Towards a New Model of Wealth Creation: Shareholders and Stakeholders

Charles Hampden-Turner and Raymond Ferris Abelin

Institute for Manufacturing, Cambridge University
chuckht@aol.com

Abstract

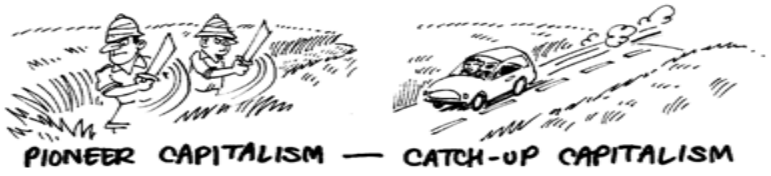
There are currently two distinct approaches to a capitalist model of free enterprise. The first is the Shareholder Model. In this approach the prime purpose of the economy is to enrich individual shareholders. All other activities like satisfying customers, developing employees and rendering the company more innovative are means to the end of profit maximization. In the Stakeholder Model the several stakeholders, employees, customers, shareholders, the community, the supply chain, banks, the government and the environment are all believed to have a stake in the output of the business and the outcome of its policies. Such policies should benefit the entire range of stakeholders. This article argues that the second model leads to faster economic development and better all-round outcomes for the stakeholders.

Historically the shareholder model came first. Pioneer Capitalism is more risky and more individualistic than Catch-up Capitalism, which is more community oriented. The latter generally follows the path of the first and because many of the shareholders are foreigners and pioneers, it seeks to benefit its own employees, workers, suppliers and customers who are those in pursuit of individual and often competing interests.

Keywords: Shareholders vs. Stakeholders, Catch-up Capitalism, Individualism-Communitarianism, Anglo-Saxon Model, Asian Model, direction vs. indirection

Individualism vs. Communitarianism

UNIVERSITY OF CAMBRIDGE
Judge Institute of Management
cambridge's business school



The pioneer capitalists take higher risks and cut through the elephant grass to build a new economy. The Catch-up capitalists drive down the roads created by the pioneers. Because Western capital was at one time the only available resource, countries catching up have tried to replace this with domestic savings and regard shareholders as less central.

Introduction: Two Rival Models

The recent financial crisis has sent shockwaves through the academic community, at least among those of us who are fully awake. Two models of free enterprise are vying for supremacy and the collapse of major parts of the financial sector have set back the paradigm that was once dominant, boosting its rival, so that there is now a serious contender. These two models are the Anglo-Saxon Model of free enterprise and the largely Asian and mid-European stakeholder model. The Anglo-Saxon Model is especially strong in the UK and USA, the two nations pioneering the industrial revolution and using the English language to promulgate their views on a global scale. Australia, Canada and New Zealand are also disciples of this view. The major discipline involved is economics, urging the views of Adam Smith, Milton Friedman (1962) and the Chicago School and implemented up to the recent financial crisis by Alan Greenspan. The model's current rate of economic development is very slow. These nations have generally suffered much more from the financial crisis.

The alternative view is the Asian Stakeholder Model, which is popular among those nations fast-following Britain and the USA. This approach was at first typified by Germany, France and Scandinavia in the 20th century. These used industrial banking to chase the leaders and succeeded in closing the gap in most instances. Today the prime practitioners of the Stakeholder Model are Japan, South Korea, Taiwan, Singapore, Hong Kong and more recently, the PRC. This model conceives of wealth creation as an alliance of stakeholders: employees, customers, network partners, shareholders and banks, the government, the community and the natural environment. Its potential discipline is organizational studies and human behaviour in organizations, since this discipline deals with relations between various national constituencies. Its rate of economic development, on average, is much faster and these nations rebounded much better from the crash of 2008. The two models contrast as follows:

Anglo-Saxon Shareholder Model	**Asian Stakeholder Model**
1. What profits shareholders must be good or customers would not buy it.	What is good must be made to pay by the concerted efforts of stakeholders
2. Benefitting employees, customers and suppliers is the means to shareholder enrichment. The company is owned by its shareholders who are entitled to benefits.	Stakeholders are not automatically benefitted when shareholders gain. The parties must negotiate and share gains, and do ever more to support each other.
3. The purpose of business is the private enrichment of individuals.	The purpose of business is to see that a whole community learns and improves.
4. Industry is a means to profiting. This is the ultimate end, the bottom line.	Industry is meaningful in its own right and profits keep it going and growing.
5. The whole idea is to make money, which banks do very well by lending out and directly leveraging	The whole idea is to create wealth, which involves benefiting customers and reaping rewards indirectly.

6. Shareholders come first. The money they invest makes everything else possible and all other participants must reward them.	Shareholders come last. First managers must motivate employees. Employees must satisfy customers. Customers generate revenue and only then do shareholders benefit.
7. New businesses are mainly started by venture capitalists.	New businesses are mainly started by extended family savings.
8. Innovation is the work of redoubtable, fearless individuals who defy collective opinion.	Innovation is the work cohesive, enterprising communities who build networks of mutual trust.
9. Manufacturing is better outsourced to cheaper locations so that shareholders benefit from this.	Manufacturing is the heart and integrity of the stakeholder enterprise and the only hope for our poorer citizens.
10. Governments should intervene as little as possible. They only distort the operations of the free market. Weapons and space exploration are exceptions.	Only governments can look far enough ahead to save the planet by sustainable energy and preserve the environment. Military spending can become excessive.
11. The main hope for poor countries (e.g. Africa) is to allow American shareholders to own most of their infrastructure and raw materials.	The main hope for poor countries (e.g. Africa) is to let the Chinese build their infrastructure in exchange for access to their raw materials.

