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OPENING

Mister Rector Magnificus,
Mister Dean,
Ladies and gentlemen,
Dear colleagues, friends and family,

Welcome, I really appreciate that you are all here today.

PREFACE

In the next 45 minutes, I want to discuss a problem with you. We are not going to solve that problem today. In fact, we may not *ever* solve it. But if we don't, that would mean a dismal future. A dismal future for our children, a dismal future for our children's children, a dismal future for our species.

I will have more to say about this problem in a moment.

But let me first give you a preview of my argument.

What I will argue is that Capitalism is in crisis and that this crisis endangers all of us. I will also argue that an important reason for this is that we have been buying into a particular narrative about Capitalism, a narrative that I will refer to as neoliberal, but that has also been called the Chicago School perspective, the Agency view, or the Friedman doctrine. In short, it is a narrative in which firms should be managed for profit. I will refer to the system that is built on the idea that firms should be managed for profit as 'Shareholder Capitalism'. I will try to convince you of three points. First, that the neoliberal narrative underlying our current system of Shareholder Capitalism lacks a credible theoretical foundation. Second, that we can find a much more solid foundation in an evolutionary theory of human behavior and organization. And third, that this foundation can help us shape a much needed alternative narrative, a narrative of *Stakeholder* Capitalism as opposed to *Shareholder* Capitalism.

THE PROBLEM

So what is the problem? For those of you who attended the Inaugural lecture of my colleague Arno Kourula, who discussed '*The Roles and Responsibilities of Business in Sustainability*" I don't have to explain the problem. The problem is that our current Capitalist system is unsustainable: it is running our world into the ground.

For those of you who did *not* attend Arno's lecture, here is a recent quote from management scholar Gerald Davis (2022: 902, 904):[1]

"Shareholder capitalism has a lot to answer for, arguably including the opioid and obesity epidemics, the hazards to people and democracy posed by profit-driven tech firms, and catastrophic climate change … Nearly every major societal pathology in the West today … is caused or exacerbated by profit-oriented corporations."

I am not going to spend my limited time with you today to back-up this claim, or even to nuance it. I am simply going to state that I believe that it, by and large, correctly identifies the main culprit in our current system. The guilt for running our world into the ground lies in very large part with large corporations that are managed for profit.

Let me reinforce this point by comparing firms to AI (Artificial Intelligence). Many see AI as a potentially existential threat to humankind. But it is very unlikely that algorithms will become an existential threat, because algorithms don't have interests or intentions. They are unlikely to be able to put their own interests above ours, simply because they do not have any interests.

Now compare this to firms. Firms *do* have intentions. In Shareholder Capitalism, their intentions are to maximize profits. And profit-oriented firms *will* consistently put *their* interest in maximizing profits above *our* interests in leading a good, healthy, and sustainable life. That is how we have developed all kinds of addictions; to tobacco, to sugar and other unhealthy foods, to fossil fuel, to social media. Profit-

1 Davis, G. F. (2021). Corporate purpose needs democracy. *Journal of Management Studies*, 58(3), 902-913.

oriented firms are very effective at preying on our weaknesses. And they care very little, if at all, about the externalities that their activities impose on the world at large.

In other words, what some fear could happen with AI has already happened with firms. We have lost control over a powerful technology – a *social* technology, but a technology nonetheless. That social technology is the large corporation. With it, we have introduced an agent into our world that is capable of turning against us. And in putting profit above everything else, it has.

What is central to my argument today is that it does not have to be that way.

To see this, consider that it is people, managers, who are making the for-profit decisions. I submit to you that these managers are people like you and me. When they go to work in the morning, very few, if any, do so because they get a kick out of promoting unhealthy lifestyles or driving the human species to extinction. In the words of the title of the Inaugural lecture of my colleague Sander Onderstal, 'Managers are people too'.

This brings me to the central questions for the rest of my talk. First, why do managers, why do people like you and me, lead firms in ways that are running our world into the ground? And second, what can we do to change this?

