

Business 9774 – Business Sustainability

Fall 2024

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Tuesdays 1:00 pm to 4:00 pm EST September 12 to October 12 (6 sessions, we will double-up one week) Room: 2120, Ivey Building If required: Zoom: https://ivey-uwo.zoom.us/my/TimaBansal

OVERVIEW AND OBJECTIVES

The economic paradigm has helped business to amass enormous wealth and alleviate poverty worldwide – a central ambition of sustainable development. However, generating this economic wealth has also inadvertently undermined other tenets of sustainable development by contributing to climate change, biodiversity loss, and economic inequality.

In this 6-session course, we discuss these inconsistencies. We will first cover the basics of sustainable development and then discuss the taken-for-granted assumptions of most business theories, including: for whom are profits generated? Can growth be sustained? What governs the macro-organizational context? We will conclude the course by discussing more contemporary forms of theorizing that cut across the social and natural sciences.

Whereas other business courses have a strong disciplinary focus, this course has implications across business disciplines (e.g. strategy, operations, finance) and bridges into non-business disciplines, including ecology, geography, and sociology. This theoretical plurality provides fertile ground to push intellectual boundaries.

This course should appeal to any scholar who wants to engage in cross-disciplinary dialogue. If you are looking for neat, methodical answers, this course is not for you. If you are interested in big ideas that sometimes leave you with more questions than answers, you will enjoy the course.

I have been studying sustainable development since the early 1990s, soon after the WCED coined the term 'sustainable development' in 1987, which is economic development that "meets the needs of today, without compromising the needs of tomorrow" (WCED, 1987). A conventional approach to economic development focuses on short-term growth; sustainable development asks that economic activities serve not just the present generation, but future generations by ensuring that natural resources not be compromised. This aspirational ideal has been embodied in the <u>Sustainable</u>



<u>Development Goals</u>. Although much of civil society has embraced these goals, businesses have been slow to adopt them.

Our objectives for this course include:

- 1) to understand the assumptions of much contemporary business theorizing
- 2) to understand the challenges to contemporary business theorizing by business sustainability scholars
- 3) to theorize different ways in which the gaps in contemporary business theorizing can be closed

There will be a lot of variance in the experiential and disciplinary foundations of students. Some students will be further along in their doctoral work at the business school, whereas others aren't even enrolled in a business program. This theoretical and experiential plurality is welcome and I have designed the course to benefit from diversity, as long as students engage deeply in the materials.

APPROACH

These 6 sessions cannot provide a complete understanding of business sustainability. Rather, it aims to sensitize you of inherent assumptions that are made in contemporary business theorizing. I will have achieved my objective if you start to see the world through a new lens, which can inform your own research. I hope that you will start to ask research questions that can inform your own theorizing and empirical work.

The boundaries surrounding this field are porous, given sustainability's broad disciplinary span. Sustainability can be seen within the boundaries of current management theorizing, or can be seen as challenging current management theorizing. I prefer taking the latter approach, using it to challenge my assumptions of business and management. It gets me to question not only the assumptions of existing theories, but the questions being asked. This course, then, while grounded in business strategy is relevant to students within any discipline – business or otherwise.

In keeping with this ambition, the class will be run in a 'salon' format. Initiated in the mid-1800s in revolutionary France, these social gatherings were intended to expand participants' knowledge through conversation. You will prepare the material prior to class, and within class, we will engage in debate and discussion. The direction of conversation won't be bilateral – from me to you – but multilateral with each other, as we all bring a unique and valued perspective. I will encourage active debate and thoughtful reflection. You need to feel comfortable drawing not only on the readings, but your own experiences. You are expected to come to class prepared to ensure not only that you learn, but you contribute to the learnings of others.



COURSE REQUIREMENTS / EVALUATION

Activity	Grade	Due Date	
Essays & Post-Class Reflections	40%	Every week	
Classroom Contributions	20%	Every week	
Final Exam	40%	ТВА	

The weekly preparation for this course is admittedly heavy, but the good news is that the content of this course is covered in the weekly preparations. There is no end-of-term essay, so the coursework takes place when the course is in session. Further, workload for this course is front-loaded. You won't be dipping in your toes into the content, but diving head first.

