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Herman Miller, Inc. - A Force for Good in West Michigan

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Photography by Anne Saliers Johnson

Note: Herman Miller acquired Knoll on July 19, 2021. The merged company subsequently announced it would move forward as MillerKnoll. This article references past performance of Herman Miller and therefore references the company as HMI.

Introduction

In the Seidman course, Legal Environment of Business, students learn about a way of managing corporations that is growing in importance. Maximizing profits for business owners, while vitally important, is often no longer the only goal. Instead, students are encouraged to consider a multitude of subjects related to corporate social responsibility (CSR) including such topics as the triple-bottom-line (profits, planet, and people), sustainability, business ethics, B Corps, and the need for business to have a positive societal impact. Students are challenged to think critically and to see businesses as engines for profits as well as “forces for good” in our world. The Business Roundtable, a non-profit lobbyist organization of leading CEO’s, validated this approach in 2019 when it called on businesses to consider not only the interest of corporate stockholders but all stakeholders, including the environment, society, and employees, when making business decisions (Benoit, 2019). This is sometimes called stakeholder capitalism rather than shareholder capitalism.

Some argue that businesses should reject the Business Roundtable’s philosophical shift suggesting it is antithetical to the traditional goals of capitalism. However, many others maintain that businesses and business educators have an important role to play in helping businesses be a “force for good” we so desperately need during these turbulent times where climate change, racial unrest, government gridlock, the need for a more diverse workforce, and other serious challenges face our world. The public appears to embrace this approach. Notice how Facebook (now Meta) was criticized for placing profits before the their users’ best interests.

This thinking is increasingly popular with today’s college students. Interest in classes like social entrepreneurship, impact investing, climate finance, and other sustainability related courses is growing. For example, at the Wharton School of Business there are more than 50 business courses related to social impact (Gross, 2021). “There’s been an explosion of interest from students,” said Todd Court, a lecturer on sustainability at the Yale School of Management. This interest reflects an increase in jobs that require knowledge of environmental, social and governance, or so-called ESG topics. At the Seidman College of Business, faculty are increasingly integrating societal impact topics across a range of courses. Additionally, the College has begun to map our collective societal impact against the 17 United Nations Sustainable Development Goals as a foundation for expanded emphasis on the social impact of our business curriculum and scholarly publications.

In the classroom, students like to discuss real world applications of these topics and how a business can be a force for good. This article examines some of these issues within the context of business operations at Zeeland, Michigan based Herman Miller, Inc. Recently, the authors discussed this topic with Gregory Bylsma, the newly retired President of Herman Miller’s North American Contract Business. We covered the idea of business as a force for good and the important role of business educators in that process.

The Herman Miller Way

Since its inception in 1923, Herman Miller, Inc. (HMI) recognized the importance businesses play in serving society. Early on, HMI saw the role of the company not as a source of profit or wealth maximization but as a design leader and a provider of work. Not simply jobs, but fulfilling creative work, that paid a living wage. Through innovative design, HMI provided careers that individuals found rewarding financially and just as importantly, intellectually and even spiritually. Over the decades, HMI won hundreds of national and international awards recognizing the company's dedication to design, diversity, human rights, and employee wellbeing. Most recently, HMI received acknowledgement as a force for good in the world when named to Newsweek's list of most responsible companies ("America's Most Responsible," 2021). This honor considered HMI's contributions in the areas of the environment, society, and corporate governance which would be captured in an overall ESG score. The award verifies, in part, that HMI has been a good corporate citizen that gives back to the communities in which they operate.

