



Crossroads Cultural Center

in collaboration with the Christian Business Fellowship at Columbia University

Human Capital: Case Studies

Monday, November 23, 2009, 7:00 pm at Columbia University
with Mr. Anujee SAREEN, Portfolio Manager

Crossroads: Good evening, and welcome to all on behalf of the Crossroads Cultural Center. A warm thank you to our co-sponsor, the Christian Business Fellowship at Columbia University. Let me introduce Dr. Marco Aiolfi, who, as in all our previous lectures, will introduce the theme and the speaker, as well as moderate the discussion.

Dr. Aiolfi is a Principal of Platinum Grove Asset Management, with research and trading responsibilities for currencies strategies. Before this, he was a Research Scholar at the University of California, San Diego, specializing in macro asset pricing and econometrics, and in 2005 he was a Visiting Scholar for the Research Department at the International Monetary Fund. Dr Aiolfi has contributed articles to several academic journals including *The Journal of Econometrics*, *The Journal of Forecasting*, and *The Journal of Financial Econometrics*. He received his Ph.D. in Economics from Bocconi University in 2006.

Aiolfi: As the title suggests, the aim of this series is to look at the many ways in which the human factor affects the economic sphere. To some extent, there is a tendency in our culture to think of the economy as a fairly impersonal process that can be understood in "scientific" terms. Accordingly, public policy often faces economic questions like engineering problems, to be solved using appropriate fiscal, monetary or regulatory instruments. Similarly, economic debate in academia and in the media focuses on topics such as the role of the market, or mathematical modeling, or even the need for ethical guidelines, but mostly in a manner that is fairly abstract and removed from concrete human experience.

In the first lecture titled "Work and the Person: Toward a New Education," Mr. Bernard Scholz introduced the concept of human capital defined as the set of skills, knowledge and abilities acquired and those still incompletely expressed or even those that have not been discovered yet, during the life of an individual who seeks to achieve social and economic growth. We have been reminded that the protagonist of every economic initiative is a human being who lives work as an expression of his or her own desire to transform reality and make it more suited to the ultimate demands inscribed in our nature. The content of the first lecture is well summarized by what Mr Scholz said at the end of his talk: "What is good for a person it is also good for the economy."

In the second lecture, Professor Seth Freeman started his talk asking the question, "Where does prosperity come from?" Even though modern economics claims to know the answer to this question, there are profound problems with it. Trust is an example of one of the essential factors for the correct functioning of an economy whose existence cannot be explained by economic theory. No advanced economy could operate without a complex network of human relationships based on trust and shared values. Ultimately, contrary to economic theory, the source of prosperity is a mystery, but we do have clues that it depends on things like human capital and trust. Trust cannot be built inside the economic system but the right mix of soft and firm sources of trust is at the origin of economic prosperity.

In the third lecture, Dr. Kimberly Shankman talked about "Human Capital in *Caritas in Veritate*." Dr. Shankman underlined how the current understanding of human capital has its basis in the Enlightenment vision of the human person portrayed as an isolated individual who is motivated by a limitless, and thus ultimately unsatisfying, quest for accumulation of ever more material possessions. To effectively pursue this desire, this individual invests in his or her human capital to become a more valuable commodity in the labor market. The human person is an instrumental unit in the workforce whose skills and knowledge are separable from his or her essential humanity.

Pope Benedict provides this strikingly different account of human capital, indicating that human capital should be understood not as specific skills or qualities, but that the true treasure is humanity itself. The person in the fullness of his or her integrity is the end that the economy is to serve, not the raw material to produce goods and services. This different understanding of human capital is based on a fundamentally different understanding of human personhood. Whereas the Enlightenment vision is driven by the concept of self-ownership, the papal vision is driven by the concept of gratuitousness—giftedness. This understanding of human capital, flows from and is based on the broad conception of reason that the encyclical's title points to.

Our speaker tonight is Mr. Anujeet Sareen. Mr. Sareen....

Sareen: We are going to watch a video of a talk that François Michelin gave in 2003 in Rimini, Italy. Michelin, as you may know, is a world leader in the tire market with 68 production sites in 18 countries, and 117,565 employees. The Michelin sales network covers 170 countries. In June 2009, the first half net sales was 7.1 billion Euros, which is about 10 billion US Dollars.

