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Volume 2, Issue 1 2014



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The *Journal of Management for Global Sustainability* is a peer-reviewed scholarly journal devoted to the publication of original research in the field of management and global sustainability. Global sustainability is the broad set of interconnected issues that encompass, but are not limited to, achieving environmental preservation, social entrepreneurship, poverty eradication, social justice, desirable production and consumption patterns, species preservation, and spiritually rich lives at this time in our species' history on this planet. The journal publishes articles on how productive enterprises contribute to realizing and achieving global sustainability to create socially just and spiritually-whole ways for all species to thrive forever.

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CURA PERSONALIS, HOMINES PRO ALIIS, MAGIS, AND ...?

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Cura personalis, *homines pro aliis*, and *magis* have long been key themes of Jesuit education. Care for the whole person, men and women for others, or maybe men and women *together* for others, and excellence—the never ending search for improvement—have been foundation stones upon which many, perhaps all, Jesuit educational institutions have built their approaches to teaching, research, and service.

Many non-Jesuit, non-Catholic, and non-Christian universities would also very likely agree that these three themes are deeply consistent with how they see their own missions, even if they might not use those particular Latin words to capture their own commitments. In many ways, those words are also guides to the good life—to lives well and richly lived.

Recent events, however, are suggesting ever more strongly that we—as educators and as citizens, and simply as members of the human species—are called to make explicit a fourth foundation stone for our commitments to serve our communities and ourselves.

That fourth foundation stone is “care for God’s creation”—or whatever phrase each individual may be most comfortable with. In the deepest spiritual sense, care for God’s creation refers to the call to meet our obligation to honor the loan of this planet that we have been given responsibility for, at this time in the planet’s very, very, very long existence and in our almost infinitesimally short length of time on it. In a purely practical and perhaps even selfish sense, this call refers to the need to protect the planet’s capacity to support our immediate personal existence and the existence of our own species. Of course, we also have

both a spiritual and a selfish obligation to protect the survival of all species, not just our own.

For all educators, this call is to our commitments in teaching, in research, and in service. For those of us in Jesuit universities, the call to recognize and act on that fourth foundation stone is particularly and increasingly clear and compelling.

What's So? So What? Now What?

In the spirit of this journal's invitation to address the questions *What's so?*, *So what?*, and *Now what?*, this editorial will comment briefly on possible responses to these three questions—responses that might speak particularly clearly to faculty and administrators of Jesuit business schools and universities, and might in turn offer those schools and universities a special opportunity to continue the Jesuit tradition of “changing the world” (Lowney, 2003).

What's So?

It has long been clear that the impact of the ways we produce, consume, and populate this planet are stressing the planet's capacities beyond its ability to continue providing what is being taken from it and to absorb what is being disposed on and into it. However, ameliorative actions have been tragically slow and are inadequate for meeting the challenges we are facing. In the domain of education, Jesuit universities and business schools may have a somewhat better record than many other institutions in wrestling with the challenges of a progressively more unsustainable way of being on this planet, but we all know we can do a great deal more.

Now, two recent events and the words of the three latest Popes may provide a strong call that we will hear and which might encourage us to rededicate ourselves to caring for our common and only earthly home and in caring for that home, to honor our long-standing commitments to social justice and poverty alleviation by protecting those of our fellow human beings who are most vulnerable on a deteriorating planet.

Strong and repeated calls to committed action by these three Popes, the issuing of the report of the Jesuit Task Force on Ecology, and the very high level workshop titled “Sustainable Humanity, Sustainable Nature: Our Responsibility” held at the Vatican last May 2–6 all call for a renewal and expansion of our actions to heal our broken world.

So What?

The calls for action from the three most recent Popes are far too many to begin to list (for example, simply “Googling” a Pope’s name along with words such as “climate change” or “sustainable development” yields a rich collection of past and recent statements, along with discussions of those statements).

Pope John Paul II. A quarter-century ago, Pope John Paul II said, “The gradual depletion of the ozone layer and the related ‘greenhouse effect’ has now reached crisis proportions” (John Paul II). He added urgent calls to action in that World Peace Day message and in many other such statements during his lifetime and papacy.

Pope Benedict XVI. In 2012, Pope Benedict XVI observed that “Preservation of the environment, promotion of sustainable development and particular attention to climate change are matters of grave concern for the entire human family” (Misleh & DiLeo, 2013).

Pope Francis. As this editorial was being drafted, Pope Francis was quoted by Allen Clifton as follows:

“Safeguard Creation,” Pope Francis said. “Because if we destroy Creation, Creation will destroy us! Never forget this!”

“Creation is not a property, which we can rule over at will; or, even less, is the property of only a few: Creation is a gift, it is a wonderful gift that God has given us, so that we care for it and we use it for the benefit of all, always with great respect and gratitude,” Francis said. “But when we exploit Creation we destroy the sign of God’s love for us, in destroying Creation we are saying to God: ‘I don’t like it! This is not good!’ ‘So what do you like?’ ‘I like myself!’—Here, this is sin! Do you see?” (Clifton, 2014)

Healing a Broken World. The report of the Jesuit Task Force on Ecology, *Healing a Broken World*, urged (although “suggested” might be a better term) the Jesuit community to consider sweeping, transformative-level changes in all aspects of its work and way of being, from top to bottom, from the formation of novices to the management of physical facilities and the making of financial investments. Jesuit universities are invited, in part, to

“... commit [themselves] to an experiential learning environment where students are immersed in real-world environmental issues, learn to develop solutions and leave the university transformed by the experience;”

“Develop on campuses an environmental ethic where students, faculty, staff and administrators participate in lowering consumption and increasing reuse and recycling, and are committed to reducing the campus environmental footprint and greening the campus;” and

“Develop curricula that address sustainability issues and impart a certain level of environmental literacy.” (Promotio Iustitiae, 2012: 46).

Joint PAS/PASS Workshop on “Sustainable Humanity, Sustainable Nature: Our Responsibility.” The summary report on the 38 expert papers presented at the May 2014 Joint Pontifical Academy of Sciences and Pontifical Academy of the Social Sciences (PAS/PASS) workshop, including the discussions that followed, provided calls for action in seven domains, all of potential interest to Jesuit and non-Jesuit business schools alike. Parts of these domains include 1) “the living conditions of poor populations,” 2) “measures (that) can contribute to mitigating the role of a continued anthropogenic climate change,” 3) reconsidering “agricultural practices ..., including those introduced by the green revolution, in order to minimize undesirable environmental impacts in the longer term,” and 4) consideration of the “negative impacts on sustainable life conditions by the increasing density of the human population” (PAS/PASS, 2014).

Of course, these calls are echoed in many, many other places.

UN Principles for Responsible Management Education (PRME). One of the other calls particularly close to the hearts of Jesuit business schools and their universities occurs in the six UN Principles for Responsible Management Education—a protocol joined by a growing number of Jesuit business schools. The six principles address Purpose, Values, Method, Research, Partnership, and Dialogue by and in business schools. All six are focused directly on the transformation of business school teaching and research, and perhaps even service, in ways that will contribute to a more sustainable and socially just world (UNPRME, <http://www.unprme.org/about-prme/the-six-principles.php>).

When viewed through the lens of business education, each of these calls points to the need for deep and pervasive changes in business education—to become part of the solution to global unsustainability and no longer a part of the problem. To the extent business education is simply supporting the continuation of business as usual at a time when business as usual has shown itself to be in great need of deep and fundamental change, business education is part of the problem. Becoming part of the solution will very likely require a transformation in what and how we teach, and very likely in what we seek to accomplish in our research,

and perhaps even in how we contribute to our communities and to our brothers and sisters in our service commitments and actions.

When similar but far less extensive calls for change were made during the unfolding of the quality revolution in the second half of the last century, the magnitude of that change was likened to “eating an elephant”—a task which seemed impossibly large and overwhelming. But it was undertaken by many individuals and organizations one step at a time. Or, as the quality leader Joseph M. Juran said many times about eating the elephant of quality transformation, the way to do it is “one bite at a time.”

Now What?

Where might members of Jesuit business schools and universities look for a bite of business education and societal transformation small enough and tasty enough to take and chew on?

Well, one tiny bite might involve contributing to finding a Latin word or phrase to join *Cura Personalis, Homines Pro Aliis, and Magis*, and, in doing so, to call attention to the fourth foundation of Jesuit education and Jesuit-inspired service. That tiny bite might be a particularly fun one for this journal to start chewing on—perhaps in partnership with an organization/media platform like Ecojesuit (<http://www.ecojesuit.com/>). Ecojesuit might host a dialog on the topic of “what Latin phrase for ‘caring for God’s creation’, or some similar English phrase you prefer, would we like to try on for size for a while to see how it fits and feels?”

And, with at least a working version of that Latin phrase coming to hand (or better yet, finding its way to our tongues), perhaps the conversation can be started on our campuses about formally adding a fourth foundation stone to Jesuit education’s mission in business and beyond.

And perhaps, exploring that phrase and conducting conversations about possibly adding it to our mission statements and making it part of the foundation stones of Jesuit education might start influencing the decisions we make about teaching, research, and service.

And perhaps such conversations and emerging decisions and actions in Jesuit business schools and on Jesuit university campuses might begin to be heard on other campuses and in the executive suites of those very organizations currently committed to succeeding at business as usual—even if such success will sooner or later be fatal to those organizations, and perhaps a lot sooner than they (and we) currently realize.

And perhaps progress in the search for a few words in Latin and the resulting conversations on Jesuit campuses about a fourth foundation stone might be reported in this journal next year and at the combined annual meetings in 2015 of the Colleagues in Jesuit Business Education and the IAJBS World Forum at Universidad Católica del Uruguay in Montevideo, Uruguay.

Perhaps.

Actually, a little bit of that conversation seems already to have started. A number of individuals, perhaps a great many, have begun talking and writing to each other about what Latin phrase might capture and communicate a fourth core foundation stone of Jesuit education. At least six phrases have come to our attention at the *Journal* so far; they are

cura orbis terrarium;

cura mundus et natura;

cura terra;

cura naturaeque personalis;

cura personalis, cura mundi; and

cura naturalis.

Each of these phrases has advantages and disadvantages, and the best one for this moment may not be among them. It will be interesting, over this coming year, to listen to those conversations about the “best phrase,” and to emerging conversations about our missions and our actions to make those missions *real*.

We, on the editorial board of this journal, look forward to listening a lot, and perhaps speaking a bit, as those conversations evolve. We hope you will join us.

James A. F. Stoner
On behalf of the Editorial Board

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CURA PERSONALIS, HOMINES PRO ALIIS, MAGIS ¿Y...?

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Cura personalis, homines pro aliis y magis han sido durante mucho tiempo temas clave de la educación jesuita. El cuidado integral de la persona, hombres y mujeres para los demás, o tal vez hombres y mujeres *juntos* para los demás, y la excelencia—la interminable búsqueda de la mejora—han sido los pilares sobre los que muchas instituciones educativas jesuitas, si no todas, han construido sus métodos de enseñanza, investigación y servicio.

Muchas universidades no-jesuitas, no-católicas y no-cristianas estarían perfectamente de acuerdo en que estos tres temas son profundamente coherentes con la forma en que ven sus propias misiones, incluso si no pueden utilizar esas palabras latinas en particular para captar sus propios compromisos. De muchas maneras, esas palabras sirven también de guía para una buena vida—para vidas vividas bien y plenamente.

Acontecimientos recientes, sin embargo, sugieren con mayor fuerza aún que nosotros—como educadores y ciudadanos, y sencillamente como miembros de la especie humana—somos llamados a hacer explícito un cuarto pilar para nuestros compromisos de servicio a nuestras comunidades y a nosotros mismos.

Este cuarto pilar sería “apreciar la creación de Dios”—o la frase con la que cada individuo pueda sentirse más cómodo. En el sentido más profundamente espiritual, apreciar la creación de Dios se refiere a la llamada a cumplir con nuestra obligación de honrar el préstamo de este planeta, cuya responsabilidad se nos ha dado en este preciso momento de su larguísima existencia y de nuestra casi infinitesimalmente corta duración sobre él. En un sentido puramente práctico y quizás incluso egoísta, esta

llamada se refiere a la necesidad de proteger la capacidad del planeta de mantener nuestra inmediata existencia personal y la existencia de nuestra propia especie. Por supuesto, también tenemos tanto la obligación espiritual como la obligación egoísta de proteger la pervivencia de todas las especies, no solo la nuestra.

Para todos los educadores, esta es una llamada a nuestro compromiso con la enseñanza, la investigación y el servicio. Para todos nosotros en las universidades jesuitas, la llamada a reconocerlo y a actuar en función de ese cuarto pilar es particularmente cada vez más clara e imperiosa.

¿Qué es esto? ¿Y entonces? ¿Y ahora qué?

Siguiendo el espíritu de la invitación de esta revista a afrontar las cuestiones ¿qué es esto?, ¿y entonces?, y ¿ahora qué?, este editorial comentará brevemente posibles respuestas a estas tres preguntas—respuestas que puedan hablar con especial claridad al personal docente y administrativo de las universidades y escuelas jesuitas de negocios, así como ofrecer a su vez a estas escuelas y universidades una oportunidad especial para continuar con la tradición jesuita de “cambiar el mundo” (Lowney, 2003).

¿Qué es esto?

Se sabe desde hace tiempo que el impacto de las formas en que producimos, consumimos y poblamos este planeta estresan las capacidades del planeta más allá de su habilidad para continuar proveyendo lo que se toma de él y absorber lo que se deposita sobre y dentro de él. Sin embargo, las acciones paliativas han sido trágicamente lentas y resultan inadecuadas para ir al encuentro de los retos a que nos enfrentamos. En el ámbito de la educación, las universidades y las escuelas de negocios jesuitas puede ser que obtengan unos resultados algo mejores en la lucha contra los desafíos de unas formas cada vez más insostenibles de estar en el planeta, pero todos sabemos que podemos hacerlo todavía mucho mejor.

Ahora, dos acontecimientos recientes y las palabras de los últimos tres Papas proporcionan un fuerte llamamiento que hay que escuchar y que nos debería alentar para volver a preocuparnos por nuestro común y único hogar terreno, y, una vez al cuidado de ese hogar, para honrar nuestros compromisos a largo plazo con la justicia social y el alivio de la pobreza protegiendo a aquellos de nuestros hermanos que son más vulnerables en un planeta en deterioro.

Los enérgicos y repetidos llamamientos a la acción comprometida por parte de estos tres Papas, la emisión del informe del Equipo de Trabajo Jesuita para la Ecología y el elevadísimo nivel del taller llamado “Humanidad sostenible, naturaleza sostenible; nuestra responsabilidad”, celebrado en el Vaticano del 2 al 6 del pasado mayo, hacen una llamada a la renovación y expansión de nuestras acciones para sanar nuestro mundo roto.

¿Y entonces?

Los llamamientos a la acción por parte de los tres Papas más recientes son demasiados para empezar a enumerarlos (por ejemplo, “googlear” sencillamente el nombre de un Papa seguido de palabras como “cambio climático” o “desarrollo sostenible” arroja una rica colección de declaraciones pasadas y recientes junto con debates sobre esas declaraciones).

Papa Juan Pablo II. Hace un cuarto de siglo, el Papa Juan Pablo II dijo “La progresiva degradación de la capa de ozono y el consecuente ‘efecto invernadero’ han alcanzado proporciones críticas” (Juan Pablo II). Añadió además llamamientos urgentes a la acción en aquel mensaje del Día Mundial de la Paz así como en muchas otras declaraciones durante su vida y su papado.

Papa Benedicto XVI. En 2012, el Papa Benedicto XVI observó que “La preservación del medioambiente, la promoción del desarrollo sostenible y una especial atención al cambio climático son asuntos que conciernen gravemente a toda la familia humana” (Misleh & DiLeo, 2013).

Papa Francisco. Mientras este editorial estaba siendo redactado, el Papa Francisco fue citado por Allen Clifton como sigue:

“Salvaguardad la Creación”, dijo el Papa Francisco. “¡Porque si destruimos la Creación, la Creación nos destruirá! ¡No lo olvidéis!”

“La Creación no es una propiedad de la cual podemos disponer a nuestro antojo o, todavía peor, la propiedad de unos pocos: la Creación es un regalo, es un regalo maravilloso que Dios nos ha dado, por lo que debemos cuidarla y usarla en beneficio de todos, siempre con gran respeto y gratitud”, dijo Francisco. “Pero cuando explotamos la Creación, destruimos los signos del amor de Dios hacia nosotros, al destruir la Creación estamos diciendo a Dios: ‘¡Esto no me gusta! ¡Esto no es bueno!’. ‘¿Entonces qué es lo que te gusta?’. ‘¡Me gusta yo!’—¡Aquí está el pecado! ¿Lo veis?” (Clifton, 2014).

Sanar un mundo roto. El informe del Equipo de Trabajo para la Ecología urgía (aunque “sugería” podría ser un término mejor) a la comunidad jesuita a considerar amplios, transformadores cambios en todos los aspectos de su trabajo y en la manera de ser, de arriba abajo, desde la formación de los novicios hasta la gestión de las instalaciones y la realización de inversiones financieras. Se invita, en parte, a las universidades jesuitas a

“... comprometerse (ellas mismas) con un entorno de aprendizaje basado en la experiencia en el que los estudiantes estén inmersos en problemas del mundo real, aprendan a desarrollar soluciones y dejen la universidad transformados por la experiencia”;

“Desarrollar en los campus una ética del medio ambiente en la que los estudiantes, el personal docente, el personal administrativo y el resto de los trabajadores participen en disminuir el consumo y en aumentar la reutilización y el reciclaje, y se comprometan a reducir el impacto del entorno del campus y a hacer un campus más ecológico” y

“Desarrollar programas docentes que incluyan temas sobre la sostenibilidad e impartir un cierto nivel de conocimientos medioambientales” (Promotio Iustitiae, 2012: 46).

Taller PAS/PASS sobre “Humanidad sostenible, naturaleza sostenible: nuestra responsabilidad”. El informe sumario de los trabajos de los 38 expertos presentados en mayo de 2014 al taller de la Academia Pontificia de las Ciencias y la Academia Pontificia de las Ciencias Sociales (PAS/PASS) incluye las discusiones que siguieron, produciendo llamadas a la acción en siete campos, todos ellos de potencial interés para las escuelas de negocios tanto jesuitas como no jesuitas. Algunos de estos campos incluyen 1) “las condiciones de vida de las poblaciones pobres”, 2) “medidas que puedan contribuir a mitigar los efectos de un cambio climático antropogénico continuado”, 3) reconsiderar “prácticas agrícolas..., que incluyan aquellas presentadas por la revolución verde, destinadas a minimizar a largo plazo impactos medioambientales no deseados” y 4) la consideración de los “impactos negativos en las condiciones para una vida sostenible de la creciente densidad geográfica de la población humana” (PAS/PASS, 2014).

Por supuesto, esos llamamientos se hicieron eco en muchos otros lugares.

Principios de Naciones Unidas para la Educación Responsable en Gestión (PRME). Otro de los llamamientos especialmente cercano

a los corazones de las escuelas y universidades de negocios jesuitas se da en los seis Principios de Naciones Unidas para la Educación Responsable en Gestión—un protocolo al que se ha sumado un creciente número de escuelas de negocios jesuitas. Los seis principios abordan Propósito, Valores, Método, Investigación, Colaboración y Diálogo por y en las escuelas de negocios. Las seis se centran directamente en la transformación de la docencia y la investigación, y tal vez incluso en el servicio, de las escuelas de negocios de una manera que puedan contribuir a mundo más sostenible y socialmente más justo (UNPRME, <http://www.unprme.org/about-prme/the-six-principles.php>).

Cuando se mira a través de la lente de la educación de los negocios, cada una de estas llamadas apunta a la necesidad de cambios profundos y generalizados en la educación de los negocios, para que se convierta en parte de la solución a la insostenibilidad global y que deje de ser parte del problema. Por el momento, la educación de los negocios simplemente apoya una continuación de los negocios como siempre se han dado, en un tiempo en que los negocios tradicionales han mostrado una necesidad urgente de cambios profundos y fundamentales, ya que la educación de los negocios es parte del problema. Convertirse en parte de la solución requerirá muy probablemente transformar qué y cómo enseñamos, y muy probablemente qué buscamos con nuestra investigación, y quizás incluso transformar cómo contribuimos a nuestras comunidades y a nuestros hermanos y hermanas en nuestros compromisos de servicio y acciones.

Durante el despegue de la revolución de la calidad en la segunda mitad del siglo pasado, se hizo una llamada al cambio similar pero mucho menos amplia. En aquel entonces, la magnitud del cambio se comparó con “comerse un elefante”, una tarea que parecía imposible por su enormidad. Sin embargo, fue desempeñada por multitud de individuos y organizaciones paso a paso. O, como el líder de calidad Joseph M. Juran dijo muchas veces acerca de comerse el elefante de la transformación de la calidad, la única forma de hacerlo era “bocado a bocado”.

¿Y ahora qué?

¿Dónde podrían los miembros de las escuelas de negocios y universidades jesuitas encontrar un bocado de la enseñanza de los negocios y la transformación social suficientemente pequeño y sabroso para tomarlo y masticarlo?

Bien, uno de los pequeños bocados podría ser contribuir a encontrar una palabra o frase en latín para unirse a *cura personalis*, *homines pro aliis*, y *magis*, y, al hacerlo, llamar la atención sobre el cuarto pilar de la edu-

cación jesuita y el servicio de inspiración jesuítica. Ese pequeño bocado podría ser particularmente entretenido para que empiece a rumiarlo esta revista—quizás en colaboración con una plataforma de organización y difusión como es *Ecojesuit* (<http://www.ecojesuit.com/>). *Ecojesuit* podría albergar un diálogo sobre el tema “¿qué frase en latín prefieres para traducir ‘*caring for God’s creation*’ (‘apreciar la creación de Dios’), o alguna frase similar en inglés? ¿Nos gustaría probárnosla un rato para ver cómo nos queda y cómo nos sentimos llevándola?”.

Y, con al menos una versión de prueba de esa frase latina que pueda irse utilizando (o mejor aún, que vaya haciéndose hueco en nuestras lenguas), quizás pueda empezar una conversación en nuestros campus sobre la adición formal de un cuarto pilar a la misión educativa jesuítica en los negocios y más allá.

Y quizás, profundizando en esa frase y generando conversaciones sobre la posibilidad de añadirla a nuestra misión y hacerla parte de los pilares de la educación jesuita, esta podría empezar a influir en las decisiones que tomamos sobre enseñanza, investigación y servicio.

Y quizás estas conversaciones y decisiones incipientes y acciones en las escuelas jesuitas de negocios y en los campus universitarios jesuitas, podrían empezar a ser escuchadas en otros campus y en las salas de juntas ejecutivas de las mismísimas organizaciones que hoy en día, como siempre, están comprometidas con triunfar en los negocios. Incluso si dicho éxito será antes o después fatal para estas organizaciones, y quizás mucho antes de lo que ellos (y nosotros) piensan.

Y quizás los progresos en la búsqueda de unas pocas palabras en latín y las conversaciones resultantes en los campus jesuitas sobre un cuarto pilar podrían ser presentadas en esta revista el próximo año, y en los encuentros anuales combinados de 2015 entre los profesionales de la enseñanza jesuita de los negocios y el foro mundial IAJS en la Universidad Católica del Uruguay en Montevideo, Uruguay.

Quizás.

En realidad, esa conversación parece haber comenzado ya en cierta medida.

Algunos individuos, quizás muchos, han empezado a hablar y a escribirse entre ellos acerca de qué frase latina podría capturar y comunicar un cuarto pilar fundamental de la educación jesuita. Al menos seis frases por lo pronto nos han llamado la atención en el *Journal of Management*; estas son:

cura orbis terrarium;

cura mundus et natura;

cura terra;

cura naturaeque personalis;

cura personalis, cura mundi; y

cura naturalis.

Cada una de estas frases tiene ventajas y desventajas, y la mejor para este momento podría no estar entre ellas. Va a ser interesante escuchar, a lo largo de este próximo año, esas conversaciones sobre la “mejor frase” y las conversaciones emergentes sobre “misión” y nuestras acciones para llevar esa misión a la *realidad*.

Nosotros, en el comité editorial de esta revista, estamos deseando escuchar mucho y quizás hablar algo a lo largo del desarrollo de esas conversaciones. Esperamos que se nos unan.

James A. F. Stoner
En nombre del comité editorial

TOWARDS A HUMAN-CENTERED THEORY AND PRACTICE OF THE FIRM

PRESENTING THE HUMANISTIC PARADIGM OF BUSINESS AND MANAGEMENT

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Abstract. In this article, we review the challenges to the current economic system and then proceed by presenting two competing paradigms—the economic and humanistic paradigms of business. We then develop the consequences of the humanistic view for the theory and practice of the firm with regard to global sustainability. We examine paradigmatic differences regarding business strategy, governance structures, leadership styles, and organizational culture, and illustrate them based on global case examples. In this manner, we contribute to the discussion of alternative theories for global sustainability, centering the debate on authentic human needs and the consequences of such for management theory.

Keywords: global sustainability; human-centered theory; humanistic management; humanistic paradigm

Management theory and practice are facing unprecedented challenges. The lack of sustainability, increasing inequity, and the continuous decline in societal trust pose a threat to “business as usual” (Jackson & Nelson, 2004: 214). Capitalism is at a crossroads, and scholars, practitioners, and policy makers are called to rethink business strategy in light of major external changes (Arena, 2004; Hart, 2005). Management theory and practice have historically been based on the scientific precepts of economics (Ghoshal, 2005; Mintzberg, Simons, & Basu, 2002). As a result, business is oriented towards shareholder value maximization, individual motivation is explained by income maximization, and economic success is defined by societal-level GDP increases (Pirson & Lawrence, 2010). Utilitarian arguments have been used to legitimize this theoretical orientation as a way to maximize societal benefits (Jensen, 2002). In turn, many scholars have criticized current market capitalism for decreasing the societal legitimacy of business (Scherer, Palazzo, & Seidl, 2013) and ultimately jeopardizing human survival (Hart, 2005; Senge, 2010).

As many scholars suggest, we are currently experiencing a paradigmatic crisis (Anderson, 1998; Dierksmeier, 2011; Mintzberg et al., 2002). In this article, we wish to take a step back and delineate the current economic paradigm more directly. While such an endeavor risks oversimplification, we think that the conceptual clarity it provides outweighs such risks, especially since we can develop an alternative paradigm based on such simplified and theoretical precepts. We label the alternative paradigm the humanistic paradigm, as it factors in the complexity of human nature and emphasizes the human being and its will to protect the species in the long term. We argue that a humanistic paradigm provides a basis for theorizing about sustainable business practice.

Picture a bank that serves those in need, such as Wainwright Bank or Grameen Bank, or a coffee roaster ensuring fair trade, e.g., level trading, or a yogurt company serving malnourished children, such as Grameen Danone, or a company combating desertification with sustainable agriculture, such as SEKEM. These are not charitable organizations, but they aim to provide societal value through their core business models. Such are the realities of business that are often overlooked. As current management theory is largely informed by economics, it draws substantively from neoclassical theories about human beings (Ghoshal, 2005). Accordingly, humans are materialistic utility maximizers that value individual benefit over group and societal benefit. Such a perspective, however, can only poorly explain why individuals would care enough to build businesses such as those mentioned above. A “*homo oeconomicus*” engages with others only in a transactional manner to fulfill his or her interests. He/she is amoral, values short term gratification, and often acts opportunistically to further personal gain. Theories of the firm

and ensuing business strategies as well as of organizational designs have been based largely on economic assumptions, and, in turn, are blamed by others for creating negative externalities (Ghoshal, 2005; Ghoshal & Moran, 1996). Argyris (1973), for example, claims that organizational mechanisms based on principal-agent theory create opportunistic and short-term gain oriented actors in a self-fulfilling prophecy (see also Davis, Schoorman, & Donaldson, 1997). Other critical scholars argue that management theory needs to be rethought based on psychological insights rather than theoretical assumptions (Tyler, 2006; Tyler & Blader, 2003). We therefore suggest that we need a broader way of understanding human beings upon which we can prescribe a renewed theory of sustainable business practice, one that allows us to better understand leadership and management, design our organizations, and formulate business strategy.