Essays

Each week requires that you submit an essay on a topic salient to the topic. Details of each essay is noted within the week's reading list. The essay should be emailed (<u>tbansal@ivey.ca</u>) to me by **Monday at 6 pm**. It should be labelled with 9774_<first name>, so it will be moved to a separate folder automatically. Please use Word (not pdf).

Post-class Reflections

By 9 am Wednesday morning, you will email to me your reflections on the class. It should be labelled 9774_<first name>. You can speak to your learnings and surprises from the readings or the class discussion, new connections you made, or any other interesting insights. This post-class reflection should be about 1-2 single-spaced pages.

Do not simply repeat back the discussion. Write down the ideas that stuck out, pushed your thinking, or even didn't make sense. Do not send to me your classroom notes. I'd rather have one paragraph of new ideas, than 2 pages that repeat the materials we covered.

Grade	Performance	# of students	
0	Did not submit on time	Emergencies happen. You cannot make up late	
		essays.	
1	Fair	Ideally, no one will receive this grade for an essay	
	Ideas are relatively simple		
	 Readings not leveraged or understood 		
	Typos and hard to follow		
2	Good	1-2 students/per essay	
	 Ideas show some novelty, but largely inside the box 		
	Has demonstrated comprehension of the readings		
	 Typos and weak grammar 		
3	Very good	Most students. Based on quality, not quantity. You	
	 Shows strong understanding of the business 	have elevated the conversation to a high level. You	
	• Novelty in some of the ideas	are inquisitive, thoughtful, analytical, insightful and	

The Essay and Post-class reflection will be given a grade based on the following rubric.

COURSE SYLLABUS



Draft: August 19, 2022

	Few or no typos	respectful. You have prepared well for class and
		listened carefully to the discussion.
4	Excellent	0-2 students will receive this grade per essay.
	 New ideas that demonstrate dee the topics and push the frontier 	p understanding of
	Goes beyond the readings	

Classroom Contribution

I do not grade classroom contribution, because it can create irregular behaviour. Instead, I want you to speak when you feel you have something relevant to say. The goal is to create a safe classroom environment in which students can speak their minds. There are several people auditing the course, so I want to ensure that the registered students appreciate the diverse points of view and do not fret about air time being used by others.

Having said that, I still assign 20% of your grade to contribution – but you will receive full points if you come to all the classes on time and engage fully throughout.

Final Exam

The final exam will be a 2-hour essay-style, open-book exam. The exact date will be decided in the first class, but it will be given within days of the last class. I strongly encourage you to keep up with the readings and course materials, as you will have little time to prepare for the final exam.

ACADEMIC OFFENCES: PLAGIARISM AND ACADEMIC INTEGRITY

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_grad.pdf

All required papers may be subject to submission for textual similarity review to the commercial plagiarism-detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (http://www.turnitin.com).



SUPPORT SERVICES: HEALTH AND WELLNESS

Students who are in emotional/mental distress should refer to Mental Health@Western http://www.uwo.ca/uwocom/mentalhealth/ for a complete list of options about how to obtain help.

As part of a successful graduate student experience at Western, we encourage students to make their health and wellness a priority. Western provides several on campus health-related services to help you achieve optimum health and engage in healthy living while pursuing your graduate degree. For example, to support physical activity, all students, as part of their registration, receive membership in Western's Campus Recreation Centre. Numerous cultural events are offered throughout the year. Please check out the Faculty of Music web page http://www.music.uwo.ca, and our own McIntosh Gallery http://www.mcintoshgallery.ca. Information regarding health- and wellness-related services available to students may be found at http://www.health.uwo.ca.

Students seeking help regarding mental health concerns are advised to speak to someone they feel comfortable confiding in, such as their faculty supervisor, their program director (graduate chair), or other relevant administrators in their unit. Campus mental health resources may be found at http://www.health.uwo.ca/mental_health/resources.html.

STUDENT ACCESSIBILITY SERVICES

Western is committed to achieving barrier-free accessibility for all its members, including graduate students. As part of this commitment, Western provides a variety of services devoted to promoting, advocating, and accommodating persons with disabilities in their respective graduate program.