Excerpts from François Michelin's Address at the August 2003 Rimini Meeting

François Michelin: Thank you very much. First, I will introduce myself. My wife Bernadette and I are seventy years old. We had six children: the two eldest belong to religious orders. The other two are, however, married and we have eight grandchildren. It's true, I love the clouds, I find truly that they are an unfathomable extraordinary mystery. I've always been attracted by the mysteries, but I also really like cars, tires, and the idea of working in a factory, and accomplishing a task that I like. There were a number of tragedies that have occurred in our factory. My father was appointed director of Michelin in 1929 and died in a plane crash in 1932. There was another son, Piero, who was appointed manager in 1934 and that, sadly died in 1937 in a car accident. And then, of all people who knew Edouard Michelin, he chose from among these various people, Puiseau, one of his sons-in-law. [Editor's Note: Three years after this talk, Michelin's son, Édouard, his successor as manager of the company, drowned in a boating accident at the age of 42.]

My grandfather passed away in 1940, and Puiseau ran the management of the Michelin factories in those most terrible years, under extremely strong Nazi pressure. And he learned to say "no." Then, he also opposed the Americans, who said that they would provide the raw material for making industrial machinery for the factory provided, however, to be able to visit the factory. And he answered: "nein." The Germans, who we met after the war and who had known Puiseau, said he was a taciturn man. He was my mentor and in the 1950s was also a victim of a serious car accident. At that point he told me: "You have to absolutely work in the factory." And here I am. I have been in the business for 51 years, to be precise, in a factory, and I started making tires. I worked in the manufacturing plants, then I also worked in the sales department, I sold tires, I did research. But above all, I tried to understand what were the problems of interpersonal relationships between people working in a business.

Let's step back, back to 1938. I have these memories of my early adolescence. I was twelve years old and, together with my cousins, my grandfather allowed us to work, to handle wood and iron, to get, in whatever way,

first hand experience. And here I met the personnel of the factory. And suddenly I realized that the label "blue collar" did not have any strict sense, that they were men, people, just like me, with qualities and defects. And so any notion of class suddenly disappeared before my eyes. This idea has been with me all my life.

I've told you what was my professional journey: Yes, I liked meteorology, I liked the clouds. I couldn't escape this request I had from Monsieur Puiseau who asked me to participate, to work for the company. But I immediately made it clear that it was not because of the fact of the name Michelin, but that I had to be good in the business. If ever I had not been able to work in a manner worthy of my name, they should tell me immediately. Since, however, I really like the automotive and tire industry, this choice has not given me any real trouble.

Moderator: I would ask you - perhaps you have already anticipated it - what was your first impression, your first thought about the world of business?

François Michelin: I have maintained excellent contacts with some colleagues in the school where we worked. I also met many in the industry and even outside the industry, and our conversations have always been extremely interesting. Because this kind of conversation can have a kind of stereoscopic view of life. Did I answer?

Moderator: Not yet! Coming from outside, although you have always lived inside the atmosphere of the factory, with what thought, what sense of responsibility, did you deal with this new phase of your life? This very difficult task, so heavy, as managing a company so big and complex.

François Michelin: The first thing I noticed is that nobody, in fact, was at the factory to earn their bread. That, in fact, the money in their paycheck comes from the pockets of the customer. Consequently, the true boss of the factory was not me; it was the customer. Imagine a heavy stock of tires that you cannot dispose of. You then cut the tires into strips to pay the salaries. But I do not think that a butcher would take a piece of tire in exchange for a piece of meat. So the question that arose was this: what do you do to ensure that the client was driven to buy our tires? Then, we realized immediately that the point was quality. This was the key point. Does the tire that we make meet the users requirements? And, secondly, we must bring down, as far as possible, the cost.

So with these two elements, with those two pillars - quality first, price second - you already have all the elements that allow us to understand what the life of a business is, of an enterprise. In your opinion, what determines the shape of the blade of a plow? Is it the will of the farmer, or is it the nature of the soil, of the ground? It is certainly the nature, the structure, of the ground. Everything comes from the customer. And everything is raw material, with which the tires are made, all are of a part and they determine the life and sustenance of the company. The whole problem posed by the interpersonal relationships between the employers and the workers of the company derives from this fundamental notion. If the boss commands only because he has the title of boss, it is a catastrophe. While, however, if the boss is able to understand the problems and difficulties of the people who work, who handle the materials, and if he is able to find solutions to their problems then, yes, he is a true boss.

One always thinks of a company as if it were a great pyramid. It's the opposite: it is the customer who commands, and certainly not those at the top, the bosses that are at the top - I apologize, but journalists always define us like this. We are always put at the top of this pyramid, but no, we are just at the bottom levels. In Italy there is talk of managers and employees, but I wonder: who is the employee of whom? Who truly depends on whom? And I'm awaiting the answer.

