Toward a More Human and Sustainable Economy

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Abstract

Today’s society has already developed an awareness about the pollution of rivers, seas and the air, about the holes in the ozone layer, about overfishing and excessive logging, and about the destruction of coastlines due to too many houses being built there. There is also awareness of excess garbage, a product of the overconsumption that leads to effects that end up having negative repercussions on people, their relationships and therefore their quality of life. However, it is still difficult to admit that the human ecosystem in which we live is also polluted.

This document, which contains my speech upon being admitted to the Royal Academy of Economic and Financial Sciences, deals with the importance and the urgency, both economic and social, of taking care of our human ecology, as an indispensable condition for “saving our common home” and its inhabitants. Protecting the health and ecology of people, families and human communities is just as important and urgent for the economy as protecting the environment, whose deterioration is precisely a consequence of the deterioration of human ecology.

In fact, in the same way that there was a time when we were unaware of our industries’ impact on the environment, many firms today are unaware of their contribution to the destruction of human ecology. They pollute their own organizations and society with practices that harm and dehumanize them when they do not let their employees fulfill their roles as members of a family and a community.

In this speech, I want to draw attention to the interrelation of five elements: the cultural environment, society, the firm, the family and the individual person. They all form part of a set that can be in harmony or unbalanced.
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Thank you, President Gil Aluja,
Distinguished authorities,
Most illustrious excellencies,
Ladies and gentlemen,

I want to express, first of all, my satisfaction at having been invited to become a corresponding member of this Royal Academy of Economic and Financial Sciences, which His Majesty the King honors with his high patronage.

Likewise, I want to declare my gratitude to the members of the Governing Board of the Royal Academy and particularly to Dr. Gil Aluja.

If you will permit me, I would like to pay homage today to the former dean of IESE, the business school of the University of Navarra, the distinguished Mr. Juan Antonio Pérez López, for his brilliant and outstanding academic contribution to the field of the business leader’s role. Don Juan Antonio had a prominent role in my professional career—until his death in a fatal accident—due to his constant encouragement to delve more deeply in the tireless search for truth and to research in greater depth the differences between and complementarity of man and woman, and their synergistic contribution as leaders in the governance of firms, whether for profit or nonprofit. Today I also want to remember my very dear friend Dr. Maruja Moragas, with whom I started research on human ecology, and who will be looking down at us now from a VIP box.

Finally, thank you to all the people accompanying me today in this solemn act of taking office, especially Dr. Esther Jiménez, my mother, my husband and my daughter, who have always supported my work unconditionally, and without forgetting my father, who took me out of my comfort zone when, at the age of 17, I was thinking about studying to be a language teacher, and he spat out: “You’ll be like your grandfather: a professor or nothing.”
Introduction

Ten years ago, I had the chance to see the documentary *An Inconvenient Truth*. No doubt you will remember how the filmmaker Davis Guggenheim filmed the former vice president of the United States and presidential candidate Al Gore, in a series of presentations in which he warned about the dangers of global warming and called for immediate action to be taken, starting with a commitment to clean electricity rather than coal.

It was then that I became more aware that the great majority of firms and members of the public could have been blind for many decades about the environmental impact of their acts and omissions. But, this being true, what seemed to me to be even more significant was the blindness that we continued to suffer regarding the impact of business decisions on what I began to describe as “human and social pollution,” every time that managers acted as if their employees were cogs in a machine, without taking into account the state they were in when they got back to their families after endless working days.

That was in 2008, a period of widespread economic crisis, when thousands of firms sank after the bankruptcy of Lehman Brothers. Also at that time, the role of women in business management began to gain strength, and it was common to hear the comment: “If only, instead of Lehman Brothers, they had been Lehman Sisters...” My reply to this assertion was that the ideal would have been to have Lehman Brothers & Sisters Together, since it was not a matter of continuing to force the dialectic dichotomy (man or woman) but of facilitating the synergistic sum of both sexes, two ways of being a person that put their specific and complementary skills to work in a common project.

Today’s society has already developed an awareness about the pollution of rivers, seas and the air, about the holes in the ozone layer, about overfishing and excessive logging, and about the destruction of coastlines due to too many houses being built there. There is also awareness of excess garbage, a product of the overconsumption that leads to effects that end up having negative repercussions on people, their relationships and therefore their quality of life. However, it is still difficult to admit that the human ecosystem in which we live is also polluted.

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The planet Earth is a global village that must deal with the new “inconvenient truth,” the one that I have been calling “social pollution”—that is, individuals who have been dehumanized and “polluted” by a society without values and by its long-term unsustainability.

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In the Wall Street Crash of 1929, the lack of economic rationality became evident, and this extended to political rationality, with an increase in regulations and laws. In 2008, it was obvious that this rationality was not enough either, since economic power once again devastated states, firms, families and individuals. After that rationality, the idea of homo economicus remained. Today there is a resounding need to return to the human rationality of the classics. The external controls of laws or the market always fall short when faced with a person’s creativity, which, in reality, is not a stable system like rocks, which do not learn, or an ultrastable system, such as irrational animals, which always learn positively and adapt toward homeostasis. Rather, a person is a freely adaptable being and, therefore, can learn positively or negatively and trip over the same stone 10 times.²

In the study that I am summing up now, I want to draw attention to the interrelation of five elements: the cultural environment, society, the firm, the family and the individual person. They all form part of a set that can be in harmony or unbalanced. But let’s take this step by step.

