Toward a Humanization and Democratization of Work
References of Work, Organizational, and Economic Psychology to Erich Fromm’s Concepts

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Abstract: Concepts from Self-Determination theory are related to Fromm’s conceptualizations of existential human needs and human strengths. Empirical findings seem to support Fromm (1955a) in stating that socio-economic environments which embody particular values will influence psychological well-being, health and social relations of consumers. Further, empirical studies on effects of working in democratic enterprises and experiencing a sociomoral work climate upon employees’ attitudes and behaviors will be presented. All in all, the findings support Fromm’s vision of a humanization and democratization of work.

Keywords: Erich Fromm; existential human needs; productive orientation; ethical work climate; organizational democracy

1. Introduction

Fromm’s concepts, often further-developed by representatives of analytical social psychology, are of great importance for contemporary scientific work and organizational (w&o) psychology and for economic psychology—and vice versa. Unfortunately, a lot of w&o psychological as well as economic psychological research seems to be driven more by profit seeking, improved performance, and retention of power (consequently dominating and instrumentalizing human potentials) than by promoting working persons’ personality and supporting the development of sane societies based on democratic and humanistic planning of the economy (see the criticism by Groskurth & Volpert 1975 and also more recent analyses by Bal & Doci 2018; Weber & Huter 2015). Thus, relevant concepts and empirical findings of analytical social psychology in the tradition of Erich Fromm are often neglected in w&o and economic psychology.

Against this background, in the following, I will argue that concepts from analytical so-
cial psychology can help researchers and practitioners to transcend the economic, instrumental restriction in w&o and economic psychology.

2. Relations between Erich Fromm's social philosophical and social psychological concepts and concepts from work, organizational, and economical psychology

a) A snapshot: References within academic mainstream w&o and economic psychology

A »quick & dirty« superficial PsycINFO databank search (June 7, 2018), restricted to publications within w&o and economic psychology in which »Erich Fromm« was quoted, provided only a moderate result:

- *Man for Himself* (Fromm 1947a) was cited in 52 publications by other authors but only two publications were classified under w&o psychology
- *The Sane Society* (Fromm 1955a) was cited in 13 publications, none of them was filed under w&o psychology
- *The Revolution of Hope* (Fromm 1968a) was cited in 11 publications, two of them were assigned to w&o psychology
- *To Have or To Be?* (Fromm 1976a) was cited in about 500 publications, only four of them were allocated to w&o or economic psychology

By the way, while B. F. Skinner’s book *Science and Human Behavior* (1953, 1965) is cited 1948 times in the internationally highly appreciated PsycINFO database, I found only seven citations of *The Art of Loving* (Fromm 1956a) in PsycINFO. This meager finding tells us much about the Zeitgeist, and, maybe, a little bit about the ethical state of mind of contemporary academic psychology and its databases.

Not to forget: I found only 3719 citations of the millennium edition of *The Art of Loving* in the Google Scholar database.

b) Not far away from Fromm’s social psychology: Self-Determination Theory

Erich Fromm’s conceptualizations of *existential human needs* (Fromm 1955a, 1968a, 1973a) and of the two orientations concerning »To Have« and »To Be« (Fromm 1976a) have met with a positive response within the Theory of Self-Determination as an influential stream in contemporary psychology including social, organizational and economic psychology. Both approaches investigate which living and working conditions are adequate to support persons in their psychological and social growth.

From the conditions of human existence Fromm construed a conceptualization of existential human needs whose satisfaction is important for personal growth. Depending on socio-economic life circumstances, socialization agencies, life experiences, and individual action strategies, persons’ existential needs will develop in a more productive or a more non-productive way. Erich Fromm (1955a, 1968a, 1973a) characterizes the productive mode of these fundamental human needs as follows:

1. *Relatedness through love* and need for *unity*
2. *Experiencing transcendence through creativity*
3. *Rootedness through sister-/brotherhood*
4. *Sense of identity*
5. *Frame of orientation and object of devotion*
6. *Effectance*
7. *Stimulation*
Self-Determination Theory (abbrev.: SDT) postulates the following basic human needs (Deci & Ryan 2000; Sheldon, Elliot, Kim, & Kasser 2001; the arrows symbolize in how far they can be related to Fromm’s conceptualization of existential needs):

- **Need for autonomy:** The striving for having a choice, to act through one’s own volition, experiencing one’s actions as self-chosen and self-endorsed, or »feeling like you are the cause of your own actions rather than feeling that external forces are the cause of your actions« (Sheldon et al. 2001, p. 339)
  - no clear counterpart within Fromm’s existential needs.