Moderator: It is not the one who provides a salary?

François Michelin: No, because the salaries come from the work of all, of everybody. And if the work is done badly then there is no salary for anyone. Here the boss is directly dependent on the customer and, gradually, throughout the production cycle—from the production equipment to the manufacture of the final product—there is a whole set of dependencies that are created. You have to have a realistic view of things to avoid making absolutely catastrophic mistakes.

Moderator: I think one begins to perceive—as I perceived in the conversation with Monsieur Michelin yesterday—a vision that catches us a little bit off our guard than the dynamics we usually see and perceive. Imagine, then, I am a journalist. As Monsieur Michelin rightly said we have a really schematic view of things. Let me ask you: when we think of a factory, normally when we think of a factory, one firstly thinks of a place of conflict and opposition. One automatically thinks that. From the history, but also our way of thinking leads us to think that. I am surprised by your different view of the factory, which is also your experience, conducted in fifty years of working inside a factory. As the place of a communal creation. I want to see a deepening on this point, because I find it catches us off guard from our usual way of thinking.

François Michelin: One day, there was a strike at the factory in Clermont Ferrante. The factory was closed, and I still wanted to enter the factory. At the gate there was a union delegate who I knew a little, and who was distributing leaflets. I can't remember his name but I remember that he had two extraordinary blue eyes. We started to talk a little: "I will be brief, according to you, the boss is a worker, like you? The boss, in your opinion, works?"

"No," he says, "in my opinion, he is not a worker."

"Well excuse me, what should I tell my wife? What should I tell her that I do every day?"

"No, you are not a worker because you do not have the status of a worker," he responded. Then he said, "In short, you're not a worker because you do not receive a salary and, above all, you do not take orders. While, by nature, the boss is the one who gives orders to the worker, however, the worker must respond to these orders."

I asked him if he was really sure about what he said, and he insisted: "But of course, it's obvious."

And I replied: "Yes, but there's a strike at the factory."

And he says: "Yes, I know."

And I responded: "This strike gives me an order, and makes me understand that something does not work in my factory."

When Mercedes, Peugeot and others ask me for a specific type of product, a tire of a certain type, or even Fiat—

Moderator: And Ferrari?

François Michelin: And Ferrari also, that is a problem that is a bit more complex. When these big car manufacturers request of me a specific product, suited to their cars, they give me an order. We transform a large metal cable into a small metal cable, a wire drawing. If the machines are poorly designed, the filament breaks. So, here in this case, the raw material gives us an order, and tells us: "You do not understand how to manipulate. Resume the research; resume working." So, I also was a worker.

The truth is that the worker is in fact the boss of his machine and must take into account orders that are given by the raw material, which he is manipulating. The main progress that we have achieved in the factory in chemistry, in particular, is right in having understood why with some tires, certain alloys work better than others. Chemists are at the disposal of the chemical material. Chemists have not created atoms and molecules. Therefore we need people who want to truly understand, who love the research.

What is true in the context of technical problems, mechanical or commercial, is even more true in the human context. The question we must ask ourselves is this: "What do you do so that people work well together? Why are there problems, small problems between people? And why do I myself have difficulties?" We see quickly that there is not a unique answer. Because each one of you, even in this room, is unique and unrepeatable. In the history of humanity you will not find a person like you, the same as you. That's why we have this attitude, this frame of mind that allows us to listen to people who work and live around us. In every human being, beyond the surface, beyond the appearance, there is a diamond that we may be able to discover together.

There are, in our trade, different tasks: there is one that is called "tire packaging," there's the driver, there is an engineer, but you must be able to look beyond the label of surface. Avoid labeling people by what they do, but understand who they are, go beyond their reputation. I will give a concrete example: the engineer who invented the radial artery, which has revolutionized the tire industry in the world, entered the factory as a print worker, who we put in the print shop. But personnel managers quickly realized that he had the qualities that went far beyond this very simple task. He was made to do other things, and we then saw that he had a fantasy that was absolutely rampant. (Fantasy, perhaps, is a bit different in French. Imagination, let's say). Unbridled imagination, but also a character that is extremely tenacious, stubborn. And this has enabled him to make this and other extraordinary inventions. So the question we always ask ourselves is this: "Who is the person with whom we are dealing? What are his strengths, what are his shortcomings?" It is a fundamental question we must ask ourselves every day, because tomorrow morning will not be like today, and neither will I be the same. We need to constantly look at what is happening around us.