In the following sections, we will thus review why we need a new basis for sustainable business practice, and proceed by presenting two competing paradigms—the economic and the humanistic paradigms of business. We will then develop the consequences of the humanistic view for the theory of the firm, business strategy, governance structures, leadership styles, and organizational culture. Afterwards, we will outline the tenets of humanistic management, and illustrate them based on global case examples. In this manner, we hope to contribute to the discussion of alternative theories of the firm by centering the debate on authentic human needs and the consequences of such for management theory.

CURRENT CHALLENGES TO SHAREHOLDER CAPITALISM

With the increasing severity of a multitude of crises, it becomes ever more evident that the dominating Anglo-Saxon model of shareholder-centered capitalism falls short with regard to its sustainability and life-conduciveness on a systemic, organizational, and individual level (Spitzeck, Pirson, Amann, Khan, & Kimakowitz, 2009).

The Systemic Level

Environmental destruction is one of the most obvious problems of our current system. Overall, humanity is currently using the productive capacity of more than 1.3 planets to satisfy its needs.¹ If everybody on this planet were to consume natural resources at the rate of an average

¹http://www.panda.org/about_our_earth/all_publications/living_planet_report/

American, more than 4 planets would be required.² The current economy uses more resources than can be replenished, leading to unsustainable growth and further economic bubbles. In financial terms, we are living off our planetary capital and not the interest generated by it, which is very poor management of resources. This lack of sustainability is, however, supported by the logic of our current system. Shareholder capitalism is short-term oriented and, when applied rigorously, rewards plundering over preserving.

Increasing inequality is another problem that is likely to have significant repercussions on the stability of our political and economic systems. Current trends in globalization have led to a world in which the rich get richer and the poor get disproportionately poorer (Sachs, 2005). One-sixth of the world's population lives in extreme poverty. The level of poverty and inequality pricks the conscience of many people, and it is also a threat to the stability of the rest of the world. Political unrest, collectivization, and terrorism are fed by such inequality, which requires significant investments in preserving the status quo (see increased security budgets) rather than in innovation. Shareholder capitalism is mostly blind to these consequences and has not yet provided satisfactory answers to deal with these issues.

The Organizational Level

At the organizational level, businesses face the challenge of low reputation levels and ever decreasing stakeholder trust (e.g., World Economic Forum, 2006). Trust, however, is commonly viewed as the key enabler for cooperation, motivation, and innovation, all of which are required to achieve an organization's peak performance and its eventual success. Surveys indicate that stakeholder trust in businesses is decreasing dramatically, specifically in large and global shareholder value maximizing companies. Research finds that the decline in trust is heavily contingent upon a lack of value congruency between stakeholders and the organization (Pirson, 2007; Pirson & Malhotra, 2008, 2011). Profit maximization goals are perceived as inherently opportunistic, which makes it ever more difficult for the business community to re-establish trust (Child & Rodrigues, 2004; Pirson, 2007; Simons, 2002).

We observe that many corporations are facing a decreasing level of employee commitment which is indicative of the growing lack of mutual commitment. The Hay Group (2002), for example, finds that

²<http://www.personal.psu.edu/afr3/blogs/siowfa12/2012/10/if-everyone-lived-liked-americans-how-many-earths-would-we-need.html>

43% of American employees are either neutral or negative towards their workplace. According to several Gallup studies, more than 70% of U.S. employees are either not engaged or actively disengaged, showing an alarming inner withdrawal rate. Jensen (2001: 278) argues that the goal of profit maximization is partially responsible for this. He posits as self-evident that creating “value takes more than acceptance of value maximization as the organizational objective. As a statement of corporate purpose or vision, value maximization is not likely to tap into the energy and enthusiasm of employees and managers to create value.” Hence, shareholder value maximizing organizations are under-utilizing their employees’ potential.

The Individual Level

On the individual level, we observe an interesting anomaly. While the current system is credited with creating more wealth for many, the average level of life satisfaction has not necessarily increased (Easterlin, 2001). GDP growth and growth in well-being have decoupled. Factors that contribute to well-being have a relatively low correlation with material wealth once a certain wealth level has been achieved (Diener & Seligman, 2004). From a systemic perspective, the quality of a government in terms of democratic and human rights, the level of corruption, the stability of the system, high social capital, a strong economy with low rates of unemployment, and inflation all contribute to subjective well-being. On an individual level, the quality of social relationships, good physical and mental health, and a generally positive attitude towards life are central drivers of well-being. Materialism as an attitude, for example, is considered toxic for well-being (Diener & Seligman, 2004; Elias, 2002). The current system, however, largely sustains itself by serving material needs that lie beyond those that increase well-being, and by an endless attempt to generate new needs, which can in turn only be satisfied by the unsustainable use of available resources.

THE PROBLEM OF AN ECONOMISTIC PARADIGM

The above problems are created and sustained by the way we think about people, management, and business. The current economic paradigm puts economic motives not alongside but above all other objectives of human action—and in consequence often bars other concerns, e.g., moral and cultural viewpoints, as illegitimate in theory and irrelevant in practice (see Ashley, 1983; Gasper, 2004). While it represents a powerful and simple way to think about life, the economic paradigm is seriously flawed and could prove suicidal (Pirson & Lawrence, 2010).

Origins of Economism

The discipline of economics originated from Scottish moral philosophy during the European Enlightenment. In contrast to prevailing philosophy that focused on deity, Scottish moral philosophy centered on the human individual (Nida-Ruemelin, 2008). It emphasized the human ability to reason and was therefore hostile to collectivist and naturalistic anthropologies. Classical economic theory was similar in this regard and was also closely bound to utilitarianism (Nida-Ruemelin, 2008). Jeremy Bentham (1879), one of the founding fathers of utilitarianism, tried to create rational normative criteria for good legislation where every single person was considered equal, independent from social status and origin. John Stuart Mill, one of the leading economic theoreticians, was both a utilitarian and an ethicist at the same time. However, while economics and ethics were originally closely linked, they gradually became disconnected. Following Nida-Ruemelin's (2008) analysis, utilitarianism had several flaws that eventually led to the de-ethicalization (or de-moralization) of economics. Despite its liberal, universalist, and rationalist origins, utilitarian principles can, in fact, be used to justify collectivist practices: "To maximize the total sum of happiness efficiently can include the instrumentalization of one person for the sake of one or several others. Under certain conditions even slavery can be justified by utilitarian principles" (p. 10). In addition, utilitarianism does not provide an understanding of inalienable individual rights, and thus enables the instrumentalization of human beings. Integrity and morality are not considered intrinsic to human beings.

The Economistic View of the Individual

As stated before, economism views the human being as a fixed entity, predetermined by a stable utility function. This economic man (*homo oeconomicus*) is utterly self-serving and interested only in maximizing his immediate utility. The economic man, therefore, engages only in transactional, short-term oriented encounters with others. His engagements are interest-based, and other people are a means to an end. He acts opportunistically and is mainly motivated by the lower level needs in Maslow's hierarchy of needs (physiological and safety needs). His actions are not evaluated for universal applicability, and hence he is amoral (Dierksmeier & Pirson, 2010).³

³We are aware that the notion of economic man has been enlarged and adapted. Most notably, Jensen and Meckling promote the model of REMM as a better fit version of economic man (one who is not only maximizing money). However, the main postulates of limitless needs (wants) and of maximization remain.

The Economistic View of the Firm

In a purely economistic view, organizations are not needed, as the market would suffice to coordinate individuals in their maximization of fixed utility functions. Utilitarianism fails to explain why and how co-operation is needed, as economic men with similar preconceived utility functions need only coordination (Nida-Ruemelin, 2008). Nevertheless, based on some additional assumptions, namely transaction costs and bounded rationality, humans are thought to engage in cooperation only when the market provides sub-optimally efficient results.

Business Strategy. The organizations that are based on the notions of *homo oeconomicus* are designed to fit the maximization imperative. An optimal way to ensure utility maximization is for organizational leadership to focus only on shareholder interest. In his refutation of stakeholder theory, Jensen (2002) argues that there has to be a single objective function for the firm; otherwise, one could not purposefully manage it. He bases this claim on assumptions of economic theory, which posit that profit maximization strategies are required in situations where there are no externalities. “Two hundred years of work in economics and finance implies [sic] that in the absence of externalities and monopoly (and when all goods are priced), social welfare is maximized when each firm in an economy maximizes its total market value” (p. 2).

Externalities, however, are very real, negative, drastic, and persistent, as can be witnessed in the environmental crisis as well as in the social inequity crisis. Monopolies are also very real without aggressive anti-trust enforcement, and so it is clear that the economistic setup is sub-optimal.

Governance. The governance notions in the economistic setting are largely informed by agency theory. In order to maintain total control in the hands of ownership, agency theory governance mechanisms focus on creating an environment where opportunistic, self-serving managerial agents are in check to not harm the fulfillment of whatever goal the owners intend to fulfill. Top-down control mechanisms are essential to the governance structure of economistic organizations, since otherwise self-interested economistic managers will abuse the firm.

Structures. Structures in the economistic paradigm have to serve the maximization strategy and are efficiency oriented. To reduce transaction costs, the organizational structure is centered on hierarchies and top-down decision-making. In economistic organizations, incentive systems are central. They are an important structural element for aligning diverging interests and the only way to effectively deal with opportunistic agents. These economistic incentives are mainly monetary in nature

(such as financial bonuses) and targeted at the individual. The incentives are also short-term oriented because they are based mostly on annual (oftentimes quarterly) financial results.

Leadership. In the economistic view, the organization is generally seen as a nexus of contracts that is continuously negotiated. The role of the leader requires being involved in a constant negotiation process and the task is to clarify goals and desired outcomes with followers. Bass and Avolio (1994) call the economistic type of leader a transactional leader. The transactional leader is primarily involved in ensuring compliance and setting incentives so that followers deliver. Nurturing quality long-term relationships is rather irrelevant and oftentimes hindering (hiring and firing, for example, is a capacity that requires leaders to be emotionally disconnected from followers). Followers are considered mainly as human resources (not human beings), and a skillful transactional leader is one that is efficiency maximizing.

Culture. Economistic organizations support cultures and organizational identities that are oriented mostly towards the individual (Brickson, 2007). These cultures are also often described as transactional in nature (Bass & Avolio, 1994). As a consequence, economistic organizations are following rather linear, mechanistic, and closed-loop thought and interaction processes (Dierksmeier & Pirson, 2010). As Collier and Esteban (1999) argue, mechanistic organizations attempt to transform the environment “adversarially and competitively rather than seek to respond to it” (p. 176). Uncontrolled change is viewed as a threat because it interferes with the optimal implementation of the maximization paradigm. There is a need to control the outside and to manage and manipulate the environment, particularly government, in order to support firm profitability (Dierksmeier & Pirson, 2009).

The Economistic View of the Societal System

In an economistic view, the main function of the corporation is to accumulate wealth, whilst the main function of the state is to provide safety. In this division of labor, the state creates rules to coordinate organizations, and organizational leadership's main responsibility is to obey those rules while maximizing profits. These rules, however, are based on “laissez-faire” assumptions so that individuals and organizations can follow their respective utility functions. Any further commitment to societal causes is incompatible with individual- and organizational-level utility maximization. Talk of responsibilities is generally viewed as systematic interference with liberty. Calls for corporate responsibility and sustainability are only heeded when they are compulsory and part

of the legal infrastructure. Voluntary engagement for societal issues such as equity and intergenerational justice do not fit with the economistic view unless they make strategic sense in terms of increasing material wealth (Dierksmeier & Pirson, 2008).

A HUMANISTIC PARADIGM AS ALTERNATIVE

Despite many popular misconceptions, humanism as a philosophical tradition and utilitarian economism have very similar roots. Humanistic philosophy also takes the human individual as its starting point and emphasizes the human capacity of reasoning. It is therefore equally hostile to any form of collectivism.⁴ In contrast to economism, however, humanism assumes that human nature is not entirely a given, that it can be refined through education and learning. In addition, the ethical component remains a cornerstone in humanism in that it attributes inalienable rights and dignity to everyone, independent from ethnicity, nationality, social status, or gender. Humanism addresses everybody and is universal in its outreach.

The Humanistic View of the Individual

The philosophy of humanism views the individual as a *zoon politikon* (Aristotle), a relational (wo)man who materializes freedom through value-based social interactions (Dierksmeier & Pirson, 2009). People he or she engages with are means but also an end in themselves. Human beings in the humanistic view are guided by universally applicable principles and aim at long-term relationships. They are intrinsically motivated to self-actualize and serve humanity through what they do. They do not have fixed preconceived utility functions, but their interests, needs, and wants take shape through discourse and continuous exchange with the outside world. Human beings as such do not maximize their own utility, but balance their interests and those of people around them in accordance with general moral principles (Dierksmeier & Pirson, 2008).

Recent scientific developments supporting the humanistic perspective. Humanism and economics have their traditions, but so far, no real test of these theoretical assumptions is possible. Lawrence and Nohria (2002), however, took up the task of evaluating recent findings

⁴Collectivism here is defined as the theory and practice that makes some sort of group rather than the individual the fundamental unit of political, social, and economic concern. In theory, collectivists insist that the claims of groups, associations, or the state must normally supersede the claims of individuals.

from neuroscience, behavioral economics, and evolutionary psychology and developed a theory that allows for viewing human beings in a more complete fashion. Lawrence (2007b, 2010), in his most recent follow-up works, calls it a renewed Darwinian theory (RD theory) of human beings, referring to Darwin's groundbreaking insights on human behavior that are often overlooked or misunderstood. In essence, RD theory illuminates how the human brain developed via natural selection as well as through sex and group selection mechanisms to make complex decisions regarding all aspects of life (personal, communal, and societal). It posits **four basic and independent drives**, ultimate motives that underlie all human decisions. There are two ancient drives which are shared by all animals that have some capacity to sense and evaluate their surroundings—the **drive to acquire (dA)** life-sustaining resources, and the **drive to defend (dD)** from all life-threatening entities. The two newer drives that evolved into an independent status in humans are the **drive to bond (dB)** in long-term mutually caring relationships with other humans, and the **drive to comprehend (dC)**, to make sense of the world around us in terms of its multifaceted relations to ourselves. The posited independence of these drives contradicts the economist view in which all human motivation could be subsumed under the drive to acquire, with the drives to bond, comprehend, and defend merely playing a supportive role.

The Drive to Acquire (dA). Lawrence (2010) argues that humans, in common with all animals, have a fundamental drive to get what they need to stay alive and have progeny: food, water, warmth, sex, etc. Modern neuroscience provides evidence to support the biological basis of the drive to acquire (Glimcher, Camerer, Fehr, & Poldrack, 2008; Ridley, 2003). Berra et al. (2001), for example, have identified an area in the brain called the nucleus accumbens which lights up with increased blood flow when people and animals experience pleasurable sensations from objects they acquire, ranging from tasty food to the sight of a beautiful face. This drive is commonly acknowledged by much of economic and management theory (e.g., Jensen & Meckling, 1994) as it is the basis for utility maximization.

The Drive to Defend (dD). Lawrence and Nohria (2002) claim that for most species, the drive to defend is a mirror image of the drive to acquire. What needs defending is what needed acquiring—food, water, warmth, mates, and so on. Carter and Frith (1998) present evidence that the drive to defend seems, like the other drives, to be housed in the limbic area of the brain, specifically in a module called the amygdala. They find that responses to stimuli will be either appeasement, flight, or aggression, depending on what part of the amygdala is stimulated (pp. 90–91). Lawrence and Nohria (2002) further argue that for humans,

with their four drives, the drive to defend covers much more ground—not only concerning the physical necessities of life and procreation, but also relationships, cooperative efforts, and the understanding of the world (see the idea of protected values [Baron & Spranca, 1997]). As with the drive to acquire, humans are able to satisfy their drive to defend in a huge variety of ways and oftentimes in cooperation with others (Lawrence, 2010).

The Drive to Bond (dB). Aristotle already hinted at the drive to bond when he stated that human beings are social animals (Dierksmeier & Pirson, 2009). Darwin (1909) further observed the drive to bond in humans when he wrote that everyone “will admit that man is a social being. We see this in his dislike of solitude and in his wish for society beyond that of his own family. Solitary confinement is one of the severest punishments which can be inflicted” (p. 110), or,

Under circumstances of extreme peril, as during a fire, when a man endeavors to save a fellow-creature without a moment's hesitation, he can hardly feel pleasure; and still less has the time to reflect on the dissatisfaction which he might subsequently experience if he did not make the attempt. Should he afterwards reflect over his own conduct, he would feel that there lies within him an impulsive power widely different from a search after pleasure or happiness; and this seems to be the deeply planted social instinct. (p. 122)

Of course, we all have observed that people tend to form bonds with other people. Lawrence (2010), however, suggests that we need to reevaluate this utterly familiar phenomenon not simply as “the way people are” or as “the innate goodness in people,” but as one of four survival oriented criteria. A number of experiments have offered evidence that there is an independent drive to bond supported by our brain. LeDoux (1996, 2002), for example, found that when certain parts of the limbic area—the hypothalamus and anterior thalamus—are impaired, individuals have a difficult time forming any meaningful or stable social relationships. Similarly, Damasio (1994, 2003) suggests that brain damage in certain parts leaves people without emotions and without the ability to make rational decisions and form new bonds. In experiments that examined group bonding mechanisms, Tajfel (2010) found that a group of strangers, divided into arbitrary subgroups, formed surprisingly strong attachments to members of the same group, even if the group is completely meaningless and has no prior history together. To further support the innate and independent drive to bond, Warneken and Tomasello (2006) found that human infants (between 18 and 24 months old) show a spontaneous, unrewarded impulse to help others even when they seem too young to have emulated this behavior from adults. In these experiments, research-

ers who were strangers to the toddlers accidentally dropped items and pretended to unsuccessfully reach for them. The children retrieved the items for the experimenter 89% of the time. Henrich et al. (2001) found that the value of fairness exists across cultures and that it trumps the drive to acquire in what is called the ultimatum game. Lawrence (2010) also argues that all humans, except the rare psychopath, experience pain at the loss of an important long-term relationship, whether by death, divorce, emigration, downsizing, or many other causes. In many cases, this pain is so deep that a mere reference to the drives to acquire and defend does not seem sufficient. Emigration to the United States from a mother country in which one is not only doomed to poverty but also subject to violent persecution is, rationally speaking, a net gain in terms of maximizing self-interest, yet it will still cause deep and lasting grief (Lawrence, 2010: 34).

The Drive to Comprehend (dC). Aristotle observed the drive to comprehend when he qualified humans as social animals endowed with reason. Many scholars have suggested that humans have a fundamental drive to understand themselves and their environment (Lawrence & Nohria, 2002; Maslow, 1954; Weick, 1995; Weick & Sutcliffe, 2006). Gribbin and Gribbin (1995) refer to it as mankind's insatiable curiosity. Darwin (1909) also referred to the drive to comprehend: "As soon as the important faculties of the imagination, wonder, and curiosity, together with some power of reasoning, had become partially developed, man would naturally crave to understand what was passing around him, and could have vaguely speculated on his own existence" (p. 95). Lawrence (2010) states that the drive to comprehend can be witnessed in the curiosity of children, who ask questions without knowing whether the answers will ever be of any use to them in fulfilling the other drives. Even newborns, once fed and secure, are exploring the world with their eyes and their hands. The popularity of puzzles, sudoku, or trivia quizzes is also a testimony to the independent drive to comprehend, since solving them provides immediate gratification but only remotely serves in other terms. Another supporting argument is the fact that anthropologists seem to have found not a single culture that does not have a creation story and few that do not have an afterlife story (Sproul, 1979). People seem to need these theories to give meaning to their lives (Weick, 1995; Wrzesniewski & Dutton, 2001), regardless of whether or not the stories confer any advantage in acquiring, bonding, and defending. Lawrence (2010) even argues that religions arose in all societies primarily to help fulfill this drive. Pinker (2002) argues that the drive to comprehend has helped humans to survive against stronger and faster animals by devising weaponry, creating tools, and building houses. Moreover, increasing empirical evidence points to the physical existence of the

drive to comprehend in the brain as well. Biederman and Vessel (2006) found that a part of the brain which helps recognize what we see seems to be equipped with its own reward system of opiate receptors, which give a pleasurable “high” when stimulated by a new image (see also the emotional reaction to the eureka effect, or the joy of solving a sudoku puzzle). They also found that this pleasure response diminished when the same image was recognized repeatedly. As Biederman and Vessel see it, these opiate receptors get bored by repetition and need new stimulation, which leads us to curiosity (e.g., Loewenstein, 1994). As Lawrence puts it, we are rewarded directly with pleasure for learning something new. Comprehending is independently rewarding, time and again, and only secondarily does this make us more competitive than species that do not keep learning (Biederman & Vessel, 2006).

Psychopathy: A Three-Drive Genetic Defect and Source of Bad Leadership. Lawrence (2010) argues that some people, over the history of human survival, did not develop the independent drive to bond. These people were asocial and were usually outcasts in society. They had been marginalized throughout evolution but never completely eradicated. In fact, it is estimated that about 1% of the population does lack that independent drive to bond, causing what is otherwise known as psychopathy (Hare, 1999; Neumann & Hare, 2008). Hare describes psychopaths as “social predators who charm, manipulate, and ruthlessly plow their way through life, leaving a broad trail of broken hearts, shattered expectations, and empty wallets. Completely lacking in conscience and in feelings for others, they selfishly take what they want and do as they please, violating social norms and expectations without the slightest sense of guilt or regret” (1999: XI). They have “an insatiable appetite for power and control” (1999: 218) combined with “a deeply disturbing inability to care about the pain and suffering experienced by others—in short, a complete lack of empathy” (p. 6).

Researchers have identified psychopaths (whom biologists and economists call “free-riders” and whom sociologists and some psychologists tend to call “sociopaths”) as people with a genetic defect (Weber, Habel, Amunts, & Schneider, 2008). They are incapable of empathy and have *no* skill set of conscience or morality (Cleckley, 1982). Their jaw-dropping selfishness and lack of empathy does not come from exaggerated drives to acquire and defend; these drives are normal—which means they are innate, unconscious, independent, and *insatiable*—but are not checked and balanced by a drive to have trusting and caring relationships with others (Buckholtz et al., 2010). Lawrence (2010) describes them as wild animals—motivated mainly by the two universal animal drives—but with all the advantages of a human drive to comprehend.

Hare estimates—conservatively, he insists—that “there are at least 2 million psychopaths in North America; the citizens of New York City have as many as 100,000 psychopaths among them” (1999: 1–2). Babiak and Hare (2006) even argue that many of these psychopaths are able to gain influence and power and that the current corporate environment allows them to do so effectively (see, for a similar argument, Bakan, 2004; Sutton, 2007). In fact, historians have made the argument that many examples of bad leadership over history can be traced to psychopathic personalities, including Hitler, Stalin, and even Napoleon (e.g., Neumayr, 1995).

The concept of economic man resembles the psychopath in that it assumes that humans are exclusively motivated by the *drive to acquire* and the *drive to defend*. In effect, therefore, the drive to bond with fellow humans and the drive to comprehend and make sense of the world only exist as secondary drives to fulfill the former two. In contrast, the RD theory supports a humanistic view in that we have four independent underlying natural drives that need to be continually balanced. While the drives to acquire and to defend still remain viable and important factors in determining human behavior, the drive to bond with fellow humans and the drive to comprehend are also strong independent forces. RD theory thus provides a humanistic understanding of behavior. It is also able to provide higher level insight with regard to organizational principles and decision-making. Furthermore, it can be rigorously tested by natural science. We will examine below what the implications of this humanistic paradigm (based on RD theory) are for organizations and societies (e.g., Bakan, 2004).

The Humanistic View of the Firm

Business Strategy. The humanistic view of organizations and firms (Mele, 2008: 15), in contrast to the economic perspective, is that they are much more than mere sets of contracts or mechanisms for profit creation. This is consistent with some of the foundational work in the knowledge-based view of the firm (Kogut & Zander, 1996), where it is argued that firms exist not only for coordination but for learning and identity building purposes. Humanism views organizations as a social phenomenon essential to the relational nature of human beings. Because humans have a need for friendly and cooperative relationships, humanistic organizations embrace a balance of qualitatively desirable outcomes. Firms, therefore, aim to support the individual drives for acquisition, bonding, comprehending, and defending at the same time. In fact, when firms do that, they not only better motivate their employees and other stakeholders, but they also produce more desirable organizational

results (Nohria, Groysberg, & Eling-Lee, 2008). In the humanistic view, we assume ever changing adaptive processes, not stable utility functions. Discourse-based social processes, therefore, are central to the notion of organizing and supporting the creation of mutual goals. The aim of these processes is to achieve a balance, and therefore any imperative for the maximization of one single objective (such as shareholder value) is rejected. In light of RD theory, a corporation aiming to maximize financial value is akin to a psychopathic individual aiming to fulfill only the drive to acquire without needing to fulfill the drive to bond. In the end, it will be unsustainable and unfit for survival, as can be witnessed in the recent financial crisis.

The universal ambition of humanism requires that multiple objectives are integrated and harmonized. Shared value creation processes are theoretically and practically imperative; a balance between multiple stakeholders and between short- and long-term interests is essential. At best, humanistic organizing endorses a satisficing or holistic optimizing strategy (Frederick, Davis, & James, 1988; Simon, 1979, 1982) around goals that benefit humanity at large (e.g., well-being creation).

Governance. In contrast to governance theories based on agency theory, humanistic governance theories such as trusteeship or stewardship theory focus on reinforcing the other-regarding positive aspects of human nature (Blair, 1995; Blair & Stout, 1999; Turnbull, 2002). According to Davis, Schoorman, and Donaldson (1997), stewardship theory assumes intrinsically motivated human beings that are driven mainly by higher-order needs such as social and self-actualization needs (Maslow, 1954). Stewards are guided by the intention to serve all stakeholders, and they demonstrate a high level of commitment to total value creation, focus on long-term results, and an equitable distribution of rewards to all stakeholders. As such, governance mechanisms focus more on strategic support for the steward and less on hierarchical control. Economistic types of top-down control (such as time clocks, monitoring systems, etc.) are thus deemed detrimental to the motivation and performance of stakeholders (Donaldson & Davis, 1991; Macus, 2002; Muth & Donaldson, 1998). Checks and balances systems are essential in humanistic organizational structures so that power abuse can be prevented. Lawrence (2007a) argues that checks and balances arrangements, rather than hierarchical control, parallel the function of the prefrontal cortex in the human brain. That is why he argues that checks and balances systems (such as those instituted in the U.S. Constitution) are better able to fulfill the role of representing all major stakeholders in strategic decisions. Akin to democratic institutions, humanistic organizations can use different stakeholder councils (e.g., worker councils) to prevent decisions that favor one group over the other in the long term. These internal checks and

balances will mutually reinforce each other to serve various stakeholder needs in a balanced form (see also Gratton, 2004).

Structures. While economic structures aim to reduce transaction costs, humanistic organizational structures, on the contrary, center on the development of human capabilities and effectiveness. To enable individual growth, humanistic structures reduce authority levels in the organization, allowing employees to enjoy high levels of responsibility. In humanistic organizations, decision rights are spread throughout the entire organization in a way that utilizes the expertise of all employees. To further use the capabilities of employees, humanistic organizations employ integrative mechanisms that cut across the vertical lines of control, e.g., product or project managers, task forces, matrix elements, innovative information management systems. Such structural elements help to keep the focus on over-all organizational goals but also provide opportunities for employees to put meaning into their work and fulfill their drive to comprehend (dC) and extend their bonded network of trust (dB).

In humanistic firms, the use of intrinsic motivational levers is prioritized, especially those aimed at normative and hedonic intrinsic drives (Deci & Ryan, 1985; Gottschalg & Zollo, 2007; Lindenberg, 2001). Incentives are usually tied to holistic organizational goals, reward not only the individual but also the team, and are primarily tied to long-term organizational goals. These methods prevent an over-stimulation of competitive (dA) drives compared to collaborative drives (dB).