(China spends more in Africa then the entire European Union)

There is growing evidence that the stakeholder model is producing far better results for its advocates. We believe that this is a signal for those specializing in subjects like Human Behaviour and Organizations to rise to the challenge and support this model, providing an alternative approach to economics. As Chang (2011) has pointed out, economic development is *inversely proportionate* to the number of economists in a particular nation! The reasons for fast growth lie outside economic "science". Let us consider the points made in the boxes above one by one.

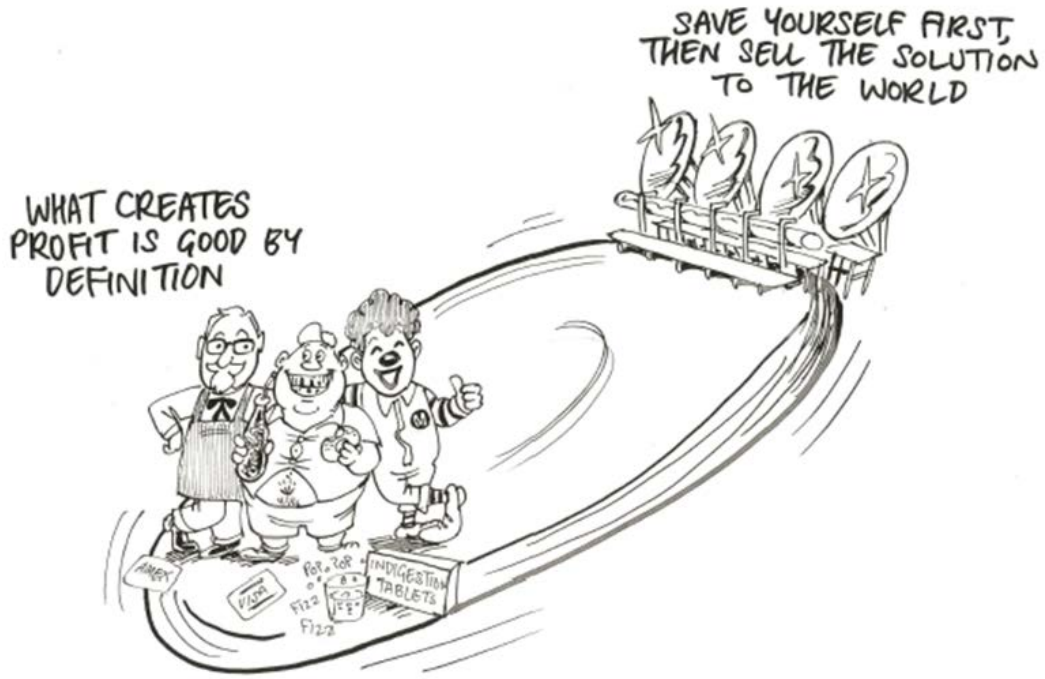
The Literature Review

We will now go through points 1-11 and survey the relevant literature.

1. **What makes money for shareholders must be good vs. what is good must be made to pay by the concerted efforts of stakeholders.**

Fons Trompenaars (1992) and Trompenaars and Hampden-Turner (1997) refer to this as a "Specificity bias". There are specific thinkers in the USA and the UK and diffuse thinkers, most pronounced in East Asia. Most Chinese regard wealth creation as the result of relationships

and connections, to be "wealthy" is to be "well connected". *Guanxi* means not just relationships between people but between ideas, concepts, bodies of knowledge and between Yin and Yang in Taoist philosophy. See Haihua Zhang (2008) and Ming-Jer Chen (2001). The Chinese see the connections between stakeholders and their ideal is harmony between these stakeholders as befits the Middle Kingdom.



At bottom left we admire Kentucky Fried Chicken and Ronald McDonald because these make money and the Chinese seem content to let us dunk donuts while they strive to make solar energy a profitable business, which so far it is not.

2. Employees, customers and the community are the means of shareholder enrichment.

The shareholder model makes employees, customers and the community into mere means to the enrichment of equity owners. It is fine to serve customers and to train, educate and develop employees but the reason for doing these things is to make shareholders wealthier. If the shareholder is *not* made wealthy by such activities these should cease. If declaring employees redundant, outsourcing manufacturing, reducing assets and/or reducing costs does more to increase the share price, then this should be substituted for growing the workforce or learning new skills.

One result of this policy is to make shareholders richer and employees poorer. Robert B. Reich (2011) has shown that the top 1% of wealthy individuals in the USA now own 24.8% of total income, mostly in the form of shares or bonds. Only once before in America has inequality been so marked, in 1929 on the eve of the Great Depression when it stood fractionally higher! John Maynard Keynes (1938) highlighted the problem. If a person of poor or medium income earns more, this will immediately re-enter the economy in the form of new purchases, but give this money to the very rich and they will either save it or use it for speculative purposes.

