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Make sufficiency sexy

Sensemaking in times of crisis

What makes us buy sustainable clothing?

A paradoxical solution to team motivation and performance

Long working hours: Fatality or opportunity?

Are business schools from the Global South walking their talk?

Disruptive innovation for the circular economy

STAY SMART

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WARWICK BUSINESS SCHOOL, UNITED KINGDOM

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AND NOW... THE UN-SMART PHONE

/EDITORIAL
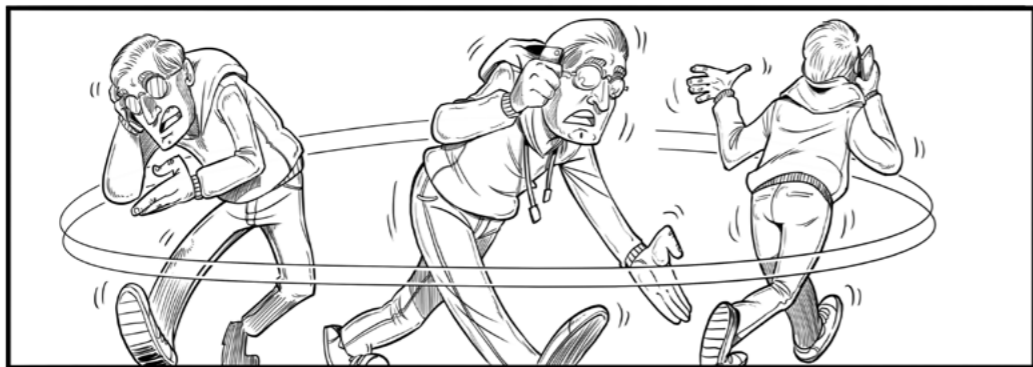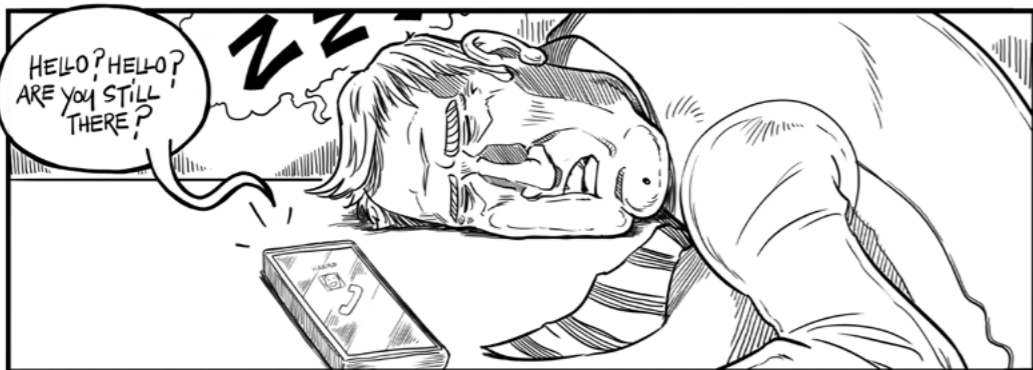
When one sees the rapid and accelerating changes in information technology nowadays, one may ask oneself about the future of business education. Many futurologists put forward different scenarios, some of them feasible, some of them worrisome. Will business schools be supplanted by online providers? Will business professors will be replaced by AI? Will business education exist at all? This editorial cannot summarise all this ongoing and rich discussion. But, if the past holds some lessons for the future, one may still have some elements for reflection.

First, each technological breakthrough, powerful and amazing as it could have been at its time, has been merely added to a growing portfolio of pedagogical tools. New tools have always find their place in the context of already existing tools. For instance, distance learning in higher education has existed for decades (admittedly, by post), without "disrupting" conventional schools. And many top business schools, while displaying their latest technology, still keep (and use!) old-style chalkboards. Digital projectors complement, instead of replace, the venerable piece of chalk.

At the same time, such an expanded portfolio of pedagogical tools leads to newer forms of learning. The traditional lecture remains, but it can sometimes be replaced by recorded sessions. Which is never the case of case teaching, where different discussions among students and faculty arise during each session. In case teaching, each session is different! The same happens with business simulations, where different outcomes appear for each simulation run. Both cases and simulations open the path for a more creative, adapted, learning path, without abandoning time-tested pedagogical approaches.

At the CoBS, we are doing our best to embrace digital technologies, while maintaining a balance with face-to-face interactions. Both are necessary, indeed indispensable for business education. Our **Advanced International Certificate in Responsible Business Practices** may be an example in that sense.

It intends to provide the advances of the latest digital technology (a global, online, digital Sustainability and Strategy simulation), the insights of top scholars (the collection of learning modules crafted by colleagues of different CoBS member schools), and the value of personal interactions (the intensive week study sessions and the student trimester exchange). During this academic year, we are currently running a pilot test of this Certificate, with the generous participation of colleagues and students from member schools. We hope that this Certificate can contribute to train a much needed generation of responsible business leaders worldwide.
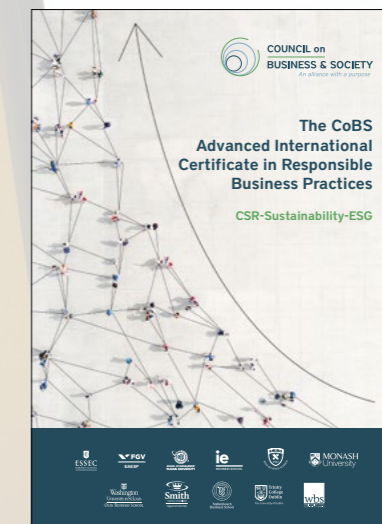
Learn more about the CoBS Advanced International Certificate in Responsible Business Practices

Professor Adrian Zicari, Academic Director of the Council on Business & Society

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BUSINESS, SOCIETY, PLANET

LEADERSHIP & MANAGEMENT

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> **Here's my grand vision: let's redefine what's sexy and desirable. Let's turn sustainability into the headliner.**

MAKE SUFFICIENCY SEXY

Anshuman Singh Sisodia, ESSEC MSc. in Sustainability Transformation student, and External Sustainability Consultant at Colas, explores our desire to buy, and proposes an original solution to make us slow down and green faster.

Picture this: Sitting in the last class of the year, the air is filled with a mix of anticipation and exhaustion. My mind is abuzz with thoughts of synthesizing all that I've learned throughout the year. Suddenly, amidst the familiar hum of discussion, a single phrase pierces through the haze: "You have to make it sexy."

Intrigued, I snap back to my attention as my Sustainability Economics professor continues, asserting that the mere shift towards renewable energy and unprecedented efficiency levels won't suffice for a successful and just transition. With a dramatic pause, he delivers the bombshell: "No matter how many strides we take in renewable energy, regardless of our systemic efficiency, we won't hit the bullseye in time unless we make 'Sufficiency Sexy'

What did he mean by *sufficiency*? IPCC defines it as a set of policy measures and daily practices that avoid the demand for energy, materials, land, water, and other natural resources while providing well-being for all within the planetary boundaries.

THE QUESTION IS, HOW DO WE MAKE SUFFICIENCY SEXY?

It's a provocative question. In this hyper-consumeristic world, where excess symbolizes success and constant upgrades are the pursuits of happiness and social status, how can sufficiency find its place?

When we look at mobile phones, a recent report from the World Economic Forum reveals an intriguing fact – there are more mobile phones than people in the world! Surprisingly, according to the New York Post, approximately 20% of Americans would willingly go into debt to acquire a new iPhone.

PROGRAMMED TO SEEK REWARD?

You may be wondering what drives such behaviour in us. Let's be honest – I've found myself lured by the appeal of the latest iPhone, even though my current one is perfectly functional. Why are we all so eager to discard the old for the new? Simply put, the newest gadget has always been downright sexy!

BUT WHAT MAKES IT SEXY?

Is it its upgrade in design, or its innovative features? Or is it our addictive consumer behaviour? The behaviour to buy the latest model may also be driven by neurological reward processes which release dopamine after the realisation of human desires for social belonging and status. According to scientists, this reward system is as addictive as drug addiction. In fact, according to the neuroscientist Sundeep Teki in an article for WEF, a neuroimaging study reveals that Apple products activate the same parts of the brain in its fans as religious images trigger in a person of faith.

This fad of purchasing unnecessary items contributes significantly to the harmful effects on both current and future generations. Indeed, hyper-consumerism is a leading cause of breaching many planetary boundaries. The Columbia Climate School highlights that household goods and services production and usage alone account for 60% of global greenhouse gas emissions.

Thus we can't emphasise enough the importance of sufficiency in our fight against climate change. However, the question remains How do we make sufficiency sexy and desirable? Coming from a marketing background, I can propose building new and responsible narratives. Narratives which move the world in the right direction.

GREEN APPLES?

What if your current iPhone's Apple logo is a chameleon? Don't stress, I love the logo as much as you do, but with a little twist... Consider this proposal: what if our beloved Apple logo, usually silver, decides to play the chameleon and turns greener each year you stick with your phone? The longer you hold onto your current iPhone, the greener it grows until its scientifically defined end cycle.

Instead of discussing HOW SEXY your latest iPhone is and subconsciously taking pride in buying the latest model, the conversations would be about how green your iPhone is. Celebrities like Taylor Swift confidently showcasing their progressively greener Apple logos, all while donning outfits from the previous week with an air of nonchalance.

It's about embracing a subtle change, making sustainability the focal point of our interactions, and finding pride in the longevity of our choices. It's about moving away from the relentless pursuit of the latest models and diving into earnest discussions about the environmental impact of our gadgets.

SLOW DOWN, GREEN FAST

Here's my grand vision: let's redefine what's sexy and desirable. Let's turn sustainability into the headliner. Instead of the quick thrill of a new purchase, let's find joy in the lasting beauty of sufficiency and the enduring tales our products can tell.

I'm aware this might not align with the current business models of many companies in fast fashion and rapid tech. But that is our cue to stop and think that in quest of rapid growth, we might have missed something profound and foundational. We need to revisit structures, functions and narratives which propel the business and society built on rapid growth and fast consumerism. We need to discover the joy in slow and longer-lasting innovation.

As they say, every growth is not progress; what if true progress lies in being slow and sufficient? I want to be pleasantly surprised. ///

KEY TAKEAWAYS

◻ *Sufficiency* is a set of policy measures and daily practices that avoid the demand for energy, materials, land, water, and other natural resources while providing well-being for all within the planetary boundaries.

◻ We consume tirelessly. As an example, the WEF reports that there are more phone in the world than people. The New York Times reports that 20% of Americans would willingly go into debt to acquire a new iPhone.

◻ Our desire to buy may be linked to neurological reward processes and the release of dopamine after the realisation of human desires for social belonging and status.

◻ Neuroscientist Sundeep Teki reveals that Apple products activate the same parts of the brain in its fans as religious images trigger in a person of faith.

◻ The Columbia Climate School highlights that household goods and services production and usage alone account for 60% of global greenhouse gas emissions.

◻ A shift in behaviour is required to address climate crisis – from the pursuit of the latest models to discussion on the environmental impacts of our purchases. A slow down on rapid consumption in order to quicken the pace of sustainability.

◻ From a marketing perspective, a way to render sufficiency sexy and desirable is to build new and responsible narratives, with innovative tweaks to products to reward the sustainable nature of our purchase and our longer-term possession of them.

◻ We need to redefine the indicators of success and progress.

INCREASING REMOTE PROJECT TEAM SUCCESS WITH TASK BUBBLES

> ## The post-COVID era has ushered in hybrid work models, offering flexibility but challenging group engagement.

In the ever-evolving landscape of professional collaboration, Professor **Anca Metiu, ESSEC Business School,** unveils critical insights into enhancing group engagement for remote project teams. This spotlight on her research included in the Routledge-CoBS book **The Employee and the Post-Pandemic Workplace** focuses on the concept of "task bubbles," shedding light on the intricate dynamics that contribute to project team success.

Related research: Task Bubbles, Artifacts, Shared Emotion, and Mutual Focus of Attention: A Comparative Study of the Microprocesses of Group Engagement. Anca Metiu, Nancy P. Rothbard. *Organisation Science,* https://doi.org/10.1287/orsc.1120.0738

NAVIGATING THE WAR FOR TALENT: BEYOND RECRUITMENT TO COLLABORATION

As organizations vie for top talent in an era where technological accessibility levels the playing field, success extends beyond recruitment to effective collaboration. Today's workforce seeks compatibility with a company's culture, emphasizing a positive atmosphere that fosters both personal and professional growth. Recruiters recognize the importance of soft skills, shifting focus to traits like willingness to learn and collaborative aptitude.

TASK BUBBLES: MICRO-PROCESSES FOR MACRO SUCCESS

At the heart of successful group engagement lies the concept of "task bubbles" — imaginary spheres formed by team members intensely focusing on a specific task. This concept, inspired by psychologist Mihaly Csikszentmihalyi's concept of flow and from sociologist Randall Collins' theory of interaction rituals, explains how deep immersion in the task at hand occurs. Notably, task bubbles maintain a strategic porosity, facilitating contributions from relevant stakeholders while keeping distractions at bay.

ARTEFACTS AND EMOTIONAL BONDS: AMPLIFYING COLLABORATION

Extended oral discussions can lead to fatigue and inefficiency. Enter artefacts—whiteboards, computer screens, and visual aids that sustain mutual focus over time. Research underscores that groups employing task-related artefacts outperform those without, showcasing the effectiveness of visual aids in problem-solving processes.

Shared emotion emerges as another pivotal aspect of successful group engagement. Serving as both motivator and outcome, a team emotionally invested in a problem outperforms those perceiving the task as mere duty. The emotional reward upon completion not only reinforces focus but sets the stage for future successes.

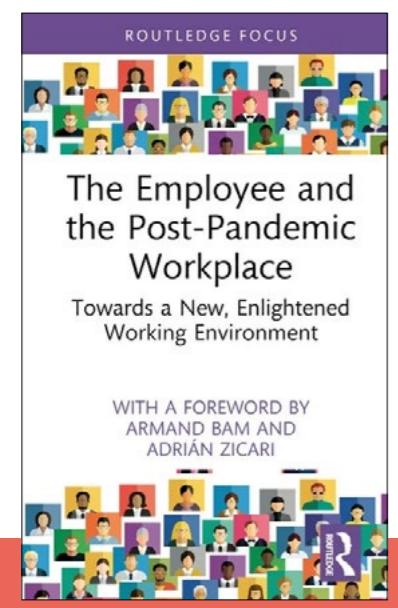## CATALYSTS OF GROUP ENGAGEMENT: A HOLISTIC APPROACH

While task bubbles and their associated micro-processes form the foundation, catalysts at various levels contribute to group engagement success. At the individual level, engagement, focus, and motivation are pivotal but require healthy interactions to activate group engagement fully. Informal, frequent interactions characterize the interaction level catalysts. Finally, at the project level, a compelling and visionary direction aligns with the modern workforce's demand for purpose in their tasks.

ADAPTING TO HYBRID WORK MODELS: TASK BUBBLES IN THE POST-COVID ERA

The post-COVID era has ushered in hybrid work models, offering flexibility but challenging group engagement. Task bubbles, artefacts, and shared emotions emerge as indispensable tools for remote teams, providing a structured framework for collaboration and maintaining the human element of shared experiences.

REFLECTING ON COLLABORATIVE DYNAMICS: A CALL TO ACTION

As organizations navigate the evolving dynamics of remote collaboration, Professor Anca Metiu's research offers a blueprint for success. By embracing and implementing the principles of task bubbles, leveraging artefacts, and nurturing shared emotions, organizations can cultivate a collaborative work environment where talent not only exists but thrives, ensuring sustained success in a rapidly changing professional landscape. ///

ROUTLEDGE FOCUS

The Employee and the Post-Pandemic Workplace
Towards a New, Enlightened Working Environment

WITH A FOREWORD BY ARMAND BAM AND ADRIÁN ZICARI

Discover the book

The Employee and the Post-Pandemic Workplace: Towards a new, enlightened working environment

KEY TAKEAWAYS

☐ Synergy among talented individuals demands more than just assembly; it requires careful orchestration of collaborative processes.

☐ Task bubbles serve as dynamic spaces for focused group work, allowing relevant contributions while excluding unnecessary distractions.

☐ Artefacts enhance problem-solving processes, providing a visual framework for sustained focus.

☐ Shared emotion acts as both a motivator and a reward, driving teams to success and fostering a desire for repeated achievements.

☐ Catalysts at individual, interaction, and project levels are necessary for a holistic approach to group engagement.

> ## "
> **The expectation for companies to reduce emissions is extremely challenging for them to satisfy.**

Professor **Frederick Dahlmann, Warwick Business School,** together with colleagues **Stephen Brammer** and **Jens K. Roehrich** of the **University of Bath** explore the paradox of recent demands for transparency from corporations on their greenhouse gas emissions

IN THE GREEN PARADOX: ACHIEVING BALANCE IN EMISSION REDUCTION STRATEGIES

EMISSIONS REDUCTION: TRANSPARENT REALITIES

In the past decade, we have seen a plethora of companies called out for unsustainable practices whether these companies range from SMEs to large multinationals. This is partly due to the emergence of consumers and buyers as a strong force for change, especially regarding sustainability. The popular conclusion is to demand more transparency from companies to be able to hold them accountable. Transparency is understood as a critical first step towards improving carbon performance. But are there any drawbacks that come with this call to increased transparency?

Profs. Dahlmann, Brammer, and Roehrich unveil an *organizing-performing paradox* that presents the pitfalls of transparency for a corporation. Indeed, companies are caught in a position where they are unsure whether this transparency is beneficial for the company and its operations even when there is high demand to do so. In this light, the study offers valuable insights into the connections between supply chain transparency, and supply chain coordination, and how they influence a company's indirect greenhouse gas (GHG) emissions.