Graduate students with disabilities (for example, chronic illnesses, mental health conditions, mobility impairments) are encouraged to register with Student Accessibility Services, a confidential service designed to support graduate and undergraduate students through their academic program. With the appropriate documentation, the student will work with both SAS and their graduate programs (normally their Graduate Chair and/or Course instructor) to ensure that appropriate academic accommodations to program requirements are arranged. These accommodations include individual counselling, alternative formatted literature, accessible campus transportation, learning strategy instruction, writing exams and assistive technology instruction. For more information, see http://www.sdc.uwo.ca/ssd

OVERVIEW OF SESSIONS

The readings are available in this dropbox:

https://www.dropbox.com/scl/fo/g7z597t7xpg6tzcbylhew/AEfkMMSdg0ioeLCfLyHF5k?rlkey=n7sqo4la0y5z0bt6vlbq95w8s&dl=0

Date	Торіс
1. Sept 10	Economic Theories of Sustainable Development
2. Sept 17	Mainstream Management Approaches to Sustainability
3. Sept 24	Criticisms of Mainstream Management Approaches to Sustainability
4. Sept 27	New Theorizing: Tensions, Trade-offs and Synergies in Sustainability
5. Oct 1	New Theorizing: Time, Space, Place & Scale
6. Oct 8	New Theorizing: Systems Approaches to Business
Oct 11 (2 – 4 pm)	Final Exam – for registered students

DETAILS OF SESSIONS

WEEK 1: Economic Theories for Sustainable Development: The Classics

This first class is exceptionally heavy (especially the essay), so please be prepared.

To understand sustainable development, you need to not only understand what it is, but also its genesis and what problems it was intending to fix – specifically to neoclassical economics and neoliberalism (e.g. Hayek, Veblen, Friedman). If you don't understand the foundations of neoclassical economics, you won't fully appreciate the paradigm shift with sustainable development. In this class, you will see the evolution of economic thinking that preceded the ideas pertaining to sustainable development.

1. Essay

Before you start this week's readings, I recommend that you write the essay. I would like you to answer:

Essay topic: What is neoclassical economics and what are its basic assumptions?

The essay should be no longer than 1200 words (about 4 pages), not including references. You will be simply synthesizing what you read on the web, not forging new ground. I recognize there are easy short-cuts to write an essay of this sort, but please read widely on the web and write the essay by synthesizing what you read. Learning these concepts is critical to the business



school experience, as the assumptions of neoclassical economics shape most business disciplines (e.g. strategy, marketing, operations) and the approach of business more generally.

2. Powerpoint presentation on a 'critical' body of work

In addition to the readings and essay, each of you will be assigned to a body of work by now famous critics of neoclassical economists. Please reach out to the person to whom you have been asked to collaborate to prepare a presentation. Each of you will have 10 minutes to describe the seminal ideas on the topic. Focus on ensuring that what you say is clear. Your slides will be shared with all of your classmates.

- Behavioral Economics: Jiayi
- Environmental Economics: Stephanie
- Ecological Economics: Fakhrossadat
- Amartya Sen and Development Economics: Jin-Su, Michelle
- Elinor Ostrom and Governing the Commons: Ghazale

3. Readings

The first reading is simply a repeat of neoclassical economics, but it is referenced often in business schools. It's an easy read and well worth it.

The second reading is also seminal. The Brundtland Commission's report is the basis of sustainable development. Before 1987, it's hard to find any references to it. Even though the Brundtland Commission's reading is old, it was amazingly prescient.

The third reading is not (yet ↔) seminal. My aim is to show you the development of the field since 1987.

Friedman, M. (1970). <u>The social responsibility of business is to increase its profits</u>, New York Times Magazine.

Brundtland, G., Khalid, M., Agnelli, S., Al-Athel, S., Chidzero, B., Fadika, L., ... & Okita, S. (1987). <u>Our Common Future</u>, 'Brundtland report'. <u>Read only Chapters 1 and 2</u>

Bansal, P & Song, H (2017), Similar but not the Same: Differentiating between Corporate Sustainability and Corporate Responsibility, Academy of Management Annals:
 11(1): 105-149. <
 Read primarily to (a) understand what is corporate sustainability; and (b) its differences with corporate responsibility.