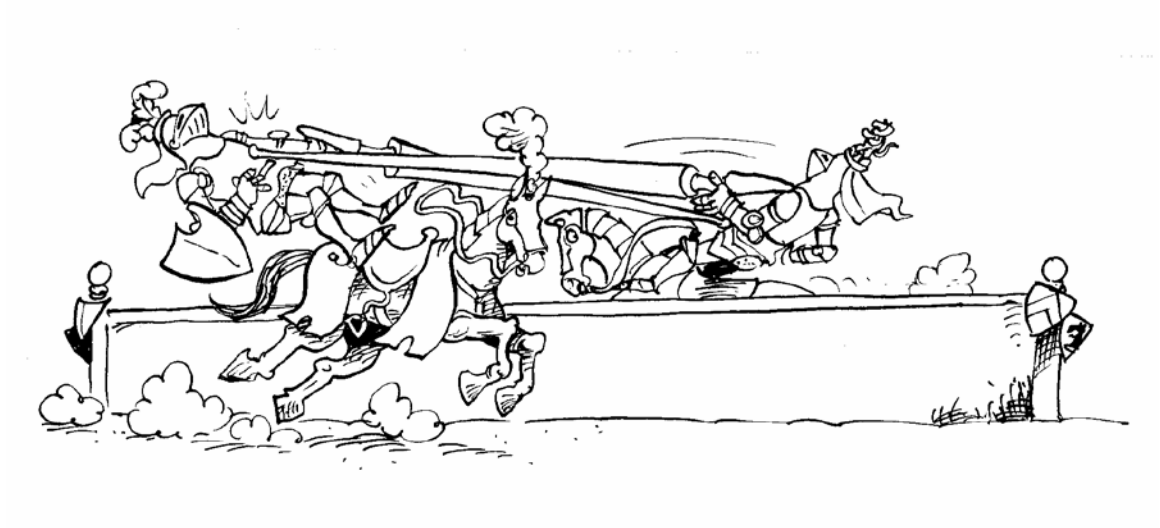
Moreover giving so much to the very top earners deprives the middle class upon whose industry as stake holders the entire economy depends.

One consequence of putting shareholders alone at the apex of the system is that these manipulate employees with "carrots" who then manipulate customers.

3. The purpose of industry is the private enrichment of individuals.

We handicap our own economic growth if we measure only what has been taken *out* of industry and not what we have put *in.* What is given to shareholders must be subtracted from the rewards to employees and it is they who do the producing and innovating, if indeed any of this is to occur. Shareholders can be described as people who do not share! Fons Trompneaars (2008). They may not know in what companies their money is invested, may keep it there for a matter of hours only and buy other shares to make short-term gains. Like absentee land-lords they are separated often by great distances from what they own. Culture shocks like a hostile take-over or mass lay-offs that cause share prices to jump may bring other stakeholders only grief and disruption.

There are many ways of boosting the share price which may do other stakeholders no good or actual harm. Buying back your own shares will cause a temporary blip, enabling holders of share options to cash in but does nothing for the prospects of other stakeholders. It is extremely unlikely that fewer workers will do a better job. In the meantime the salary costs saved find their way into shareholders pockets. If you buy a company you can order it to borrow heavily and give the proceeds to shareholders. Even if that company eventually succumbs beneath its load of debt, the temporary boost in dividends has raised the share price with the consequences to come much later, before which the shares are unloaded. Increasingly the relationship between shareholders and their "agents" has become *adversarial.*



Since the Reagan-Thatcher revolution in the early 80's shareholders have increasingly formed adversary relations with customers, employees and the environment.

There is increasing evidence that we *learn as knowledge communities* how to produce and innovate better (Peter Senge, 1989) and *build core competence (*Gary Hamel, 1989). Yet shareholders are in no sense a community, nor do they have shared knowledge of the businesses in which their funds are invested, nor is their interest long-term save on a very few occasions. The life-spans of corporations are less than the life-spans of individuals, a fact that reveals our priorities. Lehman Brothers is dead but Dick Fuld, architect of the disaster, is very rich indeed (John Gray, 2010).

4. Industry is a means of profiting. The ultimate end is the bottom line.

The problem with this doctrine is that the very word "end" suggests we then stop, having reached our goal, but creating wealth is a *never ending process.* Profits need to be ploughed back so that industry expands. Too much emphasis on harvesting gains will slow growth down. There is also the problem of morale. Do we seriously expect workers and managers to rejoice over making money for people they do not know and have mostly never met? Do you embrace you spouse on your homecoming and happily announce that you made even more money for shareholders today? Is it not truer to say that industry is *Heart Work* as Chan Chin Bok (2002) put it, that much of our work is its own reward shared with customers and community?

One problem with valuing profitability above all else is that our competitors will give this to us while taking the rest of the pie for themselves. Thus Clayton Christiansen (2009) explains how Flextronics, a humble Singapore sub-contractor, got the best of Compact, the one-time Texan computer-maker. They had long made the circuit boards for Compact but then were asked to make the motherboards as well. They could do this for 20% less which would boost Compacts profits, so Compact agreed. The same logic led Compact to give them first assembly, then logistics and supply chain management and finally the design of the computer itself. All these tasks were handed over and after every deal Compact's profits climbed, especially their asset-profit ratio since they had given away most of their assets! There was only one problem.

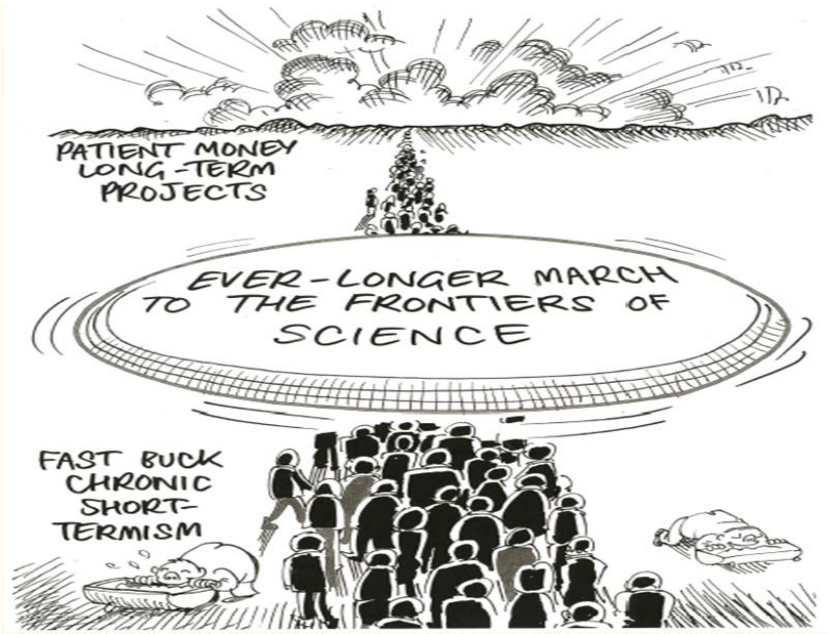
Flextronics had captured most of their core competence and held all the aces. Compact was later sold to Hewlett Packard.

