities include designing and formulating the products, overseeing supplier manufacturing, maintaining quality control, managing transportation logistics, sales and marketing, and consumer education activities.

Seventh Generation's environmentally sensitive values are manifested in its product development standards, the kinds of materials they use, product transportation and other emissions, regulatory compliance, their lifecycle inventory approach, and systems thinking, as well as the fact that they use biomimicry when designing products and packaging.

The company encourages consumers to get involved in their efforts to save the planet. The website proactively seeks customers' green tips, ideas for better products, and reviews of existing products. Seventh Generation's newsletter is designed to help consumers make informed choices in the hope that this will raise the level of environmentally conscious behavior.

In addition to the environmentally friendly products made by the company, they have also launched an innovative program called "20/20". Its objective is to reduce the company's greenhouse gas emissions by 20% through energy efficiency improvements, and by another 20% through the use of renewable energy. The implementation of the program involves an open source software tracker that allows employees to enter information about their monthly use of fossil energy. The system processes the data and calculates the user's carbon footprint using various graphical data outputs. The organization offers incentives to encourage employee participation.

Exhibiting corporate consciousness in its supply chain, the organization uses manufacturing partner annual reports as an evaluation tool to assess suppliers in an integrated way. Some of the issues covered include energy use, greenhouse gas generation and waste production.

Based on the average sales of the company's products in North America, their website displays a continuously updated counter that

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provides data about the number of trees and gallons of petroleum that have been saved (at the time of writing, it was reported that the company had avoided using 261,403 trees and 443,556 gallons of petroleum).

The organization is founded on the undying belief that commerce has the power to remake the world. The company espouses a new business paradigm that goes further than protecting the environment. The goals include helping to develop new markets, positioning more responsible products and brands in them, and attracting a vibrant workforce that is committed to making a change. Through its innovative business practices, the company has created avenues for suppliers, partners, shareholders, customers and employees to express their passion and commitment to causes larger than themselves at every point in the value chain, thereby making a difference one household cleaning spray at a time.

Table 3.7 summarizes the main characteristics of Seventh Generation.

TABLE 3.7 *Profile of Seventh Generation*

	Inspiration	Vision	Means	Outcomes
Seventh Generation	Great Law of the Iroquois Indians	Deliberation of the impact of the company activities on the next seven generations	Providing customers with natural products via authentic and transparent production practices	Cultural change in consumer behavior and business ethics

3.8 SEKEM

SEKEM (in Ancient Egyptian, "vitality from the sun") was founded in 1977 by the Egyptian pharmacologist and social entrepreneur Ibrahim Abouleish in order to bring about cultural renewal in Egypt. Located northeast of Cairo, SEKEM involves biodynamic farms, trading companies for produce and processed foods, herbal teas and beauty products, medicinal herbs, medicines and organic cotton products, a medical center, a school based on the principles of Waldorf pedagogy that is open to pupils from any religious or ethnic background, a community school that caters specifically to the needs of children from disadvantaged groups, a vocational training center, a college (Mahad Adult Education Training Institute), a research center (Sekem Academy for Applied Art

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and Sciences), and Heliopolis University, which has a focus on sustainable development. (The university is engaged in a large consortium with several partners from Europe; amongst its programs are basic training courses for solar technology instructors. Special emphasis is placed on fostering interaction between four areas of society: economic, cultural, social and environmental).

SEKEM's goals are to restore and maintain the vitality of the soil and food as well as the biodiversity of nature through sustainable, organic agriculture and to support social and cultural development in Egypt. The organization established a network of more than 2,000 farmers and numerous partner organizations in Egypt and have begun increasingly to seek to extend its experience and knowledge to other countries, including India, Palestine, Senegal, Turkey, and South Africa (Ims and Zsolnai 2014).