THE CAUSE OF THE PROBLEM

As I already hinted in my preview, managers are running their firms in ways that put profits before anything else because we have bought into a neoliberal narrative about capitalism in which it is the *purpose* of firms to maximize profits.

Many critics of this neoliberal narrative see it as primarily driven by ideology. That is only partly true. The neoliberal narrative rests as much, if not more, on a theoretical claim. Consider the following quote

from financial economist and agency theorist Michael Jensen (2002: 236, 239) in a paper in which he discusses when managers are doing a better or worse job:[2]

"The answers to the questions of how managers should define better vs. worse, and how managers in fact do define it, have important implications for the welfare of a society's inhabitants. Indeed, the answers provide the business equivalent of the medical profession's Hippocratic Oath. It is an indication of the infancy of the science of management that so many in the world's business schools, as well as [in] professional business organizations, understand so little of the fundamental issues in contention. …200 years' worth of work in economics and finance indicate that social welfare is maximized when all firms in an economy maximize [profit]."

Let us leave the condescending tone of this statement aside. What Jensen says is that managers should maximize profits because it is the right thing to do. And it is the right thing to do because 200 years of economic theorizing tells us that maximizing profits also maximizes social welfare. It is this theoretical claim that underlies the neoliberal narrative of Capitalism.

But does this claim hold? Is it really the case that economic theory has demonstrated the moral superiority of a neoliberal system in which firms maximize profits?

To answer this question, we need to asks what, exactly, Jensen's claim is based on. Interestingly, he never specifies the 200 years of work in economics and finance that he has in mind, which reduces his argument to an authority claim. However, there is, in fact, a theory that would support Jensen's claim, if only it would be an accurate description of the world we live in. This theory, typically referred to as neoclassical economics, revolves around the model of perfect competition. The beauty of the model of perfect competition is that it describes a world that guarantees both maximum individual freedom and maximum collective welfare.

Now think about this for a moment, because it is quite profound. I repeat: the model of perfect competition demonstrates that there exists a world that can give us both maximum individual freedom ***and*** maximum collective welfare. Who would not want to live in a world like that?

2 Jensen, M. C. (2002). Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly*, 235-256.

Well, before we answer *that* question, we should perhaps consider in more detail what this world is like. It is actually a rather strange world. Picture a world in which all of us are completely self-interested. Picture a world in which the only way in which we would interact with each other is by exchanging things for a price in competition with others. That is, *all* of our exchanges, of all goods and services – in fact all of our interactions – would be competitive and coordinated by prices. In such a world, we wouldn't need to be social or moral beings. In fact, if anything, any sort of sociality or morality might get in the way of allocating scarce resources to their most valued use. In such a world, all that we would do, in fact all that we *should* do to maximize collective welfare, is to pursue our material self-interest by responding to prices set in competitive markets.

You may think that such a world is not a world you would want to live in. I agree. But this is the world on which the neoliberal narrative is based. It is a world in which pursuing your self-interest is the only rational thing to do and in which getting us to a moral outcome can be left to the market.

It is exactly this world that the neoliberal narrative of capitalism imposes on managers.

Now, the problem with the model of perfect competition is that is based on two half-truths.

[Slide – Quotes Adam Smith][3]

The first of these is that people are self-interested. Behavioral economics has demonstrated that we are not nearly as self-interested as mainstream neoclassical economic theory assumes. In demonstrating this, behavioral economics vindicates a duality that goes back to Adam Smith. I have these two quotes from Smith sown into my Toga (my gown). One of them is from 'The Theory of Moral Sentiments' and the other from 'The Wealth of Nations'. They represent two sides of human nature that we need to acknowledge and come to terms with. What these quotes suggest is that we have both self-interested and moral instincts. One of the most important research questions that I can think of is how these two parts of our psychology relate to each other, and I will have something to say about this later. However, the economic theory on which the neoliberal narrative is based *only* considers self-interest. As a result,

3 See Appendix 1

it has led us down a path on which we are supposed to build a better world by appealing to peoples' self-interest as opposed to their morality. That is a path with a dead end.

