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Holistic management – some thoughts on the possibilities of its implementation in the West

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Abstract: This paper addresses holistic management process and the idea of holism, pertained in certain aspects of Western management through the ideas of green marketing and sustainable agriculture. The idea of holism, i.e. consideration for how and in what ways, the sum of all the parts in the company impacts the environment plays especially important role in the companies from the Eastern hemisphere, especially Japan. Since the concept of holistic management is grounded in the Eastern philosophical theories, with profound influence of Buddhism on it, we believe that there might be obstacles in trying to translate it in the so called Western rational management based on the premise of *Homo economicus*. By outlining the historical development of the Western management thought and the philosophical origins of the holistic management process in the Japanese business, this paper presents some thoughts on the paradigm shift necessary for holism to take full part in the West.

Keywords: Philosophy of management, Japanese business, Buddhism, Holism, Economics

INTRODUCTION¹

The purpose of this paper is to address the notion of holistic management process, usually described as one of the main characteristics of the disciplines such as green marketing [14] and sustainable agriculture [18]. For example Peattie (cf. [14]) defines green marketing as: “...the holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way.” (p.28)

The basic premise behind green marketing is the:

“...holistic strategic perspective that balances sustainability and profits. Green marketing as a field of study has evolved over the years along with the evolution of the conceptualisation of what constitutes being environmentally friendly or “green”. With a better understanding of the interactions of firms with the environment, both the definitions and the scope of what issues need to be addressed have changed. Whereas concerns in the earlier years were around pollution, today the concerns are more specific and related to carbon foot-print, ethical labour, fair-trade practices, no animal testing and water consumption....” [21, p.99]

The idea of holism, i.e. consideration for how and in what ways, the sum of all the parts in the company impacts the overall environment, plays especially important role in the companies from the Eastern hemisphere, especially Japan. Since the concept of holistic management is grounded in the Eastern philosophical theories, with profound influence of Buddhism on it, we believe that there might be obstacles in trying to translate it in the so called western rational management. That said, we will show that examples of companies using holistic management ideas do exist in the West as well, however if we just look at past 17 years or so, starting from Enron, Worldcom, to recent issues with Uber and it's founder Travis Kalanick² we can see that economic and business paradigms associated with Western rational management that will be discussed in the following paragraphs, still profoundly influence business in the West.³

We argue that for the holistic management process to live out its full potentiality in the West, a prerequisite is a shift in the value paradigms incorporated in the Western thought and management practice. It is the humans that make the most important part of the organizations and our paradigm shift proposes so called spiritual evolution of hu-

¹ We are grateful for the constructive commentaries received by two anonymous reviewers.

² <https://www.thesun.co.uk/news/uknews/2983886/travis-kalanick-uber-ceo-quit-who/>, accessed 24.10.2017.

³ In his famous work “The general theory of employment, interest and money“, J.M. Keynes has stated: „The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed a world is run by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences are usually the slaves of some defunct economist...“(1956, p. 306)

man being, the one which will acknowledge holistic concepts such as interdependency, intuitive wisdom, feelings as a beneficial bedrock of Western thought and practice. We believe that through such personal human evolution, the evolution of the organizations and business can happen.

First we will examine the main characteristics of Western rational management, and pay special attention to the idea of *Homo economicus*, the rational economical agent grounded predominantly in the self-interest maximization. We will shortly explain the effects of self-interest maximization on theory and practice found in economics.

Then we will examine the concepts that represent philosophical origins of the holistic management approach [2], in particular:

1. the idea of Wa, advocating mutual trust and unselfish and harmonious relations among employees at all levels
2. the idea of the Mu, a Buddhist philosophy advocating openness towards the future
3. the idea of Shibui, which strives for sensitivity towards other persons and the nature. We might say that idea of Wa is closely connected to the idea of Shibui.