We can understand reality and the world in which we live in two antagonistic ways. One is reactive in the face of the catastrophes and difficulties that arise, putting the emphasis on the negative and blaming the environment for the destruction of the human ecosystem. The other is proactive, positive and hopeful, with the intention of improving the reality in which we are immersed.

**The Negative Cycle: Destroying the Human Ecosystem**

*Figure 1*

The Negative Cycle

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Everything natural is systemic, and its dynamism can be represented by concentric circles through which travel the polluted culture and the polluting one (lacking in values and rich in countervalue). The negative cycle flows from that polluting culture toward a disengaged, individualistic and relativist society, which produces short-term firms, weak families and dehumanized and disoriented people. (See Figure 1.) All of these are symptoms of the destruction of human ecology in different spheres.

The toxic elements that penetrate the human ecosystem come, first of all, from ideas. There is a belief that all ideas are equal, that nothing matters or has consequences. However, the indicators show that this is not the case.

In the last decades, we have gone from an absurd rationalism to a delirious posttruth. Society proclaims itself to be tolerant but it becomes homogenized, imposing the monolithic thought of the politically correct and making consciousness uniform in a clear sign of “social pollution.”

Three of the current values that impede the harmonious development of the human ecosystem are *individualism*, which leads to disengagement; *hedonism*, which produces weak personalities with no *resilience*, with little capacity for recovery; and emotivism, a current of thought that took off in earnest in the second half of the 20th century and that justifies any action “if it comes from the heart.”

The fragility of the ecosystem in our time can be traced through a series of economic and social indicators, which we will be seeing throughout the first part of this exposition. On the one hand, greater abstention when it comes to exercising the right to vote, an increase in populisms, and an increasingly hypertrophied state that regulates everything, violating the principle of subsidiarity. On the other hand, an imbalance in social goods and a gap between rich and poor countries that leads to unwanted migrations, which make the equilibrium and peace among nations vulnerable.

Finally, the poor quality of human relationships and interactions causes an increase in indicators such as the rate of abortions, divorces or suicides, as well as an increase in eating disorders, human trafficking and prostitution.

**Mechanistic Firm**

What kind of firm emerges in a disengaged society?

The working hours that firms demand of their employees, the inflexibility and the management styles that amplify stress beyond what would be reasonable are causing many illnesses through the somatization of exhaustion and anxiety, as well as leading to marriage breakdown, the impossibility of raising children and the general interruption of family life, the first source of social support.

Recently, it was revealed that Japanese workers will be able to enjoy so-called “Shining Mondays” or Monday half days once a month, with the goal of cutting the annual rate of more than 2,000 suicides related to work problems. Due to legal laxity and people being self-demanding, a high number of Japanese employees can work more than 80 hours of overtime a month.
Business practices are crucially important for employees’ health. Firms that do not provide security, that fire people or that fail to pay enough impose externalities that others pay for. Ferraro, Pfeffer and Sutton maintain that the image of a firm as a “community” or as a “family” or as a coalition of stakeholders, which was the dominant model in labor relations in the United States after the Second World War, has been replaced by the metaphor of the “market.” In the firm, the employee is simply a commodity. Concepts such as burnout, psychological stress, lack of job satisfaction and hypertension are considered valuable only as ways of reducing costs. Sometimes, our culture seems to attach more importance to whales than to so-called human “resources.”

After having had several conversations about this subject with Professor Jeffrey Pfeffer, I had the enormous satisfaction of seeing how my concept of “social pollution” had been the trigger factor of the book Dying for a Paycheck, which gathers together very significant indicators relating to the impact of bad business practices on the health of those working at the firms.

Many aspects of business management—such as what I have been calling “endless working days” or a “religious schedule,” which means arriving when God commands and leaving when God wants, along with failing to deal with work-family conflicts or financial insecurity—are toxic to employees, lower their commitment, increase turnover and destroy their physical and emotional health, as well as being detrimental to the firm’s results. According to the study IFREI (IESE Family-Responsible Employer Index) that we have been carrying out in more than 20 countries from IESE Business School’s ICWF (International Center for Work and Family) in polluting business environments, meaning inflexible ones that do not facilitate conciliation, in contrast with oxygenating and flexible environments, there is a 400% increase in people saying they intend to leave the firm, 30% more absenteeism, and a productivity rate that is up to 19 points lower.

We can point to two causes of these malfunctions in the business environment. On the one hand, there is the mechanistic vision of what a firm is, which seeks to achieve short-term financial goals, maximizing them, destroying the conditions necessary for medium and long-term profit, and affecting their sustainability. Relations of domination are established, relations that lead to corruption, to unethical practices, such as the massaging of financial data, a lack of transparency, and opportunistic behavior.