The second half-truth is that we can expect self-interested actors who compete with each other to make choices that also maximize collective welfare. This is only true if these actors are independent. In a perfectly competitive market, with many buyers and many sellers, that is largely the case: in the market for coffee, whatever I decide does not really affect an individual coffee bean farmer in, say, Columbia, and whatever that farmer decides does not really affect me. Kenneth Arrow, one of the fathers of what is arguably the crowning achievement of mainstream neoclassical economics, Welfare Economics, has emphasized that this is the whole point of perfect competition: that individuals are independent of each other.[4] The powerful idea that we can have both maximum individual freedom *and* maximum collective welfare depends on it.

Now contrast the model of perfect competition with its independent actors with game theory. Game theory is about situations in which people are interdependent. What this means is that the outcome of my choices no longer only depends on what I do, but also on what specific others do. What game theory has demonstrated is that there is a class of situations in which people who make self-interested choices will ***not*** maximize their collective welfare. I will refer to this class of situations as collective action dilemma's. Collective action dilemmas are situations in which there is a tension between our short-term self-interest and the long-term collective interest. The most famous of these is the Prisoner's Dilemma. In situations of interdependence such as the Prisoner's Dilemma, the result of the model of perfect competition, that free individuals pursuing their self-interest will also maximize collective welfare, does *not* hold.

The two half-truths in the model of perfect competition, on which Jensen's claim that firms should be managed for profit is based, raise two important questions. The first: how important are collective action dilemmas? And the second: how important is morality? As I will argue next, the answer to both questions is: they are not just important, they are central to what human behavior and organization are all about.

4 Arrow, K.J. 1959. Toward a theory of price adjustment. In M. Abramowitz, ed., *The Allocation of Economic Resources*. Stanford: Stanford University Press.

AN ALTERNATIVE VIEW

What I have argued so far is that we have a problem, that this problem is that most large corporations are exclusively run for profit, and that the cause of this problem is a narrative about Capitalism that is based on a theoretical foundation that consists of half-truths.

Now, if the neoliberal narrative is based on half-truths, where can we turn for a more solid theoretical foundation? My answer is: to evolutionary theory. I will try to convince you of this by summarizing what an evolutionary view of human behavior and organization tells us about the role of self-interest and morality in human affairs.

[Slide – Quotes Schumpeter/Ostrom][5]

What do I mean when I say an 'evolutionary view' of human behavior and organization?
In simple terms, this just means acknowledging that we, as humans, are an animal species among many other animal species. Once we acknowledge this, it follows that our behavior ultimately needs to be understood as the product of an evolutionary process. However, the evolutionary view that I have in mind is not a view in which evolution is understood in genetic terms alone: it also includes a role for culture. In line with this, it is typically referred to as gene-culture co-evolution theory.[6]

To understand why evolution may need to be understood in terms of both genetic and cultural evolution, we only need to acknowledge that evolution is, in essence, nothing more than a process of information transmission. What evolution does, is to generate and transmit information about 'what works', or more specifically, what worked in the immediate past. That is basically what genetic information is: the genetic information in your genes is information that has 'worked' to produce organisms (your parents, your grandparents, your great grandparents) that were able to survive and reproduce in their local environments.

5 See Appendix 2
6 E.g. Richerson, P. J., & Boyd, R. (2008). *Not by Genes Alone: How Culture Transformed Human Evolution*. University of Chicago press.

Much of how we behave can be understood in genetic terms. But that is obviously not the whole story. Genes are not the only carriers of information about what works. The other part of the story is culture. Like genes, culture can be understood as an information carrier. In fact, gene-culture co-evolution theory *defines* culture in informational terms: culture is information that is transmitted through social learning during one's lifetime.