Leadership. What Bass and Avolio (1994) term transformational leadership fits well with a humanistic view of leadership. Transformational leaders actively balance their four personal drives and also engage their followers to do so. Based on moral values, transformational leaders inspire followers, stimulate them intellectually, and engage them emotionally with organizational tasks. They base their influence on the power of the argument rather than on hierarchy, and demonstrate care for the individual follower and his personal development. Transformational, humanistic, or four-drive leaders are able to create a climate in which people clearly understand cognitively and embrace emotionally the purpose of the organization (drive to comprehend), are able to maintain very positive long-term relationships with each other (drive to bond), create financial value (drive to acquire), and can count on their collective strength to weather the storms of competition (drive to defend). But humanistic leaders do not only stop acting and influencing within their own organization. They act as responsible stewards of the economy and society at large (Hernandez, 2008; Sitkin, Lind, & Siang, 2006),

and are enabled and compelled by their active four drives to contribute to a society that is balancing the four drives as well. Lawrence (2007), therefore, argues for a much more active role of business leaders in the public policy process—not, as is currently seen, in terms of a laser focus on firm profitability (dA), but rather in terms of creating a balance in society among all four drives.

Culture. Unsurprisingly, the different paradigm also contributes to the creation of distinctive organizational cultures. Humanistic organizations support cultures that are more transformational in nature, and create organizational identities based on inter-human relations (relational) and which are inclusive of a larger group (communal) (Brickson, 2007). They are driven by all four human drives and they create balanced cultures. The humanistic organizational culture is organic, circular, constantly changing and evolving, and engages with outside forces as parameters of internal action. As it thrives from the exchange with the outside, it fosters constant dialogue with and amongst its stakeholders and is guided by a dialogically generated set of values (Dierksmeier & Pirson, 2010; Pirson & Lawrence, 2010). Not only does it balance the four drives of internal stakeholder groups, but it also aims at contributing to a balance of the four drives for external stakeholders. Google, Nucor, Medtronic, and the Grameen Bank can be seen as typical organizations with four-drive cultures.

View of the Societal System

In the humanistic perspective, individuals, organizations, and the state all play important roles in balancing the four drives. As there needs to be a balance on each level respectively, there is no real division of labor in terms of fulfilling the four basic drives. Rather, there is cooperation in terms of ensuring that the checks and balances enable an optimal balance of the four drives on all levels. In the humanistic view, personal morality is connected with responsibility for systemic consequences. Business leaders accept and assume responsibility for the consequences of their actions on the systemic, organizational, and individual levels. As such, organizations engage with the outside and view responsibility to stakeholders as elementary for conducting business. Liberty is contingent on morality; individual and organizational freedom materialize through care and concern for the other. Sustainability and corporate responsibility are endorsed parameters in the humanistic view of business; attempts to alleviate social problems through business are imperative. Only in mutual responsibility for individuals, organizations, and the wider system is a balance of the four drives possible (see also Table 1).

Paradigm	Economism	Humanism
<i>Individual Level</i>		
Model	<i>Homo Oeconomicus</i>	<i>Zoon Politikon</i>
Motivation	Two-drive motivated <ul style="list-style-type: none"> • Drive to acquire • Drive to defend 	Four-drive motivated <ul style="list-style-type: none"> • Drive to acquire • Drive to bond • Drive to comprehend • Drive to defend
Goal	Maximization of utility	Balance of interests
Disposition	Transactional	Relational
View of other	Means to an end	Means and end
<i>Organizational Level</i>		
Organization	Nexus of contracts	Social community
Governance	Shareholder oriented	Stakeholder oriented
Model in management theory	Agent	Steward
Leadership style	Transactional	Transformational
Goal setting	Command and control based	Discourse based
Goal	Profit maximization	Financial, social, and environmental sustainability
Motivation incentives	Geared to 1 st and 2 nd order needs (Maslow) <ul style="list-style-type: none"> • Drive to acquire • Drive to defend 	Geared to 3 rd and 4 th order needs (Maslow) <ul style="list-style-type: none"> • Drive to acquire • Drive to bond • Drive to comprehend • Drive to defend
Culture	Mechanistic	Organic
Time frame	Short term	Long term

<i>Systemic Level</i>		
State orientation to business	Laissez faire	Subsidiary actor
State managerial responsibility	Financial value creation	Supporting a balanced society

TABLE 1: Economism and Humanism (adapted from Pirson and Lawrence, 2009)

THE NOTION OF HUMANISTIC MANAGEMENT

Within the humanistic paradigm, we develop the notion of humanistic management, which we consider the intra- and inter-personal approach to creating and supporting the firm. It is, as such, not a theory of the firm, but a theory about the practice of the firm. We suggest that this theory for the practice of management can be applied to sustainable business management and to all aspects of decision-making that aspire to be more humanistic and ethical. The following perspective has been developed and refined through an iterative process between theory and practice. During that process, we researched a sample of 19 companies that were suggested by experts as “humanistic” organizations, in a global search process with a focus on two elements: social value generation and financial value generation (refer to Table 2). The case studies that were developed were guided by the questions of why and how the selected organizations could be economically successful while contributing to positive social development. Case studies focused on strategies, business philosophy, organizational culture, leadership, and management practices and processes. Such case examples were curated from around the globe and represent a variety of industries. As such, we hope to have a broad base for our conclusions.

	Company	Location	Size	Industry
1	ABN Amro Banco Real	Latin America (Brazil)	Big / National	Financial Services
2	AES Corporation	North America (USA)	Big / Global	Industrial Goods
3	Broad Air Conditioning	Asia (China)	Big / Global	Industrial Goods

4	Brummer and BracNet	Asia (Bangladesh)	Small / National	Services
5	Cascade Pulp and Paper	North America (Canada)	Big / Global	Industrial Goods
6	DM	Europe (Germany)	Big / National	Services
7	Grameen Danone	Asia (Bangladesh)	Small / National	Consumer Goods
8	Hongfei Metal Limited	Asia (China)	Small / National	Industrial Goods
9	Level Trading	North America (Canada)	Small / National	Consumer Goods
10	Micromatic Grinding Technologies	Asia (Based in India)	Big / National	Industrial Goods
11	Mondragon	Europe (Spain)	Big / National	Conglomerate
12	Novo Nordisk	Europe (Denmark)	Big / Global	Consumer Goods
13	Sekem	Afrika (Egypt)	Small / Regional	Consumer Goods
14	Semco	Latin America (Brazil)	Big / National	Conglomerate
15	Sonae Sierra	Europe (Portugal)	Big / Global	Industrial Goods
	Company	Location	Size	Industry
16	Tata Group	Asia (India)	Big / Global	Conglomerate
17	Terracycle	North America (USA)	Small / National	Consumer Goods
18	Wainwright Bank and Trust	North America (USA)	Small / National	Financial Services
19	Zipcar	North America (USA)	Small / National	Services

TABLE 2: Overview of Humanistic Businesses Analyzed (adapted from Kimakowitz et al., 2010)

Based on our analysis, we understand humanistic management as possessing *three* interrelated dimensions. First, humanistic managers exhibit an unconditional respect for the dignity of every person as the foundation for interpersonal interaction. Second, they actively integrate ethical reflection into their business decisions. Third, humanistic managers aim to establish normative legitimacy for corporate activities through stakeholder engagement. Taken together, these three dimensions ultimately promote human flourishing and present a basis for a globally sustainable business practice.

Unconditional Respect Towards Human Dignity

Managers in the selected sample knowingly or tacitly agreed that part of what makes us human is our shared vulnerability. Humanistic management, therefore, means the fundamental acceptance that the *conditio humana* entails our shared need for the protection of said dignity. Such respect is expressed in the unconditional protection against exploitation and instrumentalization. As Immanuel Kant noted, every human must always be seen as an end in itself, and never as a mere means:

Everything has either a price or a dignity. Whatever has a price can be replaced by something else as its equivalent; on the other hand, whatever is above all price, and therefore admits of no equivalent, has a dignity. But that which constitutes the condition under which alone something can be an end in itself does not have mere relative worth, i.e., price, but an intrinsic worth, i.e., a dignity. (Kant, 1785)

This presents a challenge to the general notion of input-output, economistically oriented management. Such an orientation entails a tendency to objectify human beings (as human resources); managers influence the managed in favor of predefined objectives, thus turning them into a means to achieve an end, and reduce people to little more than the equivalent of a piece of machinery. Managers in humanistically oriented companies aim to see every individual as an end in itself. While they do not dispute that people need to be instrumental in production processes in order for a business to thrive, they provide mechanisms of choice so that people autonomously assume their roles as the result of a self-determined process. Only then are they not *instrumentalized* in their human capacity; instead, they themselves are *assuming an instrumental role* within their job. The utilization of people in humanistic management, therefore, is always limited to the role a person assumes, never to the person itself. Enlightened managers thus understand that people will only become instruments to businesses which they consider aligned to their personal values (i.e., sustainable businesses).

An example of corporate practice that values individual autonomy and allows for a high degree of self-determination is the Brazilian conglomerate Semco, which has roughly \$200 million in annual turnover, about 3,000 employees, and enjoys over a decade of yearly double digit growth. At Semco, employees quite literally choose their jobs within the company. In addition, they form ad-hoc committees and task groups that address specific issues. These groups are formed without managerial supervision and anyone who wants to contribute to the topic in question can join. The founder of Semco, Ricardo Semler, attributes a great deal of the company's success to its humanistic foundations: "our insistence [is] that workers seek personal challenges and satisfaction before trying to meet the company's goal" (Largacha, 2010). They want to give people room for exploration and self-discovery. "Once employees feel challenged, invigorated, and productive, their efforts will naturally translate into profit and growth for the organization." In simpler terms, Semler states that "we don't make our employees ask permission to go to the bathroom ... we get out of their way and let them do their jobs" (Largacha, 2010).

Integrating Ethical Concerns into Managerial Decisions

Humanistic managers do not think insularly, and they understand that the respect for human dignity is reflected in a business's impact on society at large. In its broader context, humanistic management challenges traditional corporate responsibility as mere rhetoric if it does not integrate ethical concerns. Ethical means examining decisions that impact others in terms of their consequences for all those affected. Humanistic management, therefore, criticizes one-dimensional managerial objectives such as profit maximization because the decisions are evaluated mostly in terms of impact for shareholders. That is when economic rationality becomes incompatible with protecting human dignity. A humanistic convergence exists whenever there is room for the balancing of interests of stakeholders based on the quality of the arguments articulated. In Habermasian words, when factual power overrides argumentative power—as any paradigm that proclaims the maximization of particular interests demands—minority interests are excluded and suppressed from consideration (Habermas, 1998; Scherer & Palazzo, 2007). Humanistic managers, therefore, define economic success criteria as being inclusive of all stakeholders, often around the notion of the common good or well-being creation.

Spain's seventh largest company, a cooperative called Mondragon, provides a rich example of the integration of ethical evaluations and stakeholder concerns into managerial decision making. Employees at

Mondragon are owners of the firm, and believe that they are in business together *with* consumers, suppliers, and the community; they are oriented towards serving society, and derive motivation and joy from serving the common good rather than shareholders. As a consequence, a business that does not serve the common good is not worth pursuing for Mondragon, despite potential profitability. This approach leads to the integration of ethical concerns into managerial decision making as part of the organization's DNA, and not as an afterthought, e.g., under a risk management perspective (Kasmir, 1996). Furthermore, such an approach satisfies all four motivational drives in that it creates a safe (dD) and friendly (dB) environment in which income can be earned and a higher purpose is served (dC) (Moellner, 2010).

The Dialogical Extension of Managerial Ethical Reflection

The integration alone of ethical reflection into business decisions can be seen as a monological process in which the decision-maker might, in all sincerity, fail to see the concerns of others, leading to what we may call honest mistakes. Humanistic managers, therefore, seek normative legitimacy to ensure that the outcomes of (monological) ethical reflection are tested by entering into a dialogue with those who may challenge any aspect of a business's conduct. This third guiding principle is critical with regard to global sustainability concerns. The lonesome managerial decision about whether a certain action is ethically sound is thereby transferred to the "moral site" of stakeholder dialogue, where the manager shares the responsibility with the stakeholder in embarking on a course of action that is acceptable to both parties. This is how businesses gain normative legitimacy, especially with regard to social and environmental impact.

Legitimacy can be considered the general recognition of an entity's conduct as desirable or apposite within a system of norms and values. Humanistic management bestows legitimacy if the normative evaluation of an organization and its activities results in the perception that it is "doing the right thing with the right intention." This differentiates *normative legitimacy* from *pragmatic legitimacy*, for while the former is based on values and reason, the latter can be based on mere self-interest and strategic business calculus (e.g., the business case). As Max Weber pointed out, seeking legitimacy helps determine the choice of means for an exercise (Weber, 1978: 214). The sincere seeking of legitimacy, therefore, forces a company to continuously assess its conduct, to rationally justify its behavior and compare it to expectations and the desirability of its impact on society, and this is best achieved in a dialogue between all those affected. The world market leader in insulin production, Novo

Nordisk, has radically shifted its business model towards one where shared responsibility and legitimacy seeking through stakeholder dialogues take center stage. Following an initial stakeholder model in the 1990s where Novo Nordisk perceived itself as the center of a stakeholder universe with various predefined stakeholders around it, they changed their perspective towards a reflective stakeholder model. In its current form, Novo Nordisk sees itself as one point of intersection in a dynamic web of stakeholders. Under its reflective model, Novo Nordisk aims to increase transparency so that stakeholders can gain access to the information they are interested in. As a result, the company gains legitimacy and simultaneously learns about the issues that are of interest to its stakeholders while it enables an open dialogue based on mutual learning and the desire to improve the company's performance (Palacios, Pirson, & Bader, 2010).

In short, humanistic management is the pursuit of strategies and practices that seek to create sustainable human well-being. Humanistic management derives its legitimacy from the preservation of human dignity in business through the submission of its practices to societal critique. By engaging in an open dialogue about the values that should serve business as criteria for assessing managerial success, corporate decision-makers realize that the value proposition of business is ultimately to serve people rather than to make money. The shift from one-dimensional profit maximization towards a multidimensional and value-integrative understanding of corporate success is as necessary today as it is imminent.

HUMANISTIC MANAGEMENT AS PRACTICE

The various case examples studied show how businesses can unite social value generation with financial success and become role models for sustainable business. In addition to the three elements of humanistic management, we found additional insights that can help sustainable business practice:

- The companies are steadfastly purpose-based. Their purpose provides the platform needed for the autonomous individual to make decisions for the organization's benefit. The purpose is a universally sharable, legitimacy-inducing goal, providing stakeholders with a reason for wanting the company to succeed. In turn, the company can count on motivated employees, loyal customers,

trusting business partners, and a high degree of goodwill from other stakeholders.

- Humanistic management styles as implemented in these cases aim to promote human development, which includes psychological, physical, social, and financial dimensions.
- Humanistic management is learning oriented. There is no state of perfection, only a constant drive to improve and organically evolve.
- The businesses provide for decentralized structures based on trust, allowing members autonomy while providing a sufficient level of integration to create a sense of community. Humanistic management structures are modeled after democratic systems that create checks and balances, and thus guard against the imbalances of a corporate control and command structure. In general, managers in these businesses assume that trust is reciprocal—one needs to show trust to gain trust—and that at one stage in the firm's development, management made a leap of faith, trusting their employees and business partners and gaining their trust in return. This allowed management to do away with control mechanisms that impede creativity, innovation, productive interpersonal interactions, and that inflict transaction costs.
- Managers in these firms are “servant leaders” and regard themselves as stewards for the greater good. They are often spiritually grounded, self-effacing, and humble. They see their roles as being guardians of a culture of dignity, and serve as co-developers of a learning community. Humanistic leaders do not see the need to dominate others to experience gratification in their career, but derive great satisfaction from being able to share their passions and convictions with their communities. They are grateful for, and excited about, the opportunity that they have been given to contribute in creating a better world.

CONCLUSION

If we, as management academics, want to help solve the current crises, we need to go back to the fundamentals. We need to question the understanding of how we view ourselves as human beings and how we build organizations based upon that understanding. The proposed

humanistic paradigm for the development of a renewed theory of the firm is only a starting point, but it is firmly rooted in tradition, culture, and in philosophy as well, and is supported by increasing amounts of scientific evidence. However, much of that evidence is scattered, and so much more rigorous, ingenious, and interdisciplinary studies need to be conducted. To that end, we need to work more across disciplinary boundaries to better understand these fundamental issues. Moreover, we also need to cross not only academic boundaries but boundaries in practice and policy as well. We need to work outside of academic purviews and allow research to focus on the problems of practitioners with regard to solving the current crises. When doing so, we need to take seriously the boundaries and logics established by institutional arrangements. Many of the structural setups are a consequence of the current paradigm and we need to be able to propose superior alternatives.

One of the main barriers that needs to be overcome is the depth to which the economic view has penetrated minds and hearts regarding the dark side of business and management. We need not only to propose alternative paradigms but support the creation of an alternative human-centered narrative of business as well. In order to achieve that, we need to find, create, and tell different stories about business. As academics, we might, therefore, need to collaborate more with the media in order to penetrate mainstream opinion more effectively. There are many more businesses adopting sustainable business strategies that serve people and the planet. Teaching such case examples and providing insights into such companies, as well as conducting research with them (i.e., social enterprises), could enhance efforts to protect our species.

A lot of challenges undoubtedly lie ahead for those concerned with solving the current crises. The scope and scale of change involved in re-designing our economic system are so grand that only collaborative efforts can hope to be successful. Under the auspices of the Humanistic Management Network (www.humanetwork.org) and its various chapters and centers, we are reaching out to academics, practitioners, and policy makers who are interested to work together. From reconceptualizing management theory to teaching better management theory and practice, from advising and consulting with businesses to employ more enlightened approaches to advising policy makers to set the framework for sustainable business practices, there lies much work ahead, and we are looking forward to collaborating. As such, we want to conclude with an invitation to be in touch with us through info@humanetwork.org.

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SUSTAINABLE ENTREPRENEURSHIP IN ASIA

A PROPOSED THEORETICAL FRAMEWORK BASED ON LITERATURE REVIEW

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Abstract. Entrepreneurship is increasingly being recognized as a significant conduit for bringing about a transformation towards sustainable products and processes. Emerging literature on ethical entrepreneurship has developed a new model of entrepreneurship as a calling to endow resources with new value; it is the ethical aspect that would make such a construct *authentic sustainable entrepreneurship*. One of the first steps in entrepreneurial training and maturity in the area of sustainability is to develop models for sustainability communication and reporting. This article presents a revised assessment model for sustainable entrepreneurship in Asia, which consists of five domains, namely: *economic, social, ecological, cultural, and ethical*. The insistence on the inclusion of *ethics* is motivated by the fact that it is the obligation of businesses to be accountable for their environment and for their stakeholders in such a way that ethics forms one of the legs on which entrepreneurship, if it is to be sustainable, stands.

Keywords: ethical entrepreneurship; entrepreneurship in Asia; quintuple bottom line; sustainable entrepreneurship

BACKGROUND

Sustainable Entrepreneurship

For many years and with increasing visibility, the management of leading companies have been core drivers of sustainable development. Sustainable development has been defined as “development that meets the needs of the present without sacrificing the right of future generations to fulfill their needs” (WCED, 1987: 43). Sustainable development requires sustainability innovation, and entrepreneurs who can achieve environmental or social goals with superior products or processes that are successful in the marketplace of mainstream customers. With their actions and behavior, sustainable entrepreneurs and sustainability managers are substantially shaping markets and society. Thus, actors and companies making environmental progress with their core businesses can be called sustainable entrepreneurs, whereas the actions and behaviors of such actors in commerce can be called “sustainable entrepreneurship” (Schaltegger & Wagner, 2011). The main goal, therefore, is creating sustainable development through entrepreneurial activities.

When entrepreneurs set out to undertake such sustainability initiatives, there are bound to be many opportunities and challenges. Entrepreneurs face a gamut of economic, socio-cultural, and ethical problems and challenges, some of which are described here. They deal with uniquely complex moral problems related to: 1) basic fairness, 2) personnel and customer relationships, 3) distribution dilemmas, and 4) other challenges (Hannefy, 2003). While these issues seem to be in the legal and economic realm, they involve ethical concerns, chief among which are: 1) human dignity and human rights issues, 2) a harmonious way of living together in just, peaceful, and friendly conditions, 3) corruption, especially in the supply and customer chains, 4) financial and operational pressures which heighten the incentive to engage in expedient behavior (including dishonesty), and 5) whether the business and the professional are becoming ethically good, i.e., laden with values and practicing the virtues (Morris, Schindehutte, Walton, & Allen, 2002; Garriga & Melé, 2004; Raeesi, Dastranj, Mohammadi, & Rasouli, 2013).

In the context of global business, organizations wishing to stay competitive in global markets have had to achieve appropriate ethical and social responsibility standards given the cross-cultural and international nature of their businesses. Studies point to the importance of maintaining a high level of ethics in a global marketplace not just for financial success but in order to sustain consumer loyalty as well. This emphasis on the ethical—rather than just on the economic—resonance

of entrepreneurship has attracted the attention of both researchers and practitioners, thus highlighting entrepreneurship and ethics as interwoven processes of value creation and management (Clarke & Holt, 2010; Okoro, 2012).

In this current phase of radical social change, one that calls for a new approach to reflecting upon anthropogenic environmental problems as well as on the challenge to improve the ability of humans to coexist in the world, international groups and regulatory agencies calling for the measurement and assessment of companies' *sustainability ratings* have emerged, and from therein arose the study and practice of sustainability communication and reporting (Godeman & Michelsen, 2011). Regarding sustainable entrepreneurship reporting and communication, some of the challenges include: the measurement and assessment of the degree of environmental or social responsibility orientation in the company, along with its environmental and social goals and policies, the organization of environmental and social management, and the communication of environmental and social issues (Schaltegger & Wagner, 2011).

A more concrete challenge in this area is the set of domains which the measurement and assessment tool should encompass. In this regard, a lot has been learned from the "triple bottom line" concept (Elkington, 1997) which suggests three different (and quite separate) bottom lines: 1) the traditional measure of corporate profit—the "bottom line" of the profit and loss account, 2) the bottom line of a company's "people account"—a measure in some shape or form of how socially responsible an organization has been throughout its operations, and 3) the bottom line of the company's "planet" account—a measure of how environmentally responsible it has been.

Significance of the Study

Sustainable entrepreneurship, although an influential concept for business and policy, is in need of a fundamental transformation in order for it to reduce the detrimental environmental and societal impacts created by our currently unsustainable business practices. Within this context, entrepreneurship is increasingly being recognized as a significant conduit for bringing about a transformation towards sustainable products and processes, with numerous high-profile thinkers advocating entrepreneurship as a panacea for many social and environmental concerns. There remains, however, considerable uncertainty regarding the nature of entrepreneurship's role in this area, and the academic discourse on sustainable development within the mainstream entrepreneurship literature has been sparse to date. It is the objective of this article to

contribute to such academic discourse, particularly with regard to the ethical aspects of sustainability reporting and communication (Dean & McMullen, 2007).

The traditional business model defines entrepreneurship as endowing resources with new wealth-producing capabilities; however, emerging literature on ethical entrepreneurship has developed a new model of entrepreneurship as a calling to endow resources with new value. The difference lies in the ethical and values-laden properties being demanded of today's businesses (Miller, 2005). When the economic, environmental, and social motives come together in the business action of the entrepreneur, along with the internalization of the fiduciary, stewardship, and moral responsibilities to future generations, then we can speak of *authentic sustainable entrepreneurship*. The normative elements that should be found in such entrepreneurial activities include production of socially desirable products in a socially desirable manner, and advancement of the health and well-being of those affected by such, all within a values-driven framework (Hodgkin, 2002). The next section discusses in-depth what is meant by an *ethical* and *values-driven* framework.

Entrepreneurship is an inescapably ethical activity—whether one views it from the societal, organizational, or individual level, entrepreneurial action has powerful ethical dimensions and implications. In addition, entrepreneurship has emerged as a distinctive area of academic inquiry, with unique problems and questions that can be productively studied in their own right. Clearly, there are fundamental reasons to take the ethics of entrepreneurship more seriously, and this article is a contribution to such discourse (Dunham, 2005).

Literature Review: Teasing Out the Missing Link

It is a well-known fact that social entrepreneurship arises chiefly from the reality that environmental and social degradation results from the failure of markets; in fact, the entrepreneurship literature argues that opportunities are inherent in market failure. A synthesis of such literature suggests that environmentally and socially relevant market failures represent opportunities for achieving profitability while simultaneously reducing environmentally degrading economic behaviors. It also implies conceptualizations of sustainable and environmental entrepreneurship that detail how entrepreneurs seize the opportunities that are inherent in environmentally relevant market failures. Four types of market imperfections (inefficient firms, externalities, flawed pricing mechanisms, and information asymmetries) contribute at once to environmental degradation but also provide significant opportunities for the creation of radical technologies and innovative business models. These oppor-

tunities establish the foundations for an emerging model of sustainable entrepreneurship, one which enables founders to obtain entrepreneurial rents while simultaneously improving social and environmental conditions both locally and globally (Dean & McMullen, 2007).

In the context of globalized business, economic behavior is no longer the individual company's sole domain. Business action has increasingly come to affect and be affected by the actors and companies in the global chain; thus, legal, operational, ethical, and other challenges necessarily arise (Andersen & Skjoett-Larsen, 2009). That being said, the domain and characteristics of *sustainable entrepreneurship* have now been made clear to us: the core motivation is to contribute to solving societal and environmental problems through the realization of a successful business, while the main goal is to create sustainable development through entrepreneurial corporate activities. The role of economic goals is both as a means and as an end, while the organizational development challenge is from a small contribution to a large one for sustainable development (Schaltegger & Wagner, 2011).

It appears that the various fields of entrepreneurship are overlapping with each other, but with each having its own main primacies. For instance, all categories of entrepreneurship are required to survive economically. Furthermore, while social entrepreneurship focuses on contributing to social or public welfare and creating social values, green or environmental entrepreneurship concentrates on handling environmental or ecological issues (Majid & Koe, 2012). Thus, sustainable entrepreneurship lies at a certain nexus that makes it more complicated and challenging, out of which emerge new aspects that have not been thoroughly highlighted. One of these is the *ethical* aspect which shall be further explicated in the remainder of this article.

SUSTAINABILITY REPORTING/COMMUNICATION AND THE TRIPLE BOTTOM LINE

During the 1970s and 1980s, many parts of the world were marked by the many debates concerning the environment and its problems. These debates were triggered, among others, by the report of the "Club of Rome" in 1972 and a few years later by the "Global 2000," which was published in 1980 by the Council on Environmental Quality. During this period of time, it became clear that humanity was entering a phase of radical social change that was calling for a new approach to anthropogenic environmental problems, and also with improving humanity's ability to coexist in the world. Based on these and subsequent events, the concept of sustainability was developed. Sustainability describes an ethi-

cally motivated concept, referring to a form of economics and lifestyle that does not endanger our future. Sustainability communication's chief concern, then, is an understanding of the world that is of the relationship between humans and their environment, into social discourse, and that develops a critical awareness of the problems about this relationship and then relates these to social values and norms. Global ecological dangers abound, and these trends overlap, interlink, and reinforce each other, thus leading to severe economic, ecological, social, and cultural distortions both in individual regions as well as worldwide. The consequences of such developments worldwide can only be met if humans assume their responsibility and reshape their relationships with each other and the natural world. This requires a social process of mutual understanding that deals with both the causes of these developments and their possible solutions. In other words, it is a process of communication and mutual understanding which is also known as sustainability communication (Godeman & Michelsen, 2011).

Sustainability requirements continue to be strongly driven by both regulators and customer demands. For some years, pressure concentrated on large, often stock-listed corporations. However, it soon became clear that much of the social and environmental impacts are to be found within the supply chain. As large multinationals hand down the societal pressure they are facing, suppliers increasingly need to be transparent about the social and ecological impacts of their products and services, and need to be able to assess and improve their respective performances. This creates new challenges. On the one hand, suppliers—often companies of much smaller scale and limited (financial and human) resources—are faced with the need to deal with complex social and environmental issues. On the other hand, large companies with complex supply chains need to secure the consistency of data which they receive from their suppliers, as well as instruments for a meaningful interpretation of this data. *Environmental Management Accounting and Supply Chain Management* by Roger L. Burritt, et. al., has been helpful in this regard (Burritt, Schaltegger, Bennett, Pohjola, & Csutora, 2011).