- **Need for competence:** It is »a propensity to have an effect on the environment as well as to attain valued outcomes within it« (Deci & Ryan 2000, p. 231), to explore one’s surroundings, to learn things for its own sake, or to experience a »feeling that you are very capable and effective in your actions« (Sheldon et al. 2001)
  - Transcendence through creativity (Fromm 1955a)
  - EfficacT (Fromm 1973a)
  - Sense of identity (Fromm 1955a)

- **Need for relatedness:** The need to be connected to others, i.e., to love and care and to be loved and cared for and, moreover, to be effective in the social world or the need for »feeling that you have regular intimate contact with people who care about you rather than feeling lonely and uncared for« (sensu Shelton et al. 2001, p. 339)
  - Relatedness through love (Fromm 1955a)
  - Rootedness (Fromm 1973a)

Still there is a theoretical discussion within SDT on a fourth basic need, namely the need for self-esteem (Sheldon et al. 2001), the need for feeling oneself as a worthy person who has many positive qualities
  - Sense of identity (Fromm 1955a)

The majority of the respective needs in both approaches is corresponding to a considerable extent. Thus, research findings gained by representatives of SDT, to a certain (methodologically limited) extent, may contribute to an empirical validation of Fromm’s need conceptualization.

Overall, research indicates that a frequent satisfaction of the basic needs is positively associated with several indicators of psychological wellbeing and health (for research reviews see Deci & Ryan 2000; Ryan, Huta, & Deci 2008). In contrast, ongoing deprivation of those needs during childhood and youth seems to result in compensatory motives that are clearly associated with a having mode of existence (Fromm 1976a) or with extrinsic aspirations, in the terms of SDT. Here, the socio-economic system and living conditions influence the possibilities for people to satisfy their basic needs and to develop and aspire specific values (see also Funk 2017). Further, basic need deprivation is related to a variety of mental health problems (e.g. a-motivation, problems of self-esteem, anti-social behaviors). Thus, clear parallels from SDT to Fromm’s (1973a) thinking exist that human destructiveness may result from a continuing frustration of existential human needs.

In the following I will focus upon a further theoretical parallel that refers to w&O and economic psychology: Fromm’s treatise on good living in »To Have or To Be?« and the conceptualizations of Eudaimonia vs. Hedonia and intrinsic vs. extrinsic life aspira-
tions in SDT refer to the same roots, namely Aristotle’s Nicomachean Ethics. Correspondingly, main representatives of SDT refer to Fromm (1976).

The Eudaimonia way of living (according Aristotle’s Nicomachean Ethics), according to SDT, encompasses, for example, valuing reflectivity and self-reflectivity, sense of meaning, personal growth, vitality, affiliation and intimacy, fairness in communication and interactions, generativity as well as contributing to one’s community (Ryan, Huta, & Deci 2008). Here, intrinsic aspirations are oriented toward an Eudaimonia way of living and, in this case, persons strive for actions that realize those values mentioned by Fromm (cf. the being mode of existence) as well as Ryan and his colleagues, namely self-acceptance (e.g., personal growth and choice), affiliation (e.g., intimacy, close relationships), community feeling (e.g., helping the world be a better place), physical fitness (e.g., being healthy).

In contrast, people pursuing extrinsic aspirations (or a having mode of existence sensu Fromm 1976a) strive for 1. wealth, financial success, material possessions, 2. appealing appearance, 3. social recognition and fame (Kasser & Ryan 1996; Ryan et al. 2008).

Why is this duality of life aspirations of specific significance for organizational and economic psychology?

It is because, firstly, characteristics of the socio-economic system influence which life orientation a person will follow to a great extent and, secondly, intrinsic vs. extrinsic aspirations and corresponding goal attainments have very different effects on psychological wellbeing, health, and social issues. Already in The Sane Society in 1955, Fromm has stated both hypotheses referring to the radical form of so called »free-market« capitalism. About four decades later, the research network of SDT began to study those hypotheses, empirically.