So we have two important sources of information about 'what works': genetic information and cultural information. Together, these two sources of information explain the patterns of behavior that we collectively enact. These are patterns of behavior that worked in the past, and these same patterns of behavior are likely to work in the present – that is, as long as our environment does not change too much.

This qualification, of course, is essential. It is essential because our environment has recently changed very rapidly – and by our own doing.

This brings us to a crucial point, which is how we can hope to adapt to the breakneck speed of environmental change that we have imposed on ourselves. Genetic adaptation is unlikely to be the answer, as it is simply too slow a process. Unless we resort to massive genetic engineering, we are stuck with the genetic dispositions that we have, many of which are creating so-called 'evolutionary mismatches' with our modern environment.

Luckily, the advantage of cultural evolution is that it can be substantially faster than genetic evolution. But that does not necessarily mean that it is fast enough. One reason for this is that, in the words of biologist E.O. Wilson (1975), 'genes have culture on a leash'.[7] That is to say that our genetic dispositions and instincts limit what we can do in terms of cultural adaptation. In the words of gene-culture co-evolution theory, the best we can do is to tinker with 'cultural work-arounds' that make the best of our genetically evolved instincts.

But that is most certainly not what Shareholder capitalism is doing. By exclusively appealing to our self-interest, Shareholder capitalism is very far removed from making the best of our instincts.

7 Wilson, E. O. (1975). *Sociobiology: The New Synthesis.* Harvard University Press.

Let me back this up by zooming in on what our genetically evolved instincts are. There are many, of course, including obvious evolutionary mismatches like our taste for sugary and fatty foods on which large corporations prey so successfully. But I will here focus on the two that are central to human organization itself: self-interest and morality. What does evolutionary theory have to say about these instincts?

The short answer is that evolutionary theory suggests that we need to understand self-interest and morality, and especially the relationship between them, in relation to the central role of interdependence in human evolution. More specifically, the picture that is emerging from evolutionary theorizing about human nature is that we became human by evolving a survival strategy based on cooperation. That survival strategy made us strongly interdependent. And in order to make this survival strategy a success, we not only had to become a *social* species that is able to live in closely knit groups, but a *moral* species that is able to impose norms and abide by them.

Let me unpack this.

The details of our understanding about how we became human are still evolving. But the most plausible story that we can currently tell goes along the following lines. We started diverging from our common ancestor with Chimpanzees and Bonobos, and we became the peculiar species that we are, by responding to changes in our environment in Africa. Ultimately, as woods turned into savannas our earliest ancestors responded by developing a survival strategy that relied on the ability to cooperate in groups. But for this survival strategy to work, our psychology needed to evolve.

The anthropologist and primate researcher Tomasello (2016), has convincingly argued that this evolution of our psychology most likely involved three steps.[8] For you and I to be able to work together, we first of all need to develop 'joint attention'. Joint attention is the ability to focus our combined attention on a particular task, so that we can coordinate on fulfilling that task. For example, if we want to lift something that is too heavy for one person, we need joint attention to be able to coordinate our actions.

8 Tomasello, M. (2016). A Natural History of Human Morality. Harvard University Press.

The second step in the evolution of our psychology is related to the division of labor. As tasks get more complex, we may benefit from a division of labor, where each of us fulfills a specific role. For example, I chase an animal towards the bushes in which you hide and you kill it. As soon as we make use of a division of labor, however, we are facing a collective action dilemma. Our cooperation will only work if we are able to think in terms of roles and if we are willing to 'honor' those roles. This is where morality begins to enter the picture. In order for you to kill the animal that I chased towards you, you need to be able to understand your role *and* you need to be willing to act upon it. This may not at all be obvious, especially if your role of killing the wild animal puts you at greater risk than me, who is only chasing it. Such collective action dilemmas become more severe as we move from bilateral cooperation between you and me to cooperation in a group. And, in fact, as that group gets larger the problem of maintaining cooperation quickly becomes much more complex. This is where the third step in the evolution of our psychology comes in: our sensitivity to behavioral norms.