After that we will propose the shift in paradigm value:

1. from self-interest pursuing to mutual interest pursuing and selflessness
2. from predominance of rational behaviour to incremental increase in importance of the feelings
3. from linearity to “circularity”

WESTERN RATIONAL MANAGEMENT

Management in the Western world has undergone lots of changes starting from its origins in more primal, entrepreneurial stage signified by the beginnings of the Second industrial revolution to the hard rational organizational stage of the 1950s and 1960s (for discussion see [10]). But whether it is entrepreneurial, primal, based on individuality, economics and economic man or more administratively oriented, seeing people as dependent, depersonalised assets, based on social engineering with structured organizations (preferably hierarchically), their backbone is the same – rational behaviour of humans based on the notion of human self-interest maximization.

SELF-INTEREST MAXIMIZATION – THE ECONOMIST’S STRAITJACKET

The founding father of modern economics, Adam Smith and his famous passage on the self-love and regard of the self-interest of the butcher, the brewer and the baker that brings us our dinner, has ensured him the title of the “patron saint of homo economicus”

([22], p.IX). *Homo economicus* is the person that behaves in the rational manner, which, amongst other things means that he/she strives to maximize his/her own interest or utility. It is this self-interest and not benevolence that, along with the “invisible hand” guides behaviours on the market that lead towards efficient allocation of resources. It is in this notion that market becomes Darwinian arena where only the fittest survive and the companies consists of “principals”, i.e. owners and “agents”, i.e. managers who each in its' own right work to promote their self-interest.⁴ Thus the sole purpose of the company becomes maximization of profit and the interest of the shareholders.⁵ Any other behaviour, such as altruism is considered to be irrational.

There has been much discussion on miss-interpretation of Smith's works (see [9] and [20]), however one thing remains clear, the idea of self-interest pursuing has shaped the economic science and practice for a very long time. Economic science gained reputation of being selfish, putting as its' central point the ideas of competition and individual self-interest and proclaiming it the “natural” law, exhibited in everyday lives as well as on the markets. As Peattie (cf. [14]) states, the ideas of altruism and co-operation were seen as the product of civilization and not in the nature of the person itself.

In his working paper titled “Self interest: The Economist's Straitjacket”⁶, Robert Simmons looks upon the economic theories that describe how businesses should be organized and questions the “unquestioning and universal acceptance by economists of self-interest—of shareholders, managers, and employees—as the conceptual foundation for business design and management.”⁷ Dividing the economists into four tribes of: market economists, regulatory economists, macro economists and enlightened economists, he concludes that economists who want to be taken seriously by their peers, cannot abandon self-interest, so deeply ingrained in the economists DNA as the almost canonical first principle and one of the cardinal human motives. Even the enlightened economists are using the term “enlightened self-interest”, where business people have moral obligation and duty to change their behaviours and support capitalism as a whole, which sometimes requires subduing the profit maximization doctrine. Although the enlightened economists are proponents of stakeholder rather than shareholder theory the basic premise of their views is still self-interest, i.e. “if business executives fail to redirect their self-interest to support the institutions that enlightened economists favor (e.g., regulators and government agencies), new corporate charters should be imposed

⁴ For discussion on principal-agent dilemma, see e.g. Jensen, Michael C. and William H. Meckling. (1976) “Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure,” *Journal of Financial Economics*, 3, p. 305–360.

⁵ Famous Milton Friedman article published in 1970 in the *New York Times*, titled „The Social Responsibility of Business Is to Increase Its Profits“, available online at <http://www.nytimes.com/1970/09/13/archives/article-15-no-title.html>

⁶ Simmons, R. (2015). *Self interest: The Economist's Straitjacket*“, at http://www.hbs.edu/faculty/Publication%20Files/16-045_2276e3cd-ab73-4ee8-b494-59488e6e1f0b.pdf, accessed 23.10.2017.