A research review on mostly quantitative studies by Ryan, Huta, and Deci (2008) suggests that individuals following intrinsic aspirations or gaining intrinsic goal attainments in labor, economy, and further life domains compared to individuals pursuing extrinsic aspirations / goal attainments tend to experience

- more self-actualization
- better psychological well-being
- greater self-esteem
- better friendship and romantic relations
- better subjective vitality
- lower depression or anxiety
- better physical health
- more responsible behavior toward the natural environment

Complementarily, a further SDT research review by Kasser, Cohn, Kanner, & Ryan (2007) on the »costs of American Corporate Capitalism« indicates that consumer materialistic or financial success values (extrinsic aspirations) are significantly associated with

- less generous and prosocial behavior
- more anti-social activities
- lower empathy
- shorter, more conflictual and more mutually instrumentalized close relationships

Empirical studies suggest that satisfaction of the three basic human needs for autonomy, competence, and social relatedness mediated the associations between intrinsic / eudaimonian aspirations vs. extrinsic consumer-materialistic aspirations and psychological outcomes in several reported
studies (Dittmar et al. 2014). An extensive meta-analysis of studies from different countries and cultures all over the world demonstrates relationships between extrinsic aspirations and several indicators of personal well-being (Dittmar et al. 2014). Materialist values and beliefs as an expression of extrinsic aspirations are associated significantly with:

- subjective well-being ($\rho = -0.24$; $k = 34$ studies, $N = 13.479$ persons)
- negative self-appraisals ($\rho = 0.32$; $k = 7$ studies, $N = 1.426$ persons)
- depression ($\rho = 0.22$; $k = 22$ studies, $N = 8.651$ persons)
- anxiety ($\rho = 0.19$; $k = 12$ studies, $N = 1.659$ persons)
- compulsive buying ($\rho = 0.53$; $k = 26$ studies, $N = 9.792$ persons)
- risky health behaviors ($\rho = 0.39$; $k = 8$ studies, $N = 2.730$ persons)
- self-reported physical health ($\rho = -0.39$; $k = 14$ studies, $N = 12.549$ persons).

Further, the meta-analysis revealed that cultural environments that emphasize materialistic values strengthen those effects. The reported findings seem to provide evidence for Fromm (1955a) stating that socio-economic environments that embody particular values and stimulate corresponding behaviors form a field of socialization for the consumers. A frequent exposure to materialistic consumer culture's ideologies and institutions may undermine the well-being of those who internalize that ideology despite their superficial conformity as «happy consumers.»

c) Ethical forms of organizational climate

The question arises of which organizational principles and practices could business organizations use to support employees in satisfying and further developing their basic human needs in a productive manner—like the needs that Fromm (1955a, 1973a) has derived from the human condition. Of course, because business organizations will follow not only humanistic but also economic-instrumental goals in every society, their potential support for employees' personality development will be limited. Nevertheless, within w&o psychology, several conceptualizations of ethical work climates or ethical organizational cultures have been developed and investigated concerning their effects upon employees' well-being, attitudes, and behaviors (for research reviews see Ardichvili & Jondle 2009; Newman et al. 2017). Findings let us assume that specific features of an organizational climate are not only able to satisfy those existential human needs but they will also foster some of the human virtues/strengths that Fromm has conceptualized.

For example, in The Revolution of Hope, Fromm (1968a) has anticipated such an ethical work climate when conceptualizing his basis-democratic concept of direct participation groups as core constituent of societal, economic, and organizational democracy:

» It is essential for the possibility of a dialogue that each member of the group not only try to be less defensive and more open, but also that he try to understand what the other person means to say rather than the actual formulation he gives to his thought. In every fruitful dialogue, each participant must help the other to clarify his thought rather than to force him to defend formulations about which he may have his own doubts. Dialogue implies always mutual clarification.
Eventually, information and debate would remain sterile and impotent if the group did not have the right to make decisions and if these decisions were not translated into the real process of that social sector to which they belong.« (Fromm 1968a, pp. 110 f.)