On the other hand, there are the modern mercenaries, executives who have the short term as their horizon and the maximization of profits at all costs as their first goal, treating people as means for their own interests, and who abuse their power. They are toxic bosses who pollute the work environment, negative cells that aggravate those around them, breaking bonds of trust. Short-term efficacy, with unjust decisions being taken, leads them to think that their conduct is correct. They do not see the lost profit, what they fail to earn because they have

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7 “IESE Family-Responsible Employer Index (IFREI)” (2016).
burnt-out people around them. So they experience, without being conscious of it, what Professor Pérez López called “negative learning”: greater interest in repeating the way of doing things that led them to be effective in the past and, at the same time, greater blindness to the needs and motives of those around them. Their vision of people gets narrower and narrower—as the proverb says, “Knaves imagine nothing can be done without knavery”—until they think that everyone moves exclusively for extrinsic reasons, meaning because of incentives or sanctions. If only these tools are used to manage, we are faced with a pure short-term financial business, which debilitates the conditions needed to achieve efficacy in the subsequent decisions. With these ingredients, it’s impossible to build an effective, competitive and sustainable institution.

The firm so conceived can be like a predatory army that destroys everything in its path, encouraged by its new warriors, who no longer ride on fast horses but in airplanes, armed with their laptops and iPhone and who want only social recognition and high salaries.

The consequences of all this are addiction to work, bullying, sexual harassment, and the discrimination of the weakest (young people, older people, women and mothers, etc.).

**Weak Family**

What happens when there is damage to the family habitat, which is where new citizens and employees are generated, trained and developed?

The family is the pillar and the heart of human ecology. It is where human capital (people) and social capital (the ability to make commitments and to generate stable ties) are developed. If there is no family, there are no children. If there are no children, there is no society, and even economic activity ends. The family is the launchpad for economic activity: in it, its members develop the skills and motives that go to make up what has been called “talent” and that are so difficult to attract and retain.

Everyone says they’re in favor of the family. However, in Western democracies, the family occupies a precarious position. More and more, the law sees in citizens only individuals disengaged from their role as members of a family.

Let’s look at three symptoms that show the toxicity and weakness of the current family ecosystem. First of all, fragile ties. Nowadays, an independent and disengaged freedom is a key value. Broken homes and weak forms of coexistence are consequences of the lack of commitment. High divorce rates mean a breakup every three minutes (in Spain). And the cost of the disintegration of the family is enormous: vagrants, delinquency, violence, loneliness (social euthanasia of older people). According to recent research, there are four million people in France who do not even have three conversations a year with the family.9

Second, absent parents. Immaturity and a lack of time and energy to dedicate to their children, after long working days, leads many parents to abdicate their family responsibilities. Education is reduced to entertainment, and children are left in the hands of the social system (school, extracurricular activities, the media, social networks, etc.).

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However, the most-valued management skills\textsuperscript{10} are developed in the home (customer focus, integrity, initiative, communication, teamwork, etc.) when you are living with the children. Not when you are the father or mother of “horizontal children”—because you leave for work when they’re still asleep and you arrive home when they’re already in bed—or when you arrive home sooner but you are there in body only because you haven’t disconnected from work and you continue to be hidden behind a screen with your head full of employment issues still to be resolved.

As a consequence of the father’s and mother’s absence from the home, there are increased rates of academic failure,\textsuperscript{11} alcohol\textsuperscript{12} and drug consumption, and antisocial behavior.

Third, \textit{domestic violence}. Disappearing socialization—combined with the acceptance of aggressive behavior, particularly in the work environment—are “polluting” for people and their families. Children, spouses, old people and sick people are considered an obstacle to work or leisure projects. Some members of the family become problems to be avoided or even new \textit{enemies} to attack. So there is an increase in desertion,\textsuperscript{13} the number of abortions, domestic violence,\textsuperscript{14} euthanasia, parent-child conflict, and all kinds of addiction.

According to the World Health Organization, around one in six dependent elderly people experiences some kind of neglect, whether negligence or physical, financial or emotional abuse.\textsuperscript{15}

**Disoriented People**

Some of the so-called “values” of our current society—such as materialism, hedonism and consumerism—do not help to develop mature citizens. A society based on consumption and on a culture of “having” rather than “being” is heading for extinction.

Perhaps it is worth differentiating here between two terms that could otherwise give rise to endless debate. One thing is \textit{values}—criteria and principles that are objectively beneficial, universal and timeless, and help to build firms, families and society. And another thing is the subjective \textit{valuations} that each person makes of reality—of those values or countervalues—filtered through previous experiences and that can in fact be a real value or a countervalue that debases that person and makes him or her less and less free.


\textsuperscript{12} Matilde Bousoño Serrano, Susana Al-Halabi, Patricia Burón, Marlen Garrido, Eva María Díaz-Mesa, Gonzalo Galván, Leticia García-Álvarez, et al., “Factores predictores del consumo de alcohol en adolescentes: datos de un estudio prospectivo de 1 año de seguimiento” (“Predictive Factors of Alcohol Consumption in Adolescents: Data From One-Year Follow-Up Prospective Study”), \textit{Adicciones} 31, no. 1 (2019), \url{doi.org/10.20882/adicciones.998}.


\textsuperscript{14} Quarterly and annual reports on domestic violence in statistics from Spain’s General Council of the Judiciary (Consejo General del Poder Judicial), \url{www.poderjudicial.es/cgpj/es/Temas/Estadistica-Judicial/Estadistica-por-temas/Datos-penales_civiles-y-laborales/Violencia-domestica-y-Violencia-de-genero Datos-sobre-Violencia-Domestica-en-la-estadistica-del-CGPJ/}.