Part of successful sustainability reporting and information systems is understanding the notion of *strong sustainability*, which aims at: 1) identifying criteria for distinguishing sustainable and non-sustainable paths, on the grounds of a consideration of arguments that are wider than merely economic ones, 2) specifying the proper scope of the discourse by setting up a framework of fields of action and application, and 3) delivering a basis for operationalization in policy and politics, performing as a “rational corrective” to clarify the diffuse discourse on sustainable development taking place in society (Godeman & Michels-

en, 2011). As mentioned above, the environmental literature has shown that the economic, ecological, social, and cultural aspects of ecology are of utmost importance. As we shall see in greater detail later, *sustainable development* is, by its very nature, an *ethically motivated normative concept* referring to a form of economics and lifestyle that does not endanger our future; hence, the framework for it seems in need of the inclusion of the *ethical* domain.

Criteria and Indicators

In order to manage or influence the process of communication about sustainability, methods and instruments are necessary. These include, for example, social marketing, empowerment, instruments of participation and planning, or education. As mentioned earlier, *environmental management accounting* has come to propose concrete measurement and assessment tools and instruments for distinguishing sustainable and non-sustainable entrepreneurial paths. Criteria and indicators aim at observing progress in development at the level of the organization or the whole system and, when applicable, enable comparisons or inform decisions to be made. Criteria and indicators were first used in economic and social reporting. Indicators are common instruments for evaluating guidelines, measures, and programs. They serve the preparation for political and administrative decision-making. For a number of years, a trend toward “indicatorization” in the area of ecological management has been observed. In the late 1990s, indicators began to be developed for use in sustainability discourses and systems, and have since been developed for a number of different contexts, addressees, and purposes (Godeman & Michelsen, 2011).

Triple Bottom Line (TBL)

Many extant studies on sustainable entrepreneurship have used the concept of the triple bottom line (TBL), coined by Elkington in 1994, to describe what sustainable entrepreneurship is all about. Nonetheless, there is a significant shortcoming in using TBL to describe sustainable entrepreneurship as it does not clearly mention the degree of emphasis that should be given to the domains identified in the model. Furthermore, some important domains have been disregarded in the model. As such, this article aims to propose a revised model of sustainable entrepreneurship based upon the concept of TBL.

Throughout the years that ensued, researchers suggested several fields of entrepreneurship studies, such as regular entrepreneurship, green entrepreneurship, social entrepreneurship, and sustainable entrepreneur-

ship. Based upon the concept of TBL, a number of studies have been made proposing revised models of sustainable entrepreneurship—the model of Majid and Koe (2012), for example, consisted of four domains, namely economic, social, ecological, and cultural. In order to be acknowledged as a true sustainable entrepreneur, or so the article purports, one is required to give equal priority to each of the four domains suggested in the model.

SUSTAINABLE ENTREPRENEURSHIP IN ASIA

Asian Characteristics

Arguably the most striking characteristic of the Asian region is its great diversity, which may be unmatched by any other grouping in the world. Indeed, its economic, political, cultural, and linguistic diversity is greater than even that of the European Union. The rapid rise of China and India, and the establishment of the ASEAN Economic Community by 2015, provide an opportunity to attract more foreign direct investment, diversify the productions base, and expand the role of small and medium sized enterprises (Yap & Mujica, 2013; Menon, 2012).

Authentic and sustainable development in Asia necessitates working at the real solutions in order to eradicate or at least alleviate poverty. In agriculture-based economies such as the Philippines, the ultimate solutions are to be found in: countryside and rural infrastructures, quality basic education for the children of the poor as well as the education of women, cash transfers to the poorest of the poor, primary health services, microcredit and microenterprise programs, technical skills training for secondary school students, and social housing such as that provided by Gawad Kalinga (Villegas, 2011). The sustainability of entrepreneurship thus becomes all the more crucial in Asia, most especially in the so-called “bottom-of-the-pyramid” (BOP) countries, where people living under \$2 per capita income per day can hardly get hold of even the barest of necessities. The pervasive lackluster growth, environmental degradation and decline, public perceptions of cultural imperialism associated with globalization, and continued existence of severe poverty, disease, and a sense of disenfranchisement in this region cannot be neglected in the issue of sustainability (Racelis, 2012).

Small and medium scale enterprises (SMEs) are increasingly a force for enhancing national economic growth and employment in Asia. Many of the region’s government programs include policy instruments addressing SMEs. The literature indicates the positive impact of entrepreneurship as a tool for employment, innovation, and productivity growth.

Thailand is currently undertaking a strategy of technology development that emphasizes business incubation. Thailand considers SMEs as one of the principal driving forces of economic development—they play a significant role in the acceleration of economic growth. Innovations play a crucial role in Thailand's social landscape, and they are happening in various sectors across the country. In Indonesia, SMEs—especially small scale enterprises (including micro enterprises)—have historically been the main players in domestic economic activities, especially as providers of employment opportunities and hence generators of primary or secondary sources of income for many households. As a group, these enterprises have also been an important engine for the development of local economies and communities (Al-Mubarak & Busler, 2013; Mapigan & Agussalim, 2013).

In Central Asian countries such as Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan, entrepreneurship and small business development are essential in the economic transformation from a centrally planned economy to a market-oriented economy. In Cambodia, with regard to the issue of improved access to safe drinking water and sanitation (one of the key aspects of the millennium development goals [MDGs]), and where the overall incidence of diarrhea was reported in 20.4% of children, local entrepreneurs treat, package, and sell safe drinking water in order to achieve a reduction in acute diarrheal disease among young children (Lee & Tai, 2010; Hunter et al., 2013).

The Philippines, on the other hand, has continued to demonstrate a development puzzle. Despite abundant natural and human resources, its development record pales in comparison with its neighbors in East Asia. There is a need to grab opportunities to attract more foreign direct investment, diversify the productions base, and expand the role of small and medium sized enterprises. Some of the major challenges the Philippines continues to face are a low investment rate and a lack of entrepreneurship. Bangladesh, home to the highly-successful Grameen Bank by Professor Mohammad Yunus (www.grameen-inf.org/index), is a banner story for revolutionary “social business”—the idea of unleashing human potential through the redesign of the existing socioeconomic system. Through Yunus's style of small-scale microcredit and microfinance, social business objectives (such as education, health, technology access, and environment) and financial and economic sustainability were simultaneously achieved (Yap & Mujica, 2013; Sardana, 2013).

Sustainable Entrepreneurship Considerations in Asia: Specific Cases

Some Asian studies on sustainability and entrepreneurship show that environmental sustainability orientation in small firms is a multi-

dimensional construct with three facets, i.e., awareness of, actions for, and appreciation of environmental sustainability, thus challenging the conventional view that resources determine the extent of the environmental sustainability orientation (ESO) of small firms. In another study of the contours of entrepreneurship in China and India, the authors carry out a broad historical sweep with sensitivity to cultural values and mindsets, and find out that entrepreneurship and its positioning in the global economy indeed make up a complex fabric in India and China (Menon, 2012; Dana, Mueller, & Pio, 2008).

The growth of the firm is the strength that is fundamental to a nation's economic growth. By incorporating the theory of entrepreneurship with strategic management, a Taiwanese study found that entrepreneurship learning is essential in order for the firm to accumulate dynamic capabilities and create sustainable competitiveness. Since every firm is different, the analytical framework developed in the study helps advance our knowledge of various factors initiating firm creation and of the disparate ways for a fledgling business to grow into a global corporation (Chiang & Yan, 2011). In a study of the current status of social entrepreneurs in Korea as well as subsequent policy issues for them, findings included putting emphasis on follow-up management and evaluation, a suggestion for a standard model for social entrepreneur promotion projects, and a proposal for specific guidelines for detailed education operations (Kim & Yoon, 2012). A more general study of the *miracle cases* of Bangladesh via its Grameen Bank as well as the Bangladesh Rural Advancement Committee (BRAC) Bank tells us that the “4 Cs of successful sustainable entrepreneurial activity”—1) Compatibility, 2) Connection, 3) Communication, and 4) Commitment—indeed play out (Makhlouf, 2011).

For the sake of economic development and sustainability, as these cases and examples show, it seems urgent—apart from sustainability requiring a sharper understanding of the interdisciplinarity of the issue—to focus on the management and evaluation of entrepreneurial sustainability projects, as well as on improved depth and breadth in entrepreneur promotion and education. The very idea of “sustainability” consists of the issue of intra- and intergenerational distributive justice and encompasses duties towards currently living generations and future ones regarding different goods, with a special focus on natural resources. Thus, the term sustainability *in se* points out ethical presuppositions, and when applied to the work of entrepreneurs contributing to economic development, it then becomes clear that there is a need for education and evaluation of entrepreneurs in the matter of ensuring that their work rests on ethics as an important leg on which

scholarship and the practice of entrepreneurship ought to stand (Gode-man & Michelsen, 2011).

Since this article is focused on sustainability communication and the development of a more comprehensive sustainability assessment tool for entrepreneurship which will necessarily include the *ethical* component, the remainder of this article will proceed by discussing the centrality of ethics in various communication measures and tools for sustainable entrepreneurship.

ETHICS: THE MISSING LINK

Entrepreneurship is an ethical activity of pressing importance as it significantly influences the sort of lives we will lead in the future. Furthermore, the distinctive nature of entrepreneurial action leads to a distinctive set of ethical problems and obligations (Dunham, 2007). When the ethics of sustainability is not properly and sufficiently discussed, sustainability could mean anything from “exploit as much as desired without infringing on future ability to exploit as much as desired” to “exploit as little as necessary to maintain a meaningful life.” It is widely accepted today that true sustainability includes valuing ecosystem health, human needs, economic development, and social justice. Ethics of care and concern for specific aspects of the common good seem crucial in both large and small- to medium-sized firms, as do the personal values, character, and leadership of the owner or manager of the firm (Vucetich & Nelson, 2010; Racelis, 2012; Melé & Hoivik, 2009).

The ethical influences of entrepreneurship have quite immediate and individual impacts. The very process of creating new products, services, and markets is a journey with its own enormous ethical impact on the stakeholders immediately affected by the entrepreneur’s actions. Such groups of individuals support the emerging venture, place much at stake, and put themselves in a position of great vulnerability to the entrepreneur. Relationships formed and developed under such circumstances are necessarily imbued with strong ethical dimensions in terms of roles and responsibilities (Dunham, 2005).

Human rights have come to be a crucial issue in business, especially in the global market place. In addition, business contributes to the common good in different ways, such as creating wealth, providing goods and services in an efficient and fair way, and at the same time respecting the dignity and the inalienable and fundamental rights of the individual. Furthermore, it contributes to social well-being and to a harmonious

way of living together in just, peaceful, and friendly conditions, both in the present and in the future. A more humanistic approach to business and management requires that management, apart from aiming for efficiency, should also consider people in their fullness (Garriga & Melé, 2004).

Taking such a humanistic perspective, this article thus highlights the following as the major ethical concerns in entrepreneurship: 1) human dignity and human rights issues, 2) a harmonious way of living together in just, peaceful, and friendly conditions, 3) corruption, especially in the supply and customer chains, 4) financial and operational pressures that heighten the incentive to engage in expedient behavior (including dishonesty), and 5) whether the business and the professional are becoming ethically good, i.e., becoming laden with values and practicing the virtues (Morris et al., 2002; Garriga & Melé, 2004; Raeesi et al., 2013). A few examples and illustrations are given below.

1) *Human dignity and human rights issues.* A normative approach to entrepreneurial ethics calls for the application of social norms to business and management since social norms serve as the foundation for rules of behavior within a community. A business firm, small or large, is an example of a community of individuals who interact within the context of shared tasks, values, and goals, and are capable of establishing norms of ethical behavior for themselves. These norms are considered authentic when they are supported by a substantial majority of the members of the community, and are compatible with larger social norms such as “treat members of the community with dignity and respect.” A theoretical study has come up with the construct called “Human Quality Treatment” (HQT) which establishes what treatment is appropriate to the human condition. It was suggested that the five levels or degrees of HQT in organizations have to do with: 1) maltreatment (blatant injustice through abuse of power or mistreatment), 2) indifference (disrespectful treatment through lack of recognition of people’s personhood and concern), 3) justice (respect for persons and their rights), 4) care (concern for people’s legitimate interests and support for them in resolving their problems), and 5) development (favoring human flourishing, mutual esteem, and friendship-based reciprocity) (Morris et al., 2002; Melé, 2014).

A concrete example of disrespect for the dignity and rights of persons is when an entrepreneur, while having a magical way of building something out of nothing, engages in behaviors that negatively impact business, not to mention the people behind it: partners, investors, employees, and customers. A lack of empathy might ensue, and when entrepreneurs are under enormous pressure to produce “sales”, two things generally

happen: they develop tunnel vision and often become extremely forgetful about anything other than what they are focused on at the moment, and their type-A tendencies go into overdrive and they bulldoze their way through decisions, forgetting that actual human beings with thoughts and feelings are on the other end (Iliff, 2014).

2) *A harmonious way of living together in just, peaceful, and friendly conditions.* Humans are also social beings; they possess *sociability*, a feature related to the tendency to live together. Humans live in society, not in isolation, and often show the willingness to live together in an established order, with harmony, justice, and peace. The *ethics of care* centers on feeling concern or interest for others, especially people who have particular needs, including those who are vulnerable to the outcomes of a choice, those who deserve extra consideration. Far removed from principle-based theories (e.g., Kantianism, utilitarianism) that demand impartiality, this approach emphasizes caring relationships in each situation, arguing that this unites families and groups. Values such as care, trust, mutual consideration, and solidarity are given special emphasis (Melé, 2014). Case studies in India have shown that, in the context of the poverty-environment relationship, institutions have evolved to respond to the deteriorating environment by increasing the level of cooperation over common resources. In Pakistan, the government and the World Bank are promoting many projects based in communes (e.g., forestry, fishing, irrigation), giving the benefit of the doubt that management based on these communes works quite well, and that there is even solidarity with poorer families (Khan, 2008).

3) *Corruption, especially in the supply and customer chains.* Hefty fines, damaged reputations, and jail sentences—recent scandals prove that corruption in business does not always bring profits, yet bribery persists. Corruption distorts markets and creates unfair competition. Companies often pay bribes or rig bids to win public procurement contracts. Many companies hide corrupt acts behind secret subsidiaries and partnerships, or they seek to illicitly influence political decision-making. Others exploit tax laws, construct cartels, or abuse legal loopholes. Private companies have huge influence in many public spheres. These are often crucial—from energy to healthcare. Studies validating the Corruption Perceptions Index (CPI) have shown that corrupt practices are more prevalent today in many emerging and transitional economies, where official corruption often runs so deep that it is a hindrance to commercial activity. In several Asian countries, billions of dollars allocated to infrastructure projects are being ill-spent because unscrupulous contractors and greedy local officials are skimming funds and cutting corners. Small business owners and managers should be aware of, and educated

about, these economic and sustainability impacts of engaging in corrupt activities (Transparency International, n.d.; Wilhelm, 2002).

4) *Financial and operational pressures which heighten the incentive to engage in expedient behavior (including dishonesty)*. Rising incidents of corruption, piracy, terrorism, and human and drug trafficking provide a case for the speedy implementation of legislation against crime, piracy, money-laundering, etc. In many developing nations, the requisite structures aimed at facilitating the identification, tracing, freezing, seizure, confiscation, and repatriation of the proceeds of crime are yet to be established. It is clear, however, that the negative impacts of such crimes can be quite dramatic, especially for entrepreneurs. Studies show, for example, that a significant number of small businesses pirate software; however, there are legal and reputational issues that cannot be discounted. Software companies have sued small businesses for different types of piracy, and penalties for willful infringement can be as high as \$150,000 per piece of software, plus attorney's fees. Beyond the legal ramifications, having unlicensed software, especially in a service-oriented business, reduces credibility and can be seen as being very unprofessional (Transparency International, n.d.; O'Brien, 2013).

As another example, multinational companies are held responsible for the environmental and labor practices of their global trading partners such as suppliers, third party logistics providers, and intermediaries over which they have no ownership. Concretely, when entrepreneurs get involved with multinationals, they cannot give in to unethical practices such as violations of union rights, use of child labor, dangerous working conditions, race and gender discrimination, etc. Other forms of blatant injustice are manipulation of people, which includes any underhanded influence on people by way of lies, deceit, or the creation of false expectations, generally to gain benefit or power, and unfair discrimination (Andersen & Skjoett-Larsen, 2009; Melé, 2014).

All told, entrepreneurship ethics has emerged as a distinct area of inquiry, with unique challenges and questions that can be productively studied in their own right. The pressure for business accountability is increasing, and this holds for its legal, social, moral, and financial aspects. Government restrictions with respect to social conduct are increasing, even in times of liberalization. Customer demands are rising with the increasing transparency of markets. On top of this, customers are asking for sustainable products. Increasing numbers of investors are not only looking at the financial performance in a corporation's portfolio, but are also valuing the way corporations meet their social responsibilities (Van Beurden & Gössling, 2008; Shane & Venkataraman, 2000).

TOWARDS A RENEWED AND IMPROVED FRAMEWORK

The interface between ethics and entrepreneurship involves two related sets of issues. The first of these concerns the entrepreneurial context for ethics, while the second involves the ethical context for entrepreneurship. Scholars have devoted considerable attention to issues in the former area. Receiving less focus is the ethical context within which entrepreneurial activity takes place. Here the concern is with the ethical environment created within an entrepreneurial firm, the mechanisms put in place by the entrepreneur to ensure ethical standards are observed, and the ways in which unethical behaviors on the part of employees are addressed (Morris et al., 2002).

As noted above, a good first step in the entrepreneur's moral education is to have him introduced to a set of useful tools for the measurement and assessment of his effectiveness and sustainability as a businessman through so-called sustainability communication and reporting. Sustainability communication's chief concern is an understanding of the world that is of the relationship between humans and their environment, into social discourse, and which develops a critical awareness of the problems about this relationship and then relates these to social values and norms (Godeman & Michelsen, 2011). Based upon the concept of the triple bottom line (TBL), Majid and Koe (2012) proposed a revised model of sustainable entrepreneurship that consists of four domains, namely, economic, social, ecological, and cultural. Their model suggests that in order to be acknowledged as a true sustainable entrepreneur, one is required to give equal priority to each of the four domains suggested in the model. In other words, one has to be future-oriented by balancing one's efforts in making contributions towards economic prosperity, social justice, social cohesion, and environmental protection.

This article presents a revised model of TBL for sustainable entrepreneurship in Asia, one that consists of five domains, namely, economic, social, ecological, cultural, and ethical, thus giving rise to what we may call the "quintuple bottom line" (refer to Figure 1).

Economic

Although sustainable entrepreneurs should not treat profit as the sole target, being economically viable still remains the primary challenge. Indeed, researchers have also mentioned the importance of being economically viable for the survival of businesses, including sustainable businesses. In addition, studies have also stressed that sustainable entre-

preneurs should create value that produces economic prosperity together with social justice and environmental protection. In other words, there should not be a zero-sum game or trade-off between profit and other non-profit aspects, such as environmental well-being or social welfare (Majid & Koe, 2012).

Social

“People” is one of the domains to be sustained in sustainable entrepreneurship. Businesses are required to deal with issues in society, such as human rights, gender concerns, and child labor. In addition, the sustainable entrepreneur has to produce “social cohesion”, which refers to fulfilling individual and community needs (Majid & Koe, 2012). Social entrepreneurship is a new construct that bridges an important gap between business and philanthropy. It is the application of entrepreneurship theory in the social sphere in order to solve social problems such as environmental issues, the income gap, and employment difficulties (Jiao, 2011).

Ecological

The phrase “triple bottom line” suggests three different (and quite separate) bottom lines: 1) the traditional measure of corporate profit—the “bottom line” of the profit and loss account, 2) the bottom line of a company’s “people account”—a measure in some shape or form of how socially responsible an organization has been throughout its operations, and 3) the bottom line of the company’s “planet” account—a measure of how environmentally responsible it has been. The triple bottom line (TBL) aims to measure the financial, social, and environmental performance of the corporation over a period of time. Nevertheless, even the TBL is subject to various weaknesses which are overcome by the Inclusive Wealth Index. As Sir Partha Dasgupta, one of those responsible for developing the IWI, would explain:

If a national accountant claims the savings ratio of a country like Brazil or Costa Rica is 15%, but doesn’t take into account the natural capital, the forests being razed, then it is not a true indication of the accumulation of wealth. If depreciation of forests is deducted from savings, the picture looks significantly different. (U.N. Environment Programme, 2012)

Cultural

Researchers have suggested lately that a new domain should be added to the sustainable entrepreneurship framework. For example, sustaining traditional or indigenous knowledge is important to prevent the loss of

culture and over-dependence on Western culture. Culture, then, should be concretely considered as an additional pillar in sustainability development in order to achieve harmony among issues of cultural diversity, social equity, environmental responsibility, and economic viability (Majid & Koe, 2012). In the case of Asia, the cultural factor is very important. Measurement and assessment tools have to take into account the simultaneous convergence and divergence within the Asian region, as well as those aspects related to learning, education, awareness, and marketing.

Ethical

Businesses do indeed have a share in our common responsibility to future generations. A strong case for our moral responsibility to future generations can be established on the grounds of fiduciary duties, virtue ethics, stewardship and accountability, respect for human dignity and human rights, promoting the common good, etc. The job of a leader includes caring for others, or taking responsibility for them. All leaders face the challenge of how to be both ethical and effective in their work. It has been established that leaders ought to care for their followers, and the sustainability entrepreneur in the global marketplace is no exception (Ciulla, 2009).

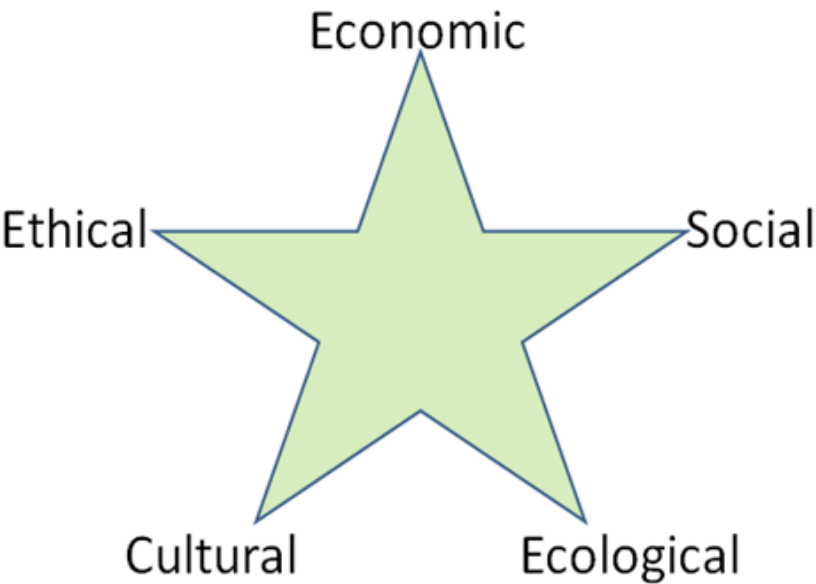


FIGURE 1: Quintuple Bottom Line

While the cases and illustrations mentioned above detail negative experiences of entrepreneurs in the ethical realm, it can likewise be shown that small business owners and managers are able to perform ethically and thus sustainably, as can be seen in the case study of a Norwegian clothing company that engages as a partner in some voluntary labor initiatives promoted by the government, employs people in marginal situations, and exerts influence for the adoption of good working conditions in its supply chain. Environmental issues and actions of solidarity, as well as ethics of care and concern for specific aspects of the common good, are being taken into serious consideration (Melé & Hoivik, 2009). An empirical study was carried out among entrepreneurs who have come to be labeled as “superlatives” because they displayed either the highest or nearly the highest percentage of affirmative responses on most of the questions regarding ethical policies and programs. For example, 96% indicated that their firm had penalties for unethical behavior, and that such was communicated to employees, 79% had a formal code of conduct, and 69% had a code that provided guidance for resolving specific on-the-job ethical dilemmas. In addition, ethics-related training was an ongoing activity (63%), a company policy manual covering ethics was accessible to employees (73%), and someone in the firm was assigned direct responsibility for ethical issues (69%). Finally, some members of this group of “superlatives” have given specific thought to developing an ethics program (38%), ethics-related training is done within the firm (73%), and ethical issues tend to be discussed somewhat frequently with employees (54%) (Morris et al., 2002).

Entrepreneurship brings about economic innovation and job formation; it contributes to innovation, development, and equitable income distribution. It has received much attention during the past decades, since new firm creation is a critical driving force of economic growth, leads to the creation of hundreds of thousands of new jobs, and its improvement can well contribute to the resolution of the unemployment crisis. However, many barriers either stop entrepreneurs from entering the market or lead their businesses to failure after they do so. In one specific study carried out in Iran, corruption and an unsupportive business environment have been identified as part of 11 major barriers to entrepreneurship. Entrepreneurs will experience difficulties in hiring a labor force, keeping them, and firing them. They will easily lose their funds and resources due to the corruption of the business environment, and the unsupportive nature of this environment will not help entrepreneurs in obtaining financial resources, which in turn destroys all possible entrepreneurial opportunities (Raeesi et al., 2013).

All told, globalization as well as changes in economic development, national or local security, and the expectations of society have influenced

how social performance is defined, and how it involves stakeholders and thus the performance of every business. Organizations large and small have been encouraged to move toward socially responsible behavior for both moral and practical business incentives. The literature on sustainability has come to show over time that it is the obligation of businesses to be accountable for their environment and for their stakeholders in a manner that goes beyond mere financial aspects. In other words, “Good Ethics is Good Business” (Van Beurden & Gössling, 2008). The entrepreneur and the realm in which he works are no exceptions to this characterization—ethics can and must form one of the legs upon which entrepreneurship, if it is to be sustainable, stands.

AREAS FOR FURTHER STUDY

Refining Sustainability Communication

A study of the current status of social entrepreneurs in Korea, as well as subsequent policy issues for them, carried out analysis of the drawbacks and policy implications of fostering social entrepreneurs. Findings included the following: social enterprises should escape from being personnel expense-centered and convert to ecosystem-centered or division-centered projects, encourage greater participation of government in fostering social entrepreneurs, and put emphasis on follow-up management and evaluation; a suggestion for a standard model for social entrepreneur promotion projects; a proposal for specific guidelines for detailed education operation according to education trainee and the objectives of social entrepreneurship. Furthermore, there is the suggestion to reduce projects with low performance, implying the need for a tighter and more meaningful entrepreneurial management accounting system via measurement and assessment tools (Kim & Yoon, 2012).

Sustainable entrepreneurship is viewed as having significant potential for alleviating many of the social ills we now face. To accomplish this mission, however, social SMEs will need to expand beyond their current footprints. The catalysts identified for such a goal to be achieved are effectual logic, enhanced legitimacy through appropriate reporting metrics, and information technology. As regards reporting metrics, a key issue confronting SMEs relates to the evaluation of outcomes. Metrics will facilitate a better assessment of program efficacy, enabling a better deployment of resources. In addition, with the demand for a social capital investment market, appropriate metrics will, by enhancing external legitimacy, facilitate access to resources. There are many examples of social enterprises adopting outcome measures, e.g., the so-called social return on investment (SROI). An extended study of such metrics and reporting will have to be carried out (VanSandt, Sud, & Marmé, 2009).

Comprehensive Stakeholder Analysis

A “heuristic approach” to stakeholder analysis that requires two mappings of the entrepreneurial constituents has been proposed. The first mapping focuses on current interactions between entrepreneurs and their stakeholders, while the second focuses on a specific issue and the stakeholders that constitute it. In effect, such stakeholder analysis requires entrepreneurs to use the complexity of stakeholder relationships in order to go beyond their cognitive limitations and thus facilitate the discovery of new opportunities. Developing a comprehensive ethical theory for corporate social responsibility that encompasses the profit motive, social demands, complete stakeholder analysis, and moral values is a demand that is being made on business ethics researchers and practitioners. If sustainable development is to mean “development that meets the needs of the present without sacrificing the right of future generations to fulfill their needs” (WCED, 1987: 43), then there is a critical need to continue discussing the ethics and morality of sustainability (Garriga & Melé, 2004).