In 1975, Ibrahim Abouleish decided to begin a project of cultural renewal based on a synthesis of Islam and anthroposophy. Two years later, he bought a plot of land in what was, at the time, desert-bordering farmland in the Nile valley. His original goal was to develop the land and improve crop yields using biodynamic methods. A thick border of trees encircled the 70 hectares of land, and trees were planted along the roads that were built; a forest was also planted on part of the land. The Bedouins, who lived nearby and sometimes actually on this land that Abouleish had purchased, were brought into the project, given work, and helped to meet their needs. Buildings were built using traditional adobe. The first animals on the farm were Egyptian buffalo.

The first large economic venture of the community initiative involved the production of the medicinal compound ammoidin, an extract of *Ammi majus* (laceflower). The manufacture of herbal teas and the creation of a company for marketing fresh biodynamic produce in Europe followed. The needs of these companies led to many farms throughout Egypt switching to biodynamic methods; SEKEM then began actively advising them about the transition to and the maintenance of biodynamic farming practices.

Community projects began early in the initiative's history: a medical clinic using anthroposophic medicine, and a Society for Cultural Development that sponsored lectures, concerts and other cultural activities.

In 1987, the center for adult education (Mahad) began its work; handicapped children are also educated there. In 1988, SEKEM started a kindergarten that is open to the local Bedouin community; this grew into the SEKEM school, which educates children from kindergarten to 12th

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grade (about 18 years of age), using Waldorf-inspired education. "The school serves Muslim and Christian children alike, encouraging them to live in harmony and have respect for the other's religious practices." The school also operates a literacy center for illiterate children between 10 and 14 years of age. In response to the use of child labor in Egypt, SEKEM founded a project called Chamomile Children, which offers children between 10 and 14 an education, vocational training, meals, and medical care in conjunction with their work; the children's teachers look after them throughout the entire day. There is also a cooperative for employees to organize social processes (the Cooperative of SEKEM Employees), an independent organization with members from all the businesses and cultural institutions associated with SEKEM.

In 1990, SEKEM founded the Centre of Organic Agriculture in Egypt (COAE), an independent organization that inspects organic farms in Egypt, Iran and Sudan. After identifying pesticide residues that originated from aerial spraying of nearby farms in products, SEKEM started an initiative to eliminate such spraying in Egypt. As cotton production at that time depended upon spraying, SEKEM explored how to grow cotton organically on initially small fields. Their experiments were successful, with yields higher than those achieved using non-organic production. The Egyptian Ministry of Agriculture sponsored further and more extensive tests. Within three years, the ministry agreed that organic pest suppression for cotton farming was a superior method, so it began converting the entire area used for growing Egyptian cotton – 4,000 square kilometers – to organic methods; the process took two years. The conversion resulted in a reduction in the use of synthetic pesticides in Egypt by over 90% and an increase in the average yield of raw cotton of almost 30%. SEKEM then created a company (Conytex) to process organic cotton using mechanical, rather than chemical, methods.

In response to increasing levels of publicity about the range of novel methods employed by the community, the association of Muslim sheiks in Egypt gave the community a plaque verifying that SEKEM is an Islamic initiative. This was the result of intensive meetings between SEKEM and Muslim religious leaders.

SEKEM's next initiative was to create the first private pharmaceutical company in Egypt, specializing in medicinal teas. The medical center had now grown to the point where it needed its own building; it concurrently considerably expanded its outreach into the Bedouin community, helping establish sanitary facilities and supply clean water.

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In 1997, SEKEM established a vocational training center that offers training in metalwork, carpentry, mechanical work, electrical work, tailoring, biodynamic farming and trading. The vocational center, which the German Society for Technical Cooperation helped establish, also includes an art school. In 1999, the SEKEM Academy (now Heliopolis University) opened. Originally a center for agricultural, pharmaceutical and medical research, the university now also conducts studies and offers training in other areas.

In 2001, a holding company was established to administer the finances of all the SEKEM companies and to oversee developmental projects. The holding company includes a department that helps each company with its developmental processes, and is also responsible for education and training programs for employees.

All SEKEM companies have a policy of ensuring transparency in the production, distribution and consumption of their goods. They work to provide fair, predictable prices to the farmers who supply them, basing their operations on the principle that the health and stability of the economy depends upon the cooperation of producers, distributors and consumers.