WEEK 2: Mainstream Management Approaches to Sustainability

1. Readings



In this week's readings, we shift the conversation from economics to business – which reflects a shift in the 'actor'. Choosing readings for this day was like identifying six pieces of straw that reflect the whole haystack. Ultimately, I chose high quality articles that are either well cited or well crafted. Even though we are focused on management articles, they reflect differences in levels of analysis.

The overview readings are important. The one on levels of analysis is important in your work, as it illuminates why there are different disciplines. Within management, we see organizational behavior (micro), strategy (organizational), and economics (macro). Across disciplines, we see psychology (micro) and economics and sociology (macro). Seeing levels of analysis will help you in your work, but also spot patterns in new ways. This will be a theme throughout the course. This reading will stay with you in all of your courses.

Please read the first reading in detail. The others should be read in light of the following questions (Do not get lost in the details of these readings): (a) what part of the jigsaw puzzle of sustainability is this type of article illuminating; (b) what are the assumptions being made in the arguments; (c) what are the strengths and limitations of the empirical approach, if there are data.

Levels of Analysis

Kozlowski, S. W., & Klein, K. J. (2000). A multilevel approach to theory and research in organizations: Contextual, temporal, and emergent processes. <
 Read to "levels of measurement" on page 32. This is a critical reading, so please spend considerable time on this reading. The other readings are less critical.>

<u>Individuals</u>

Jones, R.G. (2020). The Applied Psychology of Sustainability (2nd ed.). Routledge. <u>https://doi.org/10.4324/9780429488382</u>. Read chapter 3 for this class, but I also encourage you to skim chapters 1-2>

Organizations

Flammer, C. (2015). Does corporate social responsibility lead to superior financial performance? A regression discontinuity approach. *Management Science*, *61*(11), 2549-2568.

<u>Stakeholders</u>

Hörisch, J., Freeman, R. E., & Schaltegger, S. (2014). Applying stakeholder theory in sustainability management: Links, similarities, dissimilarities, and a conceptual framework. Organization & Environment, 27(4), 328-346.

<u>Industry</u>



Barnett, M. L., & King, A. A. (2008). Good fences make good neighbors: A longitudinal analysis of an industry self-regulatory institution. *Academy of Management Journal*, 51(6), 1150-1170.

Institutions

Ansari, S., Wijen, F., & Gray, B. (2013). Constructing a climate change logic: An institutional perspective on the "tragedy of the commons". *Organization Science*, 24(4), 1014-1040.

Supply Chains

Dai, T., Lee, H. L., & Tang, C. S. (2024). Toward Supply-Chain-Aware ESG Measures. In *Responsible and Sustainable Operations: The New Frontier* (pp. 235-252). Cham: Springer Nature Switzerland.

2. Essay

In this essay, I want you to focus your analytical skills on a wicked problem (or grand challenge) of your choice. A wicked problem is a business-related issue that is very difficult (impossible) to solve because of its complex interactions.

Essay topic: Describe a real wicked problem and the implications to business

The aim here is to describe the problem and the interactions with what you would study in a business school (recognizing that you come from different disciplines). Do not simply talk about world hunger or climate change, but be more specific. 'Climate change' or 'world hunger' are just too big. Please:

- 1. Describe the problem
- 2. Describe why it's important to you
- 3. Describe the implications to business

I encourage you to move beyond rhetoric and hyperboles. Use stories and support with data. Each of you will describe the issue that engages you in class. I hope that, in this process, you will see the range of sustainability issues in business.

WEEK 3: Criticisms of Mainstream Management Approaches to Sustainability

Whereas the first week's readings raised criticisms against economics, this week's readings show that business scholars also raise criticisms against business sustainability research. These readings reflect different paradigms, one in which the purpose of business is for profits and another in which the purpose of business is sustainable development. The last two readings offer more 'invisible' aspects of sustainability that are often missed.

1. Readings

Paradigms



You need to understand paradigms to fully appreciate the radical shift that sustainability is asking of business school researchers. Many of you will have already studied paradigms in other courses/classes. If so, this reading will be straightforward. If you haven't come across these ideas before, you will likely spend quite some time on it.

