

# THE BUSINESS OF BUSINESS ... NOW

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Six decades ago, an early editorial in the fledgling *MIT Industrial Management Review*—which later became the *MIT Sloan Management Review*—focused on the disconcerting and even shocking scandal of that time: a set of business actions that became widely known as the “GE price-fixing scandal” (*MIT Industrial Management Review*, 1961). A set of coordinated and illegal actions among upper-level managers at General Electric and other companies turned out to be so egregious and widespread that high-level executives at participating firms were convicted and actually handed down prison terms for their collusion. It was a rare and ever-so-unusual event in the United States business scene at that time ... and ever since, as noted in general by Jennifer Taub in *Big Dirty Money: The Shocking Injustice and Unseen Cost of White Collar Crime* (2020).

It was rare and unusual, indeed, when one reflects on what appears *not* to have happened in a much greater scandal (Krugman, 2006; Hall, 2015) that began a decade later, when researchers and then top-level executives at Exxon—now ExxonMobil—developed, buried, and denied clear and definitive research showing that continuing to burn fossil fuels would do exactly what it has done: put the very existence of our own and other species at the imminent risk of extinction.

The *Review* at the time of that 1961 editorial was a wholly student-run publication, modeled on law school journals, and edited by the “academically best and brightest.” The editors concluded their essay by turning President Calvin Coolidge’s famous quote—that “the business of America is business”—on its head with the suggestion that “the business of business is America.” Not bad for a handful of graduate business students, and yet now, six decades and 100 more CO<sub>2</sub> parts per million (ppm)—from 316 ppm to 416 ppm (Keeling et al., 2001)—later, the phrase might be rewritten better as “the business of business is the world,” or better yet, as

“the business of business is the world’s well-being,” or maybe even as “the business of business is future generations and the planet itself.”

From prevention to mitigation to resilience to survival, all in a half-century—we have been warned for the last six, then five, then four, then three, then two, decades, and now in 2020, that the “next ten years” would be critical in preventing the rise of CO<sub>2</sub> and other greenhouse gases in the atmosphere and ending the many other systemic damages to our global ecological system. We have been told repeatedly that the damages need to be halted and then reversed if we are to mitigate the increasingly disastrous climate change and global warming outcomes that we are now already experiencing. Each ten-year warning has proven to be correct—every time we have failed to act, first moderately and calmly and then decisively and boldly, the damages have grown and the task has become harder, more expensive, and less likely to be successful. Now, many of the most informed and objective among us are warning that we have another ten years to avoid a truly catastrophic situation for all species, including our own, and that the next ten-year warning after this latest one may be irrelevant—that the game may be over by then (McKibben, 2019). The steps we take now must be urgent and bold.

The novelist Lydia Millet wrote in *The New York Times* on November 27, 2020 that “only big steps will save Earth” (Millet, 2020). She describes very clearly the level and extent of the commitments that we need to make now as well as of the costs of failing to make them—*now*:

In colleges, high schools, even grade schools across the country and the globe, the children are struggling to lead us.

We can marshal a broader social will. But it needs the strength of political will to be made flesh: the forces of the executive, the dedication of public and private money to climate-rational projects, the use of existing law and the cooperation of nations.

In the absence of such a unifying paradigm shift, deadly storms and wildfires will get worse, removing from our descendants the safety of home. Rising seas will remake the coastlines before we can adapt, undoing our great cities. Forced migrations will bring civil strife and autocracy. Waves of extinction will unravel the ecosystems that give us clean water, clean air, forests and fisheries. And forever rob us of the beauty and possibilities of a living planet.

It is as clear now as it has been for decades that we, all of us—individuals, groups, nations, *and* businesses—need to take the bold and courageous actions that we all have long been called to take.

There is no shortage of valuable things that we can do; in fact, many of them are already somewhat underway—not nearly as powerfully driven and extensive as they need to be, but at least underway. James Arbib and Tony Seba (2020) have shown, for instance, that we already have all the technology that is necessary for making the energy production and consumption system transformations required to end climate change and global warming. Paul Hawken and his colleagues (Hawken, 2017) have described 100 available and viable projects that constitute “a comprehensive plan for reversing global warming.” As Hunter Lovins and her colleagues describe in their recent book, we have the ability to “build a regenerative economy through a powerful combination of enlightened entrepreneurialism, technology, and innovative policy” (Lovins, Wallis, Wijkman, & Fullerton, 2018). Indeed, many other valuable and viable approaches have been offered by many other committed individuals and organizations, with more surely to come.

The likelihood that these existing initiatives, along with many more new ones, will come into being will increase dramatically as business schools around the world continue to move rapidly from being part of the problem of global unsustainability to being part of the solution. It is increasingly being recognized that teaching the practices, tools, values, ethics, and, above all, mindsets of business-as-usual—and conducting research that contributes to such—encourages, legitimizes, and aids the practices of businesses and other productive organizations that have, at worst, put the existence of our own and other species at risk and that have already guaranteed, at the very best, a long path of hard work to get us all out of the ecological, social, cultural, and spiritual morass that we have worked our way so deeply into.