SEKEM and Dr. Abouleish received the Right Livelihood Award in 2003 for integrating commercial success with promotion of the social and cultural development of society. The organization has been cited as a successful example of social entrepreneurship that has had a significant impact on Egyptian society, both through its influence on the country's agricultural practices, and through its educational and cultural institutions. Furthermore, in 2003, the Schwab Foundation for Social Entrepreneurship named Dr. Abouleish and his son, Helmy, Social Entrepreneurs of the Year, and well-known business schools such as IESE and CIDA City Campus use the SEKEM initiative in various case studies (e.g., Harvard Business Press, to illustrate a novel approach to sustainable social entrepreneurship). In 2012, Dr. Abouleish received the Oslo Business for Peace Award.

SEKEM has defined the following principles and goals for its operations:

- Healing the earth through biodynamic farming
- Development and production of herbal remedies and any kind of product or service which meets genuine consumer demand and is of the highest quality
- Marketing through associative cooperation between farmers, producers, traders and consumers.

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SEKEM strives to promote the personal development of individuals through cultural institutions. Education for freedom is the goal of SEKEM's educational institutions for children, adolescents and adults, and they provide health care and therapies that use natural healing remedies. The SEKEM Academy for Applied Arts and Sciences researches and teaches about appropriate responses to pertinent challenges from all areas of life. Socially, SEKEM supports the existence of a community of people from around the world who recognize the dignity of the individual, enabling both "learning to work" and "working to learn", and supporting equal rights for all.

Table 3.8 summarizes the main characteristics of SEKEM.

TABLE 3.8 *Profile of SEKEM*

	Inspiration	Vision	Means	Outcomes
SEKEM	Anthroposophy and Islam	Restoring and maintaining the vitality of the soil and natural biodiversity	Sustainable, organic agricultural methods	Catalyzing social and cultural development

3.9 Grameen Bank

A prime example of non-materialistic business is Grameen Bank in Bangladesh, founded by Nobel Peace Prize-winning Mohamed Yunnus (Grameen Bank 2012).

Solidarity lending is a cornerstone of Grameen Bank. Although each borrower must belong to a five-member group, the group is not required to provide guarantees before obtaining a loan for a member. Repayment responsibility solely rests on the individual borrower, while the group and the center ensure that everyone behaves in a responsible way and none have repayment problems. There is no form of joint liability; i.e., group members are not obliged to pay on behalf of a member who defaults. However, in practice, the group members often contribute to repaying debts with the intention of collecting the money from the responsible member at a later time. Such behavior is facilitated by Grameen's policy of not extending any further credit to a group in which a member defaults.

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There is no written contract between Grameen Bank and its borrowers; the system is based on trust. To supplement the lending processes, the bank also requires that borrowing members regularly save very small amounts in a number of funds (such as emergency funds, group funds, etc.). These savings serve as insurance against contingencies.

When the social and ethical component is severed from the microcredit business model, it fails tragically, as recent examples from India show. In the Indian state of Andhra Pradesh, where microfinance has made the deepest inroads, public authorities have held micro lenders responsible for the suicides of 57 people. One pressing problem is over-indebtedness, fueled by the rapid growth of a sector with no formal credit bureaus (The Economist 2010a).

In their study into microfinance, Abhijit Banerjee and Esther Duflo conclude that when it works well, microfinance can be a win-win situation:

The poor can borrow money at rates that may look high, but are much lower than those offered by moneylenders; and banks can make a sustainable business in lending to the poor. All this rests as much on a social contract as on a legal contract. Microfinance institutions need to be more diligent in their lending and screen borrowers better – if too many borrowers can't repay their loans, the social obligation will start to fall apart. (The Economist 2010b).

Table 3.9 summarizes the main characteristics of Graeman Bank.