The reason that a larger group requires norms to be able to sustain cooperation is that a larger group leaves much more room for so-called 'freeriding' behavior. If it is just you and me chasing the animal, then we will only have something to eat if we both fulfill our specific roles. That leaves little room for freeriding. But if we are cooperating in a larger group, for example to chase larger animals that can feed many more mouths, then I may be much more tempted to freeride, hoping that the rest of the group will make the kill. And of course, I may be *especially* tempted to freeride when the larger animal is also more dangerous and I run a serious risk of getting wounded. It is this sort of temptation that illustrates the essence of collective action dilemmas: that there is a tension between my short term self-interest (which is not to get wounded or even die during the chase), and the long term collective interest (which is to feed the group). Our sensitivity to group norms helps us overcome such dilemmas.

What do we learn from this?

[Slide – Basic insights][9]

9 See Appendix 3

What we learn from evolutionary theory is that our ability to deal with interdependence is central to what made us human. More precisely, what we learn from evolutionary theory is that morality evolved to allow us to solve the collective action dilemmas that come with interdependence. We evolved a sensitivity to roles and norms to overcome these dilemmas. The very *function* of morality is to support a cooperative survival strategy.

We can make this more precise, and in fact more fundamental, by reminding us of what collective action dilemmas are about. To repeat: they are about a tension between short-term self-interest and long-term collective interest. In addition to the insight that morality, in the form of our sensitivity to roles and norms, helps us solve these dilemmas, an evolutionary view offers an even more fundamental insight. This second insight is that morality helps us solve collective action dilemmas by leading us *away* from behaviors that are in our self-interest and *towards* behaviors that are in the collective interest. In other words, evolutionary theory suggests that morality evolved to *suppress* our self-interested instincts.

If this is indeed the case, then we might expect this to be reflected in how our brain works. In general, our brain tends to work on the basis of antagonistic neural networks. Antagonistic networks exert negative feedback on each other: when one network is activated, it turns the other down – and vice versa. There is evidence to suggest that this is also how self-interest and morality work. While we do not yet fully understand the neural signatures of self-interest and morality, it does seem to be the case that they suppress each other, as we would expect on the basis of evolutionary theory. Moreover, it seems to be the case that self-interest is associated with the so-called Task Positive Network (or TPN), while morality is associated with the so-called Default Mode Network (or DMN). What is important about this association is that, as its name already suggests, the Default Mode Network is our default. What this means is that we are normally in a moral mode, the mode that allows us to solve collective action dilemmas.

What may be clear is that all of this tells a very different story about human behavior and human organization than the one on which the neoliberal narrative is based. Yes, we have self-interested instincts, but we also have moral instincts. In contrast to the neoliberal narrative, it is these moral instincts that define us as humans. They do so because the canonical problem in human organization is solving collective action dilemmas. Moral instincts allows us to overcome these dilemmas and to sustain cooperative groups. They are what enables our cooperative survival strategy. And they are our default.

A WAY FORWARD

With this in mind, let me return to the two questions about the crisis in capitalism that I posed at the beginning of my talk.

The first question was: "Why do managers (why do people like you and me), lead firms in ways that are running our world into the ground?" And the second: "What can we do to change this?"

Evolutionary theory suggests two possible answers to the first question. The first answer is that managers are simply acting out of self-interest. On an evolutionary view, this would mean that they are not in the default moral mode whenever they put profit before our collective welfare, but that something is consistently putting them into a self-interested mode that suppresses their morality.

There is good reason to expect that this may be part of the explanation, because one of the key practices in implementing Shareholder Capitalism is to give managers strong financial incentives to maximize profits. There is research to suggest that financial incentives crowd out morality. What financial incentives, in fact what even the mere mention of money seems to do, is to activate the self-interested part of our psychology.