5. Making money by direction and by leveraging or indirectly via others.

You can make money directly by lending and leveraging, a favourite tactic of banks and finance houses, or you can make money by *indirection,* by first doing something for the customer and allowing him or her to repay you. Stake holders make money by supplying each other and paying for this later. Bankers tend to make money by direct manipulation of the market. By far the most common way of doing this is by leverage, that is by lending out multiples of what you have yourself borrowed. If you forbid your clients to leverage more than four to six times, while leveraging your own funds thirty times then this considerable difference is pure profit *provided the price of assets keeps climbing.* Unfortunately this is not genuine wealth creation. It is not even a lever for creating wealth as the metaphor implies. It is rather a "magnifying glass" that increases profits and losses, and tips us over the precipice when asset prices fall. This is what happened in the latest crash (Paul Mason, 2009).

As we rely more and more on science for our innovation, our ways of profiting become ever more *indirect.* You first need a Ph.D. and after perhaps twelve years you discover a commercial application for this knowledge. Increasingly there is a long march to the leading edge of the hard sciences and we must think of knowledge years ahead of thinking about profits. Our shareholder-dominated industry finds this very difficult. They want their money *now* and switch their allegiance to whoever provides it.

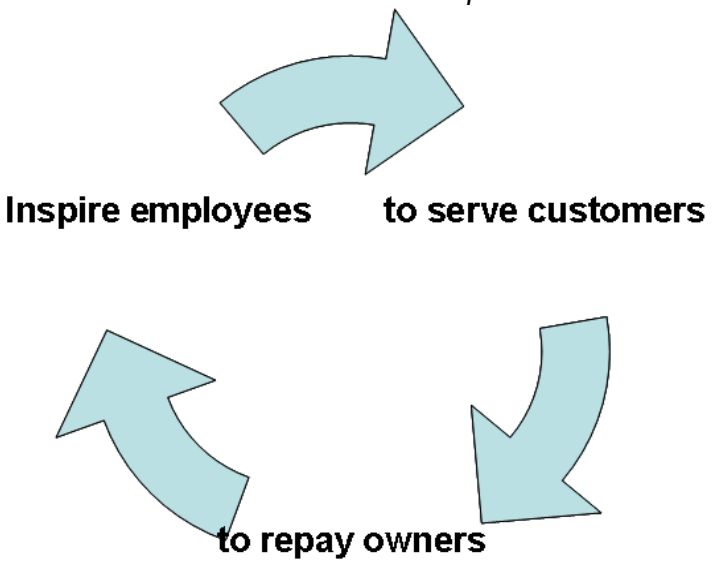
6. Shareholders come first, or is it last? Their money makes all else possible.



Creating wealth through advancing science is ever more indirect since we have to master the knowledge first. Those after a "fast buck" are very ill suited to this quest

The view is that shareholders put up the money which makes everything else possible. Since they started the process it rightfully belongs to them forever. The word "organization" is from *organon* meaning "instrument". The organization is the shareholders instrument for making money and they can use it as they wish. If they use it rationally and wisely it will serve them well and generate a stream of profits.
They provide the money and the rest of us pledge our working lives, a bargain which on reflection, is somewhat uneven. See Thomas Frank (2001).

But is this view correct? Most businesses become publicly held corporations only *after* they have succeeded and made an Initial Public Offering which shareholders take up. They actually start with no money at all, just an idea. The would-be supplier approaches a potential customer and if a deal is struck the company is born. Arguably it is stakeholders who start the whole process going, suppliers, employees and customers. One extremely successful US company, which has been *very* good to its shareholders over seventy or more years is Johnson and Johnson (J&J), originally a family-owned company. The company's credo, originating in 1942 is "Shareholders come last." See Collins and Porras (1994). This does not mean shareholders are least important. It means shareholders come last *in time.* First managers must motivate employees. Second employees must serve customers. Third customers must buy more from this supplier and *only then will a surplus be generated from which shareholders can be paid.* The irony is that J&J has treated its shareholders better than almost any other US company over the years and that, sharing your gains with other stakeholders *is in the interests of shareholders themselves.*



Inspiring employees and serving customers need to come first so there is money to pay shareholders their due. The latter come last in time, not in importance.

Another irony is that Americans have long known that looking after customers by having highly motivated employees is the path to wealth creation. Heskett, Sasser and Schlesinger (2003) cited dozens of profitable companies in *The Value Profit Chain.* In nearly all cases the customer-served-by-passionate-employees was the focus of their strategies. More recently Sisodia(2012), the founder of a movement called "Conscious Capitalism" has demonstrated that

"firms of endearment" as he calls them, relating to *all* stakeholders, vastly out-perform even the better conventional companies. He recently reported the results below.