TENSIONS UNVEILED

The growing demand for transparency has become another responsibility that is expected of companies. Monitoring and reducing indirect emissions are key measures of sustainability performance that companies are now expected to balance. But, has this popular demand been proven to improve sustainability performance? Unfortunately, there is no agreement on whether such transparency leads to any progress in decreasing carbon emissions. However, research indicates that enhanced transparency indeed has the capacity to result in long-term improvements in sustainability performance.

Tensions arise between societies, organizations, and companies most notably because the expectation for companies to reduce emissions is extremely challenging for them to satisfy. Research shows that companies that provide this transparency tend to already have a relatively low carbon footprint, implying that they may be influenced by the perception of their overall GHG footprints when deciding to disclose additional emissions data. Moreover, effectively handling indirect GHG emissions demands a level of coordination and collaboration that may conflict with the scrutiny and governance levels mandated by transparency initiatives. This ultimately makes it more complicated for companies to be willing to comply, potentially putting at risk their image and positioning with competitors. One solution to this is that organizations and societies that wish to reduce their companies' GHG emissions must understand how each company operates and fabricate more customized guidelines to address firms' needs to create a more sustainable approach to their business.

GREENING THE SUPPLY CHAIN

Profs. Dahlmann et al. find that general green supply chain management (GSCM) plays a significant role in impacting a company's emissions by fostering environmental awareness and engagement throughout the company. This is achieved through the establishment of collaborative relationships with suppliers, concentrating on methods to enhance and comprehend their environmental footprint.

Indeed, studies indicate that the most robust and noteworthy correlation with a company's choice to disclose transparency on GHG emissions originates from GSCM practices. Cooperating with these practices leads companies on a path to a more sustainable corporation by implementing sustainable technologies, educating and training employees, and including environmental concerns in contracts with suppliers. And these responsibilities and practices help to guide firms towards more transparent supply chain relations.

As such, the findings of this study imply that companies should establish efficient processes tailored to achieve sustainability objectives, where the processes of supply chain transparency and coordination directly impact performance outcomes. It also suggests firms take a long-term perspective and effectively communicate the differences involved in reporting their emissions performance to avoid unwarranted criticism.

SUSTAINABLE SUPPLY CHAINS: FROM THEORY TO PRACTICE

Being one of the first to apply paradox as a meta-theory to a large-scale quantitative analysis of firms' supply chain sustainability, Profs. Dahlmann, Brammer, and Roerich acknowledge that there is still a lot to learn regarding this subject. Further studies are needed to focus on specific industries and firms located in other parts of the world. And there are different factors and regulations that are present in certain industries and countries that have an influence on a firm's sustainability practices and the demand for transparency.

On an internal level, managers are advised to understand the features of this tension or paradox, as it influences the perception and management of emissions performance. Negative perceptions of a firm's performance should be anticipated – and communicated internally and externally more clearly to avoid unnecessary and preventable tensions with stakeholders and their demands.

TRANSPARENT TRANSITIONS

Recognizing the paradoxical nature of sustainability efforts in supply chains is vital for companies navigating the challenges posed by the climate crisis and other sustainability matters. As we witness a surge in firms facing criticism for unsustainable practices, fueled by an increasing demand for transparency from buyers and other organizations, the need for effective communication becomes evident. For Frederik Dahlmann et al., firms would be wise to anticipate and address negative perceptions of their performance, extending clear communication not only to supply chain partners but also to customers, investors, and other stakeholders.

But while collaborative coordination is essential on a global scale, individual companies are deterred from transparent reporting due to potential damage to external perceptions. Creating a delicate balance between transparency and managing external perceptions is crucial, demanding strategic communication and a unified commitment to sustainable practices across industries and borders. ///

KEY TAKEAWAYS

☐ **1.Tensions in Sustainability Expectations:** Companies face tensions in meeting societal demands for emission reduction, with studies suggesting that increased transparency may lead to long-term sustainability improvements.

☐ **2. Influence of Green Supply Chain Management (GSCM):** Green supply chain practices significantly impact firms' indirect emissions, promoting environmental awareness and collaboration with suppliers.

☐ **3. Paradox Theory and Long-Term Perspective:** Applying paradox theory, the study suggests that while transparency may temporarily make firms look worse compared to competitors it is also a necessary precondition for improving supply chain practices and reducing environmental impacts.

☐ **4. Communication and Perception Management:** The article emphasizes the importance of effective communication in managing perceptions internally and externally. It recognizes the delicate balance required between transparency and managing external perceptions to avoid unnecessary tensions with stakeholders, including customers, investors, and supply chain partners. Strategic communication is crucial for companies navigating challenges posed by the climate crisis and sustainability matters.

> **When a participatory approach to sensemaking was engaged, the decisions that were arrived at were followed through.**

SENSEMAKING IN TIMES OF CRISIS

Ralph Kober, Associate Dean Programs and Professor of Management Accounting at **Monash Business School,** pays a visit to the **CoBS** where he is interviewed by Professor **Adrian Zicari, ESSEC Business School,** on research that grew from impact measurement to observation of real-time crisis management during the COVID pandemic in Australia.

Related research: Coordination in a not-for-profit organisation during the COVID-19 pandemic: organisational sensemaking during planning meetings, Ralph Kober and Paul J. Thambar, Accounting, Auditing & Accountability Journal, Emerald Insight.

View the **video version** of this interview.

Adrian: Hello. Here we welcome Ralph Kober from Monash Business School, Melbourne, Australia. Welcome, Ralph. Thank you for being here today.

Ralph: Thank you very much for inviting me, Adrian.

Adrian: Today I would like to talk with you about your recent research paper about a food relief association in Australia. It's a very interesting paper and I like the paper for several reasons. One is because it's a case study done in a very unusual situation.

Ralph: Yes, definitely. We're very fortunate actually that the food relief association contacted us in February to do an impact evaluation. It's a unique organization in that they have a different model of food relief. They actually give people a weekly box of fruit, vegetables and bread for 40 weeks, and

they operate through primary schools as opposed to the traditional food bank approach where people have to come to a charity and get one-off lots.

FROM IMPACT MEASUREMENT TO MANAGING THE COVID CRISIS

They didn't have any idea of whether their approach worked, or what the benefits were. So they contacted us to develop a social impact measurement framework and to evaluate the benefits of their program. We commenced that work in February 2020, and then in March 2020 the whole world changed due to the pandemic and lockdown. We had to put the project on hold, but then we became aware that all their meetings had moved online because of work-from-home restrictions, so we asked if we could sit in on their meetings.

The organization was great. They let us observe all their meetings. And as researchers, we were very fortunate that we could go online and observe all their meetings online – especially because all prior research and accounting that looked at crises had all been retrospective – it was always researchers interviewing managers or surveying managers of past events. We were very fortunate and made the best of a really bad situation in observing in real time how this organization was coming to terms with the COVID-19 pandemic and the crisis. As such, we observed the crisis as it unfolded.

Adrian: Yes, a crisis during the crisis. And during the "battle".

Ralph: Yes, that's right.

Adrian: Do you imagine that the results would have been different in another situation or perhaps, given that we live in VUCA times, that crisis is permanent nowadays?

Ralph: Yes, that's a good question. I've been thinking about that actually. I believe it probably depends on the operating environment that a company or business faces. For a business that's operating in a high uncertainty environment, I think the results would probably hold, as you said, in these VUCA times and constant change.

A lot of companies are faced with high levels of uncertainty. They're in this constant mode of having to deal with mini-crises as they unfold. On the other hand, for companies that are operating in low uncertainty environments, where it's business as usual, I think the results probably wouldn't hold for those companies. I think it's dependent on the operating environment.

USING ACCOUNTING TO GUIDE DECISIONS

Adrian: In your paper, performance indicators play a key role. Could you tell us about them?

Ralph: What we observed in the paper was that accounting information – and in particular performance reports for this

organization – triggered sensemaking. This means that accounting information was being used by the managers in the organization to understand the impact that the COVID-19 crisis was having on the charity. They were using performance reports in terms of the number of food packages, boxes delivered, and comparing it to forecasts.

They were also using forecast information like accounting cash flows and how much cash reserves they had left before they would run out of money. This information was triggering the sensemaking process, and it was being used by people within the association to understand the impact on the charity. It made it real to the people in terms of the impact of the crisis.

LEADERSHIP AND SENSEMAKING

Adrian: The interesting point of the research paper is the role of the CEO, the leader of the organization, who at some point has a more top-down view of sensemaking, and then, as the crisis unfolds, changes his approach.

Ralph: Yes, that's right. I think this was probably due to the fact that no one really knew what was happening. The COVID-19 pandemic was a crisis that none of us had ever experienced previously, and that had those dual health and economic aspects. In times of uncertainty, the initial reaction of a lot of leaders is to make unilateral decisions – and in the of the association, the CEO did just that. We observed that in the initial meeting in May when Australia was coming out of its first lockdowns.

I think there was probably a sense of optimism, and there were discussions about how the organization should fund or how the charity should fund itself. He was adamant that they should continue their current model of funding where they were primarily reliant on one corporate donor who was donating 90% of their funds. Then as times changed, he understandably changed his mind as well.

New information came to the fore, and we saw that in June 2020 at the association's June meeting. The state of Victoria in Australia had entered its second lockdown. People started realizing that COVID wasn't going away. It was going to be here for a while. At one of the meetings in June, the chief operating officer presented his cash flow forecast, and it showed the organization only had three months' worth of cash reserves to survive.

Understandably, the CEO then realized that he had to change his mind. He changed his position and realized that the organization had to diversify its funding. Then they started looking for philanthropic organizations, doing public campaigns and stuff. Also at this time, we observed that, as you said, it became a lot more participatory as well. There was what we call guided organizational sensemaking, where different people, different managers, would sense give and all debate about what their preferred position was and what their preferred decision was. There were very interactive levels of discussion taking place.

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We also observed what we called reflexive sensemaking, which is a new sensemaking approach which only come into research literature in 2021. It's very unique. It's where the CEO realizes that the organization needs to change, but isn't sure of what the change needs to be. We saw a lot of that in this organization because the crisis was so unusual that the CEO knew that they had to change but didn't know what the solution was.

He actually guided others within the organization. We saw that at meetings where there was a lot of debate and discussion about what should happen, but the CEO never imposed his view. In both these instances, when this participatory approach to sensemaking was engaged, the decisions that were arrived at were followed through, and they didn't change.

DATA AND PERFORMANCE INDICATORS AS A TOOL FOR DEALING WITH CRISIS

Adrian: All these processes, in a sense, were supported and accompanied by performance indicators. Is that right?

Ralph: Yes. Every single aspect of sensemaking that we observed was all due to accounting information. Indeed, accounting information triggered the need for this sensemaking. The performance reports, the cash flow forecasts all made it real to the managers within the charity of what the impact of COVID-19 was on the organization. Interestingly, in the restrictive sensemaking – where the CEO imposed what his position was – and even in the reflexive sensemaking – where the CEO guided the managers – accounting information didn't play any further part in the process. It triggered the need for sensemaking, but it wasn't involved in the sensemaking.

In the guided sensemaking, where all the organizational actors were trying to impose what they thought the preferred option was on the others, and there was a lot of debate, we saw that they were drawing on accounting information to try and argue for their side of things. In that one form of sensemaking, we did see a lot of use of accounting information. We think it was to try and convince others – a need for some sort of device to try and convince people – and they were using accounting information to try and play that role of convincing others.

Adrian: I think it's not the first time that you've work with this kind of organization. From the beginning of the process of research to the end, did you have any surprises? Were there things that you never expected to happen?

Ralph: I suppose the biggest surprise was the COVID pandemic. As I mentioned, for this organization, we had actually only just commenced working with them in February 2020. It was a very new organization. I suppose in terms of surprising, one of the things we didn't notice which we've written about in another paper, is the extensive use they made of accounting information.

A lot of prior research in charities has said that accounting information is not used that much by charities, or it's not that useful. We did notice that this charity had very well-established financial reporting systems in place, even prior to the crisis. In another paper, we talk about how we believe that this actually helped the organization, so that when the crisis hit, they had all these measures that they could actually draw upon.

That then allowed them to have this information to use in sense-making processes. Interestingly, I've just read a working paper from someone else that actually looks at a health department in Australia, and it shows that that was very different. They didn't have the accounting information prior to the crisis. When the crisis hit, the first thing they needed to do was actually establish the measures to gain that understanding, whereas in the case of the charity we were analysing they had that. That gave them that advantage to help navigate the crisis.

Adrian: So, accounting can serve a purpose. After all, it's not just merely a legal obligation but can also be a useful tool. It's important to claim that accounting can help.

Ralph: Oh, definitely. That's one of the things that we talk about in the first paper that we wrote on this organization. The actual role that accounting information plays, the very important role that it played in navigating the crisis because the charity had accounting systems in place so that when the crisis hit, they could draw on accounting information to gain that understanding of the impact of the crisis.

Adrian: Thanks a lot for your visit, Ralph.

Ralph: Thank you very much, Adrian. It's been great talking to you.

THE MANAGER'S DILEMMA: PERFORMANCE AND THE CHOICE BETWEEN TREATING TEAM MEMBERS EQUALLY OR EQUITABLY

Leaders aspiring to enhance their competence as confident paradox navigators should embrace an experimental mindset.

Professor **Na Fu, Trinity Business School,** Trinity College Dublin.

Abstract: The line manager's role is crucial in implementing HRM strategy, how it is done and how it its perceived by team members. Consistency is important in terms of extent to which line managers implement HRM and is beneficial to both team and organisation performance. It is also *how* a line manager implements HRM that counts. Here, there is a dilemma – to follow an approach of equal treatment that emphasises the collective, or equitable treatment that emphasises the individual. Both have beneficial outcomes. This research on managers and consultants in a large consulting firm comes to the conclusion that a seemingly paradoxical, simultaneous use of both approaches leads to positive team member perceptions of fairness, improved collective and individual performance, and improved sustainability for both teams and the organisation.

Being a line manager is no simple job. For motivating and enabling your team to perform well is crucial in reaching objectives and contributing to the long-term strategy, health and results of your company or organisation. Dilemmas pop up every day and in many forms. Take the example of training. Do you offer a course in a key skill to all of your team members or those you have identified as high potential and high-performing? Which decision would cause satisfaction and motivate – or inversely dissatisfy and sour commitment further down the line? And to whom? The collective, or the individual? The answer is not easy and forms something of a paradox.

This research by Professors Na Fu of Trinity Business School, Trinity College Dublin; Patrick C. Flood of Dublin City University; Denise M. Rousseau, Carnegie Mellon University; and Tim Morris; University of Oxford, explores the issue across several dimensions, studying 171 employees and their line managers in 60 consulting project teams in a large, international service provider.

IMPLEMENTING HUMAN RESOURCE MANAGEMENT PRACTICES

The skills, knowledge and output employees provide are an essential part in helping an organisation achieve sustainable competitive advantage – and this is accentuated for firms working in the knowledge economy. As such, managing these employees and resources in an effective way through implementing HRM strategies is critical for the firm.

Typically, HRM – be it allocating resources, team composition, skills and training, or rewards to name but a few – consists of *intended* HRM: that is, strategies created and developed by senior management for the organisation to employ to achieve optimal performance. However, what is intended is not necessarily *actual* HRM – what line managers in fact manage to, or choose to, implement. A further dimension is added to the effectiveness of these strategies in the form of perceived HRM – how employees see and live these strategies.

It is here that the role of the line manager is key, acting as a type of hinge or interface between the intentions cascaded down from top management to how team members actually perceive these and accordingly perform on the ground. This research from Na Fu and colleagues seeks to step back from previous studies which focused more on the what of HRM – the strategies themselves – to the *extent* to which line managers implement HRM strategies, *how* they do it, and *how* these managers' team members react as a result.

The extent or degree to which line managers implement HRM strategy is important in that many studies have indicated a positive correlation between this and firm performance and effectiveness. In the medium and long terms, it has been found to decrease staff turnover, improve job performance, and lead to more employee involvement in decision-making. Moreover, on a team-level, the extent of implementation has also been found to lead to better outcomes – for example, an improvement in knowledge and skills, improved corporation between co-workers, win-win behaviours and even what is termed greater *team viability* – that is the potential for a team to stick together, work together and achieve collective results.

But in addition to the extent of implementing HRM strategies, comes the dilemma of *how* to implement them. Should line managers think collectively and treat their resources equally and as a whole? Or should they treat their people equitably and as individuals?

TREATING TEAM MEMBERS EQUALLY

So, how managers allocate resources and opportunities has an effect on their team members' perception, attitude and behaviour towards the manager, team and wider organisation. As the word 'team' suggests, it is a collective body of individual parts that form a whole. Treating these individuals equally seems to be a valid strategy to adopt. And when speaking of *equally,* then the word *consistency* may be linked to it. Indeed, research has shown that consistency is a powerful aspect of HRM implementation, implying

standard, same treatment across the board. Going further, the attributes of consistency include implementation that is free of bias, representative of the stakeholders concerned, and that is finally and importantly continuously in line with ethical norms. And indeed, studies have shown that when jobs are interdependent – each job function relying on others to achieve a result – treating your people equally boosts productivity.

However, consistency over time represents a challenge for line managers. Not only do they have to be constantly aware of senior management's *intended* HRM strategies as they are developed and pushed out through the organisation, they have to understand them – as well as consistently applying them on a daily basis.

If the manager gets it right, the benefits can be great. Consistency leads to alignment, and therefore effectiveness, employees seeing a message that is clear, coherent, fair and in line with their firm's values, procedures and processes. Treating everyone equally also has the effect of snipping favouritism in the bud – the appearance of which can lead to feelings of unfairness and jealousy, not to mention subsequent drop in motivation and future resistance to managerial initiatives. In short, equality strikes deep in people's perceptions of justice and leads to better collaboration between co-workers and team members.

The flip side to the coin – inconsistency – causes confusion and difficulty in understanding the legitimacy of HRM practices within the firm. Employees may counter this with opting out of the benefits and opportunities offered by the organisation, dissatisfaction and discontent, less engagement and eventually an increased wish to leave the organisation.