\textsuperscript{15}Statistic Brain, “Elderly Abuse Statistics,” January 12, 2019, \url{www.statisticbrain.com/elderly-abuse-statistics/}. 
A good example would be marijuana, which some consider a value to protect and legalize, despite scientific research results—starting in the 1970s—that show how its use reduces the IQ and willpower irreversibly.\(^\text{16}\)

Materialism and hedonism are also valued, despite them leading to egocentrism, to a blind, ultraindividualist selfishness, which only knows the declension “me, myself and I,” living in the paradigm of scarcity: “What you gain, I lose.” Individualism leads to the undervaluing of the capacity of human relationships and to forgetting that a person is a *ζωόν πολιτικόν* (ζώον πολιτικόν). According to Bauman, a culture of both vertical disengagement (secularization) and horizontal disengagement (individualism) affects our ability to develop deep, stable and mature bonds with others.

In a disconnected society, there is a proliferation of false, one-dimensional substitute identities, such as brand consumers or soccer hooligans. As a consequence of this new materialistic “religion,” new social outcasts are created: people who cannot reach the levels of beauty, financial success or pleasure prescribed by the reference models. When they lack a transcendent ideal, they often suffer from anxiety, fall into depression, overeat or become anorexic.

The lack of self-control leads to people doing only what they feel like. This is strongly related to disease. That is why our society is one of anomie, addictions, alienation and aporias.\(^\text{17}\) One of the most widespread addictions is pornography. Spain is in 12th place in the world ranking of pornography consumption: 80% of males and 40% of women, with 11 years being the average starting age.\(^\text{18}\) The problem is especially serious among children and adolescents since pornography consumption is massive at these ages and, in many cases, it is the only reference point they have about sexuality. The possession of mobile devices by children and adolescents is, in this sense, a weapon with a bullet in the chamber.

**Summing Up of the Negative Cycle**

After this journey through the negative cycle of the pollution and destruction of human ecology, it becomes obvious there is an urgent need to preserve both the environment—our common home—and the health of the individuals, families and human communities in which we work and with whom we mix. But how?

The deterministic view of the negative cycle seems to leave us with no way out. As we have seen, a polluting environment, of countervalues and toxic ideas, generates a disengaged society, which, in turn, produces mechanistic organizations, weak families and disoriented people.

To turn the negative cycle around, we have to start from the person, who is in the center of the concentric circles.

Human beings are a species so superior to other animals that they can produce culture and affect the other ecosystems of the biosphere. They are the keystone species, the key species par excellence, which entails a great responsibility. Within the same human species, there are


\(^{17}\) J. Miró, *La sociedad desvinculada: Fundamentos de la crisis y necesidad de un nuevo comienzo* (Stella Maris, 2014).

people who are even more key—for example, the father and mother in the family, those who have leadership positions in the firm or serving politicians.

It is necessary to revise the current assumptions about the functioning of people and their ontology, with the aim of discovering the human mechanisms that these assumptions can cause when they go wrong, and even the fall of an economic model.

To think that everything can be predicted scientifically and mathematically is a mistake. According to Popper, “if the initial conditions cannot be ascertained, the scientific way of predicting breaks down.” So it is necessary to overcome the homo economicus model and move to the model of a freely adaptable system because we need to develop healthy and balanced people who will become positive cells that will oxygenate families, firms and the society in which they live.

We need leaders with values. And, by this term, I am referring to values in action and not to those that are hung up on firms’ walls. Not to those that define codes of conduct but to those that are used in decision-making—that is, to the motives or criteria that managers use on a day-to-day basis. Are they looking for only short-term efficacy? Well, that is what is valued. That is its value. Does whoever is looking for short-term profits learn positively or negatively? That will depend on whether that person has been fair or unfair to the others, whether he or she has anticipated long-term consequences, whether that person has assessed the implications for a stakeholder called “family” and all its members (dependents or not). In the end, they also influence the firm’s efficacy and, if they are not taken into account, there will be large invisible costs, which can also be quantified.

If we want to change the values of the global ecosystem in order to be sustainable, if we want to highlight civic responsibility and improve society, whose criteria are the ones that must be changed? Obviously, those of all the decision-makers, but mainly those of the leaders with business and political power.

**Transcendent Leadership**

Business leaders enjoy a privileged position as a motor of change that society needs in order to achieve financial, human and social sustainability. Business leaders and managers are the key species in the firm and in society. On them depend the life and the development, not only professional but also family and personal, of many other people. Those business leaders and managers create the organizational culture in which the employees live, the air they breathe. Therefore, the creation of new environments of trust that can turn around the negative cycle depends on them.

But true leadership begins by leading oneself, harmonizing different spheres that shape our lives: family, work and society. Developing in the three areas in a balanced way produces a healthy ecosystem, with a high level of constructive interrelationships. Unlike the animal and plant kingdom, the intention and freedom of the human being lead to joining together or disintegration around them, which affects the global ecosystem. Each of these spheres has different air. Some are poisoned, others are oxygenating... And it is all wrapped up in a specific culture of the geographic area in which we find ourselves, with its values and countervalue.