	ROI S&P 500 Companies	ROI Good to Great Companies	ROI Firms of Endearment
3-year time-horizon (% profit)	38%	75%	73%
5-year horizon	13%	77%	128%
10-year horizon	122%	331%	1,026%

These results amaze, especially when we consider that Good to Great companies selected by Collins (2002) were chosen in large part *because they were profitable*, while the Endearment companies were chosen because they cared. Popular approaches to organizational development, like the Balanced Scorecard of Kaplan and Norton (1992), appear to take the presence of stakeholders for granted and to regard a balance between these as desirable. They generally avoid discussing the politics involved in giving the financial perspective a dominant role. They do point out that the shareholder view faces *backward* in time to what has been accumulated up to this time. This does suggest that grabbing the lion's share for shareholders is suboptimal.

Finally, Anderson (2009), the $4 billion maker of carpet tiles, pledged that his carpets would make zero impact on the environment by 2020. His company is already 75% of the way to his goal, finding that this higher purpose transformed the morale of customers and workforce alike.

7. **New businesses are mostly started by venture capitalists.**

The popular notion that venture capitalists start new businesses is only true in a minority of cases. By far the most common form of new business is family firms started in networked communities who undertake to buy from each other. The GEM studies produced by Babson College and the London Business School show that the most common reason for new business start-ups is *necessity*, the need to survive. The self-fulfilment of the individual is secondary although not unimportant, especially in the West. Several scholars are now making the case that even innovation, or Open Innovation as they call it, is the work of networked supply chains. See Henry Chesborough (2010). Wealth is generated by whole systems not so much by individual firms.

8. **Innovation is the work of redoubtable, fearless individuals.**

The shareholder model insists that a company exists because of the fearless individual who started it all. In the beginning he or she owns the company and is joined by other shareholders. The so called community plays a minor role. If we undermine the sovereignty of the founding individual we will lose the whole plot. The drive comes from the individual owner.

But how true is this? We know from Everett Hagen (1967) that 50% of all entrepreneurs in Britain's industrial revolution came from Nonconformist sects. David K Hurst (1995) points out that English Quakers out-performed the populations as a whole *forty times over* in wealth

creation. In the Philippines at this time a 3% Chinese population owns 70% of that nation's wealth with similar proportions elsewhere in South East Asia. The capacity of certain immigrant communities to create wealth is legendary. After Singaporean Chinese were expelled from the Malaysian Federation their new nation grew four to five times faster than Malaysia, where a 31% Chinese population controls 71% of the wealth (Ming-Jer Chen. 2001). All of this suggests that wealth is created by *communities and their norms which favour enterprise.* In short, stakeholders do it together.

9. Manufacturing is better outsourced to cheaper locations, so that shareholders benefit.

One of the most serious consequences of placing shareholders ahead of all other stakeholders is the habit of outsourcing much of our manufacturing to work forces abroad. If we *wanted* these to prosper and overtake us no better strategy could be devised! Gary Pisano and Willy C Shih (2009) have tracked the decline in the US balance of payments in High Tech from $27.8 billion in surplus in 2000 to $53.8 billion in deficit by 2008. Since then it has deteriorated further. They trace the decline of the US *industrial commons,* the pool of community-based skills within America in the vicinity of its major companies, in other words stakeholders.

When you outsource say, battery technology to China for making electric cars, you thereby sacrifice the whole industry, because the performance of the battery is the key to the success of the car and countries that have a skill-pool able to fit better batteries into improving vehicles gain competitive advantage. Innovation often comes from rearranging thousands of incoming components and manufacturing is the hub of this convergence. Certain key components, especially in electronics can give rise to successive industries. They are its building blocks. Outsource these and you have given way the very context of innovation itself. The American tax-base needs the salaries that were once paid to managers and workers.

10. Governments should intervene as little as possible, leaving it to free markets.

One of several stakeholders is the government and those who advocate shareholder sovereignty also advise that the government stay out. The problem with this view is that the USA has always prospered most at times when the government most interfered. The Great Prosperity lasted from 1947 to 1975 and this coincided with *massive* government expenditures. The Cold War gave the USA the largest command economy ever known, while space took up as much as 4% of total GNP. Federal spending on education doubled in the years after Sputnik. Money was shovelled at social problems to prove that our society was superior to the Soviet Union and cost-plus contracts were a substantial boost to innovation (Reich, 2011).

It was when the Cold War ended and government contracts were cut back that the problems were exacerbated. Similarly the Great Depression was ended by preparations for World War II. Americans have always been prepared to spend on defense but not on new threats to the planet, like global warming, food and water shortages and the urgent need for renewable energy. That China has seized a 75% world share of solar energy technology and Germany is moving out of nuclear energy shows us that governments are taking bold leads in this area, where shareholders see only costs to be avoided (Paul Mason, 2009). Can we leave the fate of the planet to shareholders?

11. **The main hope for poor countries is to allow American shareholders to own most of their national assets and infrastructure.**

Nations have severe difficulties with economic growth unless it is home-grown, arising from the enterprise of its own people. One reason that so many economies followed the Soviet path to economic development, despite repeated failures, was that this at least empowered the nation state by making its government responsible. A reason for the prosperity of first Japan, then the Pacific Rim and then China was their *very high domestic savings rates.* Capital could be supplied by their own people to make their domestic industries strong. They were prepared to accept the market under those circumstances. Countries without substantial savings faced the problem of becoming dependent on foreign shareholders, largely American.

It is no coincidence that "catch-up economies" (see Charles Hampden-~Turner and Fons Trompenaars, 2000) are virtually all stakeholder economies. There is some inward investment but this is a small proportion of the total. Nations need to take responsibility for their own growth and governments lead in this in process, acting as "coaches" in addition to being "referees." See Bruce R Scott and George C. Lodge (1985). The "coach" as in football is often popular, but the "referee" is rarely so, making it difficult for Western governments to lead, save in national emergencies. The example of China's policy towards Africa where it exchanges infrastructure development for access to raw materials is an interesting outcome of the stakeholder approach.