TREATING TEAM MEMBERS EQUITABLY

The other side to the dilemma is focusing on the individual – and treating team members equitably. Here, the line manager is responsive to individual differences, in particular regarding team members' individual contributions and performance. The logic behind this is that individual team members can vary in the volume and quality of contributions to the whole – the team, or company. And this is also an important dimension to line management implementation of HRM strategies. If a specific team member achieves great results, then it would only seem fair to reward this person in some way. And for individuals themselves, fairness to each one necessarily involves equitable sharing of recognition, resources and opportunities.

High potentials, for example, are expected to be given more from their line managers than lower performers. This can come in the form of 'individual deals' with the team member regarding more flexible working hours and conditions, greater freedom, making an exception to individual needs or even adjusting standard norms and procedures. The effect can be greater satisfaction with the line manager's implementation.

However, a red flag to raise would be that of the very difference between individuals – gender, culture, character, education and work experience all serving to highlight an individual's difference and value – but at the same time highlighting the fact that these very differences might mean a different perception for each of what equitable treatment consists in. Would a bonus mean more to an older or younger employee, modest or pushier employee? Would a female team member view customised coaching as greater recognition than specialised training?

Here again, previous research has shown that overall, when line managers implement HRM, equity helps individual team members to develop, serves as a catalyst for higher motivation, and in the end run produces better performance. It also leads to greater team viability and belief in the team's capacity to achieve good results.

Inversely, lack of equity makes individual team members feel inadequately cared for by their managers. This, as is the case for lack of equal treatment mentioned earlier, leads to dissatisfaction, decreased levels of motivation and ultimately barriers to future performance.

As such, both treating employees equally and equitably have common benefits and outcomes – as well as common drawbacks and negative outcomes. So what for the delicately placed line manager who sits between top management and team member satisfaction, a happy or unhappy workforce and team results?

GOING WITH THE PARADOX

For the line manager, why not do both? On the surface this might seem paradoxical. The very raison d'être of a wider system, an organisation, or a team naturally begs for collective action and the suppression of the individual for the benefit of the whole. But systems, organisations and teams actually work best when individuals identify with the whole and give the very best of their personal skills and strengths. This is the paradox. And indeed, this particular paradox is part of the leadership role. That is, the leader's ability to treat her/his people uniformly while at the same time factoring in their individual identities, needs, and behaviours.

It can be complex. How to treat people equally by following norms institutionalised through processes and procedures, while taking into account individual cases and making exceptions to the rule? And also guaranteeing that sensitivities are reassured and perceptions of fairness are maintained while doing it.

Here again, consistency is a key. On a practical level, this means consistently implementing differential treatment – the taking into account of individual perceptions of equity – while keeping the wider processes and procedures as guiding threads regarding collective equality and organisational performance. Making adjustments for individuals also means ensuring that socially acceptable principles are understood by everyone – that higher performance or contribution does indeed count as justifiable reward for outstanding individual work.

By running these two, seemingly paradoxical approaches in parallel, employees will over time see them as a habit, a norm and become less prone to feeling a sense of injustice or unfairness. Indeed, this 'new fairness' – a hybrid approach that takes into account both the collective need to treat people equally, and the individual need to show equity and recognition, will most likely end up judged as practical and just. When implemented consistently by the line manager, and accepted by team members, individual differences will most probably lose their potential to create rivalry and feelings of unfairness. In essence, the team and its results remain important and an overriding goal, while outstanding individuals are valued and respected by their peers within the team.

THE WIN-WIN FOR TEAM MEMBERS, LINE MANAGER, AND ORGANISATION

Prof. Na Fu and her co-researchers point to the fact that their findings highlight the roles played by both *equal* and *equitable* treatment. Their study of line managers and team members within an international consulting firm leads them to conclude that both the degree of HRM strategy implementation and how these strategies are implemented, counts for team and corporate performance, and organisational sustainability.

Moreover, the conclusion reached is that employing a simultaneous approach – that of differential treatment while emphasising common resources that all team members share – is highly effective both on an individual and collective dimension.

The practical outcomes are many. As mentioned at the beginning of this insight, line managers play a key role in generating the motivation for effective results and team longevity – that in turn benefit the wider organisation and its financial well-being. Consistency plays an important part, both in implementing HRM practices, reminding team members of standard norms in terms of values, processes, procedures and behaviours, and also highlighting the importance of recognising individual difference and reward – especially for high performers.

These two simultaneous practices – equality and equity – enable managers to work through socially complex tensions, although it is no easy job to do. This is especially so given that most line managers are promoted to their positions through technical expertise and background, not through their people management skills. It is therefore important for them to receive training and support to ensure effective team management, with an emphasis on balancing consistency with individual recognition. This being said, practices linked to effective HRM may be more easily employed by line managers than learning certain aspects of leadership such as inspiring through vision and purpose, or charismatic communication skills. After all, if the team perceives the line manager as fair and practical-minded in their approach to treatment, then performance and satisfaction will benefit without the need to make a seminal speech at every team meeting.

Fairness requires a common set of principles in dealing with all team members while at the same time respecting the individual contribution. As such, a line manager has an interest in ensuring that her/his team members are aware of the benefits, processes and procedures the organisation offers employees. But also awareness that individuals are able to shine, and providing them with the possibility to obtain an "i-deal" – an idiosyncratic, personalised recognition of results and contribution to the team.

So to return to the opening dilemma of offering training and the line manager's dilemma. Does the manager offer it to the many or to the few? In the paradoxical – let's say hybrid – approach to the issue, both the equal and equitable is the answer: informing all team members of the purpose and opportunities for training, while taking into account the individual contributions and probable benefits for each team member to attend. ///

KEY TAKEAWAYS

- The skills, knowledge and output employees provide are an essential part in helping an organisation achieve sustainable competitive advantage. Managing these employees and resources in an effective way through implementing HRM strategies is critical for the firm.

- The role of the line manager is key in implementing HRM and how team members actually perceive these and accordingly perform.

- Consistency leads to alignment, and therefore effectiveness, employees seeing a message that is clear, coherent and fair and in line with their firm's values, procedures and processes.

- Treating everyone equally strikes deep in people's perceptions of justice and leads to better collaboration between co-workers and team members.

- Inconsistency causes confusion and difficulty in understanding the legitimacy of HRM practices, dissatisfaction, less engagement and an increased wish to leave the organisation.

- Treating people equitably caters for individual difference, results, and contributions. It helps individual team members to develop, serves as a catalyst for higher motivation, and in the end run produces better performance. It also leads to greater team viability and belief in the team's capacity to reach good results and objectives.

- Both treating employees equally and equitably have common benefits and outcomes – as well as common drawbacks and negative outcomes. A paradox arises when suggesting that both approaches can be used simultaneously.

- Consistency is also key in this case: consistently implementing differential treatment – the taking into account of individual perceptions of equity – while keeping the wider processes and procedures as guiding threads.

- Making adjustments for individuals also means ensuring that socially acceptable principles are understood by everyone.

- Line managers should ensure team members are aware of the benefits, processes and procedures the organisation offers employees, while offering the chance for individuals are able to shine with the possibility to obtain differential treatment and personalised recognition.

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> **"He accounting profession in Argentina has a unique structure that is deeply rooted in the country's history and heavily influenced by politics.**

TANGO OF TENSIONS: HOW ARGENTINIAN ACCOUNTANTS MISSED THE BEAT FOR JURISDICTION IN SUSTAINABILITY REPORTING

Sustainability reporting has become a global phenomenon due to increased CSR awareness. Although there are some universal solutions, how sustainability reporting is carried out and who performs it varies from country to country. Professors **Carlos Ramirez** and **Adrian Zicari,** from **ESSEC Business School,** analyze the reasons why the accounting profession has been unsuccessful in becoming the leading provider of sustainability reporting in Argentina. In this context, they highlight the adoption of international reporting models that do not account for the unique CSR issues that are specific to the country.

Related research: Between a corporatist past and a globalized future: Argentina's accounting profession and the social balance sheet, Carlos Ramirez and Adrián Zicari, Critical Perspectives on Accounting (2023).

The Argentinian Tango is the most well-known type of Tango worldwide and is the one that is most commonly taught. However, there are several other Tango variations such as the Uruguayan Tango, the Nuevo Tango, and even the Finnish Tango, which are all popular in their respective countries. These numerous Tango variations have evolved based on cultural influences, music styles, and socio-economic contexts, each well-suited for the region or country where they are popular. Why mention these variations?

Well, a similar dynamic can be seen in sustainability reporting: There are different approaches depending on the region or country, and even differences in who creates these reports. In their study, Professors Carlos Ramirez and Adrián Zicari specifically looked at Argentina – a country with a politico-economic background dissimilar to its North American and European counterparts. They investigated the recent history of sustainability reports in Argentina, and saw how the lack an Argentinian-specific model for such a report and the failure of the Argentinian accounting profession to become a leader in sustainability reporting, were connected.

ONE SHOE FITS ALL? THE SPECIAL CASE OF ARGENTINA

In Argentina, the accounting profession has failed to expand its influence to retain jurisdiction over sustainability reporting. While attempts to do so have been made, they have been largely unfruitful. Eventually, the Argentinian accounting profession relented and officially adopted the already prevalent Global Reporting Initiative (GRI) sustainability reporting model, effectively giving up its efforts to control the process.

Being that Argentina, and Latin America, in general, are quite unequal in terms of value distribution, it is therefore crucial for companies to address the issue of income inequality in their sustainability reports through Value Added Statements (VAS), a reporting model that explains how much economic value is shared among different stakeholders. While in Brazil it is mandatory for all quoted firms to present a VAS, those reports remain optional in Argentina. As companies follow the GRI, they rarely incorporate country-specific sustainability indicators.

KEEPING UP WITH THE JONESES

GRI is one of the most widely used sustainability reporting standards both globally and in Latin America. Indeed, the South is keen to adopt global processes and behaviours: local managers perceive global sustainability tools such as the GRI as ways to modernize their companies while not necessarily agreeing with the need for sustainability.

Argentinian critics argue that companies manage sustainability as a risk rather than a priority, and consider it relevant only to the extent that it affects their shareholders. Due to this lack of internal drive for sustainability beyond its association with being modern, companies often neglect to utilize local reporting tools that would better reflect their social impact. To enhance sustainability reporting, it is important to comprehend the dynamics behind this status quo.

SUSTAINABILITY REPORTING: ACCOUNTING'S FINAL FRONTIER?

Ramirez and Zicari interviewed industry experts and professionals to gain a better understanding of the realities of the Argentinian accounting industry. They then applied Abbott's theory of professions to analyze why the Argentinian accounting profession failed to assert its claim on sustainability reports.

Essentially, professions gain legitimacy to practice in their field by having a basic theoretical knowledge – for example, through a university degree – which they can effectively apply to solve practical cases. That way, they have jurisdiction over a field of activity. Professions often attempt to increase their influence and jurisdiction. They may do this by taking over the jurisdiction of other professions or by claiming new, emerging fields of activity, in this case, sustainability reporting.

ARGENTINA: REMNANTS FROM THE PAST

The accounting profession in Argentina has a unique structure that is deeply rooted in the country's history and heavily influenced by politics. During the Cold War, the government in power brokered a deal between Peronist trade unions and the state to bring stability to the country. As part of this agreement, private "professional councils" were established for each province and Buenos Aires. These councils were tasked with controlling the accounting profession, keeping a registry of all economic science professionals, protecting the interests of the profession, and fighting against illegal practices. To become an accountant in Argentina, candidates must hold a university degree and register with their respective council. In addition, in 1973 the FACPE *"Federación Argentina de Consejos Profesionales de Ciencias Económicas"* was founded to coordinate the action of all the councils and propose accounting standards. This reliance on political and administrative structures would pose a challenge for the accounting profession when they attempted to meet new market demands.

AN OLD SYSTEM WITH NEW REALITIES

In the process of globalization, and with a growing focus on CSR and sustainability, Argentina implemented laws in the 1990s and early 2000s that required companies to report on employment conditions. This marked a significant step towards CSR reporting in Argentina. In subsequent years, several legal initiatives, such as Law 2594 in Buenos Aires, attempted to make it mandatory for companies to create a Sustainability Report. However, and despite numerous efforts, companies strongly opposed these initiatives, and that later law was never enforced.

The Argentinian accounting profession saw its opportunity to expand its jurisdiction and become the sole legal provider of sustainability reporting. However, without a legal basis to claim jurisdiction over sustainability reports, the profession was unable to mobilize and respond to market conditions. Other professions presented rigid competition, and the accounting profession failed to convince society and policy makers of having a particular claim over sustainability reporting. While the Argentinian accountants provided an alternative and adapted solution to their context, based on the notion of Value Added Statements, their proposition remain optional, and in practice, scarcely used.

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LOOKING BEYOND EXISTING THEORY

In this story, Professors Ramirez and Zicari show that Abbott's theory of professions is insufficient to grasp all the reasons and dynamics for the failure of the accounting profession to extend its jurisdiction. While elements of the theory are of course mirrored in the Argentinian reality, it disregards crucial dynamics specific to Latin America and Argentina.

Ramirez and Zicari highlight how it is necessary to explore the history and sociology of the accounting profession in Latin America, taking into consideration the cultural, social, and economic realities that coined the profession. They suggest that theories of professions must take into account the diverse realities and numerous elements that exist, which cannot be captured by a single universal model.
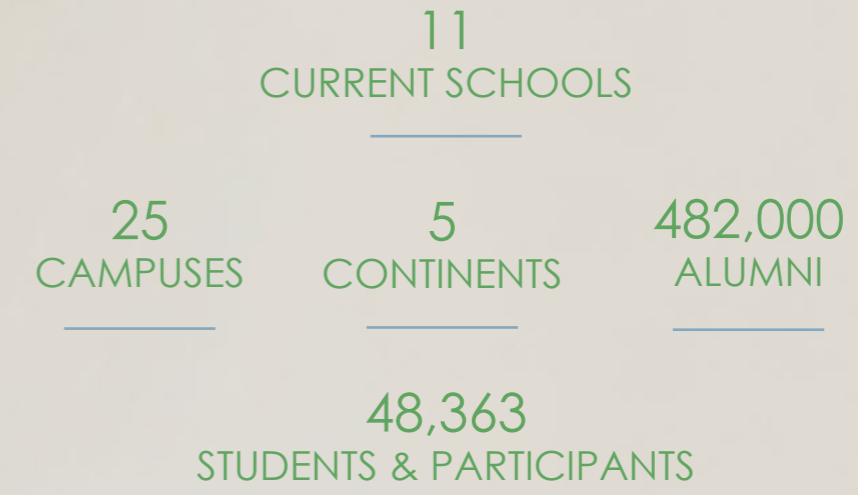
In the case of sustainability reporting in Argentina, market elements pushing for a voluntary sustainability reporting, as well as the accounting profession failing to engage other stakeholders, facilitated the uncritical adoption of international, little-suited universal sustainability reporting models.

Learning Tango is similar to local accounting models in the sense that we need to consider the variation that is best suited for the region we live in. We also need to see from whom we take dance lessons – who is the most qualified? And why is that the case? A dance instructor with years of experience or informal instructors and lessons? All of this depends on the region where we learn the Tango and how it developed culturally. ///

KEY TAKEAWAYS

❑ The accounting profession of Argentina encountered several challenges in their pursuit to obtain jurisdiction over sustainability reporting. Despite their numerous attempts, they failed to impose a local model for sustainability reporting based on the concept of the Value Added Statement. While the profession came up with such a model, it remains optional and scarcely used.

❑ Argentina belongs to one of the globally most inequitable regions. Not having a mandatory Value Added Statement (VAS), leaves the country with corporate reporting which is insufficiently adapted to the local realities.

❑ Although there has been resistance to adopting tools and processes from North America in the past, international reporting models have been widely embraced in Argentina. Local managers see these tools as a way to modernize and improve their operations, without necessarily focusing on sustainability.

❑ Ramirez and Zicari used Abbott's theory of professions to examine why the Argentinian accounting profession was unsuccessful in gaining jurisdiction over the sustainability report. However, in Argentina, the accounting profession faces unique challenges due to historical and political influences, showcasing the limits of the theory.

❑ There is a need to explore the history and sociology of the accounting profession in Latin America, considering cultural, social, and economic realities to understand the underlying dynamics of sustainability reporting.

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> **"** Engaging in this method of employee development should be *voluntary*—and organizations should emphasize the voluntary nature of this program whenever possible.

Olin's **Jill Young Miller** interviews Professor **Erik Dane,** Professor of Organizational Behavior at **Olin Business School.**

HOW BUSINESSES CAN SUPPORT EMPLOYEES' EPIPHANIES

It's a trend. Businesses are trying to embrace employees' distinctiveness and self-expression. Yet "doing so is more complicated than meets the eye," says Erik Dane, WashU Olin associate professor of organizational behavior.

Personal identity is complex and dynamic, and people often lack a comprehensive understanding of who they are, he says in "Promoting and supporting epiphanies in organizations: A transformational approach to employee development." The journal Organizational Behavior and Human Decision Processes published the paper this month.

Dane theorizes that organizations can navigate the challenge by inviting employees to undergo a novel method of development designed to produce sudden, personally transformational realizations—or epiphanies.

Jill Young Miller: If, as you say, people often lack a comprehensive understanding of who they are, why should an organization help them tease that out?

The potential benefits are substantial. Few things are more powerful for people than gaining fundamental insights into who they are—and employees should hold in high regard organizations that have helped them to attain revelations about themselves.

As such, promoting epiphanies may enable organizations to bolster their members' sense of loyalty and commitment and create bonds that endure, even after people exit the organization.

Moreover, research indicates that self-awareness is positively related to well-being and performance in the workplace. By helping their members gain heightened self-awareness via epiphanies, organizations can help them reap these benefits.

Jill Young Miller: How could an organization benefit from enabling employee epiphanies?

Prof. Erik Dane: Promoting epiphanies as a method of employee development enables organizations to navigate the challenge at the heart of this paper: On the one hand, organizations are seeking to honor and cater to the personal distinctiveness of their members; on the other hand, people are not always well-attuned to who they are.