As a sub-area of organizational climate, the sociomoral atmosphere or climate represents specific criteria of organizational and leadership principles and practices, in particular communication, teamwork, collective problem-solving, and decision-making (Pircher-Verdorfer et al. 2013; Weber et al. 2008). It forms a field of socialization for prosocial, civic, and democratic orientations as well as behaviors. In my view, these behavioral orientations are not identical but can be related to human virtues in the sense of Fromm’s analytical social psychology. The concept of »moral atmosphere« was proposed by the U.S.-American research group around the moral psychologist and philosopher Lawrence Kohlberg in studying socialization processes in schools.

Five components constitute a socio-moral climate within a business enterprise or a large unit of a company concerning a standardized questionnaire that we developed to analyze the socio-moral climate (Weber et al. 2008). In the following, arrows mark those existential human needs that will be presumably stimulated through the respective climate component:

(1) Open but constructive confrontation of the workers with social problems, contradictions, and conflicts within and between interests, values, rules, and norms.

(2) Reliable / constant appreciation, care, and support by supervisors and colleagues.

‡ Relatedness (Fromm 1955a)
‡ Rootedness through fraternity (Fromm 1955a)
‡ Self-identity through individuality (Fromm 1955a)

(3) Open and free communication and participative cooperation, also about the legitimacy and change of rules, norms, principles, and prevailing cultural values in the company.

(4) Trust-based assignment and allocation of responsibility for the well-being of persons within and outside the company.

‡ Relatedness (Fromm 1955a)

(5) Organizational respect for the individual.

‡ Relatedness (Fromm 1955a)
‡ Rootedness through fraternity (Fromm 1955a)
‡ Self-identity through individuality (Fromm 1955a)

Meanwhile, several empirical studies from different countries conducted by our Innsbruck ODEM (Organizational Democracy) research group or cooperating research groups indicate that the more pronounced the components of the socio-moral climate within business companies appear, the stronger the respective employees demonstrate attitudes, value orientations, or behaviors that can be related to features of a productive character orientation or of a being mode of existence. This may be true for such human strengths like reason (in the sense of the enlightenment; not only »rationality«), autonomy, cosmopolitan inter-
est, moral judgement, empathy, compassion, solidarity, fantasy, and creativity (Fromm 1968a, 1976a). Table 1 summarizes the main findings of the five ODEM- or ODEM-related studies on effects of the socio-moral climate.

Table 1. A pronounced socio-moral climate is significantly associated with...

<table>
<thead>
<tr>
<th>Psycholog. outcome</th>
<th>effectsize</th>
<th>N</th>
<th>country</th>
<th>study</th>
</tr>
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<tbody>
<tr>
<td>Solidarity at work</td>
<td>$\eta^2 = 0.162^{***}$</td>
<td>449</td>
<td>A, D, I</td>
<td>Weber &amp; Unterrainer (2013)</td>
</tr>
<tr>
<td>Prosocial work behavior</td>
<td>$\eta^2 = 0.018^*$</td>
<td>449</td>
<td>A, D, I</td>
<td>Weber &amp; Unterrainer (2013)</td>
</tr>
<tr>
<td>Democratic engagement orientation</td>
<td>$\eta^2 = 0.043^{***}$</td>
<td>362</td>
<td>A, D, I</td>
<td>Weber &amp; Unterrainer (2013)</td>
</tr>
<tr>
<td>Self-efficacy to promote justice in the world</td>
<td>n. s.</td>
<td>362</td>
<td>A, D, I</td>
<td>Weber &amp; Unterrainer (2013)</td>
</tr>
<tr>
<td>Civic orientations (composite of Solidarity, Prosocial behavior, Democratic engagement orient.)</td>
<td>$\beta_{std.} = 0.50^{***}$</td>
<td>265</td>
<td>I</td>
<td>Pircher-Verdorfer, Weber, et al. (2013)</td>
</tr>
<tr>
<td>Moral reasoning (consistency)</td>
<td>n. s.</td>
<td>265</td>
<td>I</td>
<td>Pircher-Verdorfer &amp; Weber  (2016)</td>
</tr>
<tr>
<td>Civic attitudes</td>
<td>$\beta_{std.} = 0.06^*$</td>
<td>1891</td>
<td>U.S.A</td>
<td>Wuestewald (2012)</td>
</tr>
<tr>
<td>Organizational cynism</td>
<td>$\beta_{std.} = -0.72^{***}$</td>
<td>259</td>
<td>U.S.A</td>
<td>Pircher-Verdorfer, Steinheider &amp; Burkus (2015)</td>
</tr>
<tr>
<td>$\beta_{std.} = -0.68^{***}$</td>
<td>171</td>
<td>D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meaning in work</td>
<td>$r = 0.47^{***}$</td>
<td>197</td>
<td>A</td>
<td>Schnell. Hög &amp; Pollet (2013)</td>
</tr>
<tr>
<td>$\beta_{std.} = 0.45^{***}$</td>
<td>373</td>
<td>A</td>
<td>Höge &amp; Weber (2018)</td>
<td></td>
</tr>
<tr>
<td>Emotional exhaustion</td>
<td>$\beta_{std.} = -0.20^{**}$</td>
<td>373</td>
<td>A</td>
<td>Höge &amp; Weber (2018)</td>
</tr>
</tbody>
</table>