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Each person—by making oxygenating decisions and causing photosynthesis with the CO$_2$ that he or she inhales in everyday life in each of the spheres or intoxicating decisions when that person inhales oxygen and only expels CO$_2$—is the true protagonist of change. With each decision and each experience lived in each of those three fields, each person becomes a better or worse decision-maker and, through the motivational and evaluative lessons learned, he or she changes the quality of air in that particular area, oxygenating it or poisoning it, and takes it to the next area.

The person is one, although he or she acts in different living environments. What that person does—and stops doing—has expansive effects. It will depend on these actions and decisions whether the ecosystem evolves positively or negatively, since lessons are learned constantly in both directions.

A balanced person with values in action is capable of building a solid family and a more productive and more humane firm as the basis of a healthy and sustainable society. In that ecosystem, employees are more committed and more productive and have more time and energy to devote to their family and social roles.

**Figure 2**
The Positive Cycle

![Diagram](image-url)

Source: Prepared by the author.

Crises occur as a consequence of considering the person as a stable system that does not change its decision rule, which does not learn, like a machine; or as an ultrastable system, which always improves its decision rule through the accumulation of experiences, like an animal that always learns positively. These paradigms (mechanistic and psychosocial) do not take into account the complete reality of people, who are freely adaptable systems, who change their decision rule and who can learn both positively and negatively—that is, they can improve or endanger their ability to adapt.

This freedom that people possess becomes operative through rationality and virtuality and generates lessons that affect oneself and one’s own environment. Not taking into account negative lessons leads to ignorance of and a failure to question the causes of successive imbalances, a consequence of toxic behavior.
We see, then, that we are faced with an ecosystem whose balance depends on the free and responsible decisions of each of the people who comprise it. The economic and social crisis was the explosion of a model whose deficiencies have been ignored repeatedly, until the evidence of them is already of such a dimension that they cannot continue to be ignored. There is a certain consensus about admitting that it is a crisis based on an absence of ethics.

Every economic model has an implicit person model—that is, an anthropology. Hobbes, Marx and Freud not only built theories in their own fields of study but also established a specific conception of human nature. These models also affect laws and politics and are transmitted in a certain way of thinking and behaving.

The model of human being that we have been using is incomplete because it leaves out basic and fundamental aspects from the field of study and is limited to analyzing the role of humans as consumers and producers. The person has been treated as one more component of the environment, without taking into account either the person’s freedom or the power of the person’s intelligence.

The current paradigm studies the components in isolation (the relationship, the person, the family, work, etc.) and not as something systemic where everything affects everything. It deals with only the function and utility of the different elements, without thoroughly evaluating their intimate interrelation. This leads to a restricted view of reality and to looking for partial solutions to problems. On Kurt Lewin’s well-known phrase “there is nothing so practical as a good theory,” Sumantra Ghoshal stated: “Nothing is as dangerous as a bad theory.”

Friedrich Hayek, in his speech upon accepting the Nobel Prize for Economics, highlighted the errors and dangers of a “scientistic” attitude in the economy that treated as significant only what was quantifiable, discarding many facts that could not be measured. In this sense, Ghoshal warned that management theories were overwhelmingly causal or functional and that, by leaving aside the intentions of the individual actors, they avoided ethics or reduced it to a portfolio of rules.

A good theory is that of Professor Pérez López. According to this author, we can group intentions, motives, into three main categories:

- Extrinsic (external). These are the ones that come from the environment: money, fame, recognition.
- Intrinsic (internal). These are the ones that are linked to the task itself: pleasure, learning, challenge.
- Transcendent. Although the origin of these is also inside the person, their recipient—the one who “transcends” and affects the action—is outside, and the actions have a positive impact on them. (It helps to fulfill their needs.)

The three motives may be present in any decision. In fact, the decision could be imagined as a scalar function, where the different motives will have a different weight according to the particular structure of the decision-maker’s motives. The weight of the motives in this structure is constantly changing, as the so-called intermotivational conflicts are resolved. The person who moves for extrinsic reasons above all will end up acting like a puppet of the environment, in a reactive way. People who move for intrinsic reasons above all become slaves of their passions. Both extrinsic and intrinsic motives involve an egocentric vision that ends up not seeing the needs of others. On the other hand, the person who moves for transcendent motives starts to
form a much more complete and realistic vision of the basic element and key species of the ecosystem: the human person.

Here’s a fact that dispels myths: a survey of nearly 200,000 anonymous employees about their main motivation to do something extra reveals that remuneration (the extrinsic motive par excellence) is not even in the top five priorities. Actually, there are plenty of intrinsic and transcendent motives (team spirit and motivation among equals, the desire to do good, feeling valued, having a real impact, growing professionally, satisfying customers, a positive relationship with the boss, believing in the company, etc.).

In this sense, Professor Pérez López also distinguishes between motives (the results I seek with action: extrinsic, intrinsic and transcendent) and motivations (the force that leads me to action), of which there are two types. Spontaneous motivation is the force that follows the impulses, letting itself be carried away by the attractiveness of the action without thinking about the consequences. It depends on previous experiences and it can be for any reason: because I hope for recognition (extrinsic), because I like what I do (intrinsic) or because I get to give a charitable donation to the first one who asks for it (transcendent). Rational motivation, on the other hand, is the type that leads people to think and to choose what is most advisable at each moment, even if it is not what they most desire.