Promoting epiphanies allows organizations to address their members' personal distinctiveness without putting pressure on them to possess readily available, thoroughly articulated responses to identity-level questions.

By focusing employee development on identity-related questions rather than identity-related answers, organizations can privilege the identity-related journeys of their members—and help them understand themselves better along the way.

Jill Young Miller: Do you think employees might feel that such development exercises are personally intrusive?

Prof. Erik Dane: It's important for organizations to administer this method of development as respectfully as possible. Otherwise, employees might grow concerned that the organization is crossing their personal boundaries.

Much hangs on such matters as who, specifically, is coordinating this program and how much care and consideration they show. Above all, no one in the organization should be cajoled into this pursuit. Engaging in this method of employee development should be voluntary—and organizations should emphasize the voluntary nature of this program whenever possible.

Jill Young Miller: Have you ever had a workplace epiphany?

Jill Young Miller: I've experienced multiple epiphanies, both personally and professionally. There's one I often discuss when I talk about my research in this area.

ADDITIONAL READING & PODCAST:
Hear about Dane's epiphany in this research article and listen to the podcast on page 14.

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> **Corporate conduct is no longer seen simply as a compliance issue**

INTEGRITY AS A STRATEGIC INFLUENCER IN ORGANISATIONS

Despite codes of ethics or international frameworks, compliance still remains an issue in the corporate world, with the business press regularly highlighting scandals involving firms that have been tempted to stray from the path. Perhaps leveraging on deeper culture – and the value of integrity – rather than downstream behaviour might be more effective? Studies carried out by Prof. **Daniel Malan** at **Trinity Business School,** seem to point in that direction.

From an interview hosted by Prof. **Adrian Zicari,** Essec Business School, CoBS.

Related research: Malan, D., Taylor, A., Tunkel, A. and Kurtz, B. (2022). "Why Business Integrity Can Be a Strategic Response to Ethical Challenges. *MIT Sloan Management Review.* Available at https://sloanreview.mit.edu/article/why-business-integrity-can-be-a-strategic-response-to-ethical-challenges/

Adrian Zicari: Welcome, Professor Daniel Malan from Trinity Business School in Dublin, Ireland.

Daniel Malan: Thank you very much.

Adrian Zicari: I would like to ask a question about your recent article in *Sloan Management Review,* a major magazine for practitioners all over the world. The title of your article is *Why Business Integrity Can Be a Strategic Response to Ethical Challenges.* Can you tell us why business ethics is such an important factor?

Daniel Malan: Well, I think our research discovered or confirmed that ethics is no longer simply a compliance issue

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of trying to stay out of trouble. If we look at the ESG world that we're living in and the major risks that companies face, they all are related to major integrity issues. We interviewed ethics and compliance officers from many large multinationals around the world, and we got the consistent message back that ethics is a strategic issue inside the organisation.

This growing importance of ethics in firms and organisations has led to the appearance of the Chief Integrity Officer role now serving on the executive committee. They're really part of the C-suite and they address the integrity issues at that level.
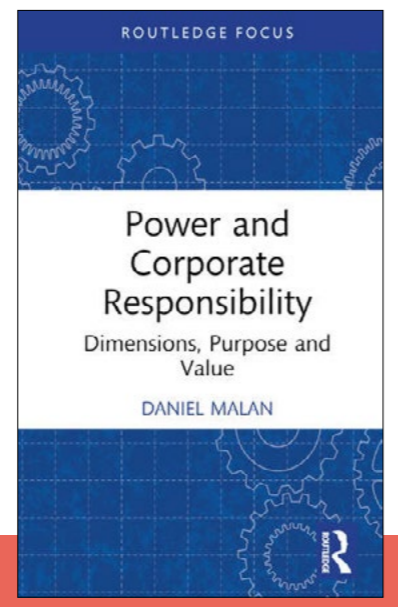
Adrian Zicari: Which means ethics can be an issue that makes or breaks a company.

Daniel Malan: Absolutely. Moreover, Integrity Officers also break down silos between different parts of the organisation. And again, because corporate conduct is no longer seen simply as a compliance issue, there is the need to talk to people in the risk division, and in the sustainability division. Increasingly, we see people in this position also taking functional responsibility for some of those areas.
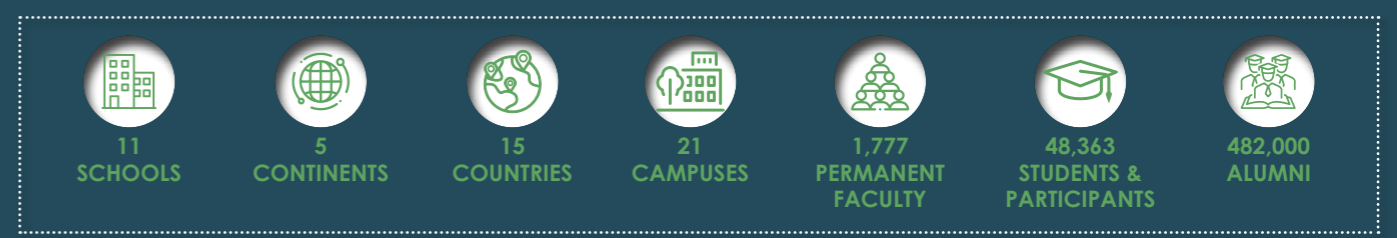
Adrian Zicari: Professor Malan, would you like to give a message to our readers who, after reading this interview, will surely want to read your article at MIT Sloan Management Review?

Daniel Malan: Well, I would really encourage everybody to read it! For those who have responsibility for integrity inside the organisation, I think it provides interesting insight into new and innovative ways in which officers are dealing with this issue. CEOs will also perhaps enjoy reading this to see how these areas are shifting in organisations. For many employees or people who are interested in management in general, it will just confirm again the importance and the strategic importance of integrity in organisations.

Adrian Zicari: Professor Daniel Malan – thank you. ///

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LONG WORKING HOURS: FATALITY OR OPPORTUNITY FOR CHANGE?

> **There is need of a fundamental change in how individuals, leaders, and organizations approach work-life balance.**

A spotlight on **Ioana Lupu, ESSEC Business School, Mayra Ruiz-Castro, Queen Mary University of London,** and **Bernard Leca,** ESSEC Business School, and their research insight on long working hours and their impact on individuals, included in the recently published Routledge-CoBS book **The Employee and the Post-Pandemic Workplace: Towards a new, enlightened working environment.**

Related research: Role Distancing and the Persistence of Long Work Hours in Professional Service Firms. Ioana Lupu, Mayra Ruiz-Castro, Bernard Leca. *Organization studies,* https://doi.org/10.1177/0170840620934064.

In the aftermath of the global pandemic, the traditional contours of the workplace have undergone a profound metamorphosis. This transformation has prompted a reevaluation of the expectations placed upon professionals and the impact on their authentic selves. Professors Lupu, Ruiz-Castro and Leca's research sheds light on a two-phase model of *role distancing,* offering invaluable insights into the challenges faced by modern professionals in reconciling their genuine identities with the demands of the contemporary workplace.

THE TWO-PHASE MODEL OF ROLE DISTANCING

In the pursuit of professional success, individuals often find themselves contending with the archetype of the "ideal worker." This persona, characterized by unwavering commitment, long working hours, and perpetual availability for work-related responsibilities, constitutes the first key revelation of the research. Firms and organizations, knowingly

or unknowingly, expect their skilled professionals to embody this ideal worker identity. As individuals come to understand and react to this phenomenon, role distancing operates in two phases: *employee apprehension and role redefinition.*

EMPLOYEE APPREHENSION: THE SHIFT IN UNDERSTANDING

The first phase of role distancing, termed *employee apprehension,* encapsulates the pivotal moment when professionals undergo a transformative shift in cognition, emotions, and perspectives. It marks the realization that the professional role, as currently defined, is perceived as temporary and subject to change. This phase underscores the tension experienced by individuals as they grapple with the conflict between their authentic selves and the predetermined ideals imposed upon them.

ROLE REDEFINITION: MODIFYING WORK PRACTICES

The subsequent phase, *role redefinition,* represents a proactive response to the challenges posed by the ideal worker paradigm. Here, individuals consciously modify their work practices, engaging in negotiations with peers and organizations to establish a work-life equilibrium that aligns with their genuine identities. This adaptive approach gains particular relevance in the post-pandemic workplace, where the boundaries between work and home have become more permeable due to the rise of hybrid work models.

SIGNIFICANCE IN THE POST-PANDEMIC WORKPLACE

As organizations navigate the evolving landscape of work dynamics, the importance of work-life balance and intrinsic motivation has taken center stage. The model of role distancing provides a crucial framework for understanding how employees grapple with an overwork culture. It underscores the need for a reflexive and agentic approach, enabling individuals to negotiate a more sustainable work arrangement. This negotiation, often prompted by external events such as work-home tensions or personal losses, signifies a shift towards a more mindful and intentional engagement with professional roles.

LONG WORKING HOURS: EMBRACING THE CYCLE OF WORK-LIFE BALANCE

As a key takeaway, the researchers advocate for a fundamental change in how individuals, leaders, and organizations approach work-life balance. The call is for a cyclical perspective that involves continuous pausing and reevaluation. Recognizing that priorities and motivations evolve across different phases of life, the researchers encourage a conscious and ongoing effort to pause, connect with one's emotions, reassess priorities, explore alternatives, and implement meaningful changes in both personal and professional spheres.

Professors Lupu, Ruiz-Castro and Leca leave us with a compelling message — a call to carve out time in the relentless pace of modern society to reflect on priorities and motivations. The key, as emphasized, lies in continuously reconnecting with these personal threads, fostering healthier and more motivating work lives in an accelerated world. ///

KEY TAKEAWAYS

- In the pursuit of professional success, individuals often find themselves contending with the archetype of the "ideal worker."

- This persona is characterized by unwavering commitment, long working hours, and perpetual availability for work-related responsibilities

- Firms and organizations, knowingly or unknowingly, expect their skilled professionals to embody this ideal worker identity.

- Long hours, stress, and strain may cause role distancing which operates in two phases: employee *apprehension* and *role redefinition.*

- In the first phase, employees grow to perceive their job role as temporary and subject to change. This underscores the tension between their authentic selves and the role imposed on them.

- *Role redefinition:* employees consciously modify their work practices, engaging in negotiations with peers and organizations to establish a work-life equilibrium that aligns with their genuine identities.

- This adaptive approach gains particular relevance in the post-pandemic workplace, where the boundaries between work and home have become more permeable due to the rise of hybrid work models.

&

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> **Sustainability knowledge and awareness are key factors that influence the consumer to buy green.**

SUSTAINABLE CLOTHING: WHY DO WE BUY IT – AND WHY NOT?

What do we think when we go shopping? And what makes us tick when we decide to buy that sustainable tee-shirt? Prof. **Amandeep Dhir, University of Agdar, Mohd Sadiq, University of Otago, Shalini Talwar, SP Jain Institute of Management and Research, Mototaka Sakashita, Keio Business School,** and **Puneet Kaur, University of Bergen,** explore the gap between consumers' environmental concerns and their actual green apparel purchasing behaviour.

Related research: Why do retail consumers buy green apparel? A knowledge-attitude-behaviour-context perspective, Amandeep Dhir, Mohd Sadiq, Shalini Talwar, Mototaka Sakashita, Puneet Kaur, Journal of *Retailing and Consumer Services.*

In Germany, there is a famous children's song that goes: *"Green, green, green are all my clothes. Green, green, green is everything I have."* While of course the lyrics refer to the colour green, you might be asking yourself now: How many of my clothes are actually green in the sustainable sense?

Having this song now stuck in your head, imagine that today you find yourself clothes shopping with a friend. You pick up a tee, feel the fabric, check the price, step back and take another look in the mirror at how nice the colour suits you. Almost convinced, you instinctively make a last move of glancing at the label inside. And smile. "100% recycled cotton and natural flax" reads the label. You pop the tee-shirt into your basket.

Step back a little. Why did you decide to buy it? What influences pushed you towards buying green clothing or what would prevent you? And why do the number of green clothing items

you own maybe not represent your actual commitment to sustainability? This is where new research from Profs. Amandeep Dhir, Mohd Sadiq, Shalini Talwar, Puneet Kaur and Mototaka Sakashita of Keio Business School proves useful – both for you – the consumer – and for the brands behind sustainable clothing.

WE LIKE SUSTAINABILITY – WHY DON'T WE BUY IT MORE?

There has been a general increase in consumer awareness of sustainability and environmental issues in recent years. However, this attitude is not mirrored by a similar increase in green apparel purchasing behaviour. This observation is referred to as the "knowledge-behaviour gap". For while consumers have knowledge of sustainability issues and what to look out for in their apparel purchase, they do not necessarily buy green.

Past research in Japan has shown that insufficient labelling influences lacklustre green buying behaviour among Japanese consumers. Building on this, the authors specifically decided to include green apparel buying behaviour in their new research, and as a result explore possible solutions to the *knowledge-behaviour gap* among consumers.

Moreover, by researching the drivers behind green purchasing behaviour together with labelling desire and satisfaction, these researchers sought to enable marketers, policymakers and researchers to bring about an increase in the consumption of green apparel.

ZOOMING IN ON JAPAN, ZOOMING OUT TO THE WORLD

A leader in terms of introducing green technologies and with a population boasting a high awareness of environmental issues, it makes sense to focus on Japan and its consumers. However, at the same time, Japanese purchasing behaviour regarding green products – including sustainable clothing – is still at a low-ish 33%.

This may be impacted by culturally-specific drivers that influence positive environmental behaviour. For example, while Japanese consumers put a high value on potential health benefits of the products they purchase, American and European consumers are explicitly influenced by environmental concern when it comes to purchasing green products.

The stakes involved – given the low green purchasing rate in Japan, and also taking into account the need to curb the garment sector's massive carbon footprint as a prime polluter (10% of the world's carbon emissions, with green apparel constituting a mere 10% of the global market) – naturally point towards encouraging the consumption of sustainable clothing in the country.

MIND THE GAP: WHAT MAKES US BUY SUSTAINABLE – OR NOT?

Taking into account age and gender, and using models to analyse the process of knowledge, context, attitudes, and subsequent behaviour, as well as an online survey, the researchers came up with the following findings.

Environmental knowledge and its connection to environmental trust, concern and attitude are key elements that bridge the gap between awareness of sustainability and resulting behaviours.

The more knowledgeable a consumer is about environmental issues, the more it positively influences their environmental trust, concern and attitude. Moreover, thanks to their acquired knowledge, consumers can trust the arguments producers provide on the sustainability of their products. They become concerned about the rapid depletion of natural resources, and they believe that purchasing and using sustainable products actually can help save the environment.

At the same time, the research found that there was no significant connection between a concern for the environment and a positive attitude towards the environment. This suggests that even with awareness of severe pollution in the environment, its consequences for human life and the actions required to stop it, consumers do not believe that engaging in sustainable and environmentally friendly behaviour would make a difference. All in all, the research points to demonstrating that a concern for the environment does not automatically mean that consumers will start buying green apparel.

Moreover, green trust neither influences green concern nor green attitude. A possible explanation for this could be that firms share too many confusing messages about the sustainability characteristics of their product. Information overload of a green nature tends to make consumers mistrust the messages and ideas these companies try to project. And even if consumers were to trust these producers, this does not necessarily translate into a more pronounced environmental attitude.

The good news, however, is that the moment consumers do trust the producers and their products in terms of their sustainability claims, they are more likely to purchase green apparel.

Overall, the key to bridging the gap between environmental attitude and green apparel buying behaviour is having greater knowledge of the environment.

BETTER LABELLING = BETTER ENVIRONMENT?

Previous research has found that one of the reasons people avoided buying green apparel was their inability to clearly identify it. This holds true: The easier a consumer can recognise a sustainable product through its label, the more likely they are to buy it.

However, the paradox is that consumers tend not to desire sustainable clothing labels, most likely because this is connected to their lack of product-specific knowledge of green apparel in general. Again, knowledge and awareness are key ingredients that influence the consumer to buy green.

FINALLY, WHAT CAN BE DONE TO MAKE OUR WARDROBE GREENER?

As seen, environmental knowledge, environmental attitude and green trust influence green apparel buying behaviour, as does labelling satisfaction. Practically, this means that clothing firms can tweak those variables to increase green apparel purchases.

But firms are not the only players and influencers. Policymakers too. As environmental knowledge is a key factor influencing consumers to buy green apparel, policymakers are in a unique position to affect the green buying behaviour of consumers by increasing society's knowledge of environmental issues. By launching information and education initiatives – for example on social media – consumers will ultimately gain higher green trust and a more positive environmental attitude that will lead them to make that green purchase.

Returning to the producers of green apparel, this fresh research points to consumers' desire for clear information and transparency. Manufacturers can meet these expectations by getting endorsements from experts who confirm the manufacturer's environmentally-friendly production process. Even more so, they can employ transparency measures such as having consumers visit the production facilities to experience first-hand the sustainability measures employed.

However, not only manufacturers can benefit from the connection between green trust and environmental attitude in green apparel buying behaviour. Marketers can leverage these links by supporting environmental initiatives and employing communication strategies to enhance product knowledge. Not to mention that both manufacturers and retailers should make an effort to showcase a product's green characteristics, for example in the form of eco labels.

So what about the time you made that sustainable purchase? Was it trust in the label? The certification? Or simply the fact that you are indeed deeply concerned by what happens to the planet? Next time when in a store, you might like to pause, have a think about it – and make another wise and positively green buy.

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KEY TAKEAWAYS

☐ There has been a general increase in consumer awareness of sustainability and environmental issues in recent years. However, this attitude is not mirrored by a similar increase in green apparel purchasing behaviour.

☐ Insufficient labelling, age, gender and cultural differences also have an effect on green purchasing. For example, Japanese consumers put a high value on potential health benefits of the products they purchase. American and European consumers are explicitly influenced by environmental concern when it comes to purchasing green products.