Mother Teresa said that one day in a gutter in a street in Calcutta she saw something, a bundle that vaguely resembled a human being. She went over and it was a woman who was dying. This dying woman told Mother Teresa, "It is the first time that someone considers me a person." We are all basically on the street, in our gutter, with our nice label on our jacket. I will cite a personal example: You look at Monsieur Michelin, and immediately you think of preconceived ideas and clichés. But if you wanted to know who François Michelin is, it's a whole different kettle of fish. Who is François, without the Michelin, only François as a person. This goes for everything: if you see a trade unionist and you consider him only as such, you can not see anything about him.

One day, during a funeral, I found myself next to a leader of the CGT trade union, a retired union leader. I must say that I did not recognize him, because I used to see him always dressed for work. And he told me: "Well, Monsieur Francois does not recognize me anymore?"

And I said, "Ah, Monsieur Jacson!" Chatting, I also said: "Too bad we failed to do things together."

And he replied: "True, but I was not able to help."

If I had seen him at that time as a former union leader, maybe I would not even have stopped to talk with him. But no, I saw him another way, I saw him as a man. I must say that, in certain situations during a strike, he showed himself extremely effective. This goes for politicians, for journalists, for interpreters. Why you may have noticed that the interpreter has a heart (Interpreter: "true"). Did I answer the question?

Moderator: Yes. But I quickly have another one. I will admit, Monsieur Michelin, you are a figure of a businessman somewhat strange or otherwise different from what we normally think of as a businessman and of whom I, in my professional life, meet frequently. You talk about people, not roles, and we think of the factory and the organization of work as essentially an organization of roles. And you speak of diamonds hidden in people. Speak about this reality, the reality of the customer, the reality of raw material. It's hard to hear someone talking about raw material with this passion, with this knowledge, with this competence: for this raw material which determines the method of work, determines the organization. And this is very interesting, and I permit myself to say that it is also a bit unusual. Do you feel like a person who is very different from the system?

François Michelin: I do not care at all. It would be like saying that I disagree with the color of my eyes.

Moderator: But what do you think of your fellow businessmen? You know many, right? Also because I know that Michelin does not have good relations with the French Industrial Confederation, with the association of French businessmen.

François Michelin: I have some difficulty answering you because it is a quasi-political issue. But I will try to answer without falling into the trap of politics. I remember in '66 that the CNPF, that is the French Industrial Confederation, had issued a very pompous statement, saying who was and who was not a businessman. I could not find in this document the term consumer or customer. Some years later I met one of the French Industrial Confederation leaders, who scolded me saying: "We absolutely cannot admit to being somewhat controlled by our customers and the consumers." It was a sort of humiliation for him. From there, obviously, descended a total opposition to what the French Industrial Confederation said, because for us it was a stronghold.

This was the basic problem, then there was a second problem, namely that the CNPF never wanted to talk to shareholders. The shareholder is not reactionary [there's a play on words with the French that is not translatable]. Without the shareholder, there is no money, no factory, there is nothing. Unfortunately, as we know, the fact is that companies need to have strong liquidity, money. And what do you do? It calls for a capital increase. You ask someone to contribute with money which, among other things, will never draw more, if you do not ask the shareholders. Do you play the numbers with borrowed money? The answer is no. Do you hire an engineer with incredibly good ideas, of excellent quality, with the borrowed money? The money borrowed must be repaid, with interest. When you find people like shareholders, who are quite "crazy" to invest money and expect a return on this investment, based on the growth of the company, well, we are thankful for these people. Who has not had the ordinary experience of wanting to buy or build a house, going to his bank, and being asked, "What guarantee do you give me?" The extraordinary industrial growth we have had in Europe in recent decades has to do with people who took this financial risk, this economic risk. This type of risk, it is the shareholders who have decided to support it. A trade union has never created a business.

Moderator: There is a question...

Question: I wanted to ask this: Regarding the new leaders, the leaders of today, Do you think that they are in a right position towards their own employees, towards the people who work in a factory, or do you find a difference between your thinking and that of the new leadership?

François Michelin: Life in society is possible only if each of us understands the intentions of others. If you speak from the perspective of the manager of a company, the boss: If the manager of a company, the owner, is able to express clearly and convincingly that the customer is our true boss, that the materials are stronger than us, and relationships that are created within the group are important, this would be the ideal. I have committed many mistakes in my life as a boss, in technical choices, but unfortunately, I very much more regret those that regard relations with personnel. But people have always said, "You did wrong, you probably have done wrong,

but you did not wish to do it, you did not have the intention of doing so.” The correctness of the intention in some way repairs the mistakes made. I believe this is the answer to your question.