⁷ Simmons, op.cit., p.2.

that will curtail executive freedom and require business leaders to serve all stakeholders equally.”⁸

The use of self-interest as an important characteristic of human behaviour in economics is quite particular, since rather than being used as simplifying assumption in building of theoretical models of how sometimes people behave, it became “the bedrock behavioural foundation of *Homo economicus*”, creating the “intellectual straitjacket that has constrained...theories and contributed to practices that have potential to do significant harm”.⁹

The potentiality to do harm by adhering to such narrow concepts of self-interest maximization has led to penetration of ideology of liberalism into management theories, grounded in pessimistic view on individuals and the institutions, where purpose of social theory becomes restricting social costs of imperfect humans, and ignoring the social multidimensionality of both people and the organizations.[6]¹⁰

We cannot ignore though the growing body of evidence within behavioural economics experimenting with economic games on sample of students, farmers, workers etc., which have proven that people sometimes do act selfishly, but they are also showing other-regarding behaviours such as altruism, reciprocity and aversion to inequality.¹¹ Though, many of the experimental findings are still focused on “the decisions of self-interested individuals in the face of different contextual cues”.¹²

⁸ Simmons, *ibid.*, p.17.

⁹ Simmons, *ibid.*, p.19-20.

¹⁰ Ghoshal (2005) on influence of management scholarly disciplines on management practitioners has stated the following: „*While within individual fields, such as organization theory or strategic management, authors can and do publish research grounded in very different assumptions and traditions, Friedman’s version of liberalism has indeed been colonizing all the management-related disciplines over the last half century. The roots of the ideology lie in the philosophy of radical individualism articulated, among others, by Hume, Bentham, and Locke.... While the philosophy has influenced the work of many scholars in many different institutions, its influence on management research has been largely mediated by the University of Chicago. It is in and through this institution that “liberalism,” as Friedman called it, has penetrated economics, law, sociology, social psychology and most other core disciplines, yielding theories such as agency theory, transaction cost economics, game theory, social network analysis, theories of social dilemmas, and so on, that we now routinely draw on both, radical individualism and Friedman’s liberalism, to frame our research and to guide our teaching.... Combine ideology-based gloomy vision with the process of self-fulfilling prophecy and it is easy to see how theories can induce some of the management behaviors and their associated problems we have witnessed.*“ (p.84)

¹¹ For thorough discussion and literature review see CORE team of authors publication *The Economy*, Unit 4: Social Interactions <http://www.core-econ.org/the-economy/book/text/04.html#42-equilibrium-in-the-invisible-hand-game>, accessed 24.10.2017. See also Ghoshal, *ibid.*, p.83, Simmons, *ibid.*, p.21-22.

¹² Simmons, *ibid.*, p. 21.

PHILOSOPHICAL ORIGINS OF HOLISM – THE BUDDHISM

It was E.F. Schumacher in the 1960s who first tried to incorporate Buddhist philosophy into modern western economics. However, in the East, and more particularly in Japan, origins of Buddhist-based capitalism can be traced as far as 16th and 17th century, to the writings of Zen priest Shoshan Suzuki and the economic philosopher Baigan Ishida (Yamamoto quoted in [2]). In order for us to understand such capitalism, one must examine the principles on which upon it relies. One such principles, stated by the priest Shosan Suzuki states that businessmen should become like “living Buddhas” (cf [2]). In the following section we will try to examine what does this “metaphysical” metaphor really mean and then describe 3 important philosophical concepts, from the point of view of the Buddhism, one of the philosophical and religious movements widely translated into Japanese business. Those 3 principles carry within them a basis of holism and holistic management. We acknowledge that those 3 concepts of Wa, Mu and Shibui are also influenced by the other philosophical traditions present in Japan, such as Confucianism and Shintoism, however, without diminishing their influence we believe that the predominant influence on them is one of the Buddhist tradition.

BEING LIKE A BUDDHA

The origins of the Buddhism can be traced to 6th century B.C. in India. The Buddha, meaning the enlightened or awakened one was the name given to the Indian prince Siddhartha Gautama, who had attained a state of complete understanding. That understanding being of the existence and the causes of unhappiness and the way which led to cessation of unhappiness. As Dalai Lama [7] states: “It is a fact – a natural fact of life – that each one of us has an innate desire to seek happiness and to overcome suffering.... this aspiration to achieve happiness and overcome suffering is our natural state of being and our natural quest....” (p. 25).