☐ The more knowledgeable a consumer is about environmental issues, the more it positively influences their trust, concern and attitude regarding the arguments producers provide on the sustainability of their products.

☐ But there is no significant connection between a concern for the environment and a positive attitude towards the environment: a concern for the environment does not automatically mean that consumers will start buying green apparel.

☐ Green trust neither influences green concern nor green attitude and too much information on how green a product is, tends to make consumers mistrust the messages.

☐ The moment consumers do trust the producers and their products in terms of their sustainability claims, they are more likely to purchase green apparel.

☐ Manufacturers, marketers and policymakers can encourage green purchasing by: Informing consumers on environmental issues, obtaining endorsement for green production methods, using transparency and company visits, showcasing product characteristics in the form of eco-labels.

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> **Instead of home being a physical place, we take pieces of our various cultures and use them to build a home within ourselves.**

THIRD CULTURE KIDS: HOME WITHOUT AN ADDRESS

Are Third Culture Kids – children raised in a culture other than their parents' or their own country of nationality – the unfortunate product of globalization or representative of the leaders of the future? **Roché Smith Rabie** at **IE Insights** explores the increasing phenomenon of global nomads.

Home Without an Address by Roché Smith Rabie. Originally published by IE Insights. With kind acknowledgements.

The International Migrant Stock 2019, a dataset released by the Population Division of the UN Department of Economic and Social Affairs, estimated that the number of international migrants globally reached 272 million, increasing from 51 million since 2010. Of these 272 million, an estimated 14% or 38 million were below the age of 20.

The term international migrant has many connotations attached to it, but at its core it refers to a person living in a country that does not match their nationality. The reasons that people move from their home country vary, for economic or educational opportunities, a better quality of life, for family, or because of political or environmental factors. Regardless of the reasoning, these individuals are statistically classified in the same category: international migrants.
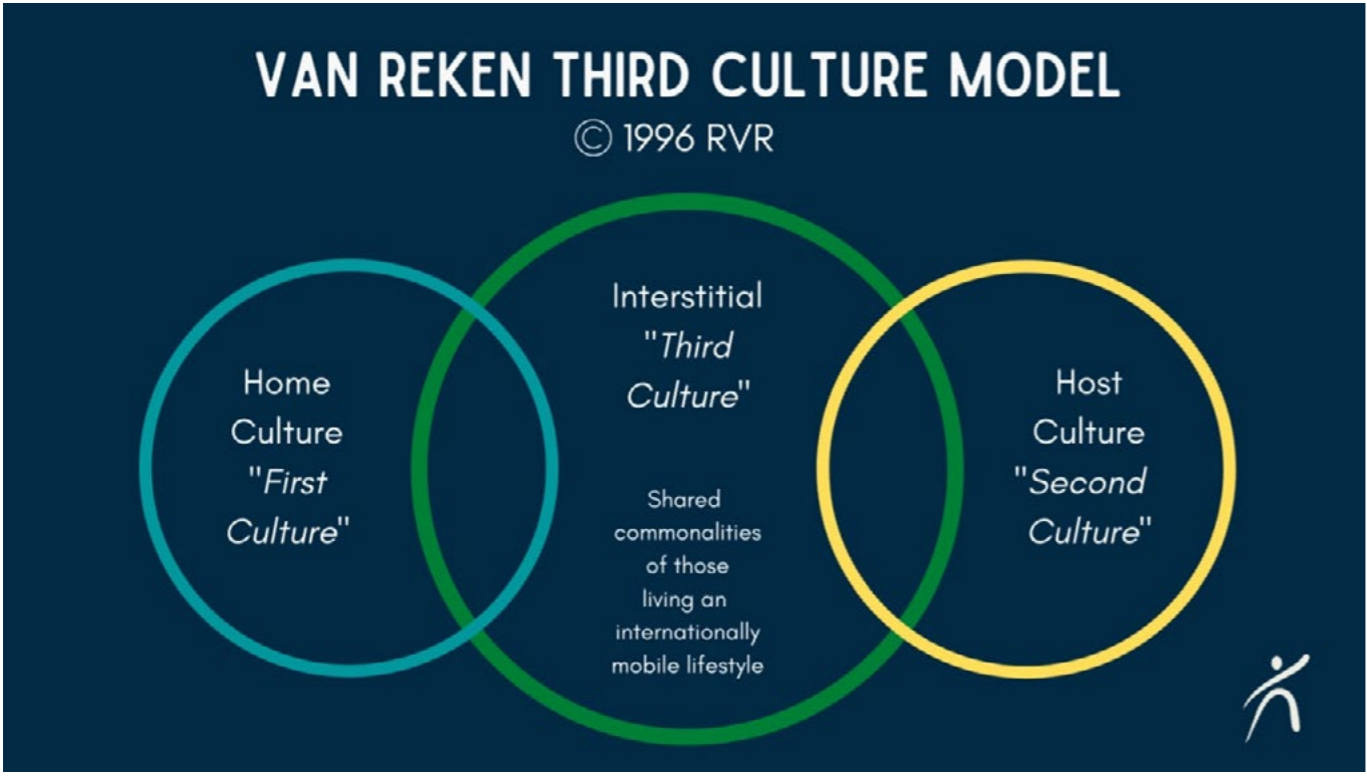
As someone who grew up as part of this statistic, being a child of international migrants, the increase in this moving population over the past decade does not come as a surprise, it does, however, require us to carry more than just our suitcase.

THIRD CULTURE KIDS: LOST IN GLOBALIZATION?

Children of international migrants are often referred to as third culture kids (TCK), meaning that they are individuals who were raised in a different culture to that of their parents' or their country of origin. With International migration and TCKs being considered a product of globalization, many of the same concerns regarding the effects of globalization apply to this ever-growing group of individuals. Therefore, understanding the effects of a globalized lifestyle on the leaders of tomorrow is of great interest to psychologists and educators alike.

Although the term TCK was first coined by Ruth Useem in 1950, the TCK profile as we know it today was developed by David C. Pollock and Ruth Van Reken.

Through this model, it was understood that TCKs developed a culture between cultures, as they captured pieces of their home and host culture to integrate into their own creation. The creation of this third culture was detailed by Pollock and Van Reken in their book Third Culture Kids: Growing Up Among Worlds as well as the physiological effects this feat has on children.

VAN REKEN THIRD CULTURE MODEL
© 1996 RVR

Home Culture "First Culture"

Interstitial "Third Culture"

Shared commonalities of those living an internationally mobile lifestyle

Host Culture "Second Culture"

THIRD CULTURE KIDS – CULTURAL CHAMELEONS

Their work found that these children of expatriates, missionaries, military personnel, and others who live and work abroad do not immediately possess a cultural identity of their own in the way that occurs for children whose home and host cultures match. TCKs therefore become 'cultural chameleons,' blending in with whichever culture they find themselves in until they are able to develop this third culture for themselves. The lack of a sense of identity can result in confusion regarding an individual's role in society, leading many researchers to believe that TCKs suffer from delayed development of identity.

This lack of cultural identity can create a sense of rootlessness or restlessness, as, according to Van Reken, "home is everywhere and nowhere." The resulting loneliness

and isolation is a common finding in TCK research, with some experts going as far as to say that "unsettled [international migrant] families may be at risk for psychosocial problems and may be a burden for other members of the community."

As a TCK myself, who is the product of a family who migrated for work and personal opportunity, going through these studies is incredibly disheartening. The studies that choose to label us only as individuals who lack a sense of identity and belonging fail to recognize the beauty and benefit of our upbringings. While, yes, there is truth in the physiological analysis of TCKs, very few detail how these results are compared to a non-TCK population. Could TCKs simply be better at expressing their emotions of loneliness and confusion? Are these studies simply aiming to show the supposed physiological effects of globalization? And what is so wrong about not knowing where you belong at age 13?

HOME SWEET HOME: SOMETIMES DIFFICULT TO DEFINE

Many of these studies tend to focus on the question "What is Home?", which is arguably a confusing concept for any individual, as many have formulated a definition that does not match the one found in the pages of an Oxford dictionary.

Our refusal to conform to the traditional definition of home has led us TCKs to be labeled as "culturally homeless" by some who do not consider the term home to be multifaceted. Instead of home being a physical place, we take pieces of our various cultures and use them to build a home within ourselves, therefore building it metaphysically. Furthermore, home is not something that is bound by time, it does not need to be permanent to be a home, as sometimes the places that we lived for the shortest period of time, were still able to be called home.

The biggest shortcoming of the traditional definition and understanding of home is that many do not acknowledge "home" as a feeling. The Afrikaans word "tuis" may be one of the best descriptors of this sentiment as it encompasses the feeling of safety, security. And, most importantly, love. I hope that TCKs will therefore be forgiven if we stutter or stumble when someone asks us the question "Where is home?" Because how is someone supposed to encompass all that into a single set of coordinates? No wonder TCKs are supposedly so confused.

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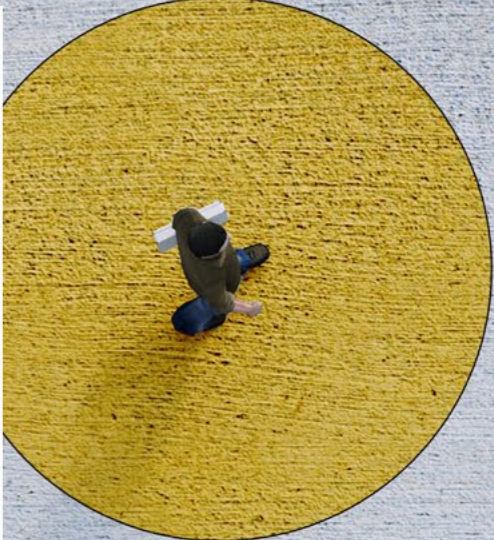
TCKS: A BOON FOR BUSINESSES?

But let's go past the studies that simply pick at our sense of belonging. TCKs offer a high level of autonomy, problem-solving skills, and willingness to help others in today's increasingly globalized world. The vast majority of TCKs are multilingual and open to diversity in all senses of the word. Additionally, TCKs are four times more likely to earn a bachelor's degree, further increasing their pull in today's market.

This background not only makes for a competitive candidate in today's business environment, but a company made up of employees with this profile will be able to compete in the increasingly diverse and global environment. Our preparedness for the constantly changing cultural and social spheres gives us a unique positioning in the workforce, where we often excel as leaders — just look at former US President Barack Obama who lived much of his childhood between the United States and Indonesia.

How can the research on TCKs paint such vastly different images of what these cosmopolitan children offer the world? The truth of the matter is that TCKs are still an "unknown variable" to many. Although it is thought that TCKs have existed since the beginning of civilization as humans explored, or conquered, the globe, TCKs are not the norm in society and can represent, to some, the unfortunate product of globalization, since these so-called troubled individuals are stuck in a limbo without an address.

To others, however, this group offers a unique glimpse into a borderless future where the exchange of culture and ideals fosters the creation of mixed identities.

With researchers divided, and even the founding academic Ruth Van Reken criticized for her possible personal bias (being a TCK herself), it becomes clear that there is not a complete understanding what a TCK is yet. Are they — are we — the unfortunate product of globalization or representative of the leaders of the future? This answer will have much to do with what shape we want our world to take in the future. What is clear, regardless, is the world's ever-growing international migrant and therefore TCK population. ///

KEY TAKEAWAYS

☐ In 2019, the number of estimated international migrants globally reached 272 million. 14%, or 38 million, were below the age of 20. The term international migrant refers to a person living in a country that does not match their nationality.

☐ Children of international migrants are referred to as third culture kids (TCK): they are individuals who were raised in a different culture to that of their parents' or their country of origin.

☐ TCKs do not immediately possess a cultural identity of their own in the way that occurs for children whose home and host cultures match.

☐ TCKs therefore become 'cultural chameleons,' blending in with whichever culture they find themselves in until they are able to develop this third culture for themselves. This lack of cultural identity can create a sense of rootlessness or restlessness.

☐ But TCKs offer a high level of autonomy, problem-solving skills, and willingness to help others in today's increasingly globalized world.

☐ The vast majority of TCKs are multilingual and open to diversity in all senses of the word. Additionally, TCKs are four times more likely to earn a bachelor's degree, further increasing their pull in today's market.

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☐ TCKs' preparedness for the constantly changing cultural and social spheres gives TCKs a unique positioning in the workforce, where we often excel as leaders.

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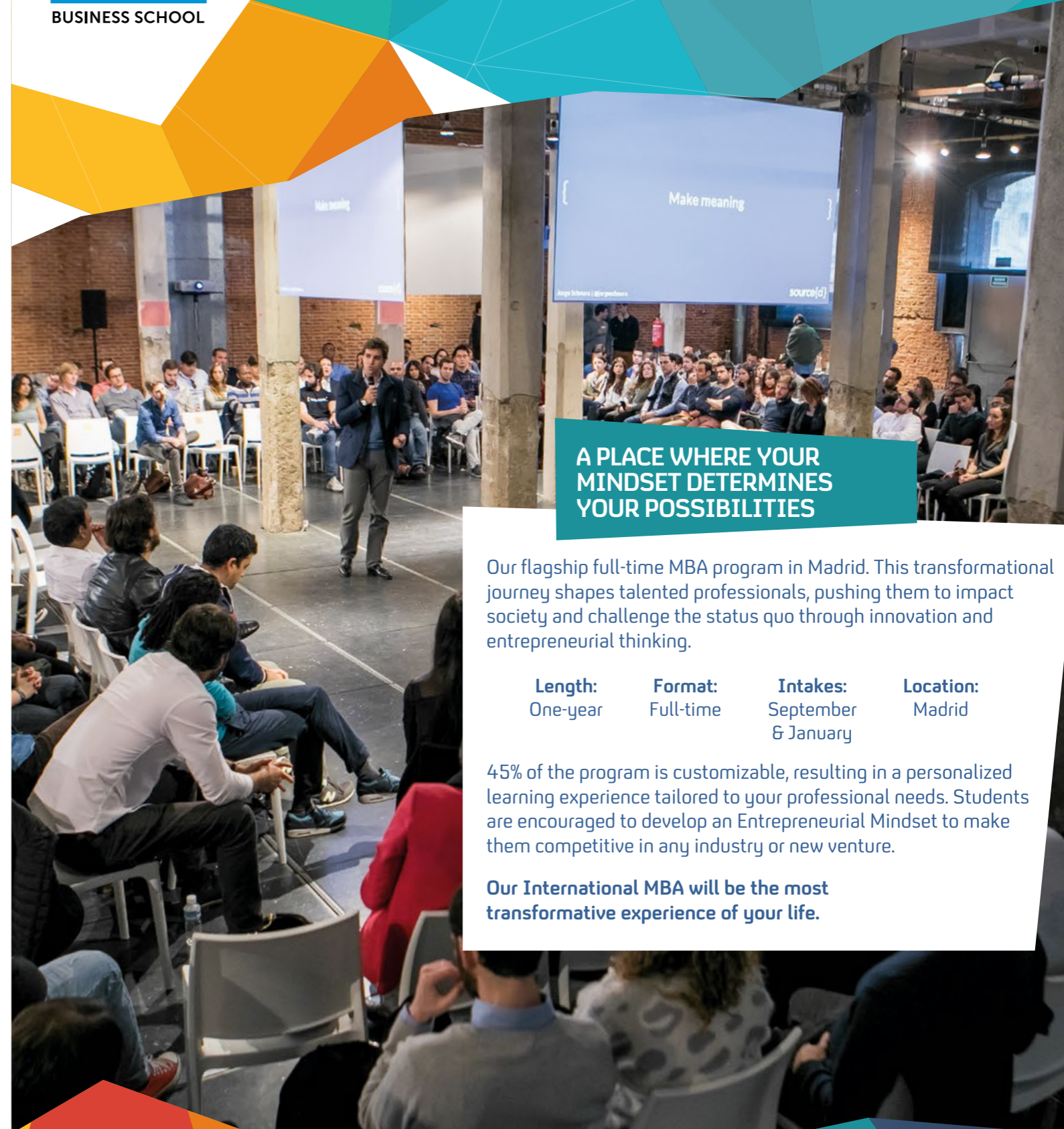
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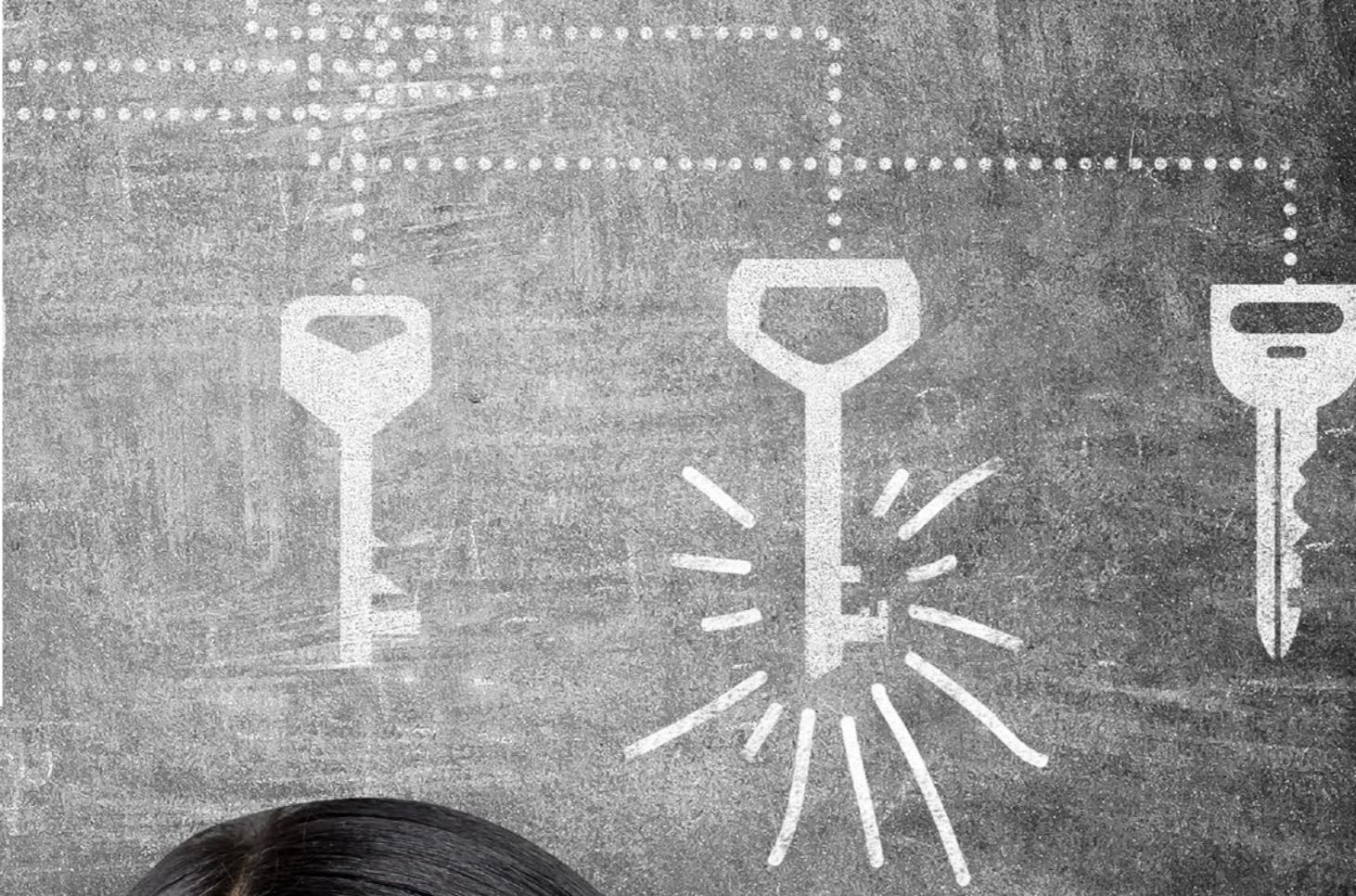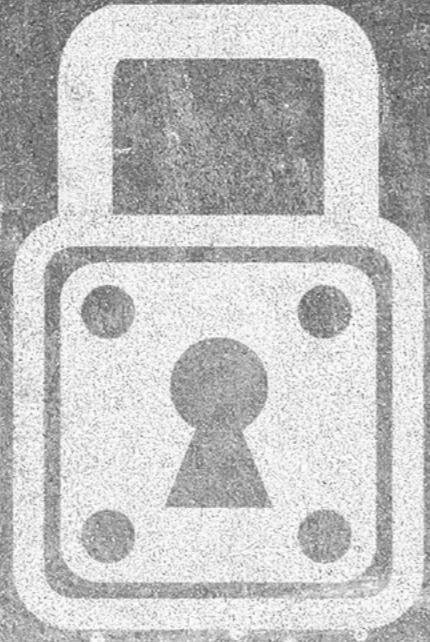
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> **Business schools in the Global South have a long road ahead – especially the most prestigious among them.**