Development Policies

Eradicating poverty, reducing environmental degradation, and achieving sustainable economic growth are some of the major macro-economic goals in the Asian region. There are, however, serious interlinkages among these issues. A Pakistani study has found that environmental degradation hurts the poor more. There is a need for studies that deal with the social and environmental impacts of specific factors, and a need for a better understanding of institutional dynamics. A greater understanding of how levels of, and changes in, poverty relate to changes in environmental quality is needed. There is a need to understand how the levels and rates of change vary with poverty, and where the changes are taking place. More research is needed on the effects of changes in the population and on the dynamics of institutional development. A clearer understanding of how poor people depend on, interact with, and use their environment in rural and urban areas is needed. Countries, and in particular those in Asia, have to adopt open-minded and innovative policies in order to take advantage of the many existing opportunities. Some suggestions are eco-labeling schemes, organic practices, fair trade, and so forth. Academics should embark on further research into the complex poverty-environment-growth nexus. The existence of the entrepreneurship-poverty-environment nexus points to the need for making concerted efforts in development policy for mainstream environmental concerns and issues, especially given their central importance for quality of life and the sustenance of key sectors of the economy (Khan, 2008).

Education

The connection between human capital development and economic development has become quite clear in human capital studies embarked upon by the Mahbub-ul-Haq Centre for Human Development, which has developed a broad index of poverty that takes into account, in addition to income, deprivation of education and health. Another measure is the United Nations Development Program's (UNDP) human development index (HDI), which includes education as an indicator of progress in human development (Khan, 2008). The contribution of human capital to the survival of entrepreneurial firms in Asia has been studied, for example, in Indonesia, where the strategy formulation for the survival and growth of entrepreneurs is driven by the vision and motivation of the entrepreneurs, which in turn is a function of entrepreneurial competence based on strategic management and moral education (Mappigan & Agussalim, 2013). Unfortunately, in many Asian countries, entrepreneurial education is not accorded the priority it needs. There is a great need to embark upon action research if the potential of entrepreneurship for poverty alleviation and social and economic development is to be unleashed.

Interdisciplinary Studies

Ethical issues in sustainable entrepreneurship are clearly interwoven with legal, financial/economic, socio-cultural, and other aspects of the entrepreneur's work. The framework suggested in this paper has to be validated in real-life entrepreneurial cases. While some of the cases referred to here shed light on the continuing challenges—especially in the ethical sphere—faced by entrepreneurs trying to achieve sustainable development, there is clearly still a need for researchers in various disciplines to work together alongside practitioners in aid of entrepreneurial sustainability (Hamzah, Rusby, & Hamzah, 2013).

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SUSTAINABLE MARKETING

AN EXPLORATORY STUDY OF THE PERCEPTIONS OF MARKETING MANAGERS IN INTERNATIONAL SPANISH HOTELS

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Abstract. Sustainable marketing is one of the main challenges facing firms over the next few years because of its potential impact on both the growth of firms and the image of business people, hence the need for executives to manage its implementation. This article explores how hotel marketing managers in Spain perceive and manage the role of marketing in improving sustainable business management and the changes needed to make sustainable marketing work. The study contributes twenty-four empirical cases to discover what corporate changes managers consider necessary in order to make the hotel industry sustainable. The main research contribution is an initial framework of four fields in which executives set company management priorities with a view towards implementing sustainable marketing.

Keywords: marketing managers; Spanish hotels; sustainable marketing

INTRODUCTION

Sustainable development and the role of marketing within sustainability are perhaps the most significant and worrisome problems facing marketing in the years ahead (Schaefer, 2005). As Varey (2010) wittily remarked, this issue is the “elephant in the marketing living room.” This article explores how managers see and grapple with this beast. It touches on a series of complex sources such as pressure from stakeholders, managers’ values, and hopes that sustainability may give a firm a competitive advantage.

This is a relatively unexplored field where further empirical research is considered an imperative (Kotler, 2011); here there is a need to explore the views of managers in both the private and public sectors (Kang & James, 2007). We used the hotel industry as our universe because it is a field in which the environment and social settings play vital roles. The industry’s extreme dependence on environmental attractions and on low-paid workers means that the loss of either (or both) may threaten a hotel chain’s very survival (Kasim, 2006).

The research question of this article is how hotel marketing managers in Spain perceive and manage the role of marketing in improving sustainable business management. The research furthers knowledge on what hotel marketing managers think needs to be done in order to make the industry sustainable. We use managers’ perceptions rather than objective measures because the former are a fairer and more meaningful measure (Weick, 1979). Put another way, when managers see an issue as a real one, it has real-life consequences (Marshall & Rossman, 2010). Thus, the aim is to grasp the vision that managers have of sustainable marketing and its scope and limitations.

Our findings on the hotel industry enable us to understand and explain how sustainable marketing strategies are being implemented by managers and why. We conclude that implementation reveals major contradictions between firms’ objectives, stakeholders’ expectations, and management behavior. The study findings reveal the scope for future research and should help both scholars and practitioners ensure that sustainable marketing is effectively implemented.

SUSTAINABILITY

The concept of sustainability has existed since the thirteenth century. It was in the 1950s, however, when researchers began investi-

gating its implications for business. The first studies appeared in the 1970s and focused on whether companies should only concentrate on rewarding shareholders.

The definition of sustainability is complex; one of the most accepted versions is: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment, 1987). Sustainability leads to the concept of sustainable development, a three-dimensional concept capturing economic, social, and environmental dimensions. The present lack of sustainable development causes grave imbalances, environmental deterioration, a soaring world population, ever-scarcer natural resources, and growing social problems (Brown, 2008; Friedman, 2008). Sustainability is thus a multidimensional concept encompassing complementary meanings, with economic sustainability getting the most attention because it bears on the financial incentives needed to make corporate implementation of sustainability policies feasible (Bansal & Roth, 2000; Székely & Knirsch, 2005).

Business management research in relation to sustainability has produced a new model of development. This model is based on making profits while achieving social and environmental aims, thus implying a change in standards worldwide (Engardio, 2007). The importance of this new model is reflected in the numerous corporate reputation rankings that measure social and environmental performance.

SUSTAINABLE MARKETING

The relationship between marketing and sustainability has been described as irreconcilable given that one concept involves selling more and the other means buying less (Jones, Clarke-Hill, Comfort, & Hillier, 2008). Marketing includes the ideas of constant growth and constantly expanding potential demand. Marketing, therefore, is seen as a suitable model for businesses in consumerist Western societies (Connolly & Prothero, 2003; Durning, 1992).

The cumulative effect has been a decline in the image of marketing (Johansson, 2006) and the activities of marketing professionals (Sheth & Sisodia, 2005), as well as negative consumer attitudes towards marketing (Palmer & Stull, 2000; Pereira Heath & Chatzidakis, 2012; Sheth & Sisodia, 2006). Marketing is criticized for encouraging excessive consumption and hedonism, and for promoting a culture of consumption where products and services are the basis of social identity over traditional values. In

short, research has produced a critical review of marketing and its role in society (Alvesson, 1994; Tadjewski & Brownlie, 2008), hence the urgency in developing marketing within the framework of sustainability.

Research in the marketing field has been dominated by the functionalist theoretical approach. The impact of marketing as a significant social institution has received much less attention (Gordon, Carrigan, & Hastings, 2011). Indeed, interest in sustainable development often arises only after companies have been named and shamed for pursuing socially harmful marketing activities (Desmond & Crane, 2004; Peattie & Peattie, 2009). Some researchers have begun exploring a sustainable marketing paradigm (Cooper, 2005; Peattie & Peattie, 2009) that breaks with the dominant positivist managerialist epistemology (Gordon et al., 2011).

IMPACT ON MARKETING MANAGERS

Marketing professionals have responded to allegations that marketing is unsustainable by claiming that marketing activities are a response to the preferences of a free and sovereign consumer (Shankar, Whittaker, & Fitchett, 2006; O'Shaughnessy & O'Shaughnessy, 2002). In other words, it is the consumer who can and must decide what is best.

The current response of marketing professionals is to adapt the process to new social realities and apply marketing mechanisms to address environmental and social problems (Peattie, 2001). The managers involved perceive this adaptation strategy as a key factor for organizational success; they monitor the immediate environment and formulate issue-based strategies. However, we also know that this approach is an uncertain one. It lacks a defined objective and is linked to whatever marketing professionals themselves create. As Varey remarked (2010: 112), "Marketing surely has a future—what will we have it be?"

Sustainable marketing is one of the possible answers. This concept first arose in the 1990s and it gives priority to sustainability over economic efficiency (Kilbourne & Beckmann, 1998; Peattie, 1999; Peattie & Charter, 2003), and analyzes an environment that includes producers, consumers, legislators, and other stakeholders.

The concept of sustainable marketing states that an organization must satisfy the needs of today's consumers without compromising the ability of future generations to meet their needs (Kotler & Armstrong, 2010). The concept incorporates the holistic concept of the triple bottom

line which integrates environmental, social, and economic concerns, placing equal emphasis on each. Social responsibility thus becomes intertwined in the process of marketing (Lazer, 1969) and the co-creation of value (Prahalad & Ramaswamy, 2004).

Sustainable marketing presupposes managing the tension between appropriate and inappropriate behavior, giving customers what they want while (for the first time) making value judgments about their desires (Achrol & Kotler, 2012). This tension is reflected in the new definition of marketing issued by the American Marketing Association in 2007, which enshrines for the very first time the idea of creating value for society (Wilkie & Moore, 2012).

Marketing professionals have been invited to venture outside their traditional framework and lead change by developing more sustainable products and services. Because they are the interface between organizations and customers, marketing managers (Sodhi, 2011) have been invited to: 1) build relationships with customers in order to glean insights on product processing, packaging, and distribution, 2) communicate these insights to the rest of the firm, and 3) tell stakeholders about the firm's sustainability practices.

Faced with changing expectations, it is important to grasp what is expected of marketing managers and what they can achieve. Business leaders are willing to incorporate societal expectations in their strategies but face major challenges in doing so (Bielak, Bonini, & Oppenheim, 2007). The barriers to developing these initiatives are often linked to their perception of reality (Little, 2005) and include: a lack of understanding of sustainability trends, considerable skepticism and high perceived risk, uncertainty about how to manage these activities, and the tendency to repeat familiar patterns of management rather than take the risk that comes with innovation.

The cognitive approach (Fineman & Clarke, 1996) as applied in numerous theoretical and empirical investigations (González-Benito & González-Benito, 2006; Marshall, Cordano, & Silverman, 2005; Vazquez Brust & Liston-Heyes, 2010) analyzes management decisions based on their perceptions of developments that affect companies. In this approach, it is important to understand how values, beliefs, attitudes, and subjective perceptions influence decisions (Bansal, 2003; Cordano & Frieze, 2000). There are examples of sustainable marketing applications which confirm that the more marketing managers see sustainability as an opportunity, the more likely a company is to voluntarily develop sustainability strategies (Sharma, Pablo, & Vredenburg, 1999).

SUSTAINABLE MARKETING IN THE HOTEL INDUSTRY

Sustainable marketing should have a special resonance in the hotel industry as it is a sector with significant impact on the environment and a strong international presence in poorer nations (Kirk, 1996; Webster, 2000). The hotel industry depends heavily not only on the physical environment but also on the social one (the local workforce, relations between international management and local staff, and contact between tourists and local citizens). The dependence is so great that the loss of these resources may jeopardize a firm's survival and security (González & León, 2001; Kasim, 2006).

Previous research in the hotel industry suggests that marketing professionals (mainly those in leading international brands) value sustainable marketing in terms of positioning, and as an approach that helps create competitive differentiation and builds trusting relationships with stakeholders (Kasim, 2006). Managers perceive that environmental and social responsibility can influence corporate reputation and competitive success (Banerjee, 1999; Menon & Menon, 1997; Miles & Covin, 2000). However, these professionals also see a high risk in using sustainability as a focus for differentiation because the concept has been distorted by inappropriate advertising (Clarke, 2002). Companies have tended to put their "sustainable" practices (e.g., water saving, hiring local workers) in their corporate communications but have failed to scrap some of their non-sustainable practices.

The limited research on hotel management has revealed an enormous amount of information about the environment (Costa, 1995) and a tendency to selectively ignore certain aspects of sustainability while focusing on others (O'Neill, Beauvais, & Scholl, 2004). Issues perceived as priorities are related to employees (O'Neill et al., 2004), such as recruitment, training, and motivation.

We found several proposals explaining the degree of adoption of pro-active strategies on sustainability. There is literature on the pressure exerted by stakeholders (Álvarez Gil, Burgos Jimenez, & Céspedes Lorente, 2001; Henriques & Sadorsky, 1999; Sharma & Henriques, 2005), pro-activity in developing strategies (Aragón-Correa, 1998; Porter & Van der Linde, 1995; Rivera, 2002), institutional dynamics (Hoffman, 1999), managerial ethics (Prakash, 2001), and the organizational context (Moon, 2007). Each provides a partial picture and there is no exploratory study based on managerial perceptions. This lack of consistency requires research that draws on multiple theories and bodies of literature.

The research question of this article is how hotel marketing managers in Spain perceive and manage the role of marketing in improving sustainable business management. This question was drawn up in response to the lack of studies on managers' perceptions of sustainable marketing. We used managers' perceptions rather than objective measures of sustainability implementation because we are interested in what managers see as practical barriers to adopting sustainable marketing—something that involves rethinking the ends and means of marketing. We contribute to empirical knowledge by considering how far marketing managers in Spanish hotels have incorporated sustainable marketing strategies. In doing so, we also assess the main factors underlying their various approaches.

The research was carried out on Spanish hotel companies given that Spain is a world leader in the tourism industry, both in terms of the number of foreign tourists the country attracts and its long track record of providing quality tourism services abroad. The context is particularly interesting in the light of various public administration initiatives to improve performance in this key sector of the Spanish economy.

METHODOLOGY

A qualitative approach was used within the framework of an interpretive phenomenological paradigm (Patton, 2005). The case study is used for descriptive purposes (Yin, 2009) in which the cases are individual ones. The research problem was defined after conducting a bibliographic review. The research design was based on flexibility and triangulation criteria (Marshall & Rossman, 2010). The population was composed of the marketing managers and commercial directors of international Spanish hotel chains. The sample was selected using purposive sampling with snowball criteria (Patton, 2005) until the saturation criterion was met (Gummesson, 2000). We selected a sample of 24 managers from 20 international groups, with the units of analysis being the managers themselves. The sources of evidence were focused, in-depth, and semi-open interviews, with a pilot test and two rounds of interviews. The interviews were conducted and analyzed by various researchers and were recorded with the interviewees' consent. The data gathered was analyzed using ATLAS-ti software.

As the objective was to analyze the perceptions of managers, we used a qualitative methodology that enabled us to access the experiences of these subjects through their narratives. Qualitative methodologies are

suitable for exploring substantive issues which we know little about (Strauss & Corbin, 1998). Although limitations must be accepted when attempting to generalize any findings, we assumed that the purpose was to create understanding from patterns, and so we sacrificed the quantitative approach used in testing theory-based hypotheses (Patton, 2005).

Various researchers in the field of tourism have made calls for a greater use of qualitative research (Riley & Love, 2000; Walle, 1997). Its use is gaining ground from traditional quantitative approaches (Slevitch, 2011). Qualitative research seeks deeper insight into managers' perceptions of professionals regarding specific problems, prioritizing the understanding of a particular phenomenon over the establishment of causal relationships.

The design of the research starts from a broad question as an initial proposition and so avoids hypotheses (Marshall & Rossman, 2010). The aim is to find a description of the processes, consequences, and strategies of how something develops (Flick, 2009) while taking into account the criteria of flexibility and triangulation (Marshall & Rossman, 2010). This requires measuring managers' perceptions because situations perceived as real by managers have consequences (Marshall & Rossman, 2010). The measurement of perceptions has been compared by researchers with objective measurements: Weick (1979) suggested that the analysis of perceptions can be as fair and meaningful as, or even more so than, objective measurements.

Evidence was gathered from focused and in-depth semi-open interviews (Patton, 2005) suggested by Yin (2009) in those management areas where respondents cannot easily explain the underlying reasons for their behavior. The questions sought to elicit managers' perceptions of the key areas in the implementation of sustainable marketing. Two interviews were conducted to verify the process, tabulation, and analysis of two researchers. Subsequent interviews—15 in January of 2013 and 9 in the second phase in March of 2013—were also conducted. All interviews were audio recorded with permission. Triangulation criteria were applied through interviews with hotel industry expert consultants and scholars. Transcription and analysis were performed in parallel to meet the flexibility criterion. Interviews were conducted at the headquarters of the hotel groups, or at the offices of ESADE in Barcelona and Madrid, and lasted between 50 and 80 minutes (refer to Table 1).

Data analysis using ATLAS.ti 7 software was performed using the steps suggested for qualitative research (Miles & Huberman, 1994). Finally, we validated the research design for external and security validity using the criteria of Yin (2009).

Interviewed	Position	Number of hotels in group	Years of experience in industry	CSR dept?
Manager 1	MARKETING	+100	12	YES
Manager 2	OPERATIONS	50–100	10	YES
Manager 3	OPERATIONS	+100	7	YES
Manager 4	OPERATIONS	+100	14	YES
Manager 5	MARKETING	0–25	11	NO, FROM HR
Manager 6	MARKETING	0–25	3	YES
Manager 7	OPERATIONS	0–25	6	No
Manager 8	MARKETING	+100	4	YES
Manager 9	OPERATIONS	+100	4	YES
Manager 10	MARKETING	+100	5	YES
Manager 11	MARKETING	0–25	11	YES
Manager 12	MARKETING	50–100	10	YES
Manager 13	OPERATIONS	+100	3	YES
Manager 14	OPERATIONS	0–25	0	NO
Manager 15	MARKETING	25–50	8	NO
Manager 16	OPERATIONS	0–25	5	NO
Manager 17	MARKETING	50–100	15	YES
Manager 18	MARKETING	+100	4	YES
Manager 19	MARKETING	50–100	14	YES
Manager 20	MARKETING	50–100	9	YES
Manager 21	OPERATIONS	+100	4	YES
Manager 22	OPERATIONS	25–50	5	NO
Manager 23	MARKETING	50–100	5	YES
Manager 24	OPERATIONS	50–100	9	YES
Consultant 1			21	
Consultant 2			18	
Consultant 3			32	
Academic 1			12	
Academic 2			22	
Academic 3			13	

TABLE 1: Respondents

FINDINGS AND DISCUSSION

The main findings of this study come from the respondents’ opinions on the perception of managers regarding the implementation of sustainable marketing, and are grouped into themes (refer to Table 2). The process of transcribing and coding the interviews revealed four large concerns as relevant to managers: individual managerial training, the definition of key stakeholders who determine implementation, reactive or pro-active attitudes towards implementation, and the department implementing sustainable marketing.

THEME	SUB-THEME	APPEARANCES/ INTERVIEWS
Individual training	Lack of specific training	92
	Uncertainty as to method of measuring results	77
	Distrust of externalities generated by marketing	59
	Confusion with own social and ethical thinking	68
Definition of stakeholders	Sustainable marketing seen as alternative following stakeholder pressure	118
	Consumers sensitized but do not see themselves causing harm	61
	Short-term results with internal collaborators	67
	Other less relevant and specific collaborators: marketing and society channels	41
Pro-active or reactive	Need for company leadership before the legal framework	75
	Reactive attitudes are safer	62
	Strategy attempting to expand sensitized market is risky	51
Function responsible for sustainable marketing	Viewed as part of corporate marketing	55

	Viewed as local development strategy within international marketing	51
	Doubts about location in product marketing	78

TABLE 2: Summary of findings

INDIVIDUAL TRAINING

The insecurity of the manager is generally apparent, starting with the conceptual base of the *triple bottom line* as a tool for decision making. The underlying reasons are generally two-fold: managers perceive a lack of training during their general university studies or specific studies in marketing, and so feel professionally insecure tackling issues related to sustainability; they also perceive that although their function has a negative effect on the environment, such effects are either unquantifiable (with social effects being even less so) or not fairly compared with the positive effects.

The relationship managers have with sustainability is mediated by financial results, and these are based on current and past metrics; the other two indicators, which are soft, complementary, and attitudinal, are not employed for reporting results to a manager. Managers worry about how these three indicators can be incorporated into the operating accounts without contradictory and awkward effects. They believe it would be difficult to track the positive and negative externalities generated for society as well as the effects on the overall image of the company (Luo & Bhattacharya, 2006).

All of this is a surprise ... I have been thinking about taking a course for a while now ... but what can I do as Director of Marketing? (D9)

We have organized a number of seminars, complete with consultants and advisors ... everyone talks about the triple bottom line like they were members of the family. But nobody can give a single example of what a hotel manager can do. Everyone says go ahead—but nobody knows where to go (D21)

Marketing managers focus on the development and launch of products and services, managing their communication, promotion, and prices, and finally (at the strategic level) identifying competitive advantages. Goals related to sustainability generally receive little attention and priority during these processes.

Insecurity frequently arises because these managers perceive that their own sensitivities may be mixed with issues related to sustainability, and their own personal behavior may be linked with their work goals. Some managers even feel guilty for defending sustainability to their colleagues. They fear that they may have to defend their own socially ethical thinking while implementing sustainable practices.

I said one day to the Managing Director that we already have a battery of indicators on sustainability ... since that day the MD calls me "the ecologist" ... in any event all of this is only for the report and accounts. (D3)

Some managers think about whether sustainability should be a positive force in their current organizations. Their concern for sustainability is projected to other activities that can be developed outside their jobs, such as working with a charity or developing social entrepreneurial projects. They only feel comfortable when working within professional collaborative projects with local organizations, such as through corporate volunteering.

I enjoy working and learning on these projects. I can see the usefulness and meet people who understand the issues. However, I cannot and will not do this sort of activity at work. (D17)

The conclusion is that managers are comfortable with sustainability issues that flow from the values of the organization, but are fearful that their own personal values will become involved.

THE DEFINITION OF STAKEHOLDERS

The common perception is that companies are engaged in sustainability because of the demands of stakeholders (shareholders, domestic partners, mass media, or simply clients). Pressure from stakeholders is perceived as positive and generates a call for a market orientation strategy. The ability or willingness of companies to respond to this pressure is related to their strategic leadership style (pro-active or conservative), capacity for continuous innovation, and the size of the company.

Everyone talks about the same thing: change is happening to us, we are simply reacting to what happens I have not met a single visionary manager. (C2)

Our international nature enables us to detect what is important. Sustainability is reflected in some hotels. (D9)

The most frequently mentioned stakeholders are direct clients: there is a growing, but highly fragmented, segment of clients who are sensitive to sustainability issues. Managers recognize that they provide only limited sustainability information to clients (regarding recycling processes, behavior modification tips, corporate volunteering, and local social initiatives). This is because they have identified a contradiction in consumers: a growing awareness of sustainability but a refusal to identify their own actions as unsustainable. When managers are pro-active in delivering this type of information, they worry about it being seen as sufficient or credible, or whether clients will see the firm as acting in a cynical manner.

... the Germans, Dutch, and Norwegians ... are different They are the ones who pull you ... and ignore you if you don't follow them. (D8)

A second group of stakeholders are employees (differentiating employees from the country of origin and local employees from those nations where the hotels are located). Strong pressure is identified in the first group, which pushes for corporate social involvement programs in the countries where they operate. These programs, however, like most internal marketing policies, are difficult to use in terms of marketing and company positioning.

I see that companies are reluctant to show their human side—except with employees I'm only devoting time to volunteering schemes and workshops—all of which are aimed at the staff Somebody told me that the aim was achieved when you bring your children to these events. (C1)

Other stakeholders are mentioned much less frequently and given less relevance. Large travel agencies apply pressure for sustainable policies but the effect is diluted because the same agencies also turn the screws in every other area of performance (prices, flexibility, and new services), and so managers perceive sustainability as an indiscriminate, low-priority demand. Pressure from society is generally recognized as pressure from stakeholders such as the media, ranking companies, and regulatory agencies. Preventing any possible complaints or negative impacts arising from international activities by communicating various secondary attributes related to sustainability is therefore seen as the priority.

Talk to them about society and nobody listens. Talk about what they buy, and what they spend and they listen. (D16)

The conclusion in this section is a confirmation that pressure from stakeholders is a critical factor for corporate response to issues of sustainability (Hoffman & Ventresca, 2002). However, there are various hypotheses on relevance and trends.

REACTIVE OR PRO-ACTIVE ATTITUDE

Managers perceive that it is the company that determines a pro-active or reactive stance, as well as the likelihood of adopting practices that comply with legislation and industry standards. When voluntary sustainable behavior takes place, it is usually due to some action anticipating the market that has been implemented by a director in the head office—or in the department of sustainability or corporate marketing.

Marketing professionals are more comfortable with reactive activities that respond to pressures or stakeholder interests. In such circumstances, the potential impact of their personal values is limited, and it is corporate values that shape action. Pro-active actions, such as communicating the harm of energy consumption, or favoring the hiring of local staff, are seen as risky. Managers also reject the possibility of expanding the market of conscientious consumers; they aim to offer only what each segment wants, or what each stakeholder is aware that it wants.

We are two different breeds, you see it in their eyes ... you are either on the CSR team ... yes, they sell, of course they sell ... but at another level ... or the accounts team ... the financial bottom line. (D22)

During the interview, the possibility of “demarketing” (dissuasion from using a product or service) as a competitive strategic option was raised. This was the most frequently rejected option. Proactivity was seen as an option for strengthening a well branded product in competitive terms; however, pro-active *demarketing* that proposed the reduced use of a product for environmental or social reasons was seen as frivolous, as well as damaging to turnover and profitability.

It simply seems crazy to me ... unthinkable ... but who knows? (D8)

De-what? How are we going to tell the client what he needs? (D5)

THE ROLE RESPONSIBLE FOR SUSTAINABLE MARKETING

Several of the issues discussed in the categories above ended up generating reflections on what should be the role of marketing in the management of sustainable marketing. There were three broad positions.

Research now focuses not on whether marketing should be sustainable, but on who takes the bull by the horns in the organization ... who takes the lead. (A3)

The most common approach is to identify sustainable marketing with corporate marketing. This is because corporate marketing is under the control of the senior management team (who should be aware of the strategic priorities). In this way, sustainable marketing is identified as a process that is allied with the image of corporate brands rather than with day-to-day marketing activities, and as an activity that requires major efforts with corporate stakeholders such as investors, the media, and society in general.

Looking at what is senior management ... who wants to develop it ... I do not say it is bad, it's just the bank with "the most" or the hotel with "the best" ... but it won't help a client decide where to spend the summer. (D20)

The second option is to manage sustainable marketing from an international perspective. This suggestion arose from the experience of managing hotels overseas where certain minimums of sustainable marketing are standardized. It was stressed that international marketing departments tend to be very open and willing to standardize marketing management in each nation, and to adopt main international trends (with respect to consumers, competition, and shareholders).

Sustainability for marketing has a name: segmentation ... which means that with more than 100 hotels we need to differentiate by country, destination, and origin. (D4)

The option which generates most doubt is that of managing sustainable marketing from product marketing. Sustainable marketing is seen as risky, unjustified, and irrelevant for large markets, and as expensive and undemanded in the hotel sector. The connotations of leisure, hospitality, and personalized service make brand positioning based on sustainability difficult. Hospitality is perceived as something emotional and unconnected with the rational world of sustainability. Again, it is

argued that the detection of clients interested in sustainability should be made from corporate marketing and that new brands should be created for this niche.

Despite my many years of experience with three chains in five countries, I have yet to see a sustainable brand, a sustainable product line, or even a sustainable center We have to develop the way people are treated, the details, analyzing customers ... but I don't see the brand ... at least in the big players ... in these monsters. (D17)

CONCLUSIONS

This study has answered the research question of the article—how hotel marketing managers in Spain perceive and manage the role of marketing in improving sustainable business management. This research contributes to the literature on the concept of sustainable marketing by boosting our knowledge of what managers understand by sustainable marketing and the changes they think are needed to implement it.

The contribution made by this research should be analyzed using the two-edged approach proposed by Kotler (2011). He considers it vital to research the changes needed to implement sustainable marketing. First, we find that managers' understanding of "sustainable marketing" focuses on company growth through sustainable products rather than on scrapping unsustainable ones. Second, we argue that our knowledge of marketing managers needs deepening if we are to help them make the necessary changes.