Al-Ababneh, M. (2020). Linking ontology, epistemology and research methodology. *Science & Philosophy*, 8(1), 75-91.

Mainstream Business

- Purser, R. E., Park, C., & Montuori, A. (1995). Limits to anthropocentrism: Toward an ecocentric organization paradigm?. *Academy of Management Review*, 20(4), 1053-1089.
- Ergene, S., Banerjee, S. B., & Hoffman, A. J. (2021). (Un) sustainability and organization studies: Towards a radical engagement. *Organization Studies*, 42(8), 1319-1335.
- Gualandris, J., Branzei, O., Wilhelm, M., Lazzarini, S., Linnenluecke, M., Hamann, R., ... & Chen, C. M. (2024). Unchaining supply chains: Transformative leaps toward regenerating social–ecological systems. *Journal of Supply Chain Management*, 60(1), 53-67
- Marquis, C. (2024). In defense of degrowth. *Harvard Business Review*, https://hbr.org/2024/06/in-defense-of-degrowth

Point-Counterpoint series for the Journal of Management

- Wickert, C., & Muzio, D. (2024). What is the Strategy of Strategy to Tackle Climate Change?. *Journal of Management Studies.*
- Bansal, P., Durand, R., Kreutzer, M., Kunisch, S., & McGahan, A. M. (2024). Strategy can no Longer Ignore Planetary Boundaries: A Call for Tackling Strategy's Ecological Fallacy. *Journal of Management Studies*.
- Foss, N. J., & Klein, P. G. (2024). Do we Need a 'New Strategy Paradigm'? No. Journal of Management Studies.
- Davis, G. F., & DeWitt, T. (2024). Can strategy address the climate crisis without losing its essence?. *Journal of Management Studies.*

2. Essay

This essay intends to help you cement the ideas that pertain to the two different paradigms to business sustainability. I encourage you to read a bit more broadly than the readings assigned and reflect on your own perspectives/opinions of what you have read.

Essay topic: Synthesize what you feel are the main criticisms to mainstream business



approaches to sustainability

This essay should be no longer than 750 words (about 2-3 pages), excluding references.

WEEK 4: New Theorizing: Tensions, Tradeoffs and Synergies in Sustainability

1. Readings

Sustainability scholars are attracted to conversations about tensions. The ambiguity and complexity that comes with sustainability research is comfortable ground for sustainability scholars. A junior scholar said to me recently that almost all the doctoral students attending a sustainability consortium were undertaking paradox research. For these reasons, I have included a set of readings that both speak to directly to tensions and paradox and some areas of research that can generate paradox.

<u>Paradoxes</u>

- Jarzabkowski, P., Bednarek, R., Chalkias, K., & Cacciatori, E. (2022). Enabling rapid financial response to disasters: Knotting and reknotting multiple paradoxes in interorganizational systems. *Academy of Management Journal*, 65(5), 1477-1506.
- Schad, J., & Bansal, P. (2018). Seeing the forest and the trees: How a systems perspective informs paradox research. *Journal of Management Studies*, 55(8), 1490-1506.

Robust Action & Pragmatism

Ferraro, F., Etzion, D., & Gehman, J. (2015). Tackling grand challenges pragmatically: Robust action revisited. *Organization Studies*, *36*(3), 363-390.

Industrial Ecology

Corvellec, H., Stowell, A. F., & Johansson, N. (2022). Critiques of the circular economy. *Journal of Industrial Ecology*, 26(2), 421-432.

The Anthropocene and Planetary Boundaries

Hoffman, A. J., & Jennings, P. D. (2021). Institutional-political scenarios for Anthropocene society. *Business & Society*, 60(1), 57-94.

2. Essay

Tensions are everywhere, but we have a tendency to not see the tensions. This essay will help you surface inherent tensions and see them as entry points to research. In fact, my own research is often catalyzed by unresolvable tensions, such as the tension between been



different and yet conforming, or the tension between wanting change, yet seeking stability. This essay will not only help you see tensions, but understand the difference between tensions and paradox.