Discussion and Conclusion

There is mounting evidence that the traditional shareholder model of capitalism is being challenged and is giving way to various associations of stakeholders. Despite their relative benefits being hard to assess the stakeholder model distributes gains more widely than the shareholder model and recognizes that all parties need to work together for economic development to occur. That what shareholders gain trickles down to others is not established and is doubted. No party to an enterprise should be treated as a mere means to enrichment. Rather than industry being activity leading to profit, it may make more sense to see profits as something to be bestowed on industry and on industrious people. Industry is an end in itself.

Genuine wealth is created by *indirection,* by first benefitting another stakeholder who repays you. Shareholders come last in the sense that stakeholder activity must precede a division of spoils. There is mounting evidence that innovative enterprise is a group activity, a form of improved relationships among stakeholders in networks using shared knowledge as their medium. Manufacturing is the integrity of this network and we outsource at our peril. Governments are needed to regulate and lead associations of stakeholders and give these a democratic direction. World environmental crises necessitate such leadership. Poor countries are unlikely to develop economically unless their growth is spurred by their own cultures and unless they own their own destinies.

References

Anderson, Ray C. *Business Lessons from a Radical Industrialist* New York: St. Martin's Griffin, 2011

Chang, Ha-Joon *23 Things They don't tell you about Capitalism* London: Penguin 2011

Chen, Ming-Jer *Inside Chinese Business,* Boston: Harvard Business School Press 2001

Chesbrough, Henry *Open Innovation: The New Imperative for Creating and Profiting from Technology* Boston: MA Harvard Business School Press, 2003

Christiansen, Clayton "Innovation and the fate of nations." Interview for documentary film: Discovery Channel, Asia, 2011

Collins, Jim and Jerry Porras *Built to Last* London: Century 1994

Collins, Jim *Good to Great* New York: Random House, 2001

Frank, Thomas *One Market Under God* New York: Anchor, Doubleday, 2000

Friedman, Milton *Capitalism and Freedom* Chicago: Chicago Univ. Press 1962

Gray, John *False Dawn* London: Granta Books 2009

Hagen, Everett *On the Theory of Social Change* Homewood:Ill. Dorsey Press, 1962

Hampden-Turner, Charles *Charting the Corporate Mind* Oxford: Basil Blackwell 1994

Hampden Turner, Charles and Fons Trompenaars *Building Cross Cultural Competence*: Yale University Press; 2000

Hurst, David K. *Crisis and Renewal* Boston: MA. Harvard Business School Press 1992

Kaplan R. S. and Norton D P "The Balanced Scorecard: Measures that drive performance" *Harvard Business Review* Jan. 1992

Mason, Paul, *Meltdown* New York: Verso, 2009

Pisano, Gary and Willy C Shi "Restoring American Competiveness" *Harvard Business Review* July-August, 2009

Reich, Robert B A*ftershock* New York: Vintage Books, 2011

Scott, Bruce R and George C Lodge eds. *US Competitiveness in the World Economy* Boston: MA Harvard Business School Press 1985

Sisodia, R.S. Wolfe David B. and J N Sheth *Firms of Endearment* Philadelphia: Wharton School Publishing, 2011

Trompenaars, Fons *Riding the Whirlwind* Oxford: Infinite Ideas Press, 2008

Zhang, Haihua *Think Like the Chinese* Sydney: Australia: Federation Press 2008

Charles Hampden-Turner has an MBA and a DBA from Harvard. He is retired after teaching at the Judge Business School at Cambridge for 19 years. Charles is currently a professor of management practice at London Metropolitan University and also supervises students at the Institute for Manufacturing at Cambridge.

Raymond Ferris Abelin holds an MA from Harvard, MBA from Cambridge and Ph.D. from Colorado. He is the past Director of entrepreneurship and innovation education programs Nanyang Technological University in Singapore.

Towards a New Model of Wealth Creation: Shareholders and Stakeholders

Charles Hampden-Turner and Raymond Ferris Abelin

Institute for Manufacturing, Cambridge University
chuckht@aol.com

Abstract

There are currently two distinct approaches to a capitalist model of free enterprise. The first is the Shareholder Model. In this approach the prime purpose of the economy is to enrich individual shareholders. All other activities like satisfying customers, developing employees and rendering the company more innovative are means to the end of profit maximization. In the Stakeholder Model the several stakeholders, employees, customers, shareholders, the community, the supply chain, banks, the government and the environment are all believed to have a stake in the output of the business and the outcome of its policies. Such policies should benefit the entire range of stakeholders. This article argues that the second model leads to faster economic development and better all-round outcomes for the stakeholders.

Historically the shareholder model came first. Pioneer Capitalism is more risky and more individualistic than Catch-up Capitalism, which is more community oriented. The latter generally follows the path of the first and because many of the shareholders are foreigners and pioneers, it seeks to benefit its own employees, workers, suppliers and customers who are those in pursuit of individual and often competing interests.