Buddha was not a God, a Divinity. He was simply a man, who, in his life managed to solve the puzzle of the purpose of human being in this world, the thing dwelled upon centuries after him. Being a “living Buddha” means following the natural moral codes, based on the individual's understanding of things through experience. (for discussion see cf [2]) Only through experience, experimentation and not blind faith in anything that Buddha said, individual starts to realize that what he/she does has consequences. The consequences not only on him/her but also on the other people, and of course vice versa – someone else's conducts also have effect on me. The morality that Buddha himself has thought in its' core essence is based on this understanding through experience, of interdependence of all things in a biosphere.

The experience is very important since it is the most “efficient” way through which we learn. Yes, we can read about things, someone can even describe to us things, but only

by passing through a certain situation is that we really begin to understand it. Therefore, in Buddhism, unlike in other religions there are no deities which one can blame for the things one does not understand. In Buddhism, it is our own ignorance and craving for things that is the cause of our suffering.

But, realizing only interdependence is not enough. It is realizing that, in order for all of us to achieve “sustainability” in this world my self-interest pursuing should be transformed into mutual interest pursuing and ultimately into selflessness. Mutual interest pursuing means that a person enters into relationship in which trust and respect for other person becomes a key to longevity. The person understands that the needs of the other person are also important and should be fulfilled. Since they are in the same boat it is in their mutual interest to row into the same direction. The experience of Buddha states that important thing in order for such a boat to sail in the long-term run successfully, becomes doing the good things and stop doing the evil things. (for discussion see cf [7]).

However, we will argue here that, even with the pursuing of mutual interest, the person has one more level to go in order to really become a living Buddha. It is the phase of the selflessness.

In the phase of mutual interest pursuing one starts to acknowledge and appreciate the needs of another person or to put it more holistically, living beings. In order to realize what the needs of the others are, the person must move a step forward from rational perception and enter into the area of feeling. By feeling here we mean the one’s ability to put his/herself into the position of other living being, and really understand who that living being is. In the phase of mutual interest, a person does good things for others, cares for others, but all of that generosity still has elements of selfishness. Sad-dhatissa [16] sums up that selfishness as:” It becomes apparent to me that I am doing good in order that I may reap the benefits –whether they be in form of increased respect from others or merely increased self-respect.” (p.33-34) In this phase it is still me and my self-interest that in the end matters.

The ultimate state of the “living Buddhas” becomes selflessness, i.e. doing good when it does not necessarily produce your personal material or non-material benefit. It is in this state of mind that interdependence in the biosphere becomes a crucial element – benefits of ones’ good actions return not just to him/her but to all persons.

It was such philosophical milieu that had a profound influence on the business world of the far East, including the Japan. As Suzuki and Ishida argued in the as early as 16th and 17th century, the businessmen who trade only for the sake of profit will fail. (cf [2]). What brings success is to keep the needs of consumers and the nation in the forefront of all thinking, planning and working. The concepts of Mu, Shibui and Wa are born out of such philosophical background and are of great influence in Japanese business.

HOLISTIC PRINCIPLES OF JAPANESE BUSINESS

Japanese business success and achievements for the past 50 years have been well described in the literature (see [23], [17], cf [2]). Although possessing its' unique cultural distinctions which can be also attributed as their success factors (such as kaizen or continuous improvement in a pursuit for quality or extraordinary collectivism and striving for a harmony of the group), there are certain concepts which we believe go beyond the distinctive nature of the Japanese culture.¹³ Those 3 concepts, widely translated into Japanese business reality, represent more of the implementation of the natural law, and are more universal, pointing towards the human (and consequently, business world's) relationship with the nature and other human beings.