When, in the face of a concrete decision, intermotivational conflict arises between what is desired and what is advisable, we need to use reason, that light that makes us more and more free if we use it well and that will set in motion rational motivation in order to stop spontaneous motivation and to gauge and anticipate consequences before acting. It is about developing rational motivation for transcendent reasons—that is, the motivation that anticipates consequences for others and takes those others into account when making decisions, the motivation that opens us to its reality, that removes egocentric dioplers from our glasses, and lays the foundations to build relations of trust, thus increasing the evaluative capacity as decision-makers: the capacity that allows us to reach the correct decision.

According to whether the decision is made for a transcendent type of motive or not, in the next decision it will be easier for us to anticipate actions’ consequences for others (we will be making our freedom operative) or it will be increasingly difficult for us (we will be hooked on what we feel like). This is so-called “motivational dynamism” or evaluative learning, whereby the decision-maker becomes more or less realistic and more or less able to make sensible decisions.

The case of Lehman Brothers, which we mentioned at the beginning, would be paradigmatic of how the exclusive use of extrinsic motives (money, reputation, prestige) and intrinsic motives (challenges) led to a blindness among the decision-makers about the consequences of their actions and to a lack of confidence in the system on the part of the public. Those who caused the disaster were managers who made decisions spurred by blind selfishness, incapable of seeing reality in its full dimension.

The transcendent motive, however, is one that takes into account the impact of the decision on others and tries to satisfy their needs. It seeks to open up to others, to be useful, to give and to grow. Just as the first two motives shut us in the “I,” this motive opens us to the “you” and so it makes us more realistic. Through the life attitude of service and cooperation, which focuses more on “being,” true leadership is developed, the type that achieves results in the present,

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generating, at the same time, the bond of trust, an indispensable condition on which the future results of the following interactions are based.

The anthropological conception of a firm builds institutions with values and promotes the development of people’s transcendent motives. Changing the business paradigm requires analysis of the person model with which it operates. Working with complete human beings—taking into account their family responsibilities and needs, and helping to satisfy them whenever possible—leads to greater productivity and competitiveness.

Who can do this? A true transcendent leader, integrated and integrating, with the capacity to build relationships of trust, both with people and with institutions. Leaders who serve others and not those who use others. Leaders who develop their human and technical skills in all their roles: they work in the internal business environment, developing their collaborators and teams; and they work in the external environment, through good customer service and corporate social responsibility actions. The three aspects form part of their personal and professional mission and it integrates them.

The manager who functions according to the anthropological paradigm wants to deal with the real needs of the people around him or her because such a manager really cares about them and is in a privileged position to collaborate in their development. This increases the motivation and sustainability of the firm. Among the functions of a manager (designing a strategy, executing it and motivating), the most difficult to achieve is the last. Motivation is linked to the values of both the manager and the employee and to how the two fit together. But it is precisely the intentions of his or her collaborators that a leader seeks to improve. If a leader achieves such a goal, that leader will have developed the capacity for friendship among the members of the firm, reinforcing the virtuous circles that are generated both within people and in the organization.

As a result of the economic and financial crises, leadership studies are undergoing substantial changes in approach. Already at the end of the 1980s, the idea was suggested that, in order to become a leader, it is necessary to become an integrated person. Since then, research has highlighted the need for the human development of leaders.

Leadership has been studied a lot in terms of the concept of transformational leadership, which is seen as positive leadership. However, transcendent leadership overcomes the dark side of transformational leadership—its possible narcissism—since, in its decisions, it seeks the professional and personal development of each of its collaborators, and “the collaborator is personally committed to the leader to carry out a worthwhile mission.” This type of leader generates a sense of mission in others, and collaborators also take on leadership themselves. Such a leader influences them through attractive tasks, by means of which they learn and develop their interests and skills. This kind of leader facilitates a culture that allows them to take care of their families and fulfill their other commitments outside work and gives them the opportunity to anticipate the positive (and negative) consequences of their work for other people and for society in general. Thus, such a leader helps them develop their ability to move for transcendent motives, generating coreponsibility and interdependent talent.

When leaders are upright, they are perceived as fair. The collaborators realize that they matter to the leader, which brings about an increase in their satisfaction, commitment and corporate behavior, exceeding their obligations. In turn, all of this has repercussions on the organization’s economic performance. In short, the firm benefits from the good work of its managers when they oxygenate the business ecosystem from any organizational level.
In the last century, we have gone from an industrial society to a knowledge society, with growing interconnectivity, without understanding the profundity of the changes or the levers needed to create a fertile society and a sustainable economy. And we have been working in a firm designed by men and for men of the last century, when the woman stayed at home taking care of the offspring and the man spent long hours at work. There is already an urgent need to rethink the firm to respond to the needs of women and men today.