Keywords: Shareholders vs. Stakeholders, Catch-up Capitalism, Individualism-Communitarianism, Anglo-Saxon Model, Asian Model, direction vs. indirection

French version*

Towards a New Model of Wealth Creation: Shareholders and Stakeholders

Vers un nouveau modèle de création de richesse: le modèle des actionnaires versus le modèle des parties prenantes

Charles Hampden-Turner and Raymond Ferris Abelin

Institute for Manufacturing, Cambridge University
chuckht@aol.com

Résumé

Il existe actuellement deux approches distinctes du modèle capitaliste de la libre entreprise. Le premier est le modèle de l'actionnaire. Dans cette approche, le but principal de l'économie est d'enrichir les actionnaires individuels. Toutes les autres activités, comme la satisfaction des clients, le développement personnel et l'innovation sont des moyens en vue de la maximisation du profit. Dans le modèle des parties prenantes, plusieurs parties prenantes comme les employés, les clients, les actionnaires, la communauté, la chaîne d'approvisionnement, les banques, le gouvernement et l'environnement sont toutes considérées ayant des intérêts dans la production de l'entreprise et dans les résultats de sa politique. Ces politiques devraient bénéficier à l'ensemble des parties prenantes. Cet article soutient que le second modèle conduit à un développement économique plus rapide et de meilleurs résultats pour toutes les parties prenantes.

Historiquement, le modèle de l'actionnaire est venu en premier. Le capitalisme pionnier est plus risqué et plus individualiste que le capitalisme de rattrapage, qui est davantage orienté vers la communauté. Ce dernier suit généralement le chemin du premier, car beaucoup d'actionnaires sont des étrangers et des pionniers. Il cherche à tirer profit de ses propres employés, travailleurs, fournisseurs et clients, qui sont à la poursuite de leurs intérêts individuels et souvent contradictoires.

Mots-clés: Actionnaires versus parties prenantes, capitalisme de rattrapage, l'individualisme-communautarisme, modèle anglo-saxon, modèle asiatique, direction versus indirection

* Translated by: Johannes Schaaper, Senior professor in International Management, BEM Bordeaux Management School

German version*

Towards a New Model of Wealth Creation: Shareholders and Stakeholders

Gegen ein neues Modell der Schaffung von Wohlstand: Shareholder und Stakeholder

Charles Hampden-Turner and Raymond Ferris Abelin

Institute for Manufacturing, Cambridge University
chuckht@aol.com

Zusammenfassung

Gegenwärtig existieren zwei unterschiedliche Ansätze zur kapitalistischen Ausrichtung eines frei agierenden Unternehmens. Der erste ist der Shareholder-Ansatz, welcher als übergeordnete Zielsetzung der Wirtschaft die Bereicherung der einzelnen Anteilseigner versteht. Alle übrigen Aktivitäten, wie die Befriedigung der Interessen von Kunden, der Entwicklung von Mitarbeitern und die innovative Ausrichtung des Unternehmens werden durch die Profitmaximierung limitiert. Im Stakeholder-Ansatz werden die Interessen der unterschiedlichen Anspruchsgruppen, wie Mitarbeiter, Kunden, Anteilseigner, die Öffentlichkeit, Lieferanten, Banken, die Regierung und die Umwelt berücksichtigt, so dass in ihrem Sinne das Unternehmen agieren soll und einen entsprechenden Output generieren. So eine Unternehmenspolitik soll allen Anspruchsgruppen einen Vorteil schaffen. Der vorliegende Beitrag vertritt die Ansicht, dass das zweite Modell zu einer schnelleren ökonomischen Entwicklung führt und insgesamt die Stakeholder besser stellt.

Historisch gesehen existiert jedoch der Shareholder-Ansatz länger. Der Pionier-Kapitalismus ist risikoreicher und individueller als der jüngere Kapitalismus, der eher an der Gemeinschaft orientiert ist. Der Letztere folgt allgemein dem Pfad des ersten Ansatzes, da zahlreiche Anteilseigner selber Fremde oder Pioniere sind.

Keywords: Shareholders vs. Stakeholders, Catch-up Kapitalismus, Individualismus-Kommunitarismus, angelsächsisches Modell, asiatisches Model, Orientierung vs. Orientierungslosigkeit

*. Translated by: Prof. Dr. Marc Eulerich, University Duisburg-Essen, Chair for Internal auditing and Corporate Governance, marc.eulerich@uni-due.de

Spanish version*

Towards a New Model of Wealth Creation: Shareholders and Stakeholders

Hacia un Nuevo Modelo de Creación de Riqueza: Accionistas y Stakeholders

Charles Hampden-Turner and Raymond Ferris Abelin

Institute for Manufacturing, Cambridge University
chuckht@aol.com

Resumen

Actualmente hay dos enfoques distintos para un modelo capitalista de libre empresa. El primero es el Modelo Accionista. En este enfoque, el objetivo primordial de la economía es enriquecer a los accionistas individuales. Todo el resto de actividades como la satisfacción de los clientes, el desarrollo de los empleados y hacer que la empresa sea más innovadora, son medios para lograr el fin de la maximización del beneficio. En el modelo *Stakeholder*, todos ellos, empleados, clientes, accionistas, la comunidad, la cadena de suministro, los bancos, el gobierno y el medio ambiente se considera que tienen un interés en el rendimiento de la empresa y los resultados de sus políticas. Estas políticas deberían beneficiar a todos los *Stakeholders*. Este artículo sostiene que el segundo modelo conduce a un desarrollo económico más rápido y mejores resultados en general para los *Stakeholders*.

Históricamente, el modelo Accionistas se desarrolló primero. El Capitalismo Pionero es más arriesgado y más individualista que el Capitalismo seguidor, que está más orientado a la comunidad. Este último, por lo general sigue el camino del primero y, porque muchos de los accionistas son extranjeros y pioneros, busca beneficiar a sus propios empleados, trabajadores, proveedores y clientes, que son los que persiguen intereses individuales y, a menudo encontrados.

Palabras Clave: Accionistas vs. Stakeholders, Capitalismo de Alcance, Individualismo-Comunitarismo, Modelo Anglosajón, Modelo, Dirección vs. No Dirección.