The qualitative research undertaken shows obvious contradictions in the reference framework. The first contradiction is the difficulty of implementing sustainable marketing against the background of present (unsustainable) consumption patterns (Connolly & Prothero, 2003; Fuller, 1999; Kilbourne & Beckmann, 1998). The second contradiction lies in the differing perceptions of the relative importance of adapting to 1) growing environmental awareness (which is seen as directly affecting the hotel industry) and 2) social awareness. The latter kind of awareness is a "triple bottom line" dimension which is much less apparent to managers in the hotel industry.

The analysis provides a hypothesis regarding the perception of four major and interdependent areas. The first covers the level of training needed to facilitate this adaptation and is a clear call for trainers and educational institutions. Marketing schools must ask themselves why their alumni have such a restricted vision of the environment in which

they operate, and how classical concepts such as the product life cycle can be updated to include much broader and subsequent phases such as recycling or management of local social impacts.

The second key area is the definition of stakeholders. Managers recognize the diversity of stakeholders, and it is the pressure from stakeholders that has generated a sustainable marketing strategic option. The most influential stakeholders in this respect have been clients and staff, with issues of social equity being raised because these international companies operate in poor nations that are attractive to tourists.

The third area reveals that managers believe that they are expected to react to events rather than show marketing leadership, or take any action to expand demand for sustainable products and services.

The fourth area shows that most managers do not see sustainability as a marketing priority, and that there are many doubts about basing a product strategy on sustainability.

In order to enhance a corporate culture focused on sustainability, recommendations for professionals center on the need to update their knowledge about how to lead the process through instrumental training and creating projects. Research suggests that sustainability, when practiced as an organizational culture, creates new opportunities for managers. The results depend on the ability to communicate corporate sustainability values to consumers as well as to stakeholders (Menon & Menon, 1997).

Finally, it is recognized that a major limitation of this study is its exploratory and qualitative nature—inasmuch as this creates a trade-off regarding the generalizability of the results. Our recommendations for further research are thus based on 1) applying this approach to other sectors and 2) deeper study of whether certain features (such as hotel size, age, manager gender) furnish new hypotheses. Although we now better understand how managers frame reality, quantitative research is needed to discover the underlying causal relationships.

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A MATTER OF BEING

DEVELOPING SUSTAINABILITY-MINDED LEADERS

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Abstract. In a world that is in need of more individuals acting with the social and environmental impact of their decisions in mind, what would it take to develop sustainability-minded leaders? This article shares the findings of a qualitative descriptive exploratory study where 16 leaders championing sustainability initiatives were interviewed in order to learn from them, understand what information played a role in their actions, how they thought, and what motivated or inspired them to act in a “business-as-unusual” way. In this article, the results of the original study are briefly summarized, and new findings related to the particular role spirituality played for these business leaders are presented. Following the innovative approach of this journal in addressing the question “now what?”, this author then provides suggestions for adult educators, corporate trainers, and coaches on how they could develop the sustainability mindset by incorporating activities that engage the higher self of the audience.

Keywords: leadership and sustainability; spirituality; sustainability initiatives; sustainability mindset

INTRODUCTION

The Maslow’s values are the values people live for, when they don’t have anything to live for. — Joseph Campbell

A few years ago, this author was intrigued by business leaders who, without being asked to do so, personally took on initiatives that engaged their organizations in making a positive social or environmental impact. Why were they doing it? Without a doubt, the economic, environmen-

tal, and social crises we face on a daily basis are wake-up calls signaling that something is not quite right about the way we have organized our modern life. Business plays a major role, shaping the way we produce, sell, consume, and dispose of the products we consume, not to mention the role corporations play in promoting a materialistic lifestyle, one that is exported throughout the world. Corporate social and environmental responsibility is increasingly seen as a new aspect of doing business (Shrivastava, 1995; Dunphy, Benn, & Griffiths, 2003), yet relatively little research has focused on the role leaders play as champions of sustainability initiatives (Sharma, 2002; Visser & Crane, 2010). The responses of individuals to the human impact on environmental changes has been studied in the psychology of sustainability (Stern, 1992), but these do not shed light on the motivations of a leader to champion an initiative that can have a positive impact, and there is little knowledge on how sustainability initiatives bring personal fulfillment or meaning to the individual (Visser & Crane, 2010).

Existential lenses have been used to explore if the business case can be a driver for leaders (Howell & Higgins, 1990) as opposed to moral and altruistic motivations (Andersson & Bateman, 2000; Alexander, 2007; De Colle & Werhane, 2008); consequently, it was not found to be a sufficient motivator on its own. Visser and Crane (2010) identified a typology of sustainability manager types—Expert, Facilitator, Catalyst, and Activist—that were shaped by the sources of meaning in the managers' life and work. Brown (2012) studied 33 leaders from multinational corporations in North and South America, Europe, and Oceania who had engaged in initiatives that impacted thousands of people. He focused his study on how they designed and engaged in these change initiatives in relation to their developmental stage or "action logic" (Torbert et al., 2004).

While these studies explore leaders who engage in sustainability initiatives, along with their worldviews, values, and motivations, how adult educators could intentionally accelerate the development of a broader, more sustainable mindset has not been sufficiently explored. Understanding how we could develop a sustainability mindset has a direct impact on shaping a new generation of leaders, an area of major urgency since we need to increase the number of individuals with the motivation and ability to lead with this new mindset (Vinkhuyzena & Karlsson-Vinkhuyzena, 2014).

The lack of scholarly research on this topic today does not differ from when this author initiated her doctoral study some years ago. She wanted to know what information played a role for leaders championing sustainability initiatives, how they thought, and what motivated or inspired

them to act in a “business-as-unusual” way, given that the path they followed was insufficiently explored (Piper, Gentile, & Daloz Parks, 1993: 121)—an observation supported by Henriques and Sadorsky (1999) and Salzman et al. (2005), who all called for further research, particularly of the descriptive kind, on this topic. To this point, a qualitative case study of 17 organizations engaged in corporate social responsibility initiatives explored the connection between leadership and sustainability, suggesting “the need for leadership theorists to better understand the factors prompting certain leaders to adopt a focus on sustainability” (Quinn & Dalton, 2009: 27). The implications of leaders’ decisions and actions extend beyond their lifetime and can therefore, if understood, “bring a spiritual, ethical or philosophical dimension to leadership processes” (Allen, Stelzner, & Wielkiewicz, 1998: 76). This author thought that if one understood the key factors that were leading these atypical managers to action, one might have some guidance on how to intentionally develop the next generation of leaders. This becomes even more urgent given the expanding adoption of the U.N.-supported Principles for Responsible Management Education, which aim at transforming the contents and values taught in business schools around the world.

This article presents the findings of the doctoral study, particularly the role spirituality played in the leaders’ motivation to act with a sustainability mindset. Spirituality is of particular importance, given that much of management education related to sustainability focuses on facts, processes, and rationales, with little consideration for the power of spirituality and values to motivate sustainable actions. The reasons for neglecting spirituality come as no surprise given that the working environment in Western society has been kept secular, with people’s religious or spiritual life maintained quite separately (Neal, 2008a). As Andre Delbecq puts it, “speaking of God, transcendence, or spirituality in the context of work was out of bounds” (Delbecq, 2008: 485). Ethics—that is, the values behind leaders’ decisions—has not been an openly discussed topic in the workplace until a wave of corporate scandals became public in 2008 and 2009. Learning how to speak from a spiritual place remains, to this day, an important yet difficult life skill (Hicks, 2003). Martin Rutte, founder and board member of the Centre for Spirituality and Workplace at Sobey School of Business in Halifax, Nova Scotia, indicates that people have not developed a language to talk about spiritual themes, especially outside religious settings (personal communication, July 13, 2009). Yet there is a tendency to look for a more integral approach to individuals in organizations, one that considers the spiritual aspects, human developmental stages, mental models, and impact on sustainability-related behaviors (Wilber, 2001; Cooperrider, 2004; Edwards, 2005; Senge, Scharmer, Jaworski, & Flowers, 2005; Scharmer, 2008; Brown, 2012).

THE STUDY

The research was designed as a qualitative descriptive exploratory study. In order to examine the insufficiently explored phenomenon of business leaders championing sustainability initiatives, the multiple case method was used to gather data from an elite group of outstanding individuals (Denzin & Lincoln, 1998: 90; Creswell, 1998: 55). Sixteen exemplary individuals were selected (see Table 1). They were currently or had been in leadership positions, championing sustainability initiatives despite the fact that doing so was not initially part of their job description. A detailed description of the methodology is presented in the Appendix.

Name	Gender	Industrial area	Age	Position
Anthony	M	Retail	75	CEO-Founder, medium size US multinational corporation (MNC)
Jack	M	Technology	70	Former VP of Product Development, large US MNC
Raul	M	Technology	66	Former CEO, small US MNC
Stephen	M	Food	61	Chairman, large US corporation
Harry	M	NGO	60	President-Founder, association of corporations, NGOs, and government
Malcolm	M	Household products	56	VP, medium size US corporation
Diego	M	Coffee	56	President-Founder, small US corporation
Howard	M	Apparel	53	Director, medium size US corporation
Kevin	M	Pharmaceutical	53	VP, large European MNC
Ronald	M	Restaurant	53	Global Senior VP, large US MNC
Daisy	F	Apparel	53	Former Global Director for Research, Design, and Development, large US MNC

Shani	F	Food	49	Director, Legal Affairs, large US MNC
Barry	M	Coffee cooperative	47	President-Founder, small international cooperative
Stanley	M	Restaurant	45	Former President and Owner of large US franchises in Europe
Janine	F	Food	39	VP, R&D, large European MNC
Nelson	M	Food	37	VP, Investor Relations, large US corporation

TABLE 1: Demographics of the Individuals Studied

In broad terms, the study explored the following questions:

1. What do business leaders need in order to begin or champion initiatives that contribute to the common good of communities or the environment?
2. How and what do business leaders learn about implementing these initiatives?
3. How could educators or coaches support the process?

THE FINDINGS

Each question was explored from a variety of angles. The statements of the interviewees were grouped into thirty-five “families” or categories covering a) what created the readiness to act (personal mission and social sensitivity), b) aspects related to engaging in action, such as learning strategies utilized, contents learned, helpful attitudes, and mindset, and c) advice for adult educators provided by the participants of the study.

Figure 1 shows how readiness was first connected with “intentionality to act,” meaning that these leaders engaged in actions not by chance but by being very intentional. The intentionality was found to be rooted in the development of social sensitivity, and in a sense of “personal mission.” The social sensitivity, in turn, was found to be developed either in the early years of their life (through their upbringing or role models of their childhood and teenage years) or by some kind of “awakening” as adults. Some clearly unique aspects were found, such as childhood experiences, meaningful encounters, and traumatic triggers (e.g., the

loss of a loved one, accidents, health issues) as well as transformative ones (i.e., the experience of becoming a parent). On the other hand, some aspects of adult awakening were of particular interest since these could provide guidance for adult educators; some examples would be information the leaders received about the state of the planet, people pushing and challenging them to reflect or act, and time to ponder the quality of a “fragmented” life that was inconsistent with their personal values. In addition, these aspects created certain feelings (i.e., guilt, sadness, despair, anger, need to act) which related to a heightened sense of responsibility, desire to share knowledge with others, and need to put their gifts or skills in action.

Findings connected to engaging in action provided rich information on how these leaders learned to implement their initiatives, what they did, what personal attitudes they found helpful, and what mindset they shared. Some of the factors that helped in the implementation process were personality traits, like persistence or having an entrepreneurial spirit.

The study (Rimanoczy, 2010) offered a rich insight into the phenomenon of business leaders championing sustainability initiatives. A clear pattern of awareness, passion, and action emerged from the interviewees’ reports of their experiences (Rimanoczy, 2013). The data obtained provided lessons applicable to leadership development with a focus on sustainability, guidance on how to structure a sustainability lecture for a non-sensitized audience, and informed the practice of executive coaches as well as this author’s own practice as a legacy coach. The findings were also utilized in the design of a graduate course that aims to develop the “sustainability mindset” and which has been taught since 2010; more recently, it has become the focus of a global network of academics promoting the sustainability mindset (www.LeanIntoSustainability.org).

For educators and consultants, the study provides useful insights into the paradigm shift that took place for these business leaders, data about their preferred learning methodologies, and implementation techniques and strategies that worked for them. An important component of the paradigm shift was the “being” orientation (Adams, 2008), a construct that includes the scrutiny of values, the search for purpose, introspective practices, and a sense of connectedness with all that is. These aspects fall under the concept of spirituality, and are key in the development of future leaders who can act with the environment and social needs in mind, transcending the traditional self-interest and narrow focus of business (Lopez, Martinez, & Specht, 2013).

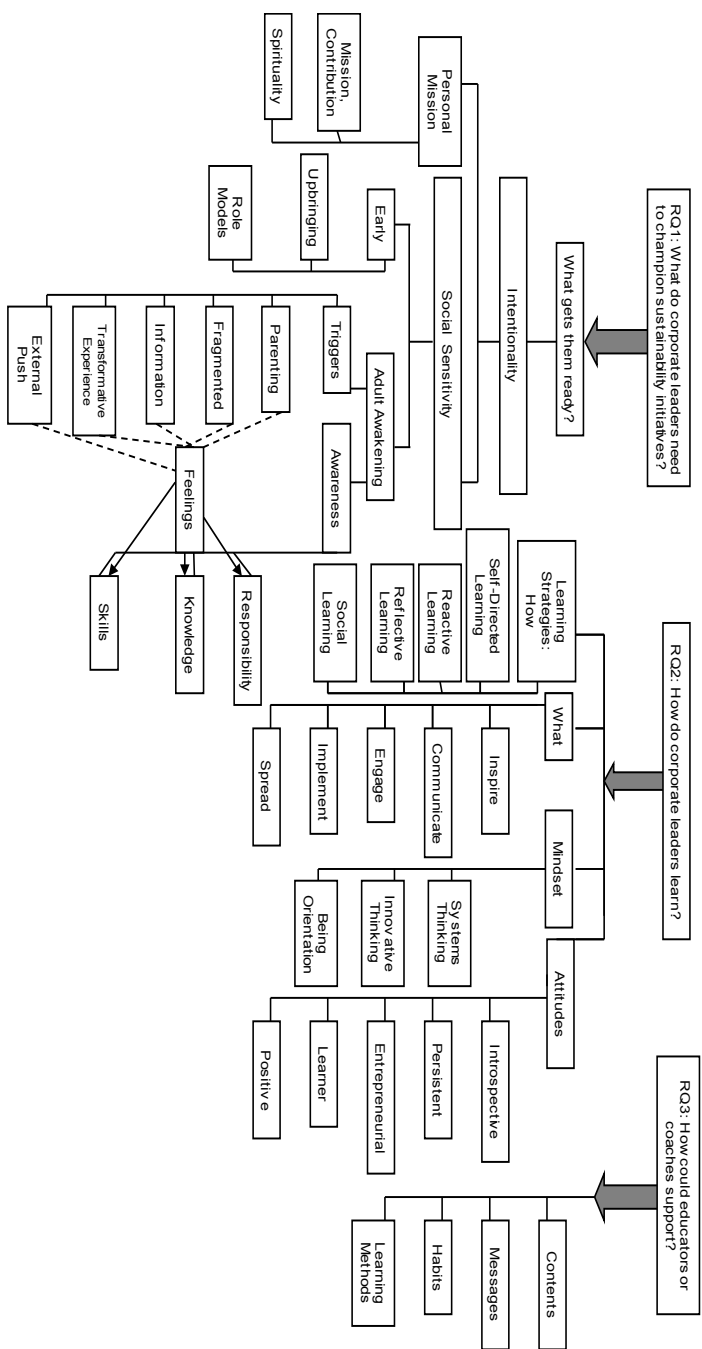


FIGURE 1: The Findings Map

For the purpose of this article, the data gathered in the original study was looked over with a new lens—the lens of spirituality, with particular focus on how the dimension of “being” manifested in the discourse of the interviewees as an element of their “sustainability mindset.” In addition, since the study provided guidance in the design of a program to develop such a mindset, “being”-related commentaries by students in various offerings of the course are also included in this article.

The data collected from the interviews and the course suggest that adult educators may well be able to play a role in intentionally fostering or developing the aspects of “being.”

CREATING READINESS

Based on the literature review, this author used two umbrella categories to describe what created the intentionality to champion the initiatives: personal mission and development of social sensitivity. This author found that spiritual elements played an important role for both.

Intentionality Developed through Personal Mission

In exploring their intentions and missions, the interviewees used a large number of constructs: spiritual mission, survival mission, need to find meaning, need to act, life dream, social mission, legacy, personal contribution, mortality awareness, religion and spirituality, personal commitment, and purpose. While these constructs are all slightly different and refer to different phenomena or motivations, they are nevertheless related. The participants used these constructs in order to reflect on and share their perspectives without being limited by the meaning they personally gave to (and the emotional load of) a particular term. For example, seven participants failed to resonate with the idea of a life-goal or mission. Conversely, thirteen participants (and among them, some of the seven themselves) did mention the need to act: “I have to do this, there is no way not to do this” [Kevin]. A person who rejected the idea of a personal mission inspired by a higher being indicated, however, the intense conviction “of doing the right thing” [Raul]. A person who did not recognize herself as spiritual talked instead about having strong values guiding her [Janine]. A person who indicated that he was not thinking of a legacy talked about having a life dream to create a different organization [Howard]. A person rejecting the idea of a spiritual mission manifested a deep and passionate need to make a change in the world [Anthony]. There was not a particular trend that distinguished employees from founders of their own organization.

The findings indicated that only two—Malcolm and Diego—wondered what their mission was, and had the sense that there was something they had to do but did not know what it was. For the others, the personal mission was not something that prepared them; instead, they recognized the initiative as their mission in retrospect, and thinking of it as a personal mission worked as a reinforcement. This fits the findings of Kroth and Boverie (2000), who indicated that individuals in their study were able to keep to a stronger motivation when they were conscious about their purpose, or when they had reflectively come to think of it as their life mission. Intentionality phrased as a personal mission was also something not present beforehand in the studies of Kovan and Dirxx (2003) and in the experience of Cohen and Greenfield (1997), cofounders of the environmentally and socially responsible Ben & Jerry's. The impact of thinking about a personal mission seems to be part of a cyclical process—not a one-time transformational event, but an evolving process, or perhaps a spiral, which fits the concept of cumulative transformation (Lamm, 2000; Daloz, 1999)

There was a rather emotional response from several individuals towards one term or another, whether it was rejecting a higher being, a calling, a spiritual motivation, or a religious inspiration. On the other hand, there was a positive reaction to terms which are more religion-neutral, such as the need to act, life dream, personal contribution, personal commitment, or making a difference.

Nevertheless, thirteen individuals responded positively to the question about the influence of spirituality on their initiatives. While some influence of religion or spirituality in creating readiness was anticipated, the response was larger than expected. This coincided with the unexpected findings in a study of American Indian entrepreneurs, who stated that the most influential aspect of their career was spirituality and not the traditional motivation for profit (Hunt-Oxendine & Dent, 2010); thus, this author was driven to take a deeper look into spirituality and the workplace.

Spirituality and the Workplace

Alvin Toffler foretold the technological third wave in 1980. Some have indicated that the spiritually-based firm is the organizational fourth wave (Wagner-Marsh & Conley, 1999). Neal (2008a), who reviewed a wide array of management practices and spirituality-related programs in organizations, describes spirituality in the workplace as “about people seeing their work as a spiritual path, as an opportunity to grow personally and to contribute to society in a meaningful way.” Spirituality, however, is a

concept foreign to classical organization and management theory, where managers are expected to be impersonal, and controlling of workers in order to achieve results (Taylor, 1947). "Under this organizational regime, managers and other employees were expected to complete their allotted task without involving their essential self, apparently reflecting the global triumph of rational, scientific consciousness" (Ackers & Preston, 1997: 678). To this day, most corporations keep rationality and legality (as proposed by Taylor) as their preferred guiding practices. Labbs (1995) observes that spirituality may be an essential human need, but it is not something that companies have traditionally allowed employees to express in the working environment (p. 61). There is little role for consciousness in today's mainstream managerial paradigm (Baets & Oldenboom, 2010).

Yet something has slowly begun to change. Corporations have started to address spirituality in different forms (Wheatley, 1992; Zohar & Marshall, 2000). Butts (1999) observes that some companies encourage employees to participate in programs that include meditation, prayer, and guided imagery—visioning or "futuraizing" (p. 328). Less than a decade ago, Management, Spirituality, and Religion (MSR) emerged as a new field of inquiry in management studies. For its 2011 conference, the Academy of Management selected the terms "Balancing, Enlightening, Transcending" as part of the theme "West meets East," and, following a tradition initiated a few years ago, continues to offer a meditation session for every morning of the conference as well as a retreat after the event. McCormick (2010) cites the increasing practice of mindfulness meditation in the workplace. In this author's study, Jack, Malcolm, Daisy, Anthony, Raul, and Harry mentioned different types of programs and trips in which they took leaders through experiences that addressed deep spiritual questions.

Ashmos and Duchon (2000) identify five groups of factors as the cause of the increasing attention paid to spirituality in the workplace. One is related to downsizing, company restructuring, and layoffs that in the past decade negatively impacted the morale of the American workforce (Brandt, 1996; Hamel & Prahalad, 1994). They also found that the urban population was losing valuable community connections it once had through extended family, neighborhoods, and churches (Conger, 1994); the workplace, therefore, becomes the main link to other people and to satisfying the human need for connection and contribution. The third factor identified by Ashmos and Duchon is the growing interest, in America, in Eastern philosophies (Brandt, 1996). Yoga, Zen Buddhism, and Confucianism, which encourage meditation, are finding increasing acceptance. Fourth, some suggest that the large baby boomer generation is aging and facing death, and is therefore showing a growing interest in

reflecting on life's meaning (Brandt, 1996; Conger, 1994). The last factor mentioned is market-led—corporations are facing increasing competition and are in need of creative ideas because of globalization. But creativity is difficult when employees are unhappy and fail to find their work meaningful. Thus, the purpose of including spiritual practices is not always clear; it may relate to a new technique for creating engagement and employee loyalty (Taylor & Bell, 2010) as well as for enhancing wellbeing or providing meaning to work (Karakas, 2010).

Neal (2008a) identifies five trends as contributing to the growing interest in spirituality in the business environment: 1) The changing psychological contract for work—corporations no longer guarantee job stability, so employees turn inward and seek balance in their own spirituality; 2) Changing demographics and aging of the workforce—baby boomers comprise the largest segment of the population in the United States and in some other Western countries. As they go through a mid-life crisis and approach retirement, they become reflective, re-assessing their own lives, values, priorities, and how they want to spend the rest of their days; 3) The Millennium Effect, which is an accentuated “new year’s effect”—a time to look back on where we as a civilization have been, at what our future looks like, what goals we want to set; in sum, asking all kinds of spiritual questions; 4) Increased interest in self-help groups and personal growth; 5) Focused attention on the fragility of life and the importance of being fully present and valuing the moment, especially in light of September 11, 2001 and terrorism.

Intentionality and Social Sensitivity

The data of this author’s study indicated the emotional impact of learning about large social and environmental problems. For several of the participants in the study, this awareness is an important factor that has been leading them to ponder the meaning of their lives, their contribution to the problem, and their role. Neal (2008a) notes that traumatic or difficult events trigger deeper questions which she calls “the key spiritual questions”:

Who am I and what are my deepest values? What do I really care about?

What is my purpose in life? Why am I here and what am I meant to do?

If I am true to myself, what should I be doing next?

The connection of awareness, passion, and action is reflected in these questions which were mentioned by several of the participants in this

study, and which emerged as a result of learning about the impact of industrial practices on the environment (Anthony, Kevin, Raul, Stephen, Jack) or on communities, i.e., health issues in the case of Daisy, poverty in the case of Barry and Diego, alienation in the workplace in the case of Malcolm. The connection between learning about environmental or social challenges and the deeper introspective questions has also been observed among students participating in a program for developing the sustainability mindset at Fordham University's MBA.

I am one of seven billion people on this planet that call this place home. Yet I was ignorant enough to not acknowledge that I am in this systematic machine, that grinds time with consumption, and those have become the two main loses [sic] in my life. Time wasted with no real benefit or contribution, and excess consumption with no real reason or justification. (Saad)

This was the first class where I consciously reflected after each video / reading / discussion in order to determine if I was contributing to or helping to solve the problem. This class showed me that unless we make a conscientious effort to ensure we are treating the planet correctly, a lot of the items we are accustomed to taking for granted, will no longer be there for future generations to enjoy. (Elizaveta)

My original personal learning goals focused on learning about energy consumption and the issues surrounding power generation and on living a healthier life in terms of food consumption. Although we have touched on these topics and I have learned about them and how they affect us and what we as individuals and a society can do to help curb the effects on us and the environment, my learning goals based on the most recent readings and videos have changed dramatically. I would now like to learn more about myself as a person as I feel that is the start to becoming a whole person and therefore knowing what is important to me so I can be a more sustainable individual. (Reina)

Rabbi Michael Lerner (2000) refers to this as an "emancipatory spirituality" (p. 165), which manifests in actively working for environmental sustainability and a focus on the transformation of the world.

Spirituality for the individuals in this study was not about accepting a specific belief system, nor about religion or conversion. They were seeking to understand themselves as they experienced a sense of purpose and meaning, one that went beyond that found in the performance of tasks as described in the job design literature (Hackman & Oldham, 1975). This was equally observed among the MBA students:

I'm also realizing that sustainability is about learning about yourself, and who you are as a person as a means of taking the next step and living the

most sustainable lifestyle for yourself. One thing I'm learning through this class is that I think sustainability is partly a personal experience where we need to first discover ourselves and what is important to us, our values, how we think as a person, then we can effectively move forward and work on what is important to us. (Charles)

Moore (2008) examined authentic leadership in a four-year ethnographic study of a leadership course and found that among the younger generation, having a meaningful job according to their own standards was more important than achieving the corporate mission. One of Moore's students, Carrie, put it this way: "I know I'll be moving on in two to three years, so I'm less likely to be interested in achieving an employer's vision. I'm more interested in fulfilling my own vision" (p. 26). So, while the participants in this author's study had an average age of fifty-three, it is possible that finding meaning is also important for the younger generation—albeit for different reasons. Why would a young person, not traumatized by a loss, care about the deeper questions? Jung found the explanation in the fact that the first half of life is threatened by life, and that the second half is threatened by death (Campbell, 2004). This was confirmed by Andre Delbecq, who teaches a spirituality course for college students (personal communication, August 17, 2009). One of the two youngest participants, Nelson, mentioned spirituality as an important aspect in his life. The other one, Janine, said it was not, although she also indicated that she felt a need to act for the greater good earlier in her life, then forgot about it, and that now it was surfacing once again. She was afraid it would disappear again, thus indicating a desire to stay in touch with that part of her spirituality. Joseph Campbell (2004) associates spirituality with a sense of bliss, and recommends to "Follow your bliss. Just stay with it, and there's more security in that than in finding out where the money is going to come from next year" (p. 156).

A New Model of Spiritual Business

Nine of the sixteen individuals studied expressed ideas and visions about changing the concept of business by transforming corporations into more spiritual places. They described it in a variety of ways that could be grouped into two clusters: spirituality in the workplace at the individual level and spirituality in the workplace at the corporate level.

Spirituality in the Workplace at the Individual Level. At the individual level, spirituality at work manifests in the inclusion of spiritual practices or dialogues about spiritual themes in the workplace through activities fostering personal reflection and growth. In this study, Malcolm and Raul talked about developing a workforce that grows spiritually, thus expanding its consciousness. For Howard, it was about "ending

workplaces that demotivate and drain the energy of the employees, leaving them stressed and burned out.” For Diego, it was about ownership and self development; for Jack, asking the deeper questions and then building a corporation “that helps individuals meet their needs for meaningfulness.” For Shani and Diego, it was a key factor for exerting leadership: knowing yourself, and identifying your own values in each decision. Neal (2008b) indicates that “know thyself” is the first guideline for leading from a spiritual perspective—all spiritual growth processes include self-awareness. This statement is consistent with Vaill’s (1998) concern that organizations should pay attention to the “spiritual condition” of their leaders, meaning “the feeling individuals have about the fundamental meaning of who they are, what they are doing, the contributions they are making” (p. 218).