Concept of Wa

Although Japanese culture is collectivistic, that does not diminish the importance of the influence of the individual. De Mente [2] states that Suzuki's notion of a good businessmen which must put heart and soul into the business to become a living Buddha. However, such devotion carries with itself inevitable care and benevolence towards all the players in the market, so to speak. Also, since all the things in the biosphere and inevitably on the market are interdependent, one effecting the other or being the cause of the other (or, if nothing else, being additional factor which will, along with the real cause effect the being), what becomes very important is trust and confidence, nurtured through harmonious and unselfish relationships.

Since everything goes into the circle, as Wa literally means, translated into business context it would mean functioning of employers and employees in a human-oriented circles instead of in horizontal and vertical layers. Such circular (cause-effect) approach relies heavily on unselfish and trust-based fulfilment of mutual interests and mutual responsibilities in order to achieve harmonious relationships in the company (cf[2]).

The idea of Mu

The idea of Mu is more of the pure Buddhist concept, meaning "nothingness" or as translated by western managerial thinkers as openness towards future. Lessem [11] explains such openness on the example of Sony's general manager. He claimed that his company had no fixed plans but it was totally open. As Buddhist (in this case Zen Buddhist) lives in the present, keeping his/her mind hollow, so does the company and in that way leaves itself wholly open for whatever future brings. We might say that such approach leaves companies open to all possible opportunities, not limiting itself with planning into certain directions and omitting vast space of possibilities.

Not only that such open or hollow mind becomes open for the opportunities from the market, but also it becomes more open to see the possible interdependencies that influence such market. The world is not only circular but also where there is no-thing

¹³ We must acknowledge here the important work of the American consultant and statistician W Edwards Deming, who after the WWII helped rebuild Japanese economy through implementation of quality control systems. We are grateful to the anonymous reviewer who pointed this fact to us.

there is still something. Or to put it in another way, the space is not empty but it is full of nothingness. And where there is nothing there is a seed of something, and only open mind can spot such seed first and acknowledge it as its' competitive advantage.

The concept of shibui

Shibui, or sensitivity towards persons and nature is managerial literature associates itself with both Buddhism and Shintoism (see [11] and [17]). This sensitivity towards person and consequently, the whole biosphere, comes from formation and nurturing of relationships based on feelings instead of rationality. The senses or feelings are basis of so called "kansei engineering", developing a production technology which will to the great extent satisfy customer's senses and feelings in product and not just rational notions of price, functionality etc.

In a sense, the concept of Wa is interconnected with the idea of Shibui, since the feelings for the needs of others are the basis of unselfish, trustworthy and harmonious relationships, not only in the company but in the whole biosphere.

The presentation of those 3 important concepts or philosophical ideas, as one might call them, clearly depicts differences in Eastern and Western stream of business thought and practice. However, as they might be a product of different traditions and cultural backgrounds, we believe that their main core idea can be implemented in the West as well. What is needed is our paradigm shift, awareness and realization that in the long run humanity will have to prevail.

PARADIGM SHIFT

In order for companies to implement holistic management processes within their companies, one has to understand what lies beneath such process. It is not just the understanding of the companies life cycles of products and services and their impact on the nature, it is changing of the awareness of the bearers that lie beneath the concept of the company – the people. It is the people that make decisions in the organizations, it is them who are the foundation of the organizations. What they are they bring into organization, trying to fulfil themselves as human beings, no matter what function they perform. Through their spiritual growth or simply, maturity and self-realization do organizations also grow and evolve, opening the space for holistic management to become implemented.

Such evolution of human awareness also calls for re-evaluation of our value paradigms and the change we are proposing is building upon the various economic and management scholars who have extensively in their respective areas been arguing for a necessity of shift to happen ([6], [12],[19],[20]).

1. from self-interest pursuing to mutual interest pursuing and selflessness

In his other important book “The Theory of Moral Sentiments”, Adam Smith (1759) has also said: “How selfish soever man may be supposed, there are evidently some principles in his nature which interest him in the fortunes of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.”¹⁴ So, although selfish, human beings have a potentiality of other-regarding behaviour, and even selflessness – the ability to enjoy in the happiness of others without reaping any benefit of it.