To this end, in the ICWF (International Center for Work and Family), which I founded 20 years ago at IESE, we developed a measurement tool: the index IFREI. Just as the firm measures its carbon footprint in the external environment, all else being equal it should also measure the footprint of pollution in the internal environment. Likewise, I coined the concepts of “family-responsible company” and “corporate family responsibility” to get past the English term “family-friendly” because it is not only about being friendly toward the employee’s family but about responding to the changing needs of the people who work there, according to the moment at which they find themselves in their life trajectory. It is about encouraging an innovative idea: that employees are, in some way, “lent” by their families to organizations and, therefore, the “corporate borrowers” must respond responsibly so that their members return home with energy and enough time to build a family, spending time with their partners, children, parents, siblings, etc.

To paraphrase Professor Pérez López, “the 21st century will be feminine or there will not be a 21st century.” So that we can have sustainable and more productive firms, we must have leaders who will encourage a more feminine leadership—to open the feminine eye to focus more clearly on the problems and their solution; who will commit themselves to flexibility—to manage people in time and space, according to their changing needs in different stages of their family and personal lives; and who will take the employees’ families into account as a first-rate stakeholder in the company, because nobody is an island in the ocean.

Working mothers were the main agents of change regarding business flexibility because they were entitled to reduce their working hours or to work from home, and they demonstrated the feasibility of an integrated human being.

A more feminine business paradigm involves policies that promote the flexibility of working hours and spaces, facilitate training and teamwork, increase labor productivity and promote a balance between work and personal life. If we want women to be agents of the socioeconomic change required for our sustainability, they must be able to reach positions with formal power that will allow them to change laws and ways of acting, influencing both business systems and the management styles and culture of the firm, without ceasing to be mothers and without losing their femininity.

Never before have we had such well-prepared women and with so many resources to be able to push forward the necessary changes for balanced, sustainable and feminine progress, with the support of men. According to William Arthur Ward, “The pessimist complains about the wind; the optimist expects it to change; and the realist adjusts the sails.” The vast majority of women are adjusting the sails to take advantage of some winds that can be very favorable for everyone.

The change needed is toward a model in which men and women will share a common project: building a fair, inclusive, cohesive and happy society, where the best human and social capital is developed in families in which fathers and mothers will have facilities to carry out the role of educating and training their children and in which all the social agents will take on co-responsibility for improving the situation. Female managers can be the engine of this change that is required. Ernesto Kahan, Nobel Peace Prize winner in 1985, maintained that “insofar as we are able to see the invisible, we will be able to do the impossible.”
For this purpose, it is necessary to:

- Rethink political, economic, family and social systems in favor of humanization.
- Generate fairer and more human structures, designed for the man and woman of today.
- Build a culture that will:
  - Bring reason and the heart into harmony.
  - Respect women and teach them to demand respect.
  - Widen the focus to ethical and sustainable postulates.

**The Business Leader: The Key Species**

The denunciation of *An Inconvenient Truth* calls on us to change the world but the real challenge is to renovate our closest habitat, starting with ourselves, integrating the head and the heart, so that we are able to start mending, gradually, the deep tears that have arisen in the social fabric and to start recovering the harmonious development and the balance between the different elements that form us.

In the words of the British philosopher Alfred North Whitehead, uttered in the 1920s, and which perfectly describe the challenge facing world leaders today, “The art of progress is to preserve order amid change, and to preserve change amid order.”

It is true that the great challenge in order to be sustainable as a planet is to change to a circular economy model that will allow us to be more respectful of the environment, use natural resources more sustainably, generate less waste and be able to reintroduce any waste into the value chain so it becomes reusable again.

But that sustainability revolution must go hand in hand with another great transformation: that of business leaders. Managers must be aware of the impact of their actions on human and social pollution and have the will to improve their decisions. It is what we could call the “Revolution of the Motives.”

We can’t expect to change the world overnight but we can contribute, in a positive way, if we are responsible and aware that everything we do leaves its mark on us and has expansive effects.

We have seen how a polluted society fosters polluting firms, weak families and, finally, dehumanized and broken people. On the other hand, healthy and balanced people are seeds that can oxygenate families, firms and society, reversing the negative social spiral.

The firm is the institution that has the greatest impact on the human ecosystem because it is the institution that has the greatest impact on people’s lives: it decides on the products it offers to the market and decides how much money the employee takes home and how much time and energy the employee has left every day for other duties. Therefore, the pivot for the necessary change, the key species of the human ecosystem, the oak on which so many other species depend in order to grow and develop and which determines whether the environment is oxygenated or polluted is the so-called “business leader”—that is, the manager with decision-making power over which policies to apply, and the direct supervisor who decides whether or not to apply the specific policy in each case.
Economics and ethics can be separated conceptually but they are totally interrelated when it comes to making decisions. Since, in reality, everything is systemic and interconnected, we must be capable of integrating it conceptually as well. This is the great contribution of the anthropological model of human action in organizations of Professor Pérez López.

Overcoming the two reductionisms (objectivist rationalism and subjectivist psychologism or sentimentalism), it sets out a way of integrating rationality with the heart. To do so, it starts from the subject who decides here and now, aware of the consequences that his or her decision has inside and outside.

Selfishness is corrosive for social life: “The entrepreneur who seeks only and nothing more than personal financial gain; the politician who seeks power and nothing but power; the scientist who seeks popularity and nothing but popularity.”