TABLE 3.9 *Profile of Grameen Bank*

	Inspiration	Vision	Means	Outcomes
Grameen Bank	Islam	Helping the poor via microlending (largely to women)	Offering loans to small groups on a collaborative, trust basis	Revitalizing community and entrepreneurial spirit

3.10 Organic India

Organic India is an India-based producer of organic agricultural products. Bharat Mitra founded the company in 1997 in Lucknow, India. It is currently operating on about 50,000 acres of certified organic land and is thus the largest and most widespread certified organic

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cultivation system in India. The company produces a wide range of agricultural products, all of which are100% organic. Originally, the main products the company offered were tea and medicinal herbs. Nowadays, this assortment has been extended to many other consumables, such as spices, honey, and ginger. In addition, Organic India has created a venture for selling fresh organic vegetables.

The vision of Organic India is "to be a vehicle of consciousness in the global market by creating a holistic sustainable business modality, which inspires, promotes and supports well-being and respect for all beings and for Mother Nature" (Organic India 2013).

For Organic India, organic agriculture is thus considered to be a tool to promote sustainable development for all beings. In order to reach these objectives, Organic India has developed its mission: "To be a trustworthy and innovative global leader in providing genuine organic products and solutions for conscious, healthy living" (Organic India 2013).

The basis of Organic India's business is *tulsi* (also called "holy basil"), an herb that is known for its health-promoting, medicinal value. It is of principal importance in Ayurvedic medicine, an ancient traditional holistic health system that is in widespread use in India. The Ayurvedic approach pays great respect to all creation and sees the whole universe as one divine unity. In many ancient texts, tulsi is mentioned as one of the main pillars of herbal medicine. Today, it is worshipped and venerated daily by traditional Hindus, and its use is common in many Indian households.

Apart from tulsi, Organic India grows many other products, such as organic spices, seeds, beans, and grains, without using chemical fertilizers or chemical pesticides, and avoiding genetically modified strains. The focus on the overall quality of operations and organic products has resulted in the acquisition of many types of third-party certification, such as USDA Organic, EU Organic Farming, and Indian National Standards for Organic Production. All Organic India products comply with these standards.

Organic India's employment ethic supports the principles of fairness, respect, dignity, and encouragement. The company was founded with the intention of providing a sustainable livelihood to farmers in India. It works with thousands of farmers, directly supporting and training them in organic agricultural practices. The company pays the farmers a premium over the market price. It also provides them with the materials

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and finances they need to meet the rigorous requirements of the USDA and other international certification systems.

Organic India provides opportunities for poor and disadvantaged people to become self-sufficient and empowered by improving their skills and economic security. Its business model is designed to support the livelihoods of farmers and their families year-round. Organic India has deliberately decided not to apply for fair trade certification. The company argues that its labor and trade practices are superior to those required for most fair trade certification schemes.

Today, Organic India provides thousands of farmers and landless workers with jobs and a sustainable income. Farmers' high willingness to work with Organic India is an indication of the company's positive influence on local communities. Due to its positive reputation for preserving the environment and its commitment to the well-being of local farmers, Organic India has built trust and relationships with many stakeholders, resulting in important benefits. For example, it has been given the exclusive rights to harvest crops from certified organic forests throughout the plains and mountains of Central and Northern India.

Organic India has one of the most intrinsically inbuilt, sincere approaches to ethical business in the industry. It is a clear example of progressive entrepreneurship that challenges the business models behind modern agribusiness. The company is committed to environmental sustainability. It takes a holistic approach to promoting the long-term well-being of farmers and is especially sensitive towards meeting the needs of female employees. This has resulted in the creation of positive relationships with many social actors and a high willingness to cooperate.

Table 3.10 summarizes the main characteristics of Organic India.

TABLE 3.10 *Profile of Organic India*

	Inspiration	Vision	Means	Outcomes
Organic India	Hindu spirituality	Holistic sustainable business which supports human well-being and respect for Mother Nature	Supplying genuine, organic products and processes for sustainability-aware, healthy living	Sustainable livelihoods for farmers in India

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3.11 Aravind Eye Care

Aravind Eye Care System, founded in Madurai (Tamil Nadu), by Dr. G. Venkataswamy – otherwise known as “Dr. V” – has implemented an alternative model of health care in India, and is now one of the largest providers of eye surgeries in the world. Aravind’s foundational principles and work ethics set it apart from the usual health organizations run on business lines.