UNLOCKING POTENTIAL: EXPLORING RESPONSIBLE MANAGEMENT EDUCATION IN THE GLOBAL SOUTH

How is responsible education perceived and implemented in the Global South? **Prof. Jako Volschenk, Stellenbosch Business School,** studies this region's response to the call for Responsible Management Education.

Related research: Are business schools from the Global South walking their talk? Internalizing responsible management education in Africa, Asia, and Latin America, Ezequiel Reficco, Carlos A. Trujillo, María Helena Ja´en, Jako Volschenk, Azlan Amran; Journal of Management Research, Science Direct.

EXPLORATION INTO THE GLOBAL SOUTH

In a world where attention often gravitates towards the well-trodden paths of the Global North, we turn our focus towards a sometimes-neglected but dynamically significant region – the Global South. Characterized by low-income levels, sizable populations, and enduring marginalization, this grouping holds immense potential yet faces unique challenges specifically regarding responsible education standards in the region's business schools. Professor Jako Volschenk and his fellow researchers delve into how the business schools of the Global South respond to and implement responsible management education in the recent research paper *Are business schools from the Global South walking their talk?*

Indeed, it has been over a decade since the United Nations launched the Principles for Responsible Management Education (PRME). Professor Volschenk believes that it is time to review what has happened in response to those calls. Moreover, to date, there has been no study focused on measuring the scope of this implementation within business schools across Latin America, Africa, and Asia. Drawing data from 179 faculty and senior managers of these business schools, the study aims to understand the drivers, responses, and outcomes of RME adoption filling, thus a critical gap in existing research.

EDUCATING FOR A SUSTAINABLE FUTURE

To understand the responses of the Global South, we must first understand the importance of this issue. Additionally, why business schools have recently been targeted to go beyond technical education and move towards internalizing responsible practices throughout the schools.

Following the financial crisis in 2008-2009, many business schools were accused of fostering a focus on growth and profit, "seen by many as the root of the financial crash", says Prof. Volschenk. Moreover, many have realized that the process of decision-making throughout companies and societies that rendered problematic situations, was not orchestrated by ignorant people. "Rather those decisions were the result of work by people with BAs, BSCs, LLBs, MBAs, and PhDs," he states. The call for RME advises schools to implement courses as well as internalize these practices to foster a more responsible and sustainable learning environment.

THE PRESSURES OF PRESTIGE AND CULTURE

In recent years, the concerns mentioned above have increased pressure on business schools around the world to commit to sustainability. However, this study finds that the amount and form of pressure are different depending on the region in the world or a school's level of prestige. The pressure comes from immediate stakeholders, such as students, faculty, and companies, in addition to external stakeholders, such as governments and society as a whole.

Contrary to what past studies indicate, the prestigious business schools with a stronger global influence perceived more pressure from these external stakeholders due to expectations of legitimacy. On the other hand, the less prestigious institutions felt more pressure from their direct stakeholders whose viewpoints they cannot afford to ignore. However, when it came to internalizing RME, low-prestige schools went further than their counterparts. This could be due to the need for differentiation in a highly saturated MBA market. Prestigious schools were found to internalize RME *"only to the extent that those actions are easy to decode by external stakeholders"*.

Moreover, there exists a relationship between the amount of pressure and the specific region, due to their unique cultures. For example, Asian respondents reported moderate pressure from society and the lowest pressure from students and companies compared to the regions of Latin America and Africa. This is due in part to Asian nations measuring high in power distance. In other words, the Asian management culture is highly structured and accepts the inequality in power differences. This aspect of power distance is found to be deeply rooted in Asian values and tradition so the awareness and stress on RME remains low.

ACTIVE LEARNING IN RME

We must also consider how RME is implemented in the curriculum. One of the most influential forms of education when aiming to increase sustainability is active learning. This approach focuses on how students learn, not just *what* they learn, and as such takes a more engaging approach to learning.

For instance, in Latin America there is a consistent trend toward integrating greater RME content, which aligns closely with the anticipated correlation between heightened RME and a stronger emphasis on active learning, as evidenced in existing studies. However, the study does not show a consistent pattern between RME internalization and the use of active learning, suggesting that internalization goes beyond active learning. Indeed, internalization covers all aspects of a school: its core values, structure of its departments, goals for future endeavors, and learning environments to name but a few. Active learning is just one step in the right direction.

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THE LONG ROAD AHEAD

Previous researchers and authors have stressed the need for changes in managerial education, advising schools to go beyond surface level. Prof. Volschenk and his colleagues have reacted to this call. Their research gives a voice to the realities of the schools in The Global South but admits that these schools have a long road ahead – especially the most prestigious among them.

As we confront the challenges of sustainability and ethical leadership, such research serves as a beacon of awareness and accountability. Through it, business schools around the world are advised to understand the pressures and concerns regarding the implementation of sustainable practices in these institutions and strive to engrain these values into the focus of every operation. ///

KEY TAKEAWAYS

☑ **1. The Urgency of Responsible Management Education (RME) in the Global South:** Prof. Jako Volschenk's study underscores the critical need for sustainable practices in business education within the Global South, emphasizing the importance of aligning academic curricula with principles of responsible management.

☑ **2. Assessment of PRME Implementation:** The research provides a comprehensive assessment of the implementation of the Principles for Responsible Management Education (PRME) within business schools across Latin America, Africa, and Asia, filling a crucial gap in existing literature and offering insights into the drivers and outcomes of RME adoption.

☑ **3. Pressures and Challenges Faced:** Diverse pressures are faced by business schools, ranging from stakeholder expectations to cultural influences, and sheds light on how these pressures differ based on regional contexts and institutional prestige.

☑ **4. Internalization of RME Beyond Active Learning:** While active learning emerges as a promising tool for instilling sustainability principles, the study suggests that true internalization of RME requires deeper structural changes within institutions, transcending educational approaches to encompass broader organizational values and goals.

☑ **5.The Path Forward:** Despite progress, the research acknowledges the long road ahead, particularly for prestigious business schools, in fully integrating sustainable practices. It serves as a call to action for institutions worldwide to prioritize sustainability and ethical leadership in their educational missions.

> "If companies carefully assess their environmental impact, at the same time, they can reduce costs."

Most optimization studies focus only on diminishing the cost of distributing merchandise – at a price to the environment. But new research by Prof. **Claudia Archetti, ESSEC Business School,** turns the perspective around to propose a solution that both optimizes delivery and diminishes C02 emissions. From an interview with Prof. **Adrian Zicari.**

Related research: A new formulation and a branch-and-cut algorithm for the set orienteering problem, Archetti Claudia, Cerulli Raffaele, Carrabs Francesco, Laureana Federica, European Journal of Operational Research, Elsevier.

DISTRIBUTION AND SUPPLY CHAINS: MAKING THEM GREENER WHILE MORE EFFECTIVE

The standard objective of companies that deal with logistic operations are related to distribution and environmental management. Typically, the objective is minimization of the cost. Moreover, in terms of cost of distribution, this is typically translated in minimizing the distance that the distribution vehicles have to travel to distribute the goods to the customers in the distribution or supply chain.

Prof. Archetti and her fellow researchers tried a different approach, attempting to evaluate environmental impact in terms of the distribution plan and vehicle emissions during the distribution of goods. What they noticed was that, typically, vehicles consume more fuel when they have a higher load.

CHANGING THE DISTRIBUTION PERSPECTIVE

This is true for trucks, but even for cars, and, moreover, for any kind of vehicle. If the vehicle is heavier, so it has a higher load, and it consumes more fuel. And this means it pollutes more. The researchers goal was therefore to take that into account when optimizing the distribution from the perspective of minimizing the fuel consumption. This way, Prof. Archetti et al changed the objective from minimizing the distance as representing the cost to minimizing the pollution, which is related not only to the distance traveled, but also to the load that is on the vehicle.

"This means that by changing the perspective, we can observe that this completely changes the structure of the distribution plan that you obtain at the end," states Prof. Archetti. "As such, when you try to find the best way for distributing your goods while minimizing pollution, what you will do is try to travel with light vehicles, and so with a lower load."

"For example," she continues, "if a certain customer requires a high quantity of goods, you have to deliver that quantity to the customer. And if the quantity is high, you will try to serve the customer as soon as you can from the moment the vehicle departs from its starting point. In this way, you reach the customer quickly and you get rid of the high quantity quickly and the vehicle becomes lighter and you pollute less. We observed exactly that in our research paper. If you change the perspective, you have a change in the distribution plans that might help reduce pollution."

TENSION BETWEEN COST AND ENVIRONMENT

In practice, companies are still mainly driven by cost objectives more than environment. In this kind of logistic or distribution problems, Prof. Archetti et al observed that companies tend to measure the cost of distribution in terms of distance only. "However, what we wanted in our research was take into account the environmental issue instead," she asserts.

"We said, okay, environmental impact – we measure it in terms of pollution, and pollution is measured in terms of fuel consumption, and fuel consumption is related to both distance and load of the vehicles. If you change this perspective, you change the distribution plan, but at the same time, fuel consumption is indeed what drives the cost of the distribution."

The results of the research show that the companies should change their measure of the distribution cost by not considering simply the distance, but the distance and the load at the same time because if you reduce the fuel consumption, not only you reduce pollution, but you reduce the cost as well.

The aim is to show that if companies carefully assess their environmental impact, at the same time, they can reduce costs. In a nutshell, a win-win situation that is both better for companies and better for the environment. ///
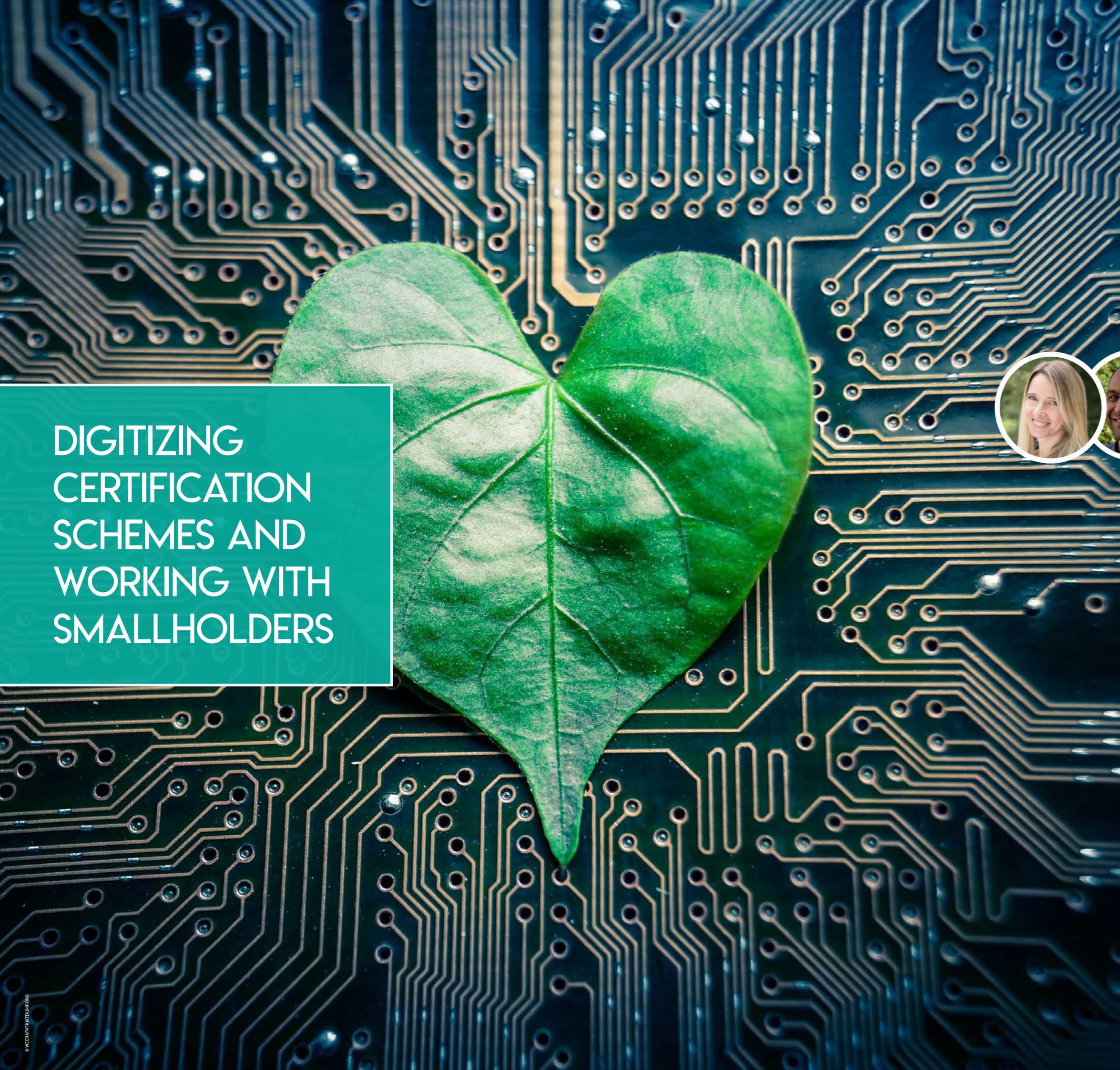
DIGITIZING CERTIFICATION SCHEMES AND WORKING WITH SMALLHOLDERS

> **When a certification scheme is co-designed with targeted stakeholders in mind, it can be very beneficial.**

Ksapa's **Christèle Delbé,** Director Supply Chain Solutions, and **Hatim Issoufaly,** Programs Director Agronomy and Development, explore the use of certification programs with smallholders and how tech can help overcome the challenges.

Certification schemes set and monitor voluntary standards pertaining to specific environmental, social or economic goals (ex: to make agricultural production more sustainable and eco-friendly). For the purpose of this article, certification schemes refer to certification schemes broadly as a concept, as there is considerable discrepancy based on the certification type, the commodity under consideration and so on and so forth.

THE PROS AND CONS FOR CERTIFYING A PRODUCT FROM THE PERSPECTIVE OF PRODUCERS, BUSINESS AND CONSUMERS

"The main reason for certification is to garner interest from consumers," states Hatim Issoufaly. Certifications differentiate a product from other products in the same category, making the said product distinct either in the way it has been produced – for example, eco-friendly produced, sustainable practices, etc. – the geographical region it comes from – Basmati rice from India, for example – or in who it caters to – targeting consumers who want to buy fair trade coffee, for example.

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THE MAIN BENEFITS OF CERTIFYING A PRODUCT ARE:

• For producers/farmers – Certification schemes enable farmers to invest (time and money) in improving the overall quality standards of their products; it is a continuous process to improve their practices and standards.

• For businesses – A company can increase its market share by attracting new consumers, thereby creating a distinct category of products aiming to cater to a new category of consumers. Subsequently, when market share become stable, it enables the business to secure a qualitative portion of their sourcing. Certification also allows businesses to charge higher prices for their products and ask for a premium.