The good news is that initiatives to change business education rapidly and in partnership with businesses and other institutions are occurring all over the world. In its previous issue, this journal reported how the network of Jesuit business schools is taking action to replace the neoliberal narrative at the very heart of our unfolding economic, social, environmental, cultural, and spiritual tragedy with a new economic, social, ecological, and spiritual mindset (Garanzini, 2020). Going well beyond simply calling for others to take action, teams in each of 11 business disciplines and approaches are creating and developing syllabi, curricula,

and textbooks that offer near-term possibilities for transforming business education not only at Jesuit and Roman Catholic institutions but also beyond them. An up-and-coming June 2021 special issue of the *Journal of Jesuit Business Education* will report on the goals, processes, and progress of this New Paradigm project. Across three major sections, it will address the need to rethink business education as well as describe the processes of curricular change being followed along with their pedagogy and content.

This particular initiative is just one of many around the world that seek similar goals—to transform business education in partnership with business and other leaders, with the intent of transforming business practice very, very soon. In the next few years, it will no longer be appropriate to say, whether metaphorically, provocatively, and maybe even a little humorously, that “business schools are doing the work of the devil.” They will be “doing the work of the angels.”

As has been noted by so many well-informed, committed, and objective scientists, leaders, and politicians, bringing about the changes that are needed to “save the earth” and therefore “save ourselves” is, of course, the greatest challenge our species has ever faced. And transforming business practice and its role in world society will be one of the greatest challenges within that great challenge. Business-as-usual has very likely been the single greatest contributor to the mess we are all in, and business will need all the help it can get to become the leading contributor to global sustainability, flourishing, and regeneration that we need it to become.

That transformation is starting, and business schools are emerging as key leaders in discovering how we can deal with the three most salient and immediate transformational needs of the great global challenge: 1) overcoming the realities of climate change and global warming, 2) determining how we can be the kinds of people who can live on this planet without destroying it and becoming precisely those kinds of people, and 3) learning how we can produce, distribute, and consume the goods and services that we need in ways that will heal our broken world and actually bringing those ways of producing, distributing, and consuming into being. To borrow Buckminster “Bucky” Fuller’s trim tab metaphor for the seemingly small steps that lead to great change, business schools are starting to go beyond being just the trim tab on the great rudder of the enormous ocean liner that is the global economy, society, culture, and ecology; they are becoming that great rudder itself

as they begin to change our doomed course and head us onto a path that might be the only one we dare to follow.

For eight years—almost a decade—the articles and editorials in this journal have become increasingly emphatic about the need for business school education and all of business to turn away from the business-as-usual mindsets and practices that have put our own and other species on the path to extinction, calling on us to hear the words of so many, from Greta Thunberg to Pope Francis, to care for our common home and go from words to action *now*. The five articles in this issue of the *Journal*, therefore, like so many in the past, are all part of the explorations and desirable changes that are necessary for us to move that massive ocean liner in the direction that we need to discover and follow. Business schools are becoming more than the trim tab; they are becoming the great rudder for our global future and, in doing so, are taking the next steps six decades after the call those graduate student editors made in 1961, inspiring all of us to make true the possibility that “the business of business is future generations and the planet itself.”

In “Benefits from Laguna Lake: Perspective of Small Fisher Households,” Rosalina Palanca-Tan of the Ateneo de Manila University examines the role played by Laguna Lake, located near Metro Manila, in the economic life of fishing households in lakeshore communities. The article explores the realities of earning a livelihood at the most basic level—the fishing households around Laguna Lake are engaged mostly in small-scale open fishing and fish cage farming—as well as the impacts of business system arrangements and ecological changes on individuals and families seeking to earn a decent living from their work. The author describes how the economic benefits of fishing activities are enjoyed much more by a few non-lakeshore residents and fish pen-owning corporations and individuals than by the local fisherfolk themselves, and offers ways for overcoming the economic injustice her work reveals through the institution of a system in which huge resource rents from aquaculture are made to accrue to poor fishing households in the lakeshore communities.

The study also finds that the fishing activities and livelihood of the lakeshore households are seriously affected by pollution and other environmental conditions in the lake ecosystem. The author thus asserts that there is an urgent need to address the lake’s pollution problems and concludes with suggestions on how to do so.

In “Developing a Framework for Understanding the Personal Motivations of Sustainability Leaders,” Jennifer Licad Horn, formerly affiliated with the University of Surrey and now with Ateneo de Manila University, and Walter Wehrmeyer from the University of Surrey grapple with the challenge of creating leadership for sustainability, which is necessary for helping us become the kinds of people who can live on this planet without destroying it as well as contribute to transforming our production systems. They observe that sustainability education and leadership programs, more than just sharing new knowledge and skills, need to help create or strengthen an underlying motivation to act. Their article explores both the initial and sustaining motivations that drive the leaders they studied to pursue sustainability as a profession or vocation, along with perspectives coming from various sectors (business, government, non-government organizations, or civil society) and a developing world context in a country like the Philippines.