This is an interesting shift from the traditionally instrumental approach where employee satisfaction is sought as a means to an end, which is to increase productivity, avoid turnover, or reduce absenteeism. Only one person—Janine—initially thought of engaging employees in community work as a means to an end, to energize people at a time when morale was low because of restructuring and job instability. Later in the interview, however, she shared her surprise at seeing how employees “jumped on it,” reflecting that there is a need for purpose which is not being attended to. When this need is not honored, we live divided lives (Palmer, 2004), checking our soul at the door.

A global movement in that direction has begun, and it has been observed in several business schools in the United States and around the world that have launched centers for spirituality in the workplace in the last decade, and also in the success of poets like David Whyte. His 1994 book, *The Heart Aroused: Poetry and the Preservation of the Soul in Corporate America*, is a best-seller, as are other books connecting work and soul: Moore’s (1992) *Care of the Soul*; Bolman and Deal’s (1995) *Leading With Soul*; or *Conscious Capitalism*, by Whole Foods Market co-founder and CEO John Mackey and Babson College professor Raj Sisodia; *The Purpose Economy* (Hurst, 2014); or Arianna Huffington’s eloquent book *Thrive* (2014). Work is slowly but increasingly being seen as a source of spiritual growth and connection to others (Mirvis, 1997: 193). After recognizing a spiritual element in employees, the expression of spirituality at work requires accepting that employees want to be involved in work that gives meaning to their lives (Ashmos & Duchon, 2000).

The timing for this shift may be appropriate. There is a new distinction between utilitarian work, which is framed as mundane, and “the work,” which implies work symbolically valuable to the individual and

to society, and thus meaningful for the individual (Shershow, 2005). Babson Professor Raj Sisodia calls this the Age of Transcendence (Sisodia, Wolfe, & Sheth, 2007).

Spirituality in the Workplace at the Corporate Level. Spirituality at the corporate level refers to the higher purpose of the business. For Stanley, it was “purpose meeting profit,” his dream of entrepreneurs like “Warren Buffet meets Mother Theresa,” a place where employees love to work because they satisfy their higher values since the corporation contributes to the betterment of society or the restoration of the environment in a profitable way. Malcolm holds a position that was especially created to address spirituality at the corporate level—he is director of higher consciousness. Anthony was able to convert his dream of creating a restorative corporation into reality by disseminating his vision and engaging all the employees. Diego describes himself as an activist who became a businessman in order to build the type of purposeful corporation he was dreaming of.

Neal (2008b) describes a new paradigm emerging among corporate leaders who define the purpose of business as a solution to world problems using the creative energy of their employees. In fact, as early as 1990, Harman and Hormann had indicated that corporations were best placed to solve global social problems. They suggested that the role of corporations needs to change from that of economic production and consumption to being places for learning and human development. Leadership’s role would be to apply spiritual principles in order to help bring about this societal transformation. Channon (1992) cites corporations such as Chase Manhattan Bank, DuPont, AT&T, Apple Computer, and others that have tackled the subject of contribution by including a new question in their search for vision: “What is our higher purpose?” (p. 58). Sisodia, Wolfe, and Sheth (2007) studied corporations that met the criteria of “firms of endearment”—giving the same attention to all the stakeholders—and found that they outperformed their traditionally managed competitors over a period of 15 years while being driven by purpose. Rinaldo Brutoco, founder of the World Business Academy, stated in the preface of Liebig (1994) that “many leaders will soon come to see the primary role of business settings as incubators of the human spirit, rather than factories for the production of mere material goods and services” (p. xii). More recently, Case Western Reserve’s Weatherhead School of Management has created a center of excellence called the Fowler Center for Sustainable Value, which sponsors research into the ways business is making a positive difference in the world. Aburdene (2007) talks about the rise of a conscious capitalism, and has listed spirituality in the workplace as one of the most important emerging trends of the twenty-first century.

The findings of this author's study indicate the steps some corporations are taking to combine profit with purpose. This is definitely something adult educators have to begin paying attention to in order to support students in developing a new perspective of business's purpose, something that will foster more social entrepreneurs but also impact their corporate jobs (Bornstein, 2007).

Being Orientation

This concept is adapted from Adams (2008: 63) who refers to self-realization, valuing intangibles, the greater good, searching qualitative growth, and having enough. On the other end of the continuum, he refers to materialism, consumption, greed, cost-effectiveness, quantitative growth, and financial performance. This author expanded the construct to include the search for purpose, the scrutiny of values, introspective practices, and the sense of connectedness with all that is.

Being as opposed to having was well described in the discourse of ten participants. They talked about traumatic experiences, trips, and encounters—self-reflection, reading, journaling, and contemplative practices that led them to focus on their being. Four talked about how they saw themselves and the world: Raul described that material things never mattered very much to him, while Barry talked about understanding that there was a greater good in what his organization was doing. Diego gave an explanation of his perspective:

And some people say, "Well you could help more people." And I say, "Well, that's really interesting." That's one of those quantitative things that's come out of this mindset in the last twenty years. Everything's quantitative. If it's not scalable, it's not valuable. That's the newest mantra in business these days.

Daisy talked about her transformation in terms of being versus having in these words: "There is more to life than the next gadget, I now see the world. I feel I lived in a cave."

Nature was an interesting theme that emerged in seven of the sixteen interviews as an important element of their mindset, and one that is connected to manifesting the being orientation. The closeness to nature—the experience of it—taught them to pay attention and to observe the wisdom of nature and what can be learned from it. Many had transformational experiences connected to their encounters with nature in different forms, and found this a key shaper of the mindset that

helped those championing such initiatives. Raul presented his perspective on how his understanding of nature shaped his actions:

... sanctify where Nature was still in balance and we were in balance with her. I was raised on a farm, and so I think it's a complex issue. I just don't think you go cut down big old trees just because you want to put in a condominium complex. ... that's a serious act that's in some ways as powerful an act as killing someone, to just simply decide that trees that were hundreds of years old were in the way of progress, and my idea is that hundred-year-old trees and progress aren't necessarily mutually exclusive. There's the economy, and embedded inside the economy is society, and embedded in there is Nature. Well, it's just the other way around ... somehow we're harmonized with the natural rhythms of the environment that really sustains and nourishes us, and I think that we're withdrawing capital from the Nature bank so fast that we will, you know, you'll set back Nature a little bit, but Nature's gonna recover. We'll definitely run the risk of taking ourselves out.

While staying in a solitary retreat for several days, Daisy had a transformative experience with nature. On the other hand, Stephen had his own perspective on how nature impacted his thinking:

But just kind of being that close to the earth, the dirt ... it's in our being. Importance of Nature ... to the sustainability of mankind. In many of the religious traditions that I believe most deeply, there is that sense, that connection, you know, man in Nature and our impact on Nature and Nature's impact on us.

Both Anthony and Jack implemented a program to bring the perspective of nature to leaders. In Jack's case, they took 450 people into nature for a "lifetime experience ... the Earth is the mother, the mother you have to listen to." Harry, who grew up as a farmer, talked about a "gut level commitment to soil, water, Nature."

NOW WHAT?

This study confirmed the observations of previous research which pointed to the connection between spiritual leadership and corporate social responsibility (Fry & Wigglesworth, 2010), and which connects with more recent considerations about the role spiritual intelligence plays for surviving in the sustainability-infused 21st century (Stead & Stead, 2010). In addition, the data gathered allow for making recommendations to academic educators, corporate leadership development

professionals, and coaches (who are all included in the category of “adult learning facilitators”).

Personal Mission

The findings of this study suggested the power that thinking of a personal mission can have for motivating and reinforcing initiatives for the common good. Thinking of initiatives in such terms provides an intentionality that helps to overcome the multiple obstacles of implementation, and which provides a source of persistence since the initiative becomes part of a personal purpose or cause.

Recommendation for adult learning facilitators: Pondering the idea of a personal mission is a powerful motivator, and educators can play a significant role in fostering reflection on this topic. The participants reacted in different ways to the words used to address this issue, e.g., meaning, life dream, spirituality, legacy, personal contribution, purpose, and role, thus indicating the personal and emotional load of such terms. This author suggests avoiding religious terms, maintaining secularity, and exploring which terms are most inspiring for a particular audience.

Questions such as *Why am I? What am I meant to do? What is my role?* can be used.

Know Thyself

Several participants regretted that they did not have an opportunity to ponder the deeper questions about self until later in life. They thought that if they were exposed to challenging self-awareness provoking questions during their college years, they would have experienced earlier personal development and growth.

Recommendation for adult learning facilitators: Self-awareness can be explored by addressing personal values; inconsistencies between one’s espoused and enacted values; one’s ambiguities, cultural beliefs, and taken-for-granted principles—for example, one’s relationship with consumption and with the material world; the focus on having or on being; and the quantitative or qualitative ways to approach one’s life. Questions about the purpose of one’s own life, the meaning of what we do, and identity—such as “Who am I?”—can also be used.

Self and the World

Several participants in this study made a significant step in their personal spiritual development when they asked themselves how they were contributing to the problems they saw in the world. This question triggered an emotional reaction, which in turn fueled the decision to act, thus creating an urge to do something about it.

Recommendation for adult learning facilitators: To introduce this perspective, any dramatic event from the news, or hated situations, can be used to trigger these powerful questions: *How am I contributing to this? How does this connect to my world?*

Self and Nature

Direct experiences of closeness to nature were some of the most powerful teaching moments. For some, it was about remembering and going back to what was learned during childhood and then later forgotten. For others, it was a specific experience that set up cause for reflection and an impact, such as a visit to a beautiful or devastated natural site, or a retreat.

Recommendation for adult learning facilitators: To work with the impact of nature, adult educators can focus on learning to observe, and on observing to learn. The experience with nature, first of all, is multi-sensorial, meaning we get it through our senses as we immerse in it. We can then do a cognitive processing of what we experienced. Questions that intellectually explore the relationship between people and nature can also be tackled in order to challenge the economy-centric perspective; it is nature as a resource to be dominated and used versus human-kind as one more part of nature.

The Whole Person

One participant expressed it in a powerful way—we all have a hole in the heart. Several participants mentioned the emptiness, an experience of something missing in their otherwise “satisfying, happy” lives. Later, as they found what filled that “vacuum,” some named it as their spiritual dimension.

Recommendation for adult learning facilitators: We are a combination of body, mind, feelings, and soul. Teaching and working environments pay little attention to the physical body dimension, and even

less to feelings and soul. Some professions, especially those that are connected to art, engage the feelings and the soul, the mind and the body. Adult educators and coaches can invite all these dimensions into the room through breathing or stretching exercises, or through activities that allow for creative expression, such as painting, collage, poetry, music, dance, drumming, guided visioning exercises, etc. Creative activities express feelings and connect with the soul.

Meditative Practices

Several individuals in this author's study indicated that some kind of meditative practice played a key role in their personal balance and the development of their consciousness. They picked up these practices at different moments of their life, and wished that these had been part of their college education.

Recommendation for adult learning facilitators: There is a broad spectrum of meditative practices, and people who are not familiar with meditation tend to feel shy and respectful of a "difficult" practice. Educators and coaches can help "demystify" this concept by providing resources or simple indications for meditative practices, such as walking, sitting in silence, focusing on one's breathing, closing one's eyes, listening to one's heart beat, making a small pause, observing the thoughts passing through one's mind, etc.

Reflective Practices

The very active business people who formed part of this study did not live in a corporate setting that was less demanding than other corporations. The pace was as accelerated as elsewhere, and the to-do lists were as overwhelming as in any organization. Yet they shared a common aspect: they took time to pause and reflect. In different ways, they learned and developed a habit of respect for the power of a moment of quiet reflection.

Recommendation for adult learning facilitators: Reflection is not part of our culture and it requires to be specifically developed through exercises and repetition. Writing one's thoughts, using personal journals, and creating a minute of silence for all to reflect and write are some of the techniques that can be used.

The Spiritual Organization

In one way or another, the individuals participating in this study were making an impact using their organization as an instrument. Some

realized that it went beyond initiatives and actions—what had been developed was a sense of purpose, a revision of the values that in many cases were written in an old mission statement which they brought back to life.

Recommendation for adult learning facilitators: Corporations can play a leading role and have a big impact, and this happens with individuals as well. Jason Clay with the WWF makes a good presentation at TED about the difference large organizations can and are beginning to make. Paul Hawken talks about how simple people create grassroots organizations that end up shaping a world movement. Educators can expand thinking and provide inspiration, developing awareness of the global citizenship responsibilities towards our planet and the restorative obligation we all share. As Jason Clay puts it, “We have to start healing this planet as if our life depended on it.”

Yes, it is Possible

If the recommendations seem difficult to implement in a university setting, let it be shared with the reader that a program using these recommendations to develop the “sustainability mindset” has been taught for post graduate students at Fairleigh Dickinson and at Fordham’s MBA. The program was piloted in 2010 and is in its fifth generation at the time of this writing. Furthermore, a cohort of 34 academics from twenty eight business schools in sixteen countries has begun promoting the sustainability mindset with their students. The design and the learning methodology are different from traditional teaching, and were adapted to the contents and purpose, making the experience similar to an extended personal development/coaching process, albeit in an institutional setting. Students discover some new dimensions about themselves and the potential impact that they can have. In the words of one of the participants:

I often times find myself justifying my work ... to myself! I am overwhelmed by the issues, and I feel too small to make an impact I’ve always struggled between my passion for [my work] and the often times devastating trail [my industry] causes in the world both environmentally and socially. [This class] started something stirring in me ... and I think I’m on the verge of discovering my life’s mission.

Just one statement like that may make it worth a try.

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APPENDIX: METHODOLOGY

Gaining access to exemplary leaders was not easy, mainly because for-profit organizations that are involved with these types of initiatives are mostly large and multinational, and access to their top leaders is restricted and limited by PR and legal considerations. Potential candidates for the study began to be identified through data gathered from various media sources, namely trade books, magazines, TV, radio, newspapers, and Internet searches. The next strategy used was participation in conferences and CSR events, with this author introducing herself and asking for referrals and electronic introductions using her network of connections. This was successful for getting the first six candidates, and then it continued from there with a snowball technique, with this author asking the individuals interviewed for referrals to other potential candidates (Miles & Huberman, 1994: 28).

Data gathering occurred in three phases. In the first phase, four pilot interviews were conducted (Light, Singer, & Willet, 1990; Maxwell, 2005) and debriefed with doctoral colleagues and this author's advisor. This resulted in the final screening process and interview questions which followed a semi-structured format.

The second phase involved conducting sixteen in-depth interviews. These were organized around broad primary questions which invited the participant to tell his or her story. Probing and follow-up questions were asked according to what was anticipated in the interview protocol, along with direct questions to collect missing information.

Transcripts were sent to the participants and an executive summary was also submitted in three cases where the participants did not read the transcript. The participants were asked to review the material and make any corrections, adjustments, or additions, after which they sent the same back to this author.

The interview content was coded using Maxwell's categories (2005: 97) of theoretical, organizational, and descriptive codes. Theoretical codes, based on the literature review and this author's own understanding of the topic, provided the abstract framework of the study. Organizational codes are categories that can store data-labels for anticipated clusters, and the descriptive codes were built using, or were inspired by, the syntax of the interviewees. The initial coding scheme was developed based on the literature review, this author's own knowledge, and the pilot interviews. In between interviews, the coding scheme was revisited and expanded in an iterative process of open and in-vivo codes to include the newly emerging themes (Strauss, 1987: 33). As a result, a new coding scheme of 314 codes was developed, which was then used for data analysis.

This author used biographical and phenomenological techniques in semi-structured interviews, framing the study within the constructivist paradigm (Guba, 1990) and applying a comparative cross-case analysis (Creswell, 1998: 63; Yin, 2003: 46) that searched for convergent and divergent aspects among the different leaders interviewed. The complexity of the phenomenon explored opened the analysis into numerous themes, which made it important to find out how they could be grouped and clustered into broader categories or "families" (Denzin & Lincoln, 1998: 196). The final coding scheme was organized into eleven areas: one that addressed demographic data and ten that were informed by the researcher's understanding combined with the literature review and emergent themes.

The three research questions were:

1. What do business leaders need in order to begin or champion initiatives that contribute to the common good of communities or the environment?

2. How and what do business leaders learn about implementing these initiatives?
3. How could educators or coaches support the process?

Since this author's questions pointed at an unexplored phenomenon, they presented the complexity of uncharted territories. Each question was explored from a variety of angles. The numerous findings were grouped into thirty-five "families" or categories that covered a) what created the readiness to act (personal mission and social sensitivity), b) aspects related to engaging in action, such as learning strategies utilized, contents learned, helpful attitudes, and mindset, and c) advice for adult educators provided by the participants of the study.

The process of developing the categories had three steps. The first step was to cluster similar codes. For example, the codes under "Feelings" were pain, sadness, depression, fear, despair, debt, guilt, shock, concern, anger, "drives me crazy," joy, and satisfaction. This author grouped debt with guilt, joy with satisfaction, anger with "drives me crazy," shock with concern, and pain with sadness, depression, fear, and despair. This step helped in creating a table to organize the data.

The second step was the creation of this new table, with each code family in one column, each participant's name in one row, and a mark indicating who had a comment related to each family. This step helped to gain a better overview of commonalities by allowing for comparing and contrasting, the seeking of cross-case patterns, and new insights to emerge.

The third step was a revision of the code families to see if they could be grouped into further clusters. This was a particularly valuable step for the categories that had a large number of families. For example, there were twelve families within Timing and Triggers. A careful analysis helped to identify those that were closely related, and this revision was made across all the categories and all the families; in some cases, a family was re-grouped under another umbrella concept. During the iterative analysis of the codes, this author kept in mind (and asked her peer reviewers to do the same) the three research questions as well as the purpose of the study. With adult educators in mind, this author focused on aspects that could be valuable for them if they decided to develop "sustainability minded" leaders.

As a guide to the complexity of this study, the Findings Map is portrayed in Figure 1.

THE ROLE OF INFORMATION AND COMMUNICATION TECHNOLOGIES IN GLOBAL SUSTAINABILITY A REVIEW

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Abstract. This article discusses ways in which ICTs contribute to several aspects of global sustainability. We examine how economic development, education, energy, environment, and transportation at the country level benefit from ICTs, along with several orders of effects on global sustainability. We also examine rebound effects. The anecdotal and theoretical research suggests that the impact of ICTs is felt primarily in sustainable development.

We thus identify the key challenges to be addressed in bringing about an ICTs-based sustainable world. Studying the macro impacts of ICT investments can also guide countries in setting policy and making selective investments in ICTs that will promote global sustainability.

Keywords: information and communication technologies; sustainable development; global sustainability

INTRODUCTION

The purpose of this article is to examine the potentially transformational role of ICTs in country-level sustainability at the macro level, with “macro level” referring to the impact of the application of ICTs across countries and societies. The article is informed by anecdotal and conceptual research and by a variety of ICT propositions—in the areas of e-business, mobile computing, e-government, and the like—that have the potential to improve country sustainability. Once in place, these proposed ICT improvements may help reduce poverty and climate change, as well as improve literacy rates and transportation efficiency. We posit that ICTs have several orders of effects on sustainability in the areas of education, energy, environment, and transportation. For example, ICTs can improve transportation via the use of smart meters to monitor traffic (resulting in congestion pricing) and make energy delivery and consumption more efficient with the use of smart thermostats. Tele- and video-conferencing can reduce travel needs, leading to reduced carbon emissions for the environment. Distance and online learning technologies can reduce the need for brick and mortar buildings as well as the need for transportation in delivering education. Finally, telemedicine, e-health, and m-health have the potential to make delivery of public health more efficient. ICTs thus have the potential to promote sustainability.

The remainder of this article is organized as follows. Section two provides a background discussion on sustainability and ICTs. Section three performs a contemporary literature review and provides positive anecdotal examples of the association between ICTs and sustainability. In addition, a discussion of the different orders of effects of ICTs, which is useful for interpreting the impact of ICTs on sustainability, is provided. Section four discusses the challenges and issues that need to be addressed prior to going forward. We offer conclusions in section five, and in section six we outline directions for future research.

BACKGROUND DISCUSSION

In its 1987 report entitled “Our Common Future,” the Brundtland Commission defined sustainability as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987). While this definition gives the report an environmental focus, the document also recognizes that “development cannot be said to be sustainable if it is not equitable, or if it does not meet the pressing needs of the majority of the inhabitants of the globe.” The *Journal of Management for Global Sustainability* modifies the definition in its first editorial piece, stating that “global sustainability is a process that meets the needs of the present generation while enhancing the ability of future generations to meet their own needs” (Stoner, 2012). The World Summit on the Information Society (WSIS) is much more specific in its Declaration of Principles entitled “Building the Information Society: A Global Challenge in the New Millennium.” To wit:

Our challenge is to harness the potential of information and communication technology to promote the development goals of the Millennium Declaration, namely the eradication of extreme poverty and hunger; achievement of universal primary education; promotion of gender equality and empowerment of women; reduction of child mortality; improvement of maternal health; to combat HIV/AIDS, malaria and other diseases; ensuring environmental sustainability; and development of global partnerships for development for the attainment of a more peaceful, just and prosperous world. We also reiterate our commitment to the achievement of sustainable development and agreed development goals, as contained in the Johannesburg Declaration and Plan of Implementation and the Monterrey Consensus, and other outcomes of relevant United Nations Summits. (World Summit on the Information Society, 2003)

Furthermore, the WSIS says that it views ICTs as powerful instruments for productivity and economic growth through job creation and employability, which ultimately lead to improved quality of life overall. The Global e-Sustainability Initiative (GeSI) considers extending the influence of ICT to all aspects of socio-economic development and applying these technologies to both rich and poor countries alike, in order to achieve the strategic principle of sustainable development across the globe (GeSI, 2012). Likewise, the United Nations Development Program (UNDP) says that “ICT is an increasingly powerful tool for participating in global markets; promoting political accountability; improving the delivery of basic services; and enhancing local development opportunities” (as reported in GeSI [2005]). These macro effects are believed to be

widespread and complex (Berthon & Donnellan, 2011; Erdmann, Hilty, Goodman, & Arnfalk, 2004). At the July 2000 G8 Kyushu-Okinawa Summit, delegates focused on the impact of information technologies and the growing challenges and risks of a global “digital divide.” Summit participants recognized that ICTs can serve as effective tools for broad-based international development in regions where the traditional development toolkit falls short.

Through the UN ICT Task Force and the World Summit on the Information Society, the United Nations (UN) has paid particular attention to the role of ICTs in advancing the Millennium Development Goals (MDGs). The UN defines ICTs in broad terms, calling them “tools that facilitate communication and the processing and transmission of information and the sharing of knowledge by electronic means.” The definition allows room for the full range of electronic digital and analog ICTs from radio and television to fixed and mobile telephones, computers and electronic-based media such as digital text, audio-video recording, the Internet (including Web 2.0 and 3.0), social networking, and web-based communities.

Globalization today is characterized by an important shift from agricultural and manufacturing-based societies to knowledge-based societies—driven mainly by ICTs—where knowledge and information increasingly represent new patterns of growth and wealth creation, and open up possibilities for more effective poverty reduction and sustainable development (Griese, Mueller, Reichl, & Stobbe, 2001).

Knowledge has become a principal force of social transformation. Mobile computing and phones contribute to social, economic, and political transformation. Take farmers in Africa, for example, who obtain pricing figures via text messages and therefore know just where to sell their products, thereby saving time and travel and improving net incomes. In India, barbers who do not have bank accounts can still use mobile phones to send money securely to relatives in distant villages. In fact, even elections are monitored and unpopular regimes toppled with the help of mobile phones (World Bank, 2012).

A study by Vodafone (2005) on the effect of mobile phones on the African continent provides evidence that mobile telephony has significantly improved economic growth. Moreover, this impact was twice as great in developing countries as it was in mature economies, with developing countries averaging 20 phones per 100 people and increasing GDP growth by 0.6% (Vodafone, 2005).

In this global arena, the government of virtually every nation has expressed the goal of transforming its country into a learning economy and knowledge society. This “knowledge-based” and “knowledge-led” development—deployed equitably and systemically—has the potential to help societies tackle many of the problems confronting them. This renewed focus on sustainability has even permeated corporate mission and strategy. Note, for example, that the Dow Jones Sustainability Index measures corporate performance in terms of quality of strategy and management as well as a company’s ability to manage risks derived from economic, environmental, and social developments (Robecosam, 2014).

At the country level, ICTs have the potential to bridge the digital divide. They can be used to “manage the boundaries between knowledge and action in ways that simultaneously enhance the salience, credibility, and legitimacy of the information they produce” (Cash et al., 2003). At the company level, ICTs can help “green the organization” as well as manage resources more effectively. Green computing, therefore, has a positive wholesale effect on investment and society.

Research and calculations by GeSI and the Climate Group, a non-profit environmental organization, demonstrate how ICTs can help reduce emissions by as much as 7.8 billion tons by 2020, or five times the anticipated ICT footprint, in industries other than their own (GeSI, 2008b). Replacing face-to-face meetings with low- or no-emission alternatives, such as video conferencing, obviates the need for, say, carbon-producing air travel (GeSI, 2008b). John Chambers, CEO of networking equipment manufacturer CISCO, said that his company reduced its carbon footprint by 11% using so-called telepresence equipment, resulting in increased productivity and reduced “wear and tear” on executives (The Economist, 2008).

It has been suggested that the biggest role ICTs can play is in improving energy efficiency in power transmission and distribution (T&D) and in transporting goods (GeSI, 2008b). The report estimates that ICT-enabled energy efficiency translates, in economic terms, into approximately \$950 billion in cost savings through applications such as smart motor systems in Chinese manufacturing, smart logistics in Europe, smart building in North America, and smart grids in India. In addition to the potential savings from supporting energy efficiency in other sectors, there are potential savings in substitution, that is, replacing high-carbon physical products and activities (e.g., books, meetings) with virtual low-carbon equivalents (e.g., e-business, e-government, and advanced videoconferencing). There are also significant opportunities for improving environmental sustainability through ICTs that can rationalize energy

management in housing and/or business facilities, make passenger and freight transport more efficient, and enable a product-to-service shift across the economy (Erdmann et al., 2004).

The Erdmann et al. study indicates a potential reduction of 500 metric tons of CO₂ by 2020 if ICTs are used to dematerialize across both public and private sectors (GeSI, 2008b). According to GeSI, the reduction in transport emissions by switching to video conferencing and teleworking (potential savings of 140M and 220M tons of CO₂ annually by 2020) is small, relative to the savings from using ICTs to improve logistics. Examples in this category include: the efficient planning of vehicle delivery routes with the potential to save 1.5 billion tons of CO₂; the use of data networking inside a “smart” electrical grid in order to manage demand and reduce unnecessary energy consumption, saving 2 billion tons in the process; and a computer-enabled “smart building” in which lighting and ventilation systems automatically turn off when people leave, thus saving 1.7 billion tons (Hawken, Lovins, & Lovins, 2013; Lovins & Cohen, 2011; The Economist, 2008).

Additional alternatives include e-business (e.g., online grocery shopping), e-learning, and e-government. Regarding sustainable consumption, examples of direct dematerialization include e-paper, music and video on demand, Internet television, and so on. The most obvious indirect effect of sustainable consumption is information, particularly intelligent products that inform users about the environmental impact of their choices and offer sustainable alternatives.

Despite the anecdotal evidence and its potential, the relationship between ICTs and the broader social goal of sustainability is not well understood (Berkhout & Hertin, 2004). Studies in past decades have examined and generally confirmed the positive effect of ICTs on productivity and other macro level indicators (Brynjolfsson, 1996; Brynjolfsson & Hitt, 2003; Brynjolfsson, Hitt, & Yang, 2002; Hitt & Brynjolfsson, 1996); only scant research, however, has been conducted into whether or not (and what types of) ICTs favorably influence sustainability (Jokinen, Malaska, & Kaivo-oja, 1998).