Question: What I meant to ask was this: The personalities of today, that is, the leaders of today ... I was wondering if you found an affinity with your thought, that is, your way of directing that you used in all your years of leadership, or do you find that these people have different values, different ideas. So do you find, or not find, this affinity in the new generations of leaders?

François Michelin: Just before I had responded to a question by saying that I do not care. My job is to disregard the fashionable ideas, the circulating ideas, but to see what is really useful for the activity that we carry forward. Many business executives living in Paris and, therefore, inevitably, are surrounded, filled, with the fashionable ideas. My office, however, is in a factory, and every day I am in close contact with the personnel of the chain assembly, of manufacturing, etc. We meet in the factory, within the perimeter of the factory and chat. This is not possible in Paris. I think that many business executives, many owners, think what I think, but do not have the courage to say so. This, perhaps, is the right answer to your question.

Question: I wanted to know if you ever fired anyone, and what are the conditions for a dismissal.

François Michelin: If I were the boss of Manchester United, according to you, and the goalie was really incompetent, what should I do? Should I keep him or not keep him? It is, naturally, a bit of a provocative image, a little forced. Take the example of a dismissal that is not dictated by economic reasons, but just because that person does not have the qualities, the skills, and in some way hurts our company, causes harm to our company, for a variety of reasons. The first thing to do is to call him, to meet with him and say, "This will not do, let's talk. You absolutely must improve your performance on a number of points. We believe that you are able to do so because you have the ability and the intelligence." And if this person continues to do nothing, you make the decision to fire him, you know? The company needs teamwork; it is a team. Often the shareholders decide to get rid of the managers because they are not doing their job.

Certainly firing someone is painful, really. I've done it at times. One day I met in France a Labor Minister, and he was talking about the issue of layoffs. The conversation was a bit strange, a bit cloudy, and I could not understand exactly what he said. He was a Socialist minister, but he could in any case have been a minister of the Right. I told him: "I think you believe that the owners take a sadistic pleasure in dismissing their employees." And to this question I did not get any response. I find that silence to be a terrible answer.

We find this basic phenomenon, worldwide, but it's more European today. We talked about it before, namely that the company is considered a place of conflict, confrontation, opposition, disjointed. There are the managers, there is the personnel, there are the customers: all with no contact. But this, really, is contrary to reality. This derives from the Marxist philosophy that does not accept that man also has a spiritual dimension, that each of us is important in his work, his own job, and that we must necessarily seek to understand one another. And it is the liberation that comes from communion.

Moderator: Heading towards the conclusion of our meeting, I would like to ask if Monsieur Michelin, in fifty years of intense life in the factory, has never been tempted to leave, to abandon it. Are you never tired?

François Michelin: Certainly, like everyone else.

Moderator: And you did not do it. Why?

François Michelin: I do not know. My father once told me: "All black clouds have a silver lining, and never forget that men and women have enormous personal resources." And when I wanted to drop everything because

I'd had enough, I went to see the staff working in the departments and, without bothering to read statistics, internal reports, documents, etc., touch the tangible reality and practically regained the strength to move forward. I could not do any of this without my wife Bernadette.

Sareen: As we conclude this four part seminar on human capital, I would draw your attention to two themes that carried through all of the sessions we've heard these past few weeks. The first is a recurring emphasis on broadening our use of reason. This began with Bernhard Scholz correcting the common definition of human capital: "it is often wrongly defined as all the people who work inside a company or within a nation, a new translation of "human resources," as the counterpart of financial capital. Instead, I would define the term "human capital" as the set of knowledge, skills and abilities acquired, and those still incompletely expressed or even those that have not been discovered yet, during the life of an individual who seeks to achieve social and economic goals." Indeed, human capital often works in the exact opposite way of physical capital – while a production facility depreciates over time, human capital can improve and expand over time. We're talking about human beings – our capacity to learn, expand, innovate, and create is not merely evident in what preceded someone's date of hire. And the reason for this is human desire is what drives our engagement with reality, including work.

In the second lecture, Professor Freeman challenged our reason to expand further when we think about human capital in the sphere of economics. He specifically went after the notion that economic self-interest is the sole driver of economic exchange. His wonderful thought experiment, asking everyone in the room to split into pairs and negotiate a deal with 10,000 imaginary dollars, was particularly illustrative. We simply do not move based on pure self-interest alone – our humanity is fully present in work, as it is in other areas of our lives. We cannot understand economics if we don't begin with how the entire human being is engaged in work and economic exchange.