As the company evolved, leadership recognized that employee satisfaction and wellbeing were also tied to good health. Good health in turn linked to the environment both inside and outside of its buildings. HMI's long history includes designing sustainable and healthy working environments (Herman Miller Group, 2021). A well-known example of this commitment is the Herman Miller GreenHouse conceived by New York architect [William McDonough](#). Built in 1995 in Holland, Michigan, this 295,000 square foot building showcases design qualities – such as storm-water management, air-filtering systems, and 66 [skylights](#) – that ultimately helped set the standards for the U.S. Green Building Council [LEED](#) Certification. The sustainable strategy for the GreenHouse was made to reflect a corporate philosophy that put the community and the wellbeing of customers and employees above all else (WMSBF, 2021). As Bylsma explained, before it became popular to talk about "corporate social responsibility" or the "triple bottom line" Herman Miller operated under this type of belief system. The philosophy that led to the building of the GreenHouse was considered to be ahead of its time as it received numerous prizes and recognitions for its sustainable architecture.

While Herman Miller is a corporation, Bylsma explained, really it is just "a gathering of people." Fortunately for Herman Miller, over the history of the company, these people have overwhelmingly focused on doing good and on being a force for good. The GreenHouse is just one example of this focus.

Delivering on Societal Good Intentions

We next asked Bylsma to discuss any issues he encountered over his years in corporate leadership related to businesses' attempts to have a positive societal impact. Bylsma stated that while HMI has had many successes in being a force for good as discussed above (also, see <https://www.hermanmiller.com/better-world>) he has seen where a firm could struggle.

Hypothetically, there are times when a company might become caught up in the metrics involved in proving the firm's positive societal impact. The challenge during these times for some companies is to walk a fine line between being a force for good and simply appearing to be one. For example, at an especially crucial time of heightened societal attention to the need of big companies to serve all stakeholders, firms sought to obtain the venerated status of having "zero landfill waste". In a nutshell, this signifies that none of the waste generated by the firm ended up in landfills but was instead reduced, repurposed, or recycled. Bylsma explained that while the designation sounds great in the context of being a force for good, what can occur without strong moral leadership, is that businesses simply find (and in some cases create) a third-party company that takes in the waste from client firms and in turn delivers the waste to the landfill.

Bylsma explained that a similar pattern can emerge in other areas of business operations as well including diversity content, equity and inclusion, and measuring the triple bottom line. What we define as being a force for good such as achieving green certification or honoring equity and inclusion can lead to work arounds that really do little or nothing to truly protect the environment, promote equity or serve the greater good. It is here Bylsma opined that business really needs strong, moral leadership, and he sees an opportunity for business educators to make a difference. Students need

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to be specifically taught that this type of behavior does not benefit society in a meaningful way and can lead to serious perception problems for firms who operate under such schemes.

The Role of Business Education

As Bylsma pointed out, corporations and classrooms are just groupings of individuals. These individuals are good, bad, or somewhere in between just like they are in society at large. For business and business education to be the force for good that we so desperately need today, both business leaders and educators must see themselves as legitimate agents for changing all of us collectively for the good. The bottom-line here, according to Bylsma, "...we get the jobs and leaders that we as members of society demand and ultimately deserve." This includes business leaders and business educators as well as leaders in politics and at home. To be a force for good we need to change us. We need to possess the moral courage to move from just looking like we are doing good to actually doing good. When an organization is threatened with falling into the metric scheme described earlier, it takes well educated and morally strong individuals to push back. Bylsma explained that business education can and should lead the way in this area. Business educators need to continue to integrate the concepts of moral courage and values into their classes. Students need to learn first and foremost what it means for them as individuals to be a force for good in the world. Next, they need to understand what it means for a company to be a force for good in the world. To do this, students should study specific examples of people and companies that are walking this path. It is Bylsma's hope that MillerKnoll will continue to serve as such an exemplar.

Conclusion

West Michigan is fortunate to be the home to many companies that genuinely seek to make our community and world a better place to live now and well into the future. Herman Miller, Inc. has long been one of these businesses as it has epitomized the success that is possible when an organization balances the betterment of society with profits. It is the task of business educators to provide the workforce that firms like MillerKnoll need to continue this work. There is no time like the present to move forward with being the force for good that our world requires.

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