But evolutionary theory also suggests a second possible answer for why managers are running their firms to maximize profits at the expense of our collective welfare. That second answer is that even if and when managers *are* in the default moral mode, they may feel that maximizing profits is the right thing to do. We saw that morality involves susceptibility to roles and norms. If managers have bought into the neoliberal narrative they may honestly feel that maximizing profits is their proper role – a role backed up by a powerful norm about what the purpose of firms is and should be. In Jensen's terms: a norm that is the equivalent of a doctor's Hippocratic Oath.

What does this mean for my second question, which is how we can change this? How can we change how large corporations are managed?

The first thing that we need to do is to minimize the likelihood that managers are in a self-interested mode when they make decisions. In order for large corporation to serve us we need the managers that

run these corporation to be in a moral mode. This means ending the practice of variable pay linked to profit related metrics. If that sounds strange to you, this only demonstrates the extent to which we have bought into the neoliberal narrative about capitalism. A generation ago this practice was an exception. In the Netherlands, even today we do not accept it as a valid practice for Supervisory Board members (members of the 'Raad van Commissarissen'). The only reason that we may expect it as the norm for compensation of the members of the Executive Board (members of the 'Raad van Bestuur') is because the neoliberal narrative has drawn us into a version of capitalism in which corporate governance is all about aligning the interests of managers with those of shareholders.

But … norms can change. So here is a bold prediction: future generations will judge the practice of executive compensation imposed by Shareholder Capitalism as a criminal offence – a crime against humanity. It is a bold prediction, but it is testable – that is, unless corporations have driven the human species to extinction before future generations can pass their moral judgement.

Ending the practice of variable pay linked to profit would be an important step. But it wouldn't be enough. The second thing we would need to do is offer managers a convincing alternative narrative about their proper role in a capitalist system.

Which brings me to the title of my lecture "Can management (theory) save capitalism?"

The obvious answer is that saying 'yes' is expecting much too much from theory. I agree. But I have put theory between brackets for a reason. Leave that word out and my title reads: can management save capitalism. As may be clear by now, I do believe that if capitalism can be saved at all, it is through a different way of managing firms, and large corporations in particular. The battleground for saving capitalism, the battleground for keeping large corporation from running our world into the ground, is to change the 'habits of thoughts' of managers. As long as managers believe that they are doing the right thing when they are maximizing profits, it is going to be very hard to change things.

In fact, one reason why managers may be so focused on profits is that Business Schools have been a conduit for the neoliberal narrative, if not by teaching it outright, then at least by adopting it implicitly. My own field, that of strategic management, is a case in point. Strategic management is all about explaining and increasing the relative performance of firms. And how have we traditionally defined

performance? In terms of profit. This has recently started to change, and that is part of a hopeful turn, a turn to adopting a broader perspective aimed at understanding how firms can create value for all their stakeholders, and indeed for society as a whole. Much of my work, alone and with others, is aimed at contributing to this turn. Part of that work is about the evolutionary and behavioral foundations that I have emphasized today.[10] Another part is on redeveloping existing strategy theory and theories of the firm along the lines of what I have told you today.[11] And yet another part is on translating those theories into a theory of governance in general, and corporate governance in particular.[12]

In doing this work, I hope to contribute to laying a theoretical foundation for Stakeholder Capitalism. Corporations are a powerful social innovation, but we urgently need a coherent theory about how they can *really* contribute to the greater good. A theory that replaces the half-truths of the theories on which the neoliberal narrative rests with the empirical facts as we understand them today. Yes, people are self-interested, but we are moral creatures too. Yes, the market is a fantastic engine of welfare, but markets fail in the face of interdependence. Dealing with interdependence is the very essence of human organization. And in a world of interdependence, the idea that we can hope to maximize our collective welfare by appealing to peoples' self-interest is deeply misguided.