Essay topic: Describe a tension in business or management theory or practice and how that tension can be viewed as a paradox

This essay should be no longer than 750 words (about 2-3 pages), excluding references.

WEEK 5: New Theorizing: Time, Space, Place & Scale

1. Readings

This week's readings indulge me. This topic is the one that I believe is at the frontier of sustainability research and can address the current inability for businesses to pursue sustainable development. The reason why mainstream business is unable to accommodate sustainability is because there are under-theorized dimensions. Once we incorporate these dimensions into our theorizing and constructs, we can provide the motivation for organizations, within the business paradigm, to meet the needs of business and society, today and tomorrow.

<u>Time</u>

- Bansal, P., & DesJardine, M. R. (2014). Business sustainability: It is about time. *Strategic Organization*, 12(1), 70-78.
- Gümüsay, A. A., & Reinecke, J. 2022. Researching for desirable futures: From real utopias to imagining alternatives. *Journal of Management Studies*, 59, 236-242.

Space and Place

Guthey, G. T., Whiteman, G., & Elmes, M. (2014). Place and sense of place: Implications for organizational studies of sustainability. *Journal of Management Inquiry*, 23(3), 254-265.

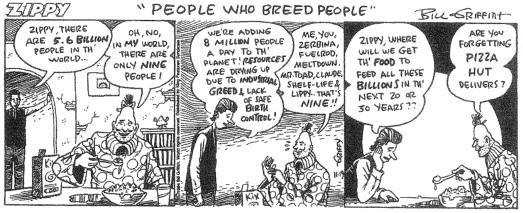
<u>Scale</u>

- Bansal, P., Kim, A., & Wood, M. O. (2018). Hidden in plain sight: The importance of scale in organizations' attention to issues. *Academy of Management Review*, 43(2), 217-241.
- Suntae Kim and Anna Kim, 2022: Going Viral or Growing Like an Oak Tree? Towards Sustainable Local Development Through Entrepreneurship. *Academy of*

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Management Journal, 65, 1709–1746, https://doi.org/10.5465/amj.2018.0041



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2. Essay

This essay may be the most challenging so far to most of you, as it will test your analytical muscle. You not only have to grasp some business theories, you have to think about how the absence/presence of time, space, or scale has led to unsustainable outcomes. In other words, you have to think about time, space or scale either as causal conditions, mechanisms, outcomes, or a metatheory of some sort. If you do overcome the challenges, you will likely see the world in a new way. If you do not, you will see examples from your peers, which is also part of the learning process.

Essay topic: Why does the omission of time, space and scale in mainstream economics or business research contribute to sustainability related tensions or paradox (possibly borrowing heavily on readings from Weeks 1, 2 and 4)?

This essay should be no longer than 900 words (about 2-3 pages), excluding references.

WEEK 6: New Theorizing: Systems Approaches to Business

1. Readings

This week's topic takes us the furthest on the frontier of sustainability thinking in the business curriculum. Yet, those of you with a cross-disciplinary background may not find this week's topic that challenging or interesting. This essay, being your last, requires you to integrate systems thinking with business thinking. It will, hopefully, offer something new to each of you.

Systems Theory

Akoff, Russell. <u>https://www.youtube.com/watch?v=OqEeIG8aPPk</u> (approx. 12 minutes).

Sterman, J. D. (2001). System dynamics modeling. *California Management Review*, 43(4), 8-25.

Risk & Resilience



- Hardy, C. et al, (2020) Organizing risk: Organization and management theory for the risk society, *Academy of Management Annals*, 14(2): 1032-1086.
- Holling, C. S. (2001). Understanding the complexity of economic, ecological, and social systems. *Ecosystems*, 4(5), 390-405.

AMR paper under review

Sustainability Transitions

Geels, F. W., & Schot, J. (2007). Typology of sociotechnical transition pathways. *Research Policy*, 36(3), 399-417.

2. Essay

The essay will hopefully push your thinking: for business students, systems thinking will be new; for non-business students, current approaches to business may be new. In any case, I am hoping that you will each learn something from writing the essay that you can share with the class.

Essay: Identify some ways in which systems approaches to sustainability differ from more mainstream approaches to business (possibly borrowing from Week 2 readings).