Note: A = Austria, D = Germany, I = Italy, * = p<0.05, ** p<0.01, *** p<0.005.

To summarize these empirical studies with reference to Fromm’s theory, business organizations that practice leadership behaviors and communication practices that tend to satisfy their employees’ needs for relatedness and rootedness in fraternalism (Fromm 1955a), allowing its employees to receive and to provide care, appreciation, consideration, and sharing of experiences and resources, are able to contribute to the development of their employees’ productive orientation (including related human strengths) and to help to promote their psycho-social wellbeing.

However, those empirical studies all applied standardized questionnaire methods and are based on a cross-sectional research design. Therefore, longitudinal studies also using qualitative research methods are required to gain a clearer and more valid understanding of occupational and organizational socialization as well as selection effects concerning those phenomena.

d) Economic democracy, democratic enterprises, socialist humanism and humanistic planning

Against the background of his position, that societal pathologies are inseparable from the »free market« form of capitalism
and that a sane society requires a different socio-economical structure, Erich Fromm formulated his vision of economic and industrial democracy within a communitarian socialism (Fromm 1955a). Corresponding to the complexity and diversity of capitalistic economies, Fromm did not present a complete, »one size fits all« counter-model. Instead, he proposed different components of a democratization of the economy and its organizations in the long run. On the level of the society, Fromm (1955a and 1960b), refers to works of the utopian socialists (like Robert Owen, Charles Fourier), the Fabian Society, guild socialism, and early Karl Marx. Based on them, he draws a rough sketch of a communitarian or humanistic socialism.

Its basic ideas include that—more or less—all citizens should be allowed to participate in decisions about economic issues via their representatives on the national level as well as directly on the local level (e.g., via democratic community meetings; cf. Fromm 1968a). Further, social and ecological utility instead of the »free« (i.e., the corporation-driven as well as driven by manipulated solvent customers) market should guide the development of goods and services. Because of the terrible experiences with Stalinist communism, on the one hand, and the insight that a pure nationalization of corporations in western social democratic countries did not guarantee a democratic governance of these enterprises, Fromm strongly opposed the model of state socialism. Accordingly, in all of those different firms the employees and further stakeholders, as far as they are concerned through the business activity (like trade unions, consumer associations, the families of the employees), shall participate in important organizational decisions (Fromm 1955a, 1960b).

To illustrate organizational democracy, Fromm (1955a) referred to early systems of codetermination in Europe, in which representatives of the employees or of the unions were elected into the supervisory board or into the executive board of an enterprise. Given that the employees provide 50 percent of the board members at least (as Fromm proposed for small and medium-sized firms in 1960b), then they gain substantial influence on strategic decisions within their company. This is the case in contemporary democratic reform enterprises (see Weber et al. 2008). Further, in adopting the ideas of guild-socialism, Fromm (1955a) advocated worker cooperatives as a relatively successful form of democratic enterprises that combines employee ownership with direct and indirect employee participation in strategic decision making. Additionally, as early as 1965, economic democracy and democratic enterprises became subjects that were discussed during an international symposium on Socialist Humanism, edited by Erich Fromm (1965a).