*. Translated by: María Avello. Universidad Complutense de Madrid. mavello@emp.ucm.es

Arabic version*

Towards a New Model of Wealth Creation: Shareholders and Stakeholders

نحو نموذج جديد لخلق الثروة: المساهمين و أصحاب المصالح

Charles Hampden-Turner and Raymond Ferris Abelin

Institute for Manufacturing, Cambridge University
chuckht@aol.com

ملخص

يوجد نهجين مختلفين للنموذج الرأسمالي الحر، الأول: هو نموذج المساهمين، يعد الهدف الأول و الأساسي للاقتصاد في هذا النموذج هو اثراء المساهمين. تعد جميع الأنشطة التي تقوم بها الشركة كارضاء العملاء و تطوير الموظفين و جعل الشركة أكثر ابتكارا طرقا لتعظيم الارباح.أما في نموذج أصحاب المصالح: فالموظفين العملاء و المساهمين و المجتمع و سلسلة التزويد و الامداد و البنوك و الحكومة و البيئة و غيرهم من أصحاب المصالح جميعهم يتأثرون بمخرجات العمل و سياساته التي ينبغي أن ينتفع بها جميع أصحاب المصالح.

تبين هذه الدراسة أن النموذج الثاني يطور الاقتصاد و يؤدي الى نتائج أفضل لكافة اصحاب المصالح. تاريخياً أتى النموذج الاول في البداية، حيث يعد رواد الرأسمالية أكثر مخاطرة و فردية بالمقارنة مع الرأسمالية اللاحقة الموجهه نحو المجتمع عموماً يتبع النموذج الثاني طريق الأول و لان العديد من المساهمين من خارج الشركة و من الرواد فانه يسعى لمحاولة تلبية المصالح المتضاربة للموظفين، العمال، المزودين، و العملاء.

الكلمات الدالة: المساهمين مقابل أصحاب المصالح ,الرأسمالية اللاحقة، الفردية المجتمعية، النموذج الانجلو-سكسوني، النموذج الاسيوي،الاتجاه مقابل المراوغة.

* Translated by: Zu'bi M.F.Al-Zu'bi, Ph.D, FHEA, University of Jordan, z.alzubi@ju.edu.jo

Italian version*

Towards a New Model of Wealth Creation: Shareholders and Stakeholders

Verso un nuovo modello di creazione della ricchezza: azionisti e stakeholders

Charles Hampden-Turner and Raymond Ferris Abelin

Institute for Manufacturing, Cambridge University
chuckht@aol.com

Abstract

Ad oggi sono presenti due approcci distinti al modello capitalistico di impresa moderna. Il primo è quello dell'azionista. Secondo questo approccio il primo scopo dell'economia è quello di arricchire gli azionisti. Tutte le altre attività come, la soddisfazione del cliente, lo sviluppo dei collaboratori e rendere l'azienda più innovativa, sono mezzi al massimizzare il profitto. Nel modello dello Stakeholder, i vari stakeholder, collaboratori, clienti, azionisti, la comunità, la catena di approvvigionamento, banche, governi e anche l'ambiente, tutti sono considerati come entità che hanno un interesse in ciò che genera l'azienda in termini di risultati e politiche di gestione. Queste politiche di gestione dovrebbero essere a beneficio di tutti gli stakeholder. Questo articolo presenta l'opinione che le politiche di gestione del secondo modello conducono a uno sviluppo economico complessivo più rapido e in generale a migliori risultati per gli stakeholder.

Storicamente il modello azionista veniva prima. Il Capitalismo Pioneristico è più rischioso e individualista del Capitalismo che semplicemente segue un trend, che è più orientato alla comunità. Quest'ultimo generalmente segue il cammino del primo perché molti hareholder.

Keywords: azionisti vs stakeholder, Capitalismo che Segue, Individualismo - Senso di comunione, Modello Anglosassone, Modello Asiatico, direzione vs assenza di direzione

*. Translated by: Riccardo Paterni, Co-Founder Synergy Pathways, riccardo@synergypathways.net

Chinese version*

Towards a New Model of Wealth Creation: Shareholders and Stakeholders

走向□富□造的新模型：股□和利益相关者

Charles Hampden-Turner and Raymond Ferris Abelin

Institute for Manufacturing, Cambridge University
chuckht@aol.com

摘　要

目前，对于资本主义私营企业的资本主义模型存在着两种不同的思路。第一种是股东模型。按照该思路，经济的基本目的是扩大个人股东的财富。满足顾客、开发员工、提高公司创新等其他一切活动，都是实现利润最大化这一最终目的的手段。而利益相关者模型则指出，企业的产出及企业政策的结果，会影响到员工、顾客、股东、社区、供应商、银行、政府、环境这几大利益相关者的利益。企业政策应该对这一系列的利益相关者有利。本文认为，第二种模型会使经济更快发展，也会为利益相关者带来更好的共赢结果。

从历史上看，股东模型更具优势。早期资本主义比后起资本主义更加冒险，更加个人主义，后者则具有更强的社区导向。一般而言，后发资本主义会追随早期资本主义的道路，而且，因为后发资本主义的许多股东都是外国人或早期资本主义的人，因此它们会致力于使自己的员工、工人、供应商和顾客获益，这些群体都追求自身的利益，并且常常会有利益冲突。

关键词： 股东与利益相关者的比较；后发资本主义；个人主义—社群主义；盎格鲁-撒克逊模型；亚洲模型；直接与间接的比较

*Translated by: Wei Si & Jian-Min Sun, Renmin University of China, chinajms@126.com