Related studies (Bengtsson & Agerfalk, 2011; Erdmann et al., 2004; GeSI, 2005; Melville, 2010; Watson, Boudreau, & Chen, 2010) have looked at various other relationships and dimensions, and many have identified the macro impacts of ICT as net positive. With this introductory article, we attempt to provide a contemporary exploration of the ways in which ICTs can contribute specifically to a more sustainable world. To provide scope for the depth of this article, the sustainability metaphor is characterized by a number of world development categories—education,

energy, environment, transportation, etc.—that collectively specify the sustainability level of a country (Erdmann et al., 2004; Raskin, Gilberto, Gutman, Hammond, & Swart, 1998; World Bank, 2010). ICTs are represented as the group of factors in the global ICT index that was developed by the World Bank (2010) for each country (Minges & Qiang, 2006). A country's income level may also be included for control purposes. This article, therefore, provides an integrated up-to-date review as well as arguments and examples upon which country leaders can base their resource allocation decisions in order to derive maximum benefits from ICT infrastructure selection and development. In addition, we suggest putting up concerted efforts in order to reach the increased levels of collaboration and partnership required for global sustainability.

CONTEMPORARY LITERATURE REVIEW

According to Spangenberg (2005), what the *Journal of Management for Global Sustainability* calls global sustainability can be understood in systemic terms (Stoner, 2012). It consists of four subsystems—social, economic, institutional, and environmental—that are dynamically integrated in order to optimize their collective contributions to global and long-term human welfare. These subsystems are identified according to, and are based on, a unique set of inherent and human-defined goals that emphasize the interactive nature of different facets of human development. The failure or omission of one subsystem can negatively affect the whole system (Hinterberger, Luks, & Marcus, 1996). This approach is used to analyze the relationships between these facets, detecting synergies or targeting conflicts between different objectives encapsulated in the term “sustainable knowledge society” (Spangenberg, 2005). These core objectives, as defined thus far in political and scientific discourse, include greater social cohesion, more and better jobs (social dimension), delinking resource use and economic development, safeguarding biodiversity and ecosystem health (environmental dimension), and an open, participatory approach based on equity, non-discrimination, justice, and solidarity (institutional dimension). Global unsustainability arises from many factors, and so initiatives launched to create a more sustainable world need to work within, and be adapted to, the boundaries of particular ecological, cultural, social, and economic systems. Moreover, from a global perspective, those initiatives should integrate seamlessly across various dimensions and geographies (Clark & Dickson, 2003; Kates, Parris, & Leiserowitz, 2005; Komiyama & Takeuchi, 2006). In e-speak, this totality of sustainability is called “digital balance.” “Digital balance” suggests that technology processes, decisions, and so on are not considered sustainable if they are not sustainable in every area; they must develop together and do so equitably. This implies that one must balance

several dimensions (e.g., cultural, ecological, economic, and social) and not sacrifice one for the other. They must develop together harmoniously (Hietanen, 2004). True digital economy means that instead of a physical flow of goods, products or services exist as information flows transmitted through information networks (Ahmed, 2007; Goehring, 2004; OECD, 2003).

One way to describe the impact of ICTs is to look at levels of materialization; a simple yet comprehensive example is the manufacture and use of the typical automobile. When a car is manufactured, less energy and fewer materials are utilized nowadays than in the past. This improvement in production eco-efficiency is called *dematerialization* (Hilty, 2010). Consumers, meanwhile, can use the car more eco-efficiently by driving it economically and servicing it regularly. This improvement of eco-efficiency in the car's consumption is called *immaterialization* (Hietanen, 2004). Another aspect of eco-efficiency is *amaterialization* (Hietanen, 2004). Amaterialization occurs when the automobile and its movement are substituted by telepresence, since diverse teleservices reduce the need to be in another place physically. New information technologies and teleservices therefore, promote ecological sustainable development (Alexander, 2000; EIC, 2004; GeSI, 2007; Grantham & Tsekouras, 2004; Palmer, 2008). In the next section, the different orders of effects of ICTs are summarized, thus providing a more abstract description of their effects on sustainability.

The Orders of Effects of ICTs

Based on the discussion above, we drew broadly from literature in several disciplines, including the conceptual basis for sustainability (Komiyama & Takeuchi, 2006; Lane, 2011; Larson, 2011), information systems and sustainability (see Alexander, 2000; Bengtsson & Agerfalk, 2011; Berthon & Donnellan, 2011; Clark & Dickson, 2003; Dias & Brewer, 2006; Grantham & Tsekouras, 2004; GeSI, 2008a; IDC, 2004; James & Hills, 2003; Jensen, 2007; Kondratova & Goldfarb, 2003; Melville, 2010; Watson et al., 2010), global development (Oliner & Sichel, 2000; Parikh, 2009; Prescott-Allen, 2001; Shih, Kraemer, & Dedrick, 2008; UNESCO, 2002; WEC, 2002, 2005; WWF, 2008), and the substantive number of publications at the NAS (1999), NRC (2010, 2011), and the World Bank (2010), to describe the various types of effects. In addition, we considered several macro studies on the effects of ICTs (e.g., Brynjolfsson, 1996; Brynjolfsson & Hitt, 2003; Brynjolfsson et al., 2002; Hitt & Brynjolfsson, 1996; Jensen, 2007; Meso, Datta, & Mbarika, 2006; Meso, Musa, Straub, & Mbarika, 2009; Oliner & Sichel, 2000).

Drawing on the recent literature (Matthews, 2003), three primary groups of effects were identified in which ICTs have the potential to play a wide range of important roles in enabling sustainability (Berkhout & Hertin, 2004; Goehring, 2004; Jitsuzumi, Mitomo, & Oniki, 2000a, 2000b; Jokinen et al., 1998; Mitomo & Oniki, 1999).

First order effects. First order effects, which have been analyzed and substantively reported in the literature, denote the impact and opportunities created by the physical existence of ICTs and the processes involved (Berkhout & Hertin, 2001). For example, with the global energy budget increasing exponentially, using ICTs to monitor and efficiently manage energy production, distribution, and consumption can lead to a reduction in greenhouse gas emissions. Environmental monitoring is also a positive ICT application. Positive direct impacts include the use of ICTs for environmental protection purposes, e.g., through electronic monitoring of toxic emissions, remote sensing, electronic controls, and generally improved “transparency” about the use of environmental services (Erdmann et al., 2004; Esty, 2004). Moreover, jobs are also created as ICT manufacturing increases.

On the other hand, the electronic waste generated by the production and use of ICTs could create a rebound effect. The main fields analyzed were energy consumption during production, use of ICTs, and end-of-life waste. Examples of first order effects include energy consumption, waste from daily activities, and carbon emissions generated by manufacturing, data centers, and the use of terminal devices (Berkhout & Hertin, 2001; Souter, 2012).

Second order effects. Second order effects refer to the impact and opportunities created by the ongoing use and application of ICTs (Erdmann et al., 2004), and these can be either positive or negative. ICTs have the potential to cut energy pollutants and water consumption (e.g., via the use of smart sensors and meters) (Souter, 2012). The impact and opportunity created by the application of ICTs to optimize energy supply and demand can result in a favorable effect on other sectors such as transportation and logistics. Other replacement and structural changes are made possible by electronic directories, telework, and in-car navigation systems. There is strong evidence that ICTs have raised labor productivity-efficiencies through intelligent production processes, intelligent design and operation of products, reorganization of supply chains (e-commerce), intelligent logistics and distribution, the process of e-introduction, and networking effects. Rebound effects result from the ways in which those ICTs are used, particularly as a result of applications

and access to content. Examples would be the disappearance of jobs in sectors undermined by the loss of Internet-enabled businesses (such as music retail), or incomplete substitution wherein delivery vans are used in addition to private shopping trips by cars (Berkhout & Hertin, 2001; Souter, 2012).

Third order effects. Third order effects address the impact and opportunities created by the aggregated effects of large numbers of people using ICTs over medium to long-term periods, although they are not well understood because the conditions that create them are complex and intangible (Casal, Wunnik, Sancho, Burgelman, & Desruelle, 2005; Erdmann et al., 2004; Romm, Rosenfeld, & Herrmann, 1999). Conditions might include changes in the nature of work, working relationships and in the relationships between diasporas and home communities with regard to patterns of consumption and human settlement. ICTs can also have substitution effects, e.g., for physical travel, saving on travel, road congestion, knock-on effects in road construction, etc. (Souter, 2012).

Rebound Effects. Rebound effects are the negative counter-effects that occur as a result of behavioral changes which themselves result from first and second order effects (Bomhof, van Hoorik, & Donkers, 2009; Sissa, 2013; Souter, 2012; Tomlinson, 2010). An example is the likelihood that the reduction in vehicle usage resulting from telecommuting will be accompanied by an increased use of vehicles for leisure activities and the growth of long distance travel (Berkhout & Hertin, 2001). Another example is the increase in the manufacture and use of computers and other electronic devices as paper flows are replaced by e-flows—while there is a reduction in paper usage (and a decrease in tree cutting), there is increased potential for e-toxic waste to be generated. A rebound effect also occurs when efficiency gains (directly or indirectly) trigger new demand, thereby counter-balancing the positive environmental effects. For example, there appears to be a positive correlation between the use of email and business travel, with one instigating the other (Berkhout & Hertin, 2004). Replacement may also occur in the economy with the use of ICTs (e.g., replacement of printed books by e-books); however, it may be outweighed by the increased consumption of alternative energy resources. Rebound effects are pervasive across different effects, and the role of ICTs must be carefully examined within the context of trade-offs.

A variation of the “first,” “second,” and “third” order effects model is to consider the *enabling effects* of “direct,” “indirect,” and “overall” decision-making capability (Madden & Weißbrod, 2008). Direct effects arise from the increased efficiency in manufacturing and other activities through the use of various types of ICTs. Examples include ICT control

of air conditioning equipment in order to reduce energy consumption, and the use of intelligent transport systems (ITS) in order to increase energy savings. Indirect effects are changes in the behavior of individuals and organizations that arise from lifestyle and work-pattern changes enabled by the use of ICT. For example, telework/telecommuting (T/T) not only reduces an employee's daily commuting time but also the energy consumed in commuting (Marciano, 2013). Other examples are the deployment of remote sensing devices to monitor the state of the global environment as well as the use of computerized bidding mechanisms for trading the right to emit carbon dioxide (CO₂). The promotion of the overall decision-making capability of a society refers to the implementation of sustainable public policies via information systems that gather, organize, and disseminate relevant information (Heinonen, Jokinen, & Kaivo-oja, 2001). In addition, ICTs can be used very effectively to communicate accumulated knowledge on sustainable development. Ultimately, by improving the overall decision-making capacity to implement sustainability policy, a society could move from being a knowledge-based society to one based on wisdom (Teppayayon, Bohlin, & Forge, 2009).

There are numerous examples of the application of ICTs to various aspects of sustainability. To an extent, the application of ICTs in sustainability and development is pushed by industry and corporations. Other anecdotes on the use of ICTs in sustainability are documented in Ananthaswamy (2008), Murray (2008), Palmer (2008), *The Economist* (2009), and Zachary (2008).

In the environmental domain, ICTs can foster sustainable development by enabling better resource and energy use and by dematerializing transactions (GeSI, 2008a; Harter, Sabbagh, Shehadi, & Karam, 2010; Jitsuzumi, Mitomo, & Oniki, 2001). Mobile technologies, for example, enable m-banking, thereby eliminating the need for physical branches. Other smart ICT applications have the potential to contribute to higher energy efficiency by making offices, homes, and transportation systems more "intelligent" with, say, smart thermostats. Moreover, ICT-based services and working methods, such as teleworking and videoconferencing, can result in lower carbon emissions from business activities. In education, ICTs such as the Internet, inexpensive computers, and CD-ROMs enable e-learning and distance learning. Distance learning can increase access to education for students and teachers in areas where the conventional method cannot assure quality services.

As documented in the literature, ICTs contribute to the overall productivity and economic growth of a country (Fors & Moreno, 2002). In addition to preventing waste and generating savings through efficiency, knowledge systems assist with the coordination of sustainability efforts

both locally and globally. As the information economy expands and information societies are formed (Heinonen et al., 2001), developing countries—rural areas in particular—can move toward parity (Greller & MacKay, 2002) in many indicators, such as education level, transportation, public health, and quality of the environment. Through ICT-enabled sustainable development, countries can envision improved growth and better quality of life overall (Hughes & Johnston, 2005).

KEY CHALLENGES AND ISSUES

Despite the anecdotal evidence and reports of various applications and projects, there is no concerted and coordinated effort to comprehensively apply ICTs across the globe. This section identifies a few important high-level challenges and issues based on the literature review above (ICT4S, 2013; Madden & Weißrod, 2008). By addressing these challenges and issues collectively, countries can hasten the maturing process of ICTs application in global sustainability.

Linkages to Millennium Development Goals (MDGs) and World Development Indicators (WDIs)

From a macro perspective, MDGs are the universally accepted targets for addressing poverty from the perspectives of income, hunger, health, etc., while promoting gender equality, education, and environmental sustainability. They are also basic human rights (Sachs, 2005). Since the MDGs provide a focal point for global development policy, it is appropriate to associate ICT applications with each MDG. Regarding Goal 1, which is to eradicate extreme poverty and hunger, ICTs can create jobs via the leap frog effect (e.g., mobile computing), thus providing income and creating purchasing power for food. For Goal 2, the achievement of universal primary education, ICTs can enable distance and online learning via the Internet and mobile devices. For Goal 3, the promotion of gender equality and the empowerment of women, ICTs can promote e-democracy as well create economic opportunities via broad band, micro financing and crowd sourcing, and mobile computing and devices (e.g., mobile currency to enable banking). For Goals 4, 5, and 6, which focus on different health dimensions, such as reducing infant mortality, improving maternal health, and combating HIV/AIDS, malaria, and other diseases, ICTs can play a critical role via e-health, m-health, telemedicine, and other applications that promote education, communication and dissemination, and delivery of public health. This particular role is discussed in a previous work (Wu & Raghupathi, 2012). The MDGs,

therefore, are significant for ICTs because they operationalize country-level policy decisions and sustainable development activities. At the same time, governments may also be held accountable. As for the WDIs reported by the World Bank, these maintain data for countries regarding various development indicators (World Bank, 2010). When linked to the MDGs, the report provides a robust measurement framework for sustainable development progress made at the country level. Indeed, ICTs can be directly linked to the achievement of the WDIs.

In order to have a direct positive impact on global sustainable development, ICTs need to be operationally linked to the achievement of the MDGs and WDIs. Furthermore, resource allocation can be more focused by targeting specific ICTs and their role in achieving individual MDGs and WDIs. Through these relationships, one can measure and track the correlations over a long period of time.

Translational ICTs

Another key challenge in advancing the role of ICTs in global sustainability is what this article labels translational ICTs. These enterprises are an effort to carry application knowledge from the “laboratory to the field,” building on interdisciplinary applied research and studies of ICTs, and then using them to develop innovative processes and techniques to promote sustainability in agriculture, education, energy, environment, health, sanitation and water management, urban planning, and so on. As ever, the goals are to create jobs, reduce poverty, and improve quality of life, especially in Africa, Asia, and South America (Herzog, Pierson, & Lefevre, 2013; Rice, 2003). But several serious challenges stand between social systems and technical systems. For one, many of these initiatives are plagued by cost and schedule overruns. Second, there is public resistance to the use of technologies due to privacy and security issues. Third, technology, by definition, entails risk. The consequences of failure could be costly and therefore devastating. Fourth, such initiatives have for the most part been vendor-driven, and are not the result of consensus efforts through the collaboration of all concerned stakeholders. Fifth, while ICT capabilities may be great, one must consider the public policy and regulatory environment surrounding the use of such technology. Sixth, implementations to date have been ad hoc and haphazard, posing difficulties in the development of knowledge systems, benchmarks, and best practices for “translational sustainability.” Seventh, the rebound and reverse effects of the introduction of ICTs into specific countries must be studied; while the technology may benefit one area, it may have negative effects in another.

ICTs Innovation, Law and Practice

ICTs innovation can be used interchangeably with commercialization. Considering the deep chasm in “technology transfer” from developed to developing countries, the various issues in this regard must be addressed from a global perspective. These include intellectual property regimes and protocols, licensing law and agreements, the commercialization of university technologies, antitrust law, tax effects of technology creation and transfer, technology export controls, global financing of technology innovation, security and privacy, and trade law. The trade-offs include the reward for innovation versus making the technology affordable and available to developing countries. What is a reasonable intellectual property policy (e.g., in enforcement of patent law)? What is the appropriate pricing of products? Should international organizations and financial institutions make low-interest loans and grants available for technology applications? What are the safeguards needed to prevent misuse and to facilitate security and privacy? How does one monitor possible rebound effects? These and other questions suggest the major challenges to be surmounted in technology transfer.

ICTs and Sustainability Science for Sustainable Development

A core sustainability science research program (Clark, 2007) that examines the various questions related to the role of ICTs in global sustainable development must be developed (Devex, 2013). What models are available or can be developed in order to understand the “complex dynamics” that arise from socio-technical systems? How can these dynamic interactions and conceptualizations be incorporated in order to achieve a balance between natural, social, and technical systems and sustainable development? How are the long-term trends in ICT use, environment, and sustainability transforming natural-social-technical systems? What factors determine the “limits of resilience and sources of vulnerability” (Clark, 2007) for such systems? What incentives and public policies can most effectively guide the deployment of applications? What are the kinds of organizational structures and forms that would support ICTs-based global sustainability? These and other questions need answers as we go forward with the transformation. The goals for ICTs in sustainable development are not in isolation nor defined by scientists alone. The numerous stakeholders, including government, NGOs, aid-givers, and citizens, must be engaged in balancing human needs with conservation and alleviating poverty (Clark & Dickson, 2003). The government will play a key role in public-private partnerships to promote the role of ICTS in sustainable development, especially in developing countries where infrastructure is mostly in the public sector. This is especially true for “smart city” design. In addition, cost-benefit analysis, decision analysis,

and risk analysis must be conducted, and the public fully informed regarding the various pros and cons of introducing ICTs.

Knowledge Systems

While the application of ICTs is not new, there is a lack of systematic scholarship and action research that examines the various facets of the relationship between ICTs and sustainability. This dearth of benchmarks and replicable knowledge systems is a challenge to the goal of global sustainability through ICTs. As Cash et al. (2003) point out, "Scientific information is likely to be effective in influencing the evolution of social responses to public issues to the extent that the information is perceived by relevant stakeholders to be not only credible, but also salient and legitimate." For ICTs, credibility implies the technical soundness of the application and its underlying principles; salience deals with the appropriateness of evaluation and testing for policy makers, and legitimacy "reflects the perception that the production of information and technology has been respectful of stakeholders' divergent values and beliefs, unbiased in its conduct, and fair in its treatment of opposing views and interests" (Cash et al., 2003). Policy makers will thus have a greater chance of success marshaling ICTs for sustainability, if they "manage the boundaries between knowledge that simultaneously enhance the salience, credibility, and legitimacy of the information they produce." Such boundaries between ICTs and stakeholders can be managed effectively by addressing the three key issues of communication, translation, and mediation. According to Cash et al. (2003), "active, iterative, and inclusive communication" between policy experts and ultimate decision makers or resource allocators is desirable in order to build the knowledge systems that embrace salience, credibility, and legitimacy. Experts and decision makers must also use the same metaphors so as to avoid losing knowledge in translation. Mutual understanding, therefore, is required. Through intervention or mediation, different perspectives and views can be harmonized and reconciled among the various stakeholders. In summary, successful knowledge systems must be implemented in order to promote the effective use of ICTs in sustainability.

Cyber Security and ICTs in Sustainability

Cyber security threats have rapidly emerged as the single most important risk and threat to global development. Developing countries are particularly vulnerable due to lack of resources and infrastructure that can mitigate the threats. On one hand, ICTs are playing a major role in the management of power grids, healthcare, agriculture, transportation, and other critical systems; on the other, these very ICTs pose significant

threats given the variety and range of cybercrimes and cyberterrorism. Addressing cyber security issues comes to the forefront as a major strategic challenge. There must be a coordinated and concerted effort to meet this challenge collectively from a global perspective (Gercke, 2011; ITU, 2007; Low, Lim, & Samudhram, 2011).

CONCLUSIONS

This article examines the potential transformational role of ICTs in promoting world sustainability. Although the article is introductory, we identify a number of contributions to the literature and provide direction to country-level policy makers in governmental and non-governmental organizations and in the private sector regarding the role of ICTs in enabling and promoting sustainability. First, it is only recently that case studies and anecdotal narratives have emerged regarding the use of ICTs in sustainability initiatives. There is a need for understanding the impact at the national as well as global level. The findings from future studies can inform global policy makers on how to strategize for sustainability resource allocation and investment in order to maximize global sustainability benefits. Second, many of the prior studies have focused on “green ICT,” which addresses how ICTs can become self-sustaining (e.g., green data center, etc.) (Berthon & Donnellan, 2011). This article, however, attempts to examine the strategic and transformational role of ICTs in enabling sustainability. A country’s income level, to a large extent, may explain its level of sustainability. It seems obvious that poor countries face greater challenges in natural resource utilization. Indeed, poor sustainable practices would have negative effects on economic development. The flip side is that high-income countries have greater carbon emissions. Thus, donor countries, global institutions, and nonprofit agencies and foundations can make better choices in terms of investments. In addition, while ICTs may make substantive contributions to sustainability beyond the wealth effect, it may take a longer time before some of the effects can be observed (e.g., reduced carbon emission, increased literacy rate, safer and smarter transportation). This article identifies the challenges and issues in the successful use of ICTs, thus addressing the “now what” goal of the *Journal of Management for Global Sustainability*.

FUTURE RESEARCH

Future research may focus on cross-country and regional as well as empirical and longitudinal studies. Best practices also need to be documented. What works in one region may not do so in another. Cultural,

political, and economic environments have to be considered. Other variables relating to health, urban planning (NRC, 2010), and water and sewerage planning may reveal additional associations and effects (e.g., smart city design). Others may research the diffusion of ICTs for effective sustainability practices in developing countries and the development of coordinated global strategic models of ICT integration and use. Considering the challenges and issues discussed above (Houghton, 2009), action research is also called for in the development of models for ICT applications in developing countries (Thongmak, 2013); otherwise, the digital divide with regards to the application of ICTs in sustainability will widen even more. Innovation, the leapfrog effect, and the aspects of globalization need to be addressed. Also, an important aspect to study in sustainability is the *rebound effect*, which occurs when efficiency gains stimulate new demand that counterbalances, or even outweighs, positive environmental gains. For example, the efficiency improvements (time, fuel, energy) made possible by technological advances are counteracted by an increasing demand (growing consumption volumes) for energy, products, services, and passenger and freight transport. Another rebound effect is rematerialization, e.g., virtual information products are accessed via the Internet and then printed out or burned onto a compact disc or DVD. The different types of “effects” theorized in the literature have to be tested empirically. Finally, the effects of ICTs on sustainability have to be studied in conjunction with other types of technologies such as alternative and clean air technologies, biotechnologies and genetically modified food, nano technologies, and medical technologies.

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RESÚMENES

Hacia una teoría y una práctica de la empresa centrada en el ser humano: Presentando el paradigma humanístico de los negocios y la gestión

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Resumen. En este artículo se revisan los desafíos para el sistema económico actual y luego se procede a presentar dos paradigmas en conflicto—los paradigmas económico y humanístico de los negocios. A continuación, desarrollamos las consecuencias del punto de vista humanístico para la teoría y la práctica de la empresa con respecto a la sostenibilidad global. Examinamos las diferencias paradigmáticas con respecto a la estrategia de los negocios, las estructuras de gobierno, los estilos de liderazgo y la cultura organizativa, y los ilustramos en función de ejemplos globales. Así, contribuimos a la discusión sobre la teorías alternativas para la sostenibilidad global, centrando el debate en las auténticas necesidades humanas y en las consecuencias de dicha teoría de la gestión.

Palabras clave: sostenibilidad global; teoría centrada en el ser humano; gestión humanística; paradigma humanístico

Emprendeduría sostenible en asia: Un marco teórico propuesto basado en la revisión literaria

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Resumen. El espíritu empresarial tiene cada vez más reconocimiento como medio significativo para lograr una transformación hacia productos y procedimientos sostenibles. La literatura emergente al respecto de una emprendeduría ética ha desarrollado un nuevo modelo de emprendeduría entendido como llamamiento para dotar a los recursos de un nuevo valor; sería el factor ético el que convertiría tal creación en una auténtica emprendeduría sostenible. Uno de los primeros pasos de una formación emprendedora y de madurez en el área de la sostenibilidad sería desarrollar modelos para la comunicación y la presentación de la sostenibilidad y la información. Este artículo presenta un modelo de evaluación revisado para la emprendeduría sostenible en Asia que consiste en cinco ámbitos, a saber: económico, social, ecológico, cultural y ético. La insistencia en la inclusión de una ética viene motivada por el hecho de que supone una obligación en los negocios ser responsable con el propio entorno y con los propios accionistas, de modo que la ética sea una de las piernas sobre las cuales la emprendeduría, si es sostenible, se mantenga en pie.

Palabras clave: emprendeduría ética; emprendeduría en Asia; conclusiones por quintuplicado; emprendeduría sostenible

Márketing sostenible: Un estudio de exploración en la percepción de los gestores de marketing sobre los hoteles internacionales españoles

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Resumen. El márketing sostenible es uno de los principales desafíos a los que se enfrentarán las empresas en los próximos años debido a su impacto potencial tanto en el crecimiento de las empresas como en la imagen de la gente de negocios, de ahí la necesidad de que los ejecutivos gestionen su implementación. Este artículo explora cómo los gestores de márketing de hoteles en España perciben y gestionan el papel del márketing en la mejora de la gestión empresarial sostenible y los cambios necesarios para realizar un trabajo de márketing sostenible. El estudio aporta veinticuatro casos empíricos para descubrir qué cambios corporativos consideran necesarios los gestores con el fin de lograr una industria hotelera sostenible. La principal contribución de esta investigación es un marco inicial de cuatro campos en los que los ejecutivos fijan las prioridades de la gestión de la empresa con vistas a la implementación de un márketing sostenible.

Palabras clave: gestores de márketing; hoteles españoles; márketing sostenible

Un asunto del ser: Desarrollo de líderes mentalizados sobre la sostenibilidad

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Resumen. En un mundo necesitado de más personas que actúen con el impacto social y medioambiental de sus decisiones en mente, ¿qué haría falta para desarrollar líderes mentalizados sobre la sostenibilidad? Este artículo comparte las conclusiones de un estudio exploratorio descriptivo cualitativo para el que se entrevistó a 16 líderes en iniciativas de sostenibilidad con la intención de aprender de ellos, entender qué informaciones jugaron un papel determinante en sus actos, cómo pensaban y qué los motivó a actuar de una forma inusual en los negocios. En este artículo, los resultados

del estudio original se resumen brevemente, y se presentan los nuevos hallazgos relacionados con el particular rol que desempeña la espiritualidad en estos líderes de los negocios. Siguiendo el enfoque innovador de esta revista al abordar la pregunta “¿y ahora qué?”, esta autora ofrece asimismo sugerencias para los educadores de adultos, entrenadores corporativos y profesores particulares sobre cómo podrían desarrollar una mentalidad sobre la sostenibilidad mediante la incorporación de actividades que involucren a la parte más elevada de la audiencia.

Palabras clave: liderazgo y sostenibilidad; espiritualidad; iniciativas por la sostenibilidad; mentalización por la sostenibilidad

El papel de las tecnologías de la información y la comunicación en la sostenibilidad global: una revisión

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Resumen. Este artículo trata de cómo las TIC contribuyen en gran medida a la sostenibilidad global. Examinamos cómo el desarrollo económico, la educación, la economía, el medio ambiente y los medios de transporte a nivel estatal se benefician de las TIC, además de otros numerosos y

variados efectos sobre la sostenibilidad global. También examinamos los llamados efectos de rebote. La investigación anecdótica y teórica sugiere que el impacto de las TIC se hace sentir principalmente en el desarrollo sostenible. Así, identificamos los principales retos que se deben abordar para lograr un mundo sostenible basado en las TIC. El estudio del impacto macroeconómico de las inversiones en TIC también puede orientar a los países a la hora de adoptar políticas de inversiones selectivas en las TIC que promuevan la sostenibilidad global.

Palabras clave: tecnologías de la información y la comunicación; desarrollo sostenible; sostenibilidad global

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Cura Personalis, Homines Pro Aliis, Magis, and ... ?

James A. F. Stoner

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