Dr. Shankman, in the third lecture, focused significantly on this issue of broadening reason, because this has been precisely Pope Benedict's focus in his papacy, in his recent encyclical, in his speech at Regensburg, and on many other occasions. "Pope Benedict may be considered the "epistemological pope". What we can know, how we can know, and the proper scope of our power of reason are all topics that he addresses over and over again, in a variety of contexts...Beyond the academic realm, the influence of science as the normative mode of reasoning has spread throughout the culture. The result has been the division of the objects of thought into the realms of "fact" and "value", with the assumption that only questions of fact are relevant subjects of public discourse...The pope is asking us to consider two words not normally associated with economic policy. He is challenging us to examine our fundamental presuppositions –that charity is a sentimental impulse outside the sphere of economic analysis and that truth is a vestige of an outworn epistemology."

In his delightful interview, Francois Michelin also seemed to expand the use of reason in the business world. We're not talking about "soft" issues of business management – he makes it very clear that his business begins with reality – without the customer, he has no business, so naturally he places a premium in following his customer. He also recognizes that his job is to follow his employees, because also without them he has no business. And, in fact, following his employees, in a fully human way, means to see in each of them the potential for something more – as he indicates from his example of the engineer who invented the radial artery. He is just as realistic when he recognizes how the providers of capital, the shareholders, have been essential to the growth of the business. Michelin does not come across particularly ideological, refreshingly, - he is a man focused on the issue of human capital that expands our use of reason.

The second theme that carried through the last few weeks was the fact that human beings are, by nature, relational. As such, the human capital of a company cannot be understood as simply the collection of individual

skills sets. Scholz said “In all of these organizations, no one can “do it on his own,” but each can make a contribution according to one’s skills and personal knowledge.” He then asks “How is it possible to really express one’s abilities, to really follow one’s desire, through a participation that only “makes a contribution” without, instead, making a “complete” work?” He answers “The first condition which gives dignity to every person’s job and to each employee is the clear and transparent statement of common goals and principles which support and define their many responsibilities. It is only when I know the content of my work and the common purpose to which I am devoting myself that my work acquires a real value and allows me to establish a relationship of trust between myself and other employees. Also, the opportunity to serve in a great “cooperation” becomes a true appreciation of your own person. Something much deeper is reflected in this experience: If we look at human life as a whole, we realize that everyone has collaborated in the real history of the world, and that all that they need comes about through a cooperation, without which none of us would even have food and clothing. We live in a large network which only and ideological individualism has been able to reduce to an isolation which seeks the other person just for a few fleeting needs but not for a real sharing.”

Professor Freeman really focused on the role of trust and trust mechanisms. Without trust, so many business relationships and structures fail. Much of the seizure in markets last year reflected a collapse in trust, despite the increasing sophistication of financial instruments to hedge risk. His focus on the success of microfinance in emerging markets, particularly the story of Suffia Begham, was very interesting. Muhammad Yunus won the Nobel price in economics because of his insight of one of the most basic elements of human relationships, trust. Professor Freeman urged us to think about what builds trust, more deeply – that it shouldn’t be an afterthought in economics.

Dr. Shankman also explored this relational element of human capital in her synthesis of the Pope’s latest encyclical. She sees the Pope challenging the prevailing notion of human self-sufficiency. “the system is driven by a vision of human personhood that is based on both isolated individualism and the assumption of self-ownership.” Instead, the Pope says “the truth about the human person –the fact that we are not owners of ourselves but stewards of gifts, talents, and blessing that we did not create- points inexorably to the necessity of charity as an integral component of all human relations, including economic relations.”

Francois Michelin said “Life in society is possible only if each of us understands the intentions of others. He speaks from the perspective of the manager of the master: If the manager of a company, the owner is able to express clearly and convincingly that the customer is our true master, that matter is stronger than us, and the relationships that are created within the group are important, this would be ideal. I have committed many mistakes in my life as a master in the technical choices, but unfortunately, I regret very much more, as regards relations with staff.”

I hope what became evident in this lecture series is that a broader use of our reason to look at human capital is entirely consistent with the purpose of business. Successful economic enterprise, a more fulfilling experience of work, regardless of our position, is possible when we look at human capital in a more complete way, so that there is no division between our human desires and our capacity for work.