• For consumers – increased traceability (produced where / by whom) and visibility (which method or concept) of the product they are buying.

For the broader supply chain, certification can help protect suppliers from market volatility as it acts as a buffer on price… although this depends on the commodity under consideration. Certification, likewise, distinguishes a product from counterfeit products, by lending greater control over the production process. This in turn helps increase trust, and thus loyalty, from consumers. As a result, certification programs can be considered a win-win strategy for the whole supply chain, from the producer up to the consumer.

However, a key drawback of certification programs lies in their cost. There are several commodities, such as cocoa, for which the cost of certification is borne by the industry. However, for others – like coffee and palm oil – the cost is largely borne by the farmer. This constitutes a huge barrier, limiting access to certification programs and their benefits to vulnerable farmers.

"Voluntary sustainability standards (VSS) are a type of certification scheme which can help smallholders improve practices," adds Ksapa's Christèle Delbé. VSS are norms and standards designed to ensure that a product is produced, processed or transported sustainably in order to contribute to specific environmental, social and economic targets. The benefits of Voluntary Sustainability Standards (VSS) vary greatly from one commodity to another, and from one certification scheme to another.

Producers may benefit if the training necessary to achieve certification enables them to increase yield and quality. That may translate into higher income. Certain recommended practices may also lead to reduced costs.

VSS may also enable buyers at the country level to differentiate themselves in the market and may command a higher premium. That, however, really depends on the commodity. In some cases, certification is a condition of trade rather than a guarantee of premium.

Consumers benefit from a certain level of reassurance with regards to the social and environmental impact of their purchase. However, the proliferation of standards has resulted in confusing consumers and achieving differentiation is increasingly difficult.

WHY CAN CERTIFICATION SCHEMES BE HELPFUL FOR SMALLHOLDERS TO IMPROVE PRACTICES?

Generally, obtaining a certification implies that the farmer has followed good agricultural practices (GAP). "These usually involve recognized standards and processes to deliver a product," asserts Hatim Issoufaly. With that in mind, certification schemes can be helpful for smallholders to improve practices since they enable them to learn, often for the first time, about good practices, industry quality requirements, and market trends.

Certification processes also help compensate for the lack of training and access to resources for smallholder farmers such as storage facilities and efficient tools to name but two. However, some certifications – such as international certifications and standards – can have constrains and are challenging to adapt to the local contexts of smallholders.

"VSS schemes provide a useful framework to help address practices which have an adverse social or environmental effect," adds Christèle Delbé. "For example, a standard may ban the use of certain chemicals which may still be allowed at a country level or mandate the use of PPE in the field for certain activities.

However, standards in isolation may not be sufficient to help smallholders change practices. To go back to my earlier example, they will most certainly need to replace the banned pesticide with another practice to protect their crop. Is the smallholder informed of alternative practices or products? Is there a cost implication? Similarly, the use of PPE may be heavily influenced by the ability to invest in such equipment."

THE LOW UPTAKE OF CERTIFICATION SCHEMES BY SMALLHOLDERS: THE CHALLENGES

"To a certain extent," asserts Issoufaly, "it all comes down to the cost and the complex nature of the administrative work involved." Particularly when the certification programs are not adaptable to the local context, the buyer often needs to actively support the farmer throughout the administrative process: setting up a certification unit is common in companies trading commodities with specific processing stages that increase the final added value (coffee, cocoa, nuts…). As a matter of fact, such schemes may not offer direct benefits to the farmer, such as increased yield or quality in a way that can be recognized by purchasers. For instance, this is relevant in the case of environmental standards. As a result, they may not offer enough incentive for farmers. Another reason lies in the farmers' reluctance to formalize their operations through a clear deed/tenure, owing to tax purposes.

However, when a certification scheme is co-designed with targeted stakeholders in mind, it can be very beneficial. As an example, Hatim Issoufaly has supported vanilla growers in La Réunion to obtain the European Commission label 'Indication Géographique Protégée' (IGP, Protected Geographical
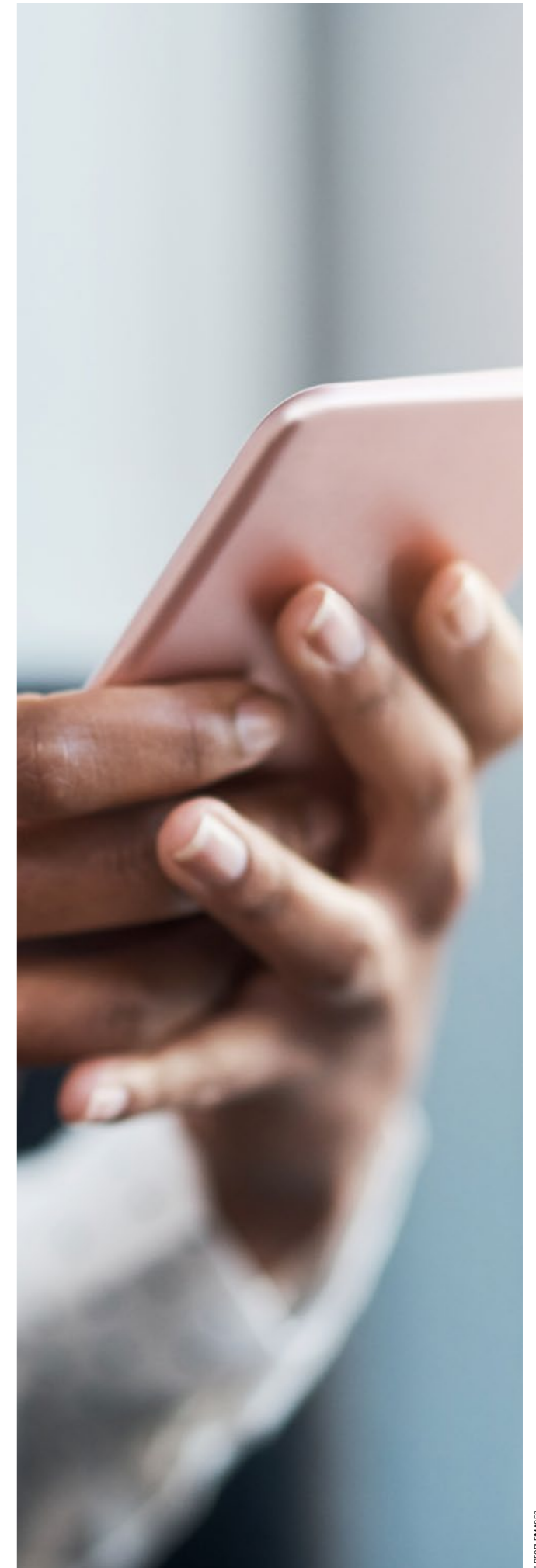
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Indication) under the denomination "Vanille de l'Ile de la Réunion'. This process, involving independent farmers, cooperative members, and processors, was a 5-year administrative process to:

• Document the on-going traditional practices from production up to processing (curing) of the vanilla beans.

• Make note of the specifications and gather proof that vanilla has been cultivating in a delineated area for more than a century on the island.

• Submit the files to the French Institute in-charge of facilitating the process to EC (INAO) and subsequent follow-ups.

• Set up an internal and external control and monitoring system with a registered certifying body.

All these steps were facilitated and funded by District authorities under the frame of a local-product valorization policy. Currently, less than 100 operators are under the IGP Vanille de l'île de la Réunion, and have received a significant premium from the European Commission.

The main outcomes of this certification are increased traceability and visibility of the local vanilla supply chain stakeholders to consumers. Indeed, Vanilla sold under the label IGP 'Vanille de l'île de la Réunion' is not suffering anymore from unfair competition from vanilla coming from the rest of the Indian Ocean (usually sold under the catch-all 'Bourbon' appellation).

According to Christèle Delbé, changing practices to align with VSS requires an investment in time from smallholders. "They will very much expect to see some evidence of return on their investment," she says. Understandably, they will be asking 'what is in it for me?'. However, most VSS do not guarantee higher premiums and the smallholder may in fact not benefit financially. Depending on market conditions, the crop may command a premium but for some commodities, this is often not the case. VSS is, for some commodities, used by buyers as a condition of trade and they may not reward those who invest in aligning their practices with their chosen standard.

Another challenge faced by smallholders is related to their ability to access the training needed to achieve certification level. The training offered by the business they supply may be sporadic or non-existent due to insufficient resources to dispense the training to a large smallholder base. Illiteracy levels may also be a challenge.

HOW CAN TECHNOLOGY HELP OVERCOME THESE CHALLENGES?

Technology can be a good lever to help overcome these challenges. "For instance," says Hatim Issoufaly, "with Ksapa's Scale Up, Training, Traceability and Impact initiative (SUTTI) – we offer large-scale hybrid training and capacity-building programs. It enables farmers to learn new practices to comply with certification requirements, and reduces administrative burdens such as constrains related to measuring their plots, personal data collection etc.

Indeed, everything can be done through the low-tech application, with the help of the field officer to systemize the process. All the data is stored in an online database and is easily accessible for farmers. From the producer to the consumer, the mobile application can also help increase traceability which is key to certain certification schemes. Technology can also leverage tools like farmer profiles and GPS and help reach the last mile."

New opportunities usually occur when technology becomes widely accessible. Says Christèle Delbé, "this is for example the case with mobile technology. Access to a mobile may for example offer the opportunity of access to weather information or crop market prices. Buyers may also introduce applications which enable access to training to complement existing in-person training that may be insufficient. Moreover, mobile applications can also be used to capture farm data in order to track the profitability of a farm or work towards certification." ///

KEY TAKEAWAYS

☐ Certification schemes set and monitor voluntary standards pertaining to specific environmental, social or economic goals (ex: to make agricultural production more sustainable and eco-friendly).

☐ Benefits of certification are: it enables farmers to invest in improving the overall quality standards of their products; it can increase its market share by attracting new consumers, charge a higher price; it increases traceability and visibility; and it distinguishes a product from counterfeit products

☐ But a key drawback of certification programs lies in their cost. This constitutes a huge barrier, limiting access to certification programs and their benefits to vulnerable farmers.

☐ Voluntary sustainability standards (VSS) are a type of certification scheme that help smallholders improve practices and provide a useful framework to help address practices which have an adverse social or environmental effect.

☐ Challenges: Certification may not offer enough incentive for farmers. Another challenge is farmers' reluctance to formalize their operations through a clear deed/tenure, owing to tax purposes. But, when a certification scheme is co-designed with targeted stakeholders in mind, it can be very beneficial.

☐ Technology can be a good lever to help overcome these challenges. Low-tech applications can be used with the help of the field officer to systemize the process. All the data is stored in an online database and is easily accessible for farmers.

☐ From the producer to the consumer, the mobile application can also help increase traceability, access to weather forecasts, crop market prices, and capture farm data in order to track the profitability of a farm or work towards certification.

> **Reducing violence and ensuring full and equal rights of women and men, both in the law and practice, is transformational**

Brian Kaitano, Maseno University alumnus and young voice on Kenyan society, covers the issue of gender-based violence in the country. Can the rise in femicide in Kenya be explained? Can it be erased? And how unity can help in tackling the violence?

VICTIM-BLAMING ISN'T THE SOLUTION TO THE ALARMING RISE IN FEMICIDE CASES IN KENYA

The United Nations defines femicide as intentional killing of women and girls with a gender-related motivation that may be driven by stereotyped gender roles, discrimination towards woman and girls, unequal power relations between women and men, or harmful social norms.

According to UN Women, data from 2022 showed that Africa recorded the highest number of female intimate partner and family related killings with an estimated 20,000 victims. This was followed by 18, 400 in Asia, 7,900 in the Americas, 2,300 in Europe and 200 in Oceania.

Moreover, a report titled "Homicide Country Data" released in 2022 by the UN Office on Drugs and Crime (UNODC) states that over the past decade, the overall number of female homicide has remained unchanged, underscoring the urgency to prevent and respond to the scourge with stronger actions. Data obtained from the Kenya National Bureau of Statistics estimates that 40% of Kenyan women aged 15-49 years old experience domestic violence at least once in their lifetimes, and that 1 in 4 will have experienced domestic violence in the last 12 months.

Indeed, there has been an alarming rise in femicide cases from 111 in 2019 to 152 in 2023, with 5 reported cases as of January 2024 as reported by Counting Dead Women, Kenya. Though the numbers may be higher than the reported ones, this year`s deaths are reminiscent of the shocking murders of two elite athletes in October 2021 and April 2022. Behind every femicide statistic is the story of an individual woman or girl who has been failed.

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Kenya has a long history when it comes to violence against women and girls. Recent media reports about gruesome murders of women in cold blood mostly characterized by amputations have led people to victim-blame to justify their deaths.

Moreover, victim-blaming on social media adds to distress, reflecting the reluctance to challenge comforting worldviews. Research suggests that these people victim-blame because they struggle to reject their comforting worldviews that good will be rewarded and evil punished. Conversations on social media about the deaths of these women show how as a society we are quick to judge and then blame the victims.

As a result, there is very little public pressure to support the victims or prosecute the perpetrators. Parents and families go through untold emotional and psychological torture associated with the sudden loss of their loved ones. They grieve to seek justice, but society forgets and moves on. It has caused complacency in our society and our world.

WHY IS FEMICIDE ON THE RISE IN KENYA?

Under the UN Sustainable Development Goals (SDGs) all countries, including Kenya, committed to end all forms of gender-based violence by 2030. As such, Kenya like many African countries has adopted treaties that address gender-based violence, including the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the African Charter on Human and Peoples` Rights.

National laws such as the Sexual Offences Act also criminalize violence against women and girls. In addition, the Kenyan police have a specialized gender desk. However,

activists say that that the government's policies are scarcely effective. They claim that there are no government sponsored national campaigns addressing gender-based violence or its consequences. That the justice system remains sluggish and ineffective in prosecuting the perpetrators, and that corruption continues to cause gaps in the implementation of these ambitious laws.

There is also a deep "misogynistic" culture that sees women as objects to be "owned" and that focuses on shaming them for being victims, rather than pinpointing their male perpetrators. In conclusion, patriarchal ideas compelled with the structural inequalities between men and women in Kenyan society leaves a breeding ground for violence to take place.

ARE MEN FAILING IN CONDEMNING FEMICIDE IN KENYA?

Very few men in Kenya are openly coming out to speak out against femicide. There seems to be a huge disparity in the male versus female attitudes towards gender-based violence in general and it might take a long time to shed toxic masculinity from Kenyan society. The patriarchal mindset affects men so much that they hardly realize how much it affects them for them to think that the fight against femicide is not their fight. This needs to change.

Men would be wise to speak up against this violence, without forgetting that in their silence, they maybe actually complicit in creating a world full of inequality, hate and violation of the basic human rights of their daughters, sisters, cousins, friends, aunties and mothers. It is time to unite. Only together we can speed up the progress on gender equality and women`s empowerment in Kenya and beyond.

HOW TO ADDRESS FEMICIDE IN KENYA

Addressing femicide requires a coordinated and multi-sectoral approach that involves all sections of society. These approaches are all needed, and are all important. Something has to shift in order to protect women and girls from this violence, and measures could include:

• The National Police Service taking increased responsibility and steps towards effectively investigating all alleged incidents of violence against women and girls; conducting all investigations in a manner that respects the rights and needs of each woman without needlessly adding to the existing burden experienced by the victim; and taking action to support and protect all victims of femicide and gender-based violence.

• The State Department of Gender establishing a femicide watch and/or observatory to recommend preventive measures and collect data on femicide.

• Encouraging the National Police Service, the Office of the Director of Public Prosecution and the Judiciary to fulfill their due diligence obligations ensuring justice for the victims and deterring potential offences.

• Lastly, sensitizing men, boys and community leaders on the rights of women through community mobilization activities by community health volunteers, women groups and civil society organizations. Women and girls on the other hand could also be educated on their right to be free of violence and shown where, and how, to seek services if it does happen.

Violence against women and girls is a fundamental violation of human rights with far-reaching negative consequences on development. On the other hand, reducing violence and ensuring full and equal rights of women and men, both in the law and practice, is transformational: it can improve economic productivity and educational attainment and reduces risks of mental illness and substance abuse in Kenya. It can also help accelerate achieving the multiple SDGs. Only together will we build a future free of injustice, discrimination and violence. ///

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KEY TAKEAWAYS

❑ UN Women data from 2022 showed that Africa recorded the highest number of female intimate partner and family related killings with an estimated 20,000 victims.

❑ Data obtained from the Kenya National Bureau of Statistics estimates that 40% of Kenyan women aged 15-49 years old experience domestic violence at least once in their lifetimes, and that 1 in 4 will have experienced domestic violence in the last 12 months.

❑ Media reports have led people to victim-blame to justify their deaths. Research suggests that these people victim-blame because they struggle to reject their comforting worldviews that good will be rewarded and evil punished.

❑ As a result, there is very little public pressure to support the victims or prosecute the perpetrators.

❑ Despite the Sexual Offences Act, the government has been criticized for lack of government sponsored national campaigns, sluggishness and ineffectiveness in prosecuting the perpetrators. Corruption also continues to cause gaps in the implementation of ambitious laws.

❑ Patriarchal ideas compelled with the structural inequalities between men and women in Kenyan society leaves a breeding ground for violence to take place.

❑ Possible ways forward are: The National Police Service taking increased responsibility and steps towards effectively investigating all alleged incidents of violence against women and girls; The State Department of Gender establishing a femicide watch and/or observatory; Encouraging the National Police Service, the Office of the Director of Public Prosecution and the Judiciary to fulfill their due diligence obligations; sensitizing men, boys and community leaders on the rights of women through community mobilization activities by community health volunteers, women groups and civil society organizations; educating women and girls on their right to be free of violence and shown where, and how, to seek services if it does happen.

"

The central proposal of the circular economy is the elimination of waste through the creation of cyclical flows of resources

How can innovation support sustainable development in businesses? Prof. **Susana Pereira, FGV-EAESP,** together with researchers **Simone Sehnem, Tais Provensi,** and **Tiago Hilário Hennemann da Silva,** investigate the Brazilian startup ecosystem to find out.