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10 E.g. Stoelhorst, J.W. and Richerson, P.J. (2013), A Naturalistic Theory of Economic Organization, *Journal of Economic Behavior and Organization*, 90 (Supplement): S45-S56; Stoelhorst, J.W. (2008), The Explanatory Logic and Ontological Commitments of Generalized Darwinism, *Journal of Economic Methodology*, 15(4): 343-363.

11 E.g. Stoelhorst, J.W. (2023), Value, Rent, and Profit: A Stakeholder Resource-based Theory, *Strategic Management Journal*, 44(6): 1488-1513.Bridoux, F. and Stoelhorst, J.W. (2016), Stakeholder Relationships and Social Welfare: A Behavioral Theory of Contributions to Joint Value Creation, *Academy of Management Review*, 41(2): 229-251;-Bridoux, F. and Stoelhorst, J.W. (2014), Microfoundations for Stakeholder Theory: Managing Stakeholders with Heterogeneous Motives, *Strategic Management Journal*, 35: 107-125.

12 E.g. Stoelhorst, J.W. and Vishwanathan (Forthcoming), Beyond Primacy: A Stakeholder Theory of Corporate Governance, *Academy of Management Review*; Bridoux, F. and Stoelhorst, J.W. (Forthcoming), Stakeholder Governance: On Overcoming the Problems in the Traditional Narrative of Capitalism. In: Talaulicar, T. (Ed.) *Research Handbook on Corporate Governance and Ethics*; Bridoux, F. and Stoelhorst, J.W. (2022), Stakeholder Governance: Solving the Collective Action Problems in Joint Value Creation, *Academy of Management Review*. 47(2): 214-236.

In short, the world needs a better theory of management than the one that dominates the current system of Shareholder Capitalism. I believe that such a theory is possible, and that an evolutionary view of human behavior and organization offers a solid foundation for it. Armed with a theory built on that foundation, we may be able to convince managers that their proper role is not to maximize profits, but to balance the interests of all stakeholders, including those of future generations. Armed with such a theory, we may be able to convince politicians and law makers to put an end to current executive compensation practices and to make sure that corporate governance law reflects the fact that corporations should be managed to appeal to our morality as opposed to our self-interest. Armed with such a theory, we may, perhaps, be able to change Shareholder Capitalism into a system in which corporations serve our interests, rather than the other way around.

ACKNOWLEDGEMENTS

That was my story for today. But before I conclude, there are some people I would like to thank.

Over the years, there are too many people that have been colleagues, collaborators, and friends for me to thank in person. But I am thankful for my interactions with them nevertheless. I have been able to enjoy being an academic, and indeed enjoy life, because of them. They include my friends from my study years at the university of Twente, my colleagues from the years after my graduation when I worked at that University, my former and current colleagues at the University of Amsterdam, students, PhD candidates and co-authors, as well as the many interesting people that I have encountered at workshops, symposia, conferences and other academic events.

In fact, most of you here in this room fall into these categories. So what I am really saying is thank you to you. As an academic who lives inside his own head for much of the time, it may not always show – but I truly value my relationships with you. If managers are humans, then so are academics. If anything that I have said today about the evolutionary roots of our psychology makes sense, then life is ultimately about the social relationships that we construct, even for those of us in the Ivory Towers of academia. So thank you all for your friendship.

Of course, there have also been people that have been directly instrumental in me standing here today.

In historical order, from my days in Twente, they include the professor with whom I started my PhD, Horst Bender, and the professors with whom I finished it, Peter Idenburg and Arie Rip. Peter and Arie, thank you for taking me under your wings, even when doing so was not such an obvious choice.

During my years in Amsterdam, there was first of all my first head of department, Wout Buitelaar, who hired me. My later head of department, Ans Kolk, was instrumental in my career advancement from assistant to associate professor. And after I had taking over her role, and after that role was subsequently taken over from me by Mark van der Veen, he was instrumental in my career advancement from associate to full professor. Wout, Ans, and Mark: thank you for your support.