In an extensive case description, Fromm describes the big watch manufacturing enterprise of Boimondau in France that existed 1939 until 1970, a more radical form of organizational democracy (Fromm 1955a, pp. 306 ff.; see also Lorenzen 2018). More or less representative of about 100 communitarian enterprises that existed in Europe during that time, Boimondau had realized all main features of a humanist socialist economy that Fromm proposed. Based on a jointly developed humanistic constitution, all members of this living and working community owned the means of production together and participated in strategic decisions concerning their enterprise. This was realized through a system of workers’ self-management in which all de-
cision agents or boards were elected by the collective of the workers. Moreover, neighborhood groups consisting of five to six families living in the surroundings discussed problems of the Boimondau company and developed proposals to solve them. Thus, Boimondau also represents an early example of a stakeholder democracy attending to unite interests between the domains of industrial work and family.

The spirit of Boimondau that represents the domination of labor and social relations over capital lives on in hundreds (maybe thousands) of communitarian enterprises located within solidarity economy, common welfare economy, communes, or the Kibbutz movement (see Dyttrich & Wuhrer 2012). In a mitigated form, communitarian principles survived also in the Mondragon Cooperative Corporation in Spain, the largest network of democratic enterprises, worldwide.

Like Pateman (1970), who advocated a system of organizational democracy, Fromm (1968a) formulated a spillover hypothesis stating that the kind of work that people execute will have a socializing effect upon their attitudes, value orientations, and behaviors in their social and societal lives. Following Fromm, Pateman and further conceptualizations of a democratic economy, our Innsbruck ODEM research group has defined democratic enterprises as business organizations where participative structures and processes are located at the organizational level and where employees or their elected representatives are actually involved in decision-making processes also concerning strategic or tactical issues. Optionally, their participation rights may be based on employees’ shareholder status (Weber, Unterrainer, & Höge 2008).

Of course, in contrast to private capitalist corporations or public enterprises, democratic enterprises still represent a small minority. However, they are not so rare as one might think; for example, the European Committee of Worker and Social Cooperatives encompasses about 50,000 Enterprises with 1.3 million employees in 2017 (http://www.cecop.coop/). This number is far from being complete because many democratic firms exist in different forms (see Weber et al. 2008).

Table 2 summarizes findings from studies by the Innsbruck ODEM research group who investigated whether working in a democratic enterprise is associated with prosocial and civic behavioral orientations that may be considered as features of a productive orientation or of a being mode of existence (Fromm 1955a, 1976a; Funk 2017).

In all of the ODEM studies, organizational democracy was strongly associated with the socio-moral climate. This finding suggests that both factors interact in fostering the development of prosocial, civic, democracy-supporting orientations and behaviors.
Overall, the results let assume that—of course, together with other institutions like families, schools, political and cultural associations—democratic enterprises represent a field of socialization of employees’ positive orientations toward their fellow human beings and their society. Notwithstanding the methodological limitations that the findings are based on cross-sectional study designs and on quantitative methods, and that the effects are of small to moderate sizes, the results lend some support for Erich Fromm’s assumption that participating in democratic decision making in democratic enterprises will stimulate some of the human virtues and strengths that are characteristic for a being mode of existence.

3. Conclusion and outlook

Fromm’s concepts of existential human needs and of the two modes of existence (being vs. having) direct very high requirements to individual and collective actors in business organizations, economy, and society. Therefore, realizable step-by-step acting and interventions on all system-levels in a long-term perspective should strive for creating socio-economic, organizational, and psychological resources to support employees in (further) developing a productive character orientation (including their Being mode of existence). It should be taken care that the persons concerned will not be overburdened. Our findings indicate that business firms striving for an ethical climate of care and justice, for the common welfare, solidarity economy, or for organizational democracy are able to build bridges into the future of a global economy in
which basic humanistic values are realized—ideally—for all people in all cultures, nations, corporations, and smaller enterprises as Erich Fromm and further moral philosophers have sketched out.

To conclude, I hope I was able to demonstrate that several significant theoretical synergies exist if concepts from analytical social psychology are brought together with concepts and empirical studies from the humanist culture of work, organizational, and economic psychology. Further, this essay tried to document that research findings stemming from other theoretical approaches—sharing conceptual similarities with analytical social psychology—can contribute to the validation of some of Erich Fromm’s hypotheses. This seems especially relevant in areas like social motivation, ethical organizational climate and leadership, and employees’ organizational participation.

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