In many of the business occasions, self-interest is only a fragment of human behaviour, and managers from all walks of life have shown the importance of shared purpose, winning the hearts and minds of employees based on trust and integrity (e.g. South-west Airlines). As Simmons states: “When economists use the concept of self-interest to develop prescriptions about how to design and operate business organizations, they ignore the fact that, when people work side-by-side in organizations to achieve shared goals, they are not functioning as atomistic actors blindly pursuing their own self-interest.”¹⁵

Moreover, on top of shareholders agenda and short-term business orientation based on achieving quarterly profits with high level of returns as dictated by the investors, one finds in business arena leaders who are thinking about sustainability and longevity of their companies even when they as CEOs are or will be long gone (e.g. Indra Nooyi from Pepsico, late chairman Ryuzaburo Kaku from Canon¹⁶).¹⁷

For almost 40 years now the Dalai Lama talks about the sustainability of the modern world, environment and the humans, that is going to be possible only if our short-term self-interest orientation becomes mutual interest orientation. In the long run, it is the benevolence and care that create trust, long-term cooperation and market morality.¹⁸

¹⁴ Available at <http://www.econlib.org/library/Smith/smMS1.html>, accessed 24.10.2017.

¹⁵ Simmons, *ibid.*, p.28

¹⁶ Ryuzaburo Kaku is famously renowned for implementing and incorporating the idea of Kyosei as a corporate philosophy of Canon. Kyosei is also a basic philosophy behind the institutions such as Caux Round Table. Kaku based his business ideas both on ancient Japanese merchant laws and on reading Western economic thinkers, such as Schumpeter. For more on Kyosei and Kaku see: Kaku, R. (1997): „The Path of Kyosei“, *Harvard Business Review*, July-August, p.55-63.

¹⁷ E.g. Indra Nooyi famous talk in Aspen Institute 2014, where she elaborated on strategic change she and her management team did with Pepsico in diverting the company’s resources into more healthy portfolio of products. Group of investors in 2012 dubbed her investment into healthy nutrition unnecessary sacrifice of short-term profits. Her philosophy is that a CEO should run a company not for the duration of his/her mandate but for the duration of the company itself which should be for decades ones the CEO is gone. See <https://www.youtube.com/watch?v=KzLpryLUYsk>, accessed 24.10.2017.

¹⁸ For more see thorough explanations on <https://www.dalailama.com/messages>, accessed 20.6.2017.

However, living in the 4th industrial revolution as coined by the World Economic Forum¹⁹ where artificial intelligence, digital and gig economy, sharing platforms are something we are already experiencing in the business world around us. With inevitable improvements for our lives as consumers, employees and employers, there are also perils of precarious work²⁰, algorithms managing employees²¹ and deciding upon the work itself and general disillusionment with levels and redistribution of income and fairness in business²².

2. from predominance of rational behaviour to incremental increase in importance of the feelings

benevolence and care inevitably carry within them feelings and a dose of altruistic behaviour rather than rationality as such. In the economic sense, it is irrational behaviour, since its' basis is not pure self-interest, but rather mutual interest and selflessness. With benevolence and care concepts such as compassion, understanding, "putting yourself in other person's position" become important rather than scientific rationale. For Japanese managers "the corporations is the precinct in which managers and workers alike search for the meaning of life. The bond that unites all personnel is this shared mission of the heart and soul". (cf [21], p. X)

With the evolution of the humanities in the Western world, we believe that predominantly rational behaviour will be replaced more by feelings and altruism, "intuitive wisdom" as Dossi (cf [3]) calls it. It is an incremental process, but practice all around us (organizations such as Medecin Sans Frontieres, persons such as Dalai Lama, leaders such as Yvon Chouinard from Patagonia, Herb Kelleher and Colleen Barrett from Southwest Airlines) shows us that this is happening.

3. from linearity to "circularity"

"circularity" here simply means acknowledging the interdependence of all things instead of their independence. In the world which has become one global arena, independence as political state must accept the interdependence as the social and moral state. This is important on the micro-level of interaction between humans for example in different organizational units, as well as on the macro-level of nations and big multinational companies, that effect thousands of people around the world. Becoming aware that what one person or organization does have effects on many of the elements of

¹⁹ <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>, accessed 24.10.2017.