Moreover, it is necessary to heal political and economic power. And, to do so, we should measure the impact of toxic management practices and unhealthy work environments, monitoring the rise in health-care costs, lower productivity and greater employee turnover, among other measures.

Just as firms outsourced the costs of their impact on the environment until governments imposed regulations, it happens today with toxic work environments. If a person has to leave the labor market because of a stress-related illness, the firm will replace that person, and it will be the patient (or social security, in the case of Spain) who will have to deal with the medical bills, sick leave and job insecurity. But all these costs are not borne by the companies but instead they fall to the families and society. Social pollution, like environmental pollution, should be measured and, in some way, regulated.

Just as it is desirable to help the planet enter a cycle of sustainable recovery (even if the initial situation is never reached), we must also help people to recover and, through them, another society will have to be built. The environmental disaster (80 million tons of plastic poured into the ocean each year, environmental pollution, climate change, etc.) is a serious warning about the paradigm shift that is needed. We can say that it has been caused, to a great extent, by polluting firms, but the firm itself is an empty shell. It is the firm’s decision-makers who decide to cut too many trees or to pollute the rivers and the atmosphere. It is the person with decision-making power who fails.

To get out of this corrosive selfishness, Professor Pérez López indicates a very concrete way: rational motivation for transcendent reasons. The decisions made because of this motivation start generating a way of being whereby you come to value the other as another me, for whose well-being you are responsible to the extent that you can influence it. The development of evaluative capacity would be the strength of a heart, integrated and managed on the basis of rationality.

The virtuous circle that the transcendent leaders generate is extremely powerful because they all go to the maximum, without the miserly look of the economy of scarcity but with a generous and knowing look of working in the economy of abundance.

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Conclusions

Recovering the values of equality, liberty and fraternity, proclaimed by the Enlightenment and vindicated throughout two centuries, I propose a new way of deploying them and putting them into effect in the 21st century to make a more human and sustainable economy. It is the three Fs model, which I shared with almost 100 ambassadors to the United Nations on the occasion of my candidacy in 2012 to represent Spain on the UN’s CEDAW (Convention on the Elimination of All Forms of Discrimination Against Women). At that time, I said that, in order to get out of a liquid and fragile society and to build a sustainable economy and society, three Fs are necessary, three criteria to take into account in all political and business decisions, with the aim of promoting the development of the six Cs necessary for that purpose:

1. **Femininity.** It is a matter of opening the feminine eye, after so many years spent closed, to focus more clearly on problems and their resolution, knowing that we are different, complementary and synergistic in our way of seeing reality and of facing up to it. The feminine reminds us of the complementarity and care of the common home, starting with its inhabitants. The advance of artificial intelligence and robots makes the so-called caring economy more necessary than ever.

2. **Family.** Nobody is an island in the ocean. We all coexist and we have duties to others. We are part of our family and, in the broad sense, of the human family. In the family, we discover the importance of coresponsibility and we develop many of the competencies or skills necessary for professional and social life.

3. **Flexibility.** Every living being requires flexible treatment. It is necessary to manage people with flexibility over working hours and space, according to the changing needs of the different stages of their family and personal lives in which they find themselves. Treating people with flexibility entices them to show commitment and collaboration.

Today, seven years later, I felt it was essential to take the initial three Fs and add another two Fs, which promote another four Cs that are necessary for a more human and sustainable economy:

4. **Faithfulness** to commitments. This means keeping your word, being loyal to people. Faithfulness implies consistency in decisions and generates the confidence or trust necessary for sustainable growth.

5. **Fraternity.** The causes of underdevelopment lie, above all, in a lack of fraternity. “As society becomes ever more globalized, it makes us neighbors but does not make us brothers.” The values of liberty and equality continue to be present and are vindicated in the West, even more intensely if possible than in May 1968. In contrast, the value of fraternity is still pending and is frequently watered down under the term “solidarity.” “Fraternity” means discovering in the other a brother, another me for whom I am responsible to the extent that I can help that other to improve, because there is a common father, a transcendent and integrating leader. Fraternity involves integrating the other into decision-making, which implies sharing (compartir), creating a community and fostering social cohesion.

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23 Benedict XVI, Caritas in veritate (2009).
In order to deal with the current inconvenient truth—that is, the social pollution of this global world about which we have been spelling out some indicators—we need that transcendent leadership, of example and service, which combines technical knowledge with the human and which frequently is absent or scarce in all spheres (political, business, family, social, etc.) because we are the same person in all of them.

The strength to encourage this paradigm shift toward a positive cycle that will regenerate the ecosystem and build a more human and sustainable economy is, then, in our hands but, above all, in the good use of the business leader’s economic power and in the manager’s decision-making power.

And, if you ask me what the future holds, I will tell you: many transcendent leaders. Why am I so sure? Because we are already training them. They are a new generation of leaders who are more flexible, inclusive and aware of the impact and the footprint they are leaving on themselves, on their teams, on the environment and on their families.

As my colleague and mentor Professor Juan Carlos Vázquez-Dodero taught, in the wake of Professor Pérez López, a good manager is one who makes demands like a boss, educates like a teacher and loves like a father.

Thank you very much.