The authors’ thematic analysis of interviews with 16 sustainability leaders revealed values and significant life experiences that drove motivation; feedback that sustained motivation; and the importance of self-reflection, self-awareness, and positive psychological factors in starting and sustaining the leaders’ work or advocacy. The authors recommend that sustainability education and leadership programs utilize experiential learning to develop awareness, connectedness, and empathy with the world around oneself; create space for reflection on leaders’ experiences and insights; integrate ways to cultivate hope and other positive psychological factors such as confidence, optimism, and resilience; and help leaders build social support in enabling environments.

In their article titled “The Role of National Culture in the Relationship Between Sustainability Practices and Sustainability Performance,” Cristina Sancha, Annachiara Longoni, and Cristina Giménez from ESADE Business School-Universitat Ramon Llull explore an important factor in the development of the kinds of productive organizations that will meet our needs while protecting the planet.

The authors define sustainability practices as those practices and actions that allow a company to achieve business processes that lead to improved sustainability outcomes. Examples of these practices include the setting of policies oriented toward the protection of employees and the use of environmental management systems. The “one size fits all” view, moreover, has been frequently contested even though

globalization usually leads to the standardization of policies and practices. In this context, Sancha, Longoni, and Giménez address the following question: “What is the impact of national culture on the sustainability practices-performance relationship in different cultural environments?” They thus use an international sample of nine different countries to explore the contingent role of national culture in the sustainability practices-sustainability performance relationship.

The authors describe how the data show the uncertainty avoidance and masculinity/femininity dimensions to be relevant contingency variables that should be considered when analyzing the sustainability practices-sustainability performance relationship. In the domain of uncertainty avoidance, the data suggest that the implementation of sustainability practices will have greater impact in societies where individuals are willing to put in place systems and procedures that ensure the sustainability of both society and the environment (by reducing or removing uncertainties that might have a negative impact on such). Thus, in societies with high uncertainty avoidance, national culture will fit a firm’s sustainability values more closely and employees will be more committed to the implementation of sustainability practices, thereby enhancing their impact.

With regard to the masculinity/femininity dimension, the data suggest that the implementation of social practices counterbalances the generally low level of care for the weak and for the quality of life as found in societies characterized by high levels of masculinity.

In “Quantifying the Order of Priorities in Student Choice of Graduate Business Schools: Does Sustainability Matter?”, Robert Sroufe of Duquesne University and David B. Brauer of West Virginia University show that it is beneficial to consider a curriculum that includes sustainability when developing programs at graduate business schools. Their mixed methods study highlights factors that the leaders of such institutions are strongly advised to take into consideration when looking at building and maintaining viable business schools for the future. Moreover, as studies in this area have been noticeably neglected, this article gives a foundation upon which further research can be built and offers an approach that will yield concrete results.

Business schools have adopted a follow-the-leader strategy of maintaining the status quo or “business-as-usual” for far too long. While they may tinker with

aesthetics, such as stock trading rooms outfitted with electronic ticker tape and Bloomberg terminals, entrepreneurial maker spaces, and, most recently, rooms for recording role plays, these are not features that will attract new and high-quality students. Such aesthetic innovations will still produce unimaginative leaders as long as business school value propositions are stuck in the 20<sup>th</sup> century. The authors argue instead that we need to listen to the customer and build cutting-edge programs that yield high-paying jobs while integrating global sustainability goals within business school curricula. They believe that insights from mixed methods studies like this one can help illuminate what customers want as well as highlight methodologies that can help business schools stay relevant while simultaneously providing new opportunities for their evolution.

“Feedback-Guided Analysis as an Approach to Managing Sustainability in ASEAN Countries” by Maria Assunta C. Cuyegkeng and Charlotte Kendra Gotangco Gonzales, both of Ateneo de Manila University, introduces *JMGS* readers to a template for feedback-guided analysis of a system (Newell & Proust, 2017). The template is used to study four subsystems (science and environmental policies, cultural paradigms, states of ecosystems, and states of human health and well-being) and how they affect each other as indicated by seven links that connect one to the other.

The authors identify ecological education as a strategic intervention that can develop a culture that promotes a sustainable worldview and lifestyle for individuals and institutions. Developing such a culture can, in turn, have an impact on ASEAN policies, ecosystems, and human health and well-being. The mental model introduced in the article thereby offers a possible vehicle for developing a culture that cares for others and our common home.

Reading through the articles, it also seems that the template used for feedback-guided analysis could be applied to the other papers since they all suggest a deeper look at the paradigms that drive our practices, whether on a personal scale (in the motivations of sustainability leaders or choice of a business school), societal level (in the influence of national culture on business practices), or governance level (in the resource rents from aquaculture for poor fishing households). They also suggest that some form of intervention, whether educational, awareness-raising, or systemic, would be needed at those levels. Such a perspective would be consistent with the theme of transforming not only business education and business but also our whole approach to global sustainability.



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