²⁰ <https://www.laborrights.org/issues/precarious-work>, accessed 24.10.2017.

²¹ When your boss is an algorithm, <https://www.ft.com/content/88fdc58e-754f-11e6-b60a-de4532d5ea35?mhq5j=e7>, accessed 24.10.2017.

²² <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>, accessed 24.10.2017.

the biosphere: other humans, Nature, other organizations, is what becomes universal responsibility, irrespective of culture, race or nationality.

One of the examples in the West is the company Patagonia, producing outdoor clothing and gear. According to their founder Yvon Chouinard, they realized the hard way the interdependence and the effect their production has both on the people and the nature. In one episode, the workers at Patagonia got ill, due to malfunctioning of the ventilation system in the factory which then revealed the true nature of the problem – workers have been poisoned with formalin, the substance ordinarily used to prevent cotton fabric from wrinkling. Instead of just fixing the ventilation and continue with business as usual, Chouinard and his team went to inspect their entire supply chain, starting from inspecting how the cotton is grown.

Realizing that production of cotton was heavily polluting the rivers and lakes due to extensive usage of chemicals, Patagonia switched to using only organic cotton. On top of taking care of the raw base behind their garments, they also take good care of other aspects of their supply chain, such as improving the lives of not just their internal labour force but also outsourced labour they use (they produce in so called Fair Trade Certified Factories).

They are keen environmentalists, with philosophy of consuming less but consuming quality durable clothing, that can be repaired and reused. With years, Patagonia has become powerful enough to sit with legislators and have their say regarding issues such as global warming, protection of public lands, human trafficking, sweatshops etc. They have so far donated over 82 million dollars to the NGOs for environmental and other purposes.

The story of Patagonia and Chouinard, clearly tell that more the power individuals have (power to influence events) , the more responsibility is in their hands, not just towards one dominant stream, but towards all living beings in the biosphere.

CONCLUSION

In this paper, we have tried to address the holistic management and holism as such by discovering the philosophical roots of its' origin in Buddhism. We have shortly touched upon its' application within the area of green marketing, and have focused more on its' application in the business philosophy permeating Japanese business.

The idea behind holistic management, based on interdependence, benevolence, care, feelings and senses, is in stark contrast with the ideas of traditional economical thinking found in the West both in scholarly and business setting. The dominance of rational, self-interest maximization seeking *Homo economicus*, together with the ideas of liberalism and stark individualism have created ideology based on pessimistic assumptions about humans and organizations, which as such permeates management and economic theories taught at business schools. (cf.[6]) Although experiments in behavioural eco-

nomics have shown that people behave very often in selfless, altruistic and other-regarding way, many of experiments performed using economic games, are still based on the premise of self-interest as a core human characteristic.²³

Our goal was to assess holism as the quality of relationships in the environment. Such relationships bare characteristics of “irrationality”, according to economics, since they are not predominantly based on self-interest pursuing, reductionalism and compartmentalisation (cf [14]). Instead they are based on awareness of biospheric interdependence of all beings, feelings and senses, benevolence and care.

With such background, it becomes a problem incorporating such concepts into Western thought and practice, in particular the business one. Our paradigm shift, built on the ideas of scholars and business people found both in the West and the East, asks for another evolution of human beings, which will acknowledge that good business behaviour is not only based on rationality, selfishness and profit maximization, greed and “kill or be killed” competition, but on accepting human beings as complex, emotional and rational, able to create value for others as well as one selves in business and still create profit. With the ideas presented in this paper, we as the authors blessed and privileged to have “legs” both in business and academic setting, hope to give our humble and small contribution to the Positive Organizational Scholarship (POS)²⁴ body of research.

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²³ Simmons, *ibid.*, p. 21.

²⁴ For more see <http://positiveorgs.bus.umich.edu/>, accessed 25.10.2017.

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