Finally, the function that allows me to stand here today also depends on the approval of an academic chain of command that runs from the Dean of the Amsterdam Business School, through the Dean of the Faculty of Economics and Business, to the Board of the University. I have waited long enough to finally deliver this lecture for most of the people that were actually involved in appointing me back in 2018 to have since been replaced by others, with the exception of Marc Salomon. So Marc, I would like to thank all those who were formally involved through you. Thank you for your trust.

And then, finally, finally, there is family, both in the narrower and broader sense. My own family, partners, and the family of partners. Not everyone that I would have liked to thank in person is here, but the ones that are, gathered here on the first row, symbolize a lot.

First, my brother: Peter. I really would have liked to be able to not only thank you today, but also my parents, our parents – but they both passed away very shortly after my appointment became official. So in terms of family in the narrow sense, it's just the two of us now. Let me therefore thank you, and through you, thank them. There was certainly something in both the nature and nurture of the microculture in which we grew up that has helped me to make it here today.

In fact, when I say that there is just the two of us in terms of family in the narrow sense, that is not quite true, of course – for there is Leo and Ella as well. Our family in the narrow sense of an evolutionary bloodline continues with them. Which brings me to the last person to thank, which is obviously Flore.

Flore, we can keep track of our anniversaries through the anniversaries of SMS, the Strategic Management Society. We met in 2005, at the conference that celebrated the 25th anniversary of SMS, so we hope to celebrate our 25th anniversary in 2030, when SMS turns 50. It is difficult for me to imagine what my life would have looked like if we hadn't met. In fact, it is an open question if I would have stood here today. When we met, you were looking for someone with whom you could have both a family and a career – and you actually said so out loud. Although I was more than old enough, I did not yet have a family, nor was I planning for one. I did already have a career, but was also in the process of waking up to the reality that my career was based on other things than what a research-oriented environment like the University of Amsterdam truly values. Fast forward eighteen years, and here we are … On the career side, not only did we start writing papers together, but for both of us, our most *cited* work is our *joint* work. In that sense, and in many other senses, we built our careers as researchers together. That made it much more enjoyable and valuable, and I thank you for that. And on the family side, we are blessed with two great kids, and I most certainly have you to thank for *that*. Among many other things, Leo and Ella help remind us that, yes, there are even more important things in life than research. My dear Flore, I hope that we will be able to keep combining our family and joint careers for a long time to come.

Ik heb gezegd.

Appendix 1

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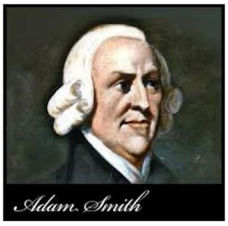


Self-interest

"It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our necessities but of their advantages."

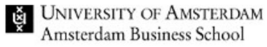
(The Wealth of Nations, 1776)

Moral sentiments

"How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it."

(The Theory Of Moral Sentiments, 1759)

Appendix 2



From neoclassical economics

"Economists … have once more run away with some fragments of reality they happened to grasp. These fragments themselves were mostly seen correctly … But no conclusions about capitalist reality as a whole follow from such fragmentary analyses. If we draw them nevertheless, we can be right only by accident. That has been done. And the lucky accident did not happen."

(Joseph Schumpeter, 1943: 82)

To evolutionary theory

"While no full-blown theory of collective action yet exists, evolutionary theories appear most able to explain the diverse findings from the lab and the field and to carry the nucleus of an overarching theory"

(Ellinor Ostrom, 2000: 138)

Appendix 3

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The Basic Insights

What distinguishes the human species is our ability to ***cooperate*** in groups

Cooperative strategies make agents ***interdependent***

Interdependence results in ***collective action dilemmas***– situations in which there is a tension between the (short term) individual interest and the (long term) collective interest.

We evolved our ***moral sentiments*** specifically to be able to overcome these dilemmas

Morality is what makes us ***human***