

The Value Motive; The only alternative to the profit motive

By Paul Kearns

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What you will discover

- A new conceptual economic system.
- The importance of human value in organisational success.
- The current inadequacy of the capitalist economy.

About the Author

Paul Kearns runs a strategic HR, measurement and evaluation consultancy, with a varied reputation as a consultant, trainer, facilitator, speaker and writer. Some of his books include “Evaluating the ROI from Learning”, “One Stop Guide – Human Capital Management” and “The Bottom Line HR function”.

Summary and comment

One thing is startlingly missing from Kearns’ book, “The Value Motive” – the typical reference section at the back, detailing the sources, previous research and publications from which the writer draws his case. There is no mystery in this however, because “The Value Motive” has no predecessor. This is a Brave New World proposal, with a take-it-or-leave-it flavour, as much a ‘political’ statement as an HR strategy. It stands on its own two feet. It makes no apology. If its thesis is accepted it will in any case render obsolete a lot of what has gone before.

There is no denying Kearns’ credibility in the HR arena. He has the experience to say what he wants, and to expect a hearing whatever his case, even when much his thesis defies colleagues to accept a new paradigm, or challenge back.

The argument is simple and fundamental: HR has until now functioned within an economic (capitalist) framework where the profit motive reigns supreme. Human Resource Management will only escape from the inherent constraints and contradictions of this particular expression of Anglo-American capitalism when business embraces a new paradigm where the value motive rather than profit is the dominant force – that is, where businesses and organisations of every kind are as obsessed with building value into their assets as they have conventionally been with squeezing profits out of them. This is a paradigm which is particularly apt in a business world where people are now acknowledged to be the biggest asset (the one which contributes most value to the bottom line), and at a time when conventional capitalist thinking has been seriously threatened.

There is in one sense no contesting Kearns’ argument. It is patently true. Unless it is perhaps no more than a dream, and dreams have no need of previous qualified research,

do they? They can spring fully formed, with no antecedents, from the head of one individual. The only question is: are they true? Which is why Kearns' thesis is at once incontestable and yet easy to criticise. He is eloquent about the failings of the profit motive, yet he rarely articulates exactly how the value motive might have changed the fate of failing organisations when placed in the same situations as in his case studies. The techniques suggested to remedy the situation do not seem to be founded on the kind of research which would confirm their validity.

Most fundamental of all, while the embedding of the value motive would indeed transform business and society, there is no concreteness about how the transition from proposition A (the profit motive) to proposition B (the value motive) might occur. It appears that this would happen naturally and virally as the merits of proposition B became evident.

Kearns'dream is true to what could be. His critique of what has gone before is comprehensive, well referenced and indisputable. The current global economic crisis is evidence enough of the limitations of the profit motive. In its place the value motive is an appealing star to follow, and if that was all that Kearns wanted to put before us then he has succeeded.

It may be too much to expect therefore that he should also tell us how to follow the star, how to get from here to there. As it stands the argument is like a sleight of hand, a trick of the mind which suddenly substitutes value for profit as the next step on the HR road. Now you see it, now you don't.

While it is appealing and exciting to see how organisations using the current economic framework may not be attaining their optimum output, the hard work still has to be done, and it is easy to feel disappointed, even cheated at the end of the book, of an expectation that we were going to be told what we could do to change things. As it is, the most persuasive arguments in the book are in the telling evidence Kearns documents of the many ways the current paradigm is not doing the job.

The argument must still be accepted however because the challenge is inescapable. Who knows, perhaps some HR specialists are already moving forward on the road, perhaps another flush of human ingenuity is in the making, and only a little more time will tell whether the light of a new star is enough to draw us forward.

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