Related research: *Disruptive innovation and circularity in start-ups: A path to sustainable development,* Simone Sehnem, Tais Provensi, Tiago Hilário Hennemann da Silva, Susana Carla Farias Pereira, *[Business Strategy and the Environment].*

DISRUPTIVE INNOVATION FOR THE CIRCULAR ECONOMY: THE EXAMPLE OF BRAZILIAN START-UPS

While the Brazilian government has stepped up measures to support innovation and sustainable entrepreneurship, no study has yet examined how innovation and the circularity of resources have been incorporated into the sustainable business models used by the start-ups. As such, Prof. Susan Pereira of FGV-EAESP and her fellow researchers decided to investigate the subject by asking: How is disruptive innovation used to enable the circularity of resources in the business models of Brazilian start-ups?

WHEN PROFIT MEETS POSITIVE IMPACT

To explore the gap between innovation and circularity, Prof. Pereira et al. ran 50 interviews with start-up owners and managers, as well as accessing the database of 6,000 created companies registered with the Brazilian Start-ups Association.

Especially necessary in two respects, the research question enriches the existing studies by revealing how far along these start-ups are in adopting sustainable practices. Second, it confirms a new reality: businesses can simultaneously achieve economic success while championing environmental

preservation and human development, supporting the United Nations' 12th Sustainable Development Goal – Responsible Consumption and Production. How so, exactly? Let's first dive into the intertwined concepts of innovation and circularity.

INNOVATION AS THE CORNERSTONE OF CIRCULARITY

You may already be familiar with Christensen's definition of disruptive innovation. This is characterized by the introduction of new products or services that are simpler than those already on the market, and which, as they gain in popularity, come to supplant these existing products and services. Prof. Pereira and her colleagues add that innovation is linked to the notions of efficiency, process, and improvement. These same concepts underline the idea of circularity.

The researchers therefore argue that disruptive innovation is at the root of circularity. To characterize the startups they studied, they defined disruptive innovation at several levels: at the internet level, big data, cloud computing, at the sharing level, process redesign, peer-to-peer and at the business model level.

CIRCULARITY RHYMES WITH CYCLICITY

Disruptive innovation may be at the root of circularity, but what does the latter precisely encompass? "The central proposal of the circular economy is the elimination of waste through the creation of cyclical flows of resources" evoke the researchers, quoting Weber. And indeed, this calls for innovation in start-ups' business models.

Having determined, as we saw above, a categorization of innovation, the researchers combined the insights of different scholars to also characterize business models (regenerate, share, optimize, cycle, virtualize, or exchange) and circular business practices (circular supply, waste as a resource, second life or sharing platforms). As they went through their interviews with startup owners, the researchers classified their businesses according to their business models, disruptive innovations, and circular practices.

INNOVATION AND SUSTAINABILITY: THE SIGNATURE OF NEW BUSINESSES

Through their study, the researchers discovered that the start-ups adopted business models that quickly and efficiently internalized disruptive innovations. The respondents directly associated them with cost reductions, increased productivity as well as reduced water and energy consumption.

However, Prof. Pereira and her colleagues observed varying trends of adoption of sustainable business models, circular business practices and disruptive innovations within the start-ups they studied. To reach full adoption of sustainable practices, they offer startups several recommendations including making a better use of technology and dematerialization, focusing on efficiency and partnerships, and transitioning to better energy mixes.

FROM RESEARCH INSIGHTS TO POSITIVE ACTION

The research findings hold significant implications for fostering sustainable development through strategic business approaches. Key considerations include repositioning business models to extract and retain value from supply chain resource flows, leveraging innovation for circular economy acceleration, creating new markets via disruptive innovations, fostering integrated practices with stakeholders, and recognizing technology as a catalyst for circular practices.

The study also draws lessons regarding innovation, entrepreneurship, and circularity to highlight key areas of focus for action: "People", emphasizing their strategic role; "Innovation", highlighting a firm's need for creativity and disruption; "Technology", emphasizing business model and infrastructure compatibility; and "Regulation", underscoring policy's role in supporting circular supply chain ideas pursued by businesses.

All in all, evidence points to startups in Brazil not only being aware of the stakes and need to go green, but including innovation and circularity into their business operations right from the word go. Such action is positive – and a mark of young creators' commitment as they innovate towards a more sustainable, responsible future of business. ///

KEY TAKEAWAYS

- ☐ Innovation and disruptive innovation are at the roots of circular business practices
- ☐ The circular economy is about eliminating waste through the creation of cyclical flows of resources
- ☐ The Brazilian start-up ecosystem quickly and efficiently internalizes disruptive innovations as ways to pursue sustainability and efficiency goals while saving money
- ☐ Circularity in entrepreneurship can be fostered through people, innovation, technology, and regulation.

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> ❝
> **Complex new business realities require ambidexterity if competing needs are to be satisfied simultaneously and dynamically.**

Prof **Qinqin Zheng** of **School of Management Fudan University** and Prof **Yadong Luo** of University of Miami analyse the differences between Western and Eastern management philosophies to propose a solution to manage complexity in the post-modern era.

By CoBS Editor Afifeh Fakori, from the paper "Competing in complex cross-cultural world: Philosophical insights from Yin-Yang" by Yadong Luo, Qinqin Zheng, Cross Cultural & Strategic Management, Vol. 23 Issue: 2, pp. 386-392.

YIN-YANG BALANCING BETWEEN THE EAST AND THE WEST

Although the acronym VUCA (Volatile, Uncertain, Complex and Ambiguous) was first coined in 1987, the concept of a 'VUCA World' has probably never been more relevant. How should managers operate in a VUCA world that is also more interconnected than ever before? Well, for the past five decades, Western management philosophies have prevailed. But as articulated by Prof Peter Ping Li of Copenhagen Business School, it might be time to finally pay attention to Eastern perspectives which have been in existence for much longer, and yet, have failed to quite make it into the limelight... until now, at least. Confucianism, Taoism and Legalism have been in existence for about 2,500 years now, and in his paper on Yin-Yang balancing, Professor Li asserts that Eastern philosophies may be better suited to handle some of the complexities of today.
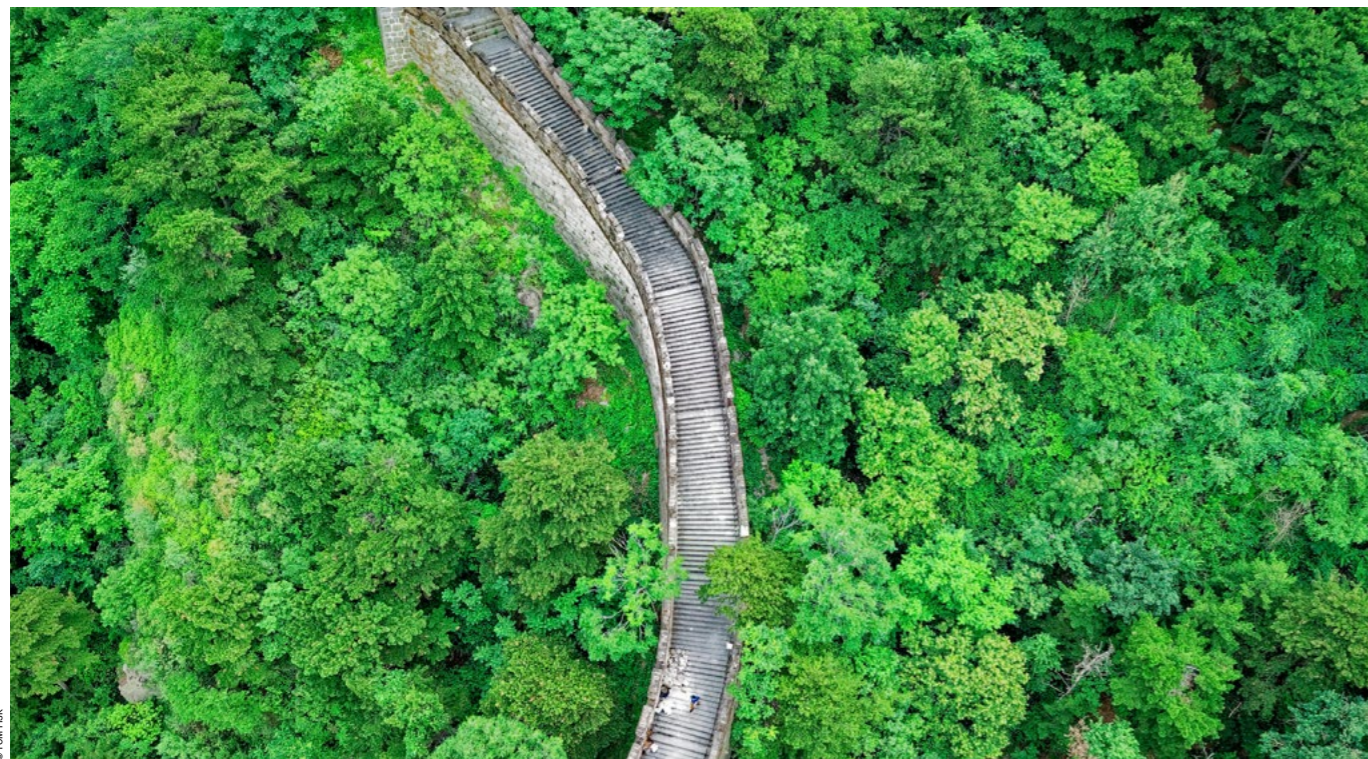
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THE YIN TO YOUR YANG

The Yin-Yang philosophy is one of the central notions of Taoism which teaches us how to act in accordance with nature. "Tao" refers to a natural course, which is spontaneous, eternal and indescribable. It manifests itself through several natural principles, one of which is the Yin-Yang duality. This duality concerns complementary opposites and asserts that there is no life without death, no good without evil, and no day without night. The ubiquitous symbol of Yin-Yang – the white swirl with a black dot and the black swirl with a white dot – embodies the philosophy that coexistence and unity of opposites are necessary to form a meaningful whole.

Today's corporate world is brimming with seemingly contradictory needs – efficiency and flexibility, competition and cooperation, stability and adaptation, exploitation and exploration, global and local, market-based and relationship-based strategies, and long-term and short-term. Such complex new business realities require ambidexterity if competing needs are to be satisfied simultaneously and dynamically. The wisdom of Yin-Yang balancing is an important guide to understanding these paradoxes and tensions. It treats two opposite elements of any paradox as partial trade-off as well as partial synergy within a spectrum of holistic balancing.

This approach can accomplish a multitude of conflictual and competing goals not just in the East but also in the more developed Western world. For instance, the Danish toy-maker Lego has already adopted eleven paradoxical principles similar to the practices in China. Lego's paradoxical principles include "to build a close relationship with one's staff... and to keep a suitable distance" and "to lead... and to hold oneself in the background." The Chinese practices include "maintaining both distance and closeness" and "treating subordinates uniformly while allowing individualization."

WHEN WEST MEETS EAST

Eastern and Western philosophies are based on very different assumptions. For instance, 'ambiguity' has a rather negative connotation in the Western culture whereas the Chinese embrace ambiguity as not only inevitable but also desirable. Then there is also the fact that the concept of Yin and Yang appreciates "what is" whereas the Western style focuses more on "what ought to be." This means that the West can often come across as more self-centred and aggressive towards the "external world."

Aristotle's "either/or" logic has a very strong hold on Western style of management, triggering Westerners to avoid and deny paradox with an absolute separation of mental opposites. As a result, they have a hard time reconciling intuition with analysis. They are content to sacrifice one of the two, the one often being intuition. It is true that this conscious endeavour to substitute complexity and uncertainty with simplicity and certainty, has resulted in the dramatic advances in modern sciences in the West. The Eastern approach may have failed to lead to the modern sciences, but right now it appears to be compatible with the post-modern era where business and environment must work together in pursuit of the dual goal of short-term returns and long-term growth. Business relationships with external stakeholders such as suppliers, competitors and the government are increasingly more collaborative and competitive today, and this necessitates the ambidextrous balancing between the two.

The Eastern approach is more ambidextrous in the sense that it follows a "either/and" duality, with the "either" indicating the existence of tension and trade-off, and the "and" signifying harmony, synergy and complementarity. The modern notion of "blue ocean strategy" is consistent with Yin-Yang balancing since it aims to strike a fine balance between high value and low cost, rather than pursuing the "either/or" approach. In fact, the blue ocean strategy highlights the power of Yin-Yang balancing by postulating that the best competition is no competition!

But at this point it would be unfair not to note that there are also some Western management theories, such as organisational ambidexterity, loose coupling, collaborative competitive advantage and co-opetition, which share some core values of Yin-Yang balancing. But such sharing has not been articulated explicitly yet.

HOW MUCH TENSION IS HEALTHY?

Disagreements and conflicts are quite necessary in the early stages of organisational development. But it is also critical to ensure that paradox management leads to synergistic gains instead of just endogenous trade-offs, which may sometimes result from Ying-Yang integration. Opposing elements can find a unique fit only by sharing common objectives and emphasising on values added by the system as a whole. Since Yin-Yang balancing is more of a philosophy than a science, it is difficult to use a scientific approach to empirically verify it. But then again, one must also acknowledge that in the real business world, management is often an art rather than an exact science. As such, managerial philosophies such as Yin-Yang may be more relevant and valuable to managers than scientific hypotheses and propositions.

Opposite elements also need to be well-aligned in order to manage the right level of complementarity. For example, in business ethics we may be disturbed by legal standards that are not always consistent with ethical standards. In such cases, it is important to determine which threshold is more important to abide by for paradox management. Effective organisational practices, culture, leadership, routines and processes are required if we want to build healthy tension and achieve a good balance that leads to organisational effectiveness.

A FINAL WORD ON INTRODUCING CALM INTO CHAOS

Increased competition and interdependence in the business world will only cause more, and not less, paradoxes than before. Western and Eastern management philosophies have their respective strengths and weaknesses, and in isolation, neither one is adequate to manage all types of problems. Thus, the panacea lies in integrating Eastern and Western systems into a geocentric meta-system. The post-modern world characterised by global interconnectivity requires a combination of organic complexity and mechanistic simplicity and clarity.

Enlightened by Yin-Yang balancing, there is a great potential of co-evolution, convergence and co-reinforcement of different philosophies. But we still need further research to determine how micro-foundations such as teams, culture, human resources management, information sharing and inter-unit collaboration, can foster the execution of Yin-Yang balancing. ///

Photo by Ylanite

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KEY TAKEAWAYS

- ❑ Confucianism, Taoism and Legalism may be better suited to handle some of the business and management complexities of today.

- ❑ The Yin-Yang philosophy is one of the central notions of Taoism which teaches us how to act in accordance with nature and forwards the notion of duality.

- ❑ It treats two opposite elements of any paradox as partial trade-off as well as partial synergy within a spectrum of holistic balancing.

- ❑ Eastern and Western philosophies are based on very different assumptions: 'ambiguity' has a rather negative connotation in the Western culture, whereas the Chinese embrace ambiguity as not only inevitable but also desirable.

- ❑ The Eastern approach is more ambidextrous in the sense that it follows a "either/and" duality, with the "either" indicating the existence of tension and trade-off, and the "and" signifying harmony, synergy and complementarity.

- ❑ It is critical to ensure that paradox management leads to synergistic gains instead of just endogenous trade-offs.

- ❑ Increased competition and interdependence in the business world will only cause more, and not less, paradoxes than before. Western and Eastern management philosophies have their respective strengths and weaknesses and both can be used to address these.

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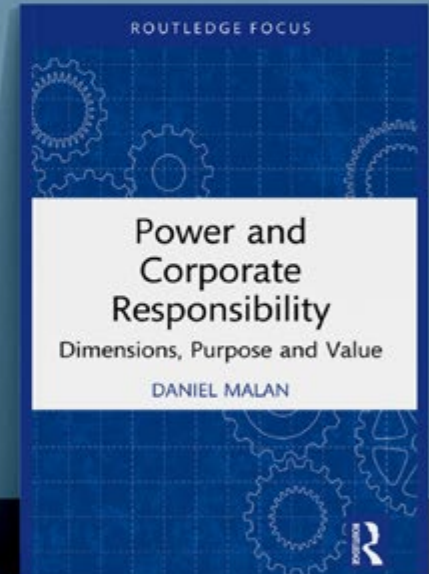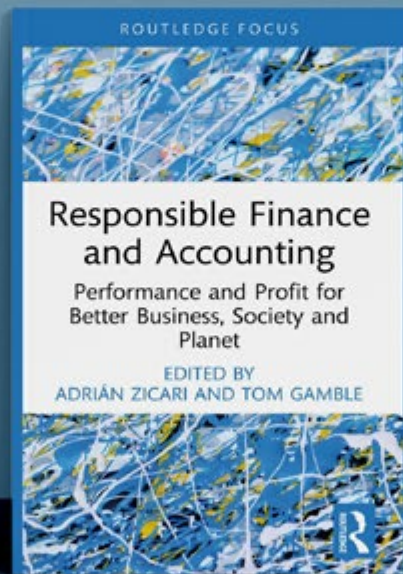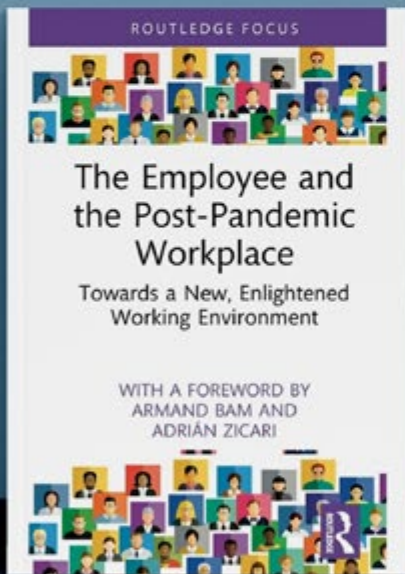Email: emba@fudan.edu.cn
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