Kuma, Scheer and Kotler (2000) frame Aravind Eye Care as a market driving – not market-driven – firm. Aravind adopts and successfully applies the idea that individuals should pay for services according to their means. Through its focus on service to the individual as the exclusive motor of business operations, Aravind’s business philosophy diversifies away from traditional economic logic by manifesting a pattern of entrepreneurial action and a management style that break away from profits, markets, products and consumers. Individuals are no longer considered to be a variable that must be adjusted to the imperatives of expansion, viability or numbers (Virmani and Lépineux 2014).

Aravind’s adoption of the spiritual principles of service and compassionate care distinguish it from other health care actors. Its eye camps in villages are one example of how public health interventions can promote solidarity among the population. As a young man, Dr. V was a disciple of Sri Aurobindo, an Indian philosopher and saint who lived in service to God and man. The name “Aravind Eye Care System” was inspired by this sage, whose philosophy may be summed up as belief in the interconnectedness of human beings. Aravind has initiated a shift in the social contract with people. Rather than the traditional view of the social contract, in which individuals are isolated from each other, they promote an interconnected form of social contract that encourages individuals’ involvement, commitment and responsibility for community welfare. By its understanding of eye care as a public good, rather than a market good, Aravind illustrates how transformational entrepreneurship can contribute to the common good (Virmani and Lépineux 2014).

Thirty years after Dr. V’s modest start with Aravind, the system now consists of a network of five regional hospitals, which perform over 200,000 cataract operations per year, 70% of them at no cost to the patient (Matalobos, Pons, and Pahls 2010). Aravind is not funded through government grants, aid-agency donations or bank loans since

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Dr. V has chosen to pursue a strategy of increasing operational efficiency to an unusually high level, which has had the consequence of reducing costs enormously. Thus, the organization is supported by the average contribution of 40 dollars that is given by the one-third of its patients who can afford it.

Another innovative element of Aravind is its use of "screening camps". In India, there are large populations of untreated patients who cannot afford to travel to central hospitals. In order to solve this problem, Aravind sets up temporary screening camps in villages. These camps classify patients and offer free transportation to hospitals for those patients who require specialized treatment. In 2006, 1,793 screening camps were established, which examined more than 2.3 million patients and performed 270,000 on-site restoration surgeries. This initiative has been extended to other special areas of healthcare (during, for example, school screening camps) and includes the use of innovative technology such as teleophthalmology (Matalobos, Pons, and Pahls 2010, p 2).

Internationally, Dr. V was also one of the founding directors of the Seva Foundation, based in the United States. Seva was created by veterans of the smallpox eradication program that came out of Nepal and India, one of the goals of which was the elimination of needless blindness. Seva's collaboration with Aravind began with the provision of small grants to subsidize the cost of cataract surgery, but soon developed into a partnership. Seva eye care workers from Nepal, China, Cambodia and Tanzania were trained at Aravind. In addition, Aravind sent senior staff to assist in program development, hospital design and operational training at no cost to "nurture a growing network of effective eye care centers" (Brilliant and Brilliant 2007).

Aravind has shaped international eye care practice through its emphasis on understanding the human relationship to sight restoration using research from social science. Dr. V insisted that such research should be done to explore why rural patients who could benefit from surgery were not coming for treatment. One of the findings was that literacy and gender largely determined who received surgery and who stayed blind.

Globally, women carry a greater burden of blindness than men; two out of every three blind are female ... not because of genetic propensities, but because worldwide, utilization of preventive and restorative eye care for females has not been equal to [that given] their male counterparts. This inequity begins in childhood. (Brillliant and Brilliant 2007 p 52)

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A number of international organizations such as the WHO have affirmed that the "right to sight" should apply equally to women and men.

Table 3.11 summarizes the main characteristics of Aravind Eye Care

TABLE 3.11 *Profile of Aravind Eye Care*

	Inspiration	Vision	Means	Outcomes
Aravind Eye Care	Aurobindo's philosophy of human interconnectedness	Eye care as a public good	Individuals pay for services according to their means	New social contract for the common good

3.12 Greyston Bakery

Greyston Bakery, Inc. is a for-profit social enterprise founded in 1982 by a Zen Buddhist meditation group led by Bernard Glassman. The company is famous for producing high-quality baked goods and ice cream products. It practices an open hiring policy, which means that anyone can apply to work with at Greyston, regardless of his or her background; this includes people with a criminal record. Besides the bakery, Greyston also has a foundation that is comprised of an integrated network of not-for-profit and for-profit entities in Yonkers, New York, which provides jobs, work force development, affordable housing, community gardens, youth services, child care and health care to the local community.

Greyston solves societal problems, not only through the work of its foundation, but also its bakery, which incorporates a positive societal agenda into its core business by hiring individuals who have been chronically unemployed due to their lack of skills or education, homelessness, drug addiction or imprisonment. Greyston is a force for self-transformation and community economic renewal through its activities. Besides operating a profitable business, the company serves the community in many forms in an area where the level of poverty and the unemployment rate is much higher than the national average.

The Greyston story began in 1982 in New York when a Zen Buddhist group opened a small bakery to support the local Zen community. After a while, they realized that a larger community of people could be supported by their efforts, and after obtaining a $300,000 loan, Greyston Bakery was launched with the mission of offering jobs to homeless people in an area with a major problem with homelessness. In 2014, the bakery generated more than ten million dollars in revenues.

In 2012, Greyston became the first benefit corporation (B-Corp) in New York State, operating with a "triple bottom line": prioritizing profits, social contributions and environmental impact.

The company's mission is to make a positive impact on society while engaging in transparent business operations with a commitment to maintaining customer satisfaction. From the beginning, Greyston has had a focused mission to reinvigorate the impoverished community of Southwest Yonkers in New York State and set an example for other socially conscious businesses to follow. It is constantly striving to make a long-term, sustainable impact on the local community and the situation of individuals.

Greyston is a successful social enterprise with a spiritually rooted philosophy that fuels community development and commitment to human growth. The founder was inspired by Zen Buddhist principles to establish a business that would "reduce human suffering". The company's business approach is based on an idea developed from two key Buddhist concepts: mandala (wholeness) and path (transformation).

According to these concepts, the company is managed in the belief that everything is interconnected, and that one cannot afford to ignore sections of society. Based on Zen traditions, Greyston places great emphasis on personal empowerment and transformation. Employees are encouraged to develop a sense of responsibility for themselves, their families, and their co-workers. Gainful employment is seen as the first step on an individual's path toward success. Social justice, economic development and personal empowerment are the most important building blocks that support the operations that drive the company.

The company is famous for baking brownies for Ben & Jerry's ice cream and producing a line of brownies and cookies that can be found at Whole Foods shops. With two eight-hour shifts a day, the bakery produces tarts, cakes, mousses, brownies and cookies. Over time, the business has evolved into a gourmet wholesale-retail bakery that operates a state-of-art facility, producing high-quality baked goods. Greyston Bakery, besides its business goals, also financially supports Greyston Foundation, which promotes holistic solutions for helping break the cycle of poverty.

Table 3.12 summarizes the main characteristics of Greyston Bakery.

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TABLE 3.12 *Profile of Greyston Bakery*

	Inspiration	Vision	Means	Outcomes
Greyston Bakery	Zen Buddhism	Practice of interconnectedness and personal transformation	Producing brownies and cookies to generate revenue for community projects	Fair and lasting connections with homeless and other disadvantaged employees

3.13 Discussion of the business models

Table 3.13 summarizes the main characteristics of the above-discussed post-materialistic business initiatives.

TABLE 3.13 *Main characteristics of post-materialistic business initiatives*

	Inspiration	Vision	Means	Outcomes
Illycaffè	"Kalokagathia": the unity of beauty and goodness	Coffee making and coffee drinking asan art	Sustainability practices and community engagement	Collaborative relationships with producers and their communities in developing countries
Focolare Enterprises	Christian love, spirituality of unity	Serving the poor and the needy	Building relationships based on a culture of giving, solidarity and sharing	Restoring the dignity of people and communities
Slow Food	Ecological worldview	Respect for locality, love of the land and its people and culture	Producing good, clean, fair food	Slow food restaurants, University of Gastronomic Sciences, International Taste Festival
Triodos Bank	Anthroposophy	Banking for positive social, environmental and cultural change	Screening investments using economic, social and environmental criteria	Financing more than 40,000 sustainability and community development projects
Community-Supported Agriculture	Sense of Community	Long-term, mutually supportive relationships between farmers and their customers	Production of high-quality food for the local community using organic or biodynamic farming via shared-risk membership structure	Preservation of the land, satisfying the needs of local community at low cost and reduced risk

(*Continued*)

TABLE 3.13 *Continued*

	Inspiration	Vision	Means	Outcomes
Fair Trade	Solidarity with people of developing countries	Establishment of fair and sustainable relationships between consumers in developed countries and producers in developing countries	Payment of a guaranteed fair price to producers and investment in the cultural development of their communities	Preservation of land and revitalization of communities in developing countries
Seventh Generation	Great Law of Iroquois Indians	Deliberating the impact of the activities of the company on the next seven generations	Providing customers with natural products via authentic and transparent business practices.	Cultural change in consumer behavior and business ethics
SEKEM	Anthroposophy and Islam	Restoring and maintaining the vitality of the soil and the biodiversity of nature	Sustainable, organic agricultural methods	Catalyzing social and cultural development
Grameen Bank	Islam	Helping the poor via microlending, primarily to women	Offering loans to small groups on a collaborative, trust basis	Revitalizing community and entrepreneurial spirit
Organic India	Hindu spirituality	Holistic sustainable business which supports human well-being and respects Mother Nature	Provision of genuine organic products and solutions for sustainability-aware, healthy living	Sustainable livelihoods for farmers in India
Aravind Eye Care	Aurobindo's philosophy of human interconnectedness	Eye care as a public good	Individuals pay for services according to their means	New social contract for the common good
Greyston Bakery	Zen Buddhism	Practice of interconnectedness and personal transformation	Producing brownies and cookies, investment into community projects	Fair and lasting relationships with homeless and other disadvantaged employees

What is common to the business initiatives listed above is that they transcend the traditional logic of materialistic business and work in a holistic way in order to produce goods that are truly good and provide services that really serve.

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4
Conclusion

Abstract: *The materialistic business model does not fit in the reality of the 21st century. It does not produce true well being for people, and at the same time, it massively destroys the ecology of the Earth. For achieving ecological sustainability and human well being, business should go beyond its materialistic value-orientation and embrace spiritual values as guiding principles for its operations.*

Zsolnai, Laszlo. *Post-Materialistic Business: Spiritual Value-Orientation in Renewing Management*. Basingstoke: Palgrave Macmillan, 2015.
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The hard facts concerning the ecological, social and psychological reality of the early 21st century show that mainstream materialistic business are not producing true well being for people, but are actually undermining it. By advocating for economic action on the basis of moneymaking potential, and justifying success in terms of generated profits, the current mainstream model encourages economic actors to behave irresponsibly toward others, contributes to ecological destruction, and disregards the interests of future generations.

Post-materialistic businesses activate the intrinsic motivation of economic actors to serve the common good and measure success in a holistic, multidimensional way. For a post-materialistic business, profit and growth are no longer defining decision-making criteria but are elements of a broader set of material and non-material indicators. Similarly, cost-benefit calculations are not considered to be the only means of making business decisions but are integrated into a more comprehensive praxis of wisdom-based management.

About 200 years ago, Thomas Jefferson, one of America's founding fathers, wrote: "the selfish spirit of commerce which knows no country, and feels no passion or principle but that of gain." The challenge today is much greater than it was in Jefferson's time, but I believe it is still possible to nurture a spirit of business that knows the land, has a passion for serving society, and follows ethical principles, thereby transcending the destructive pursuit of unfettered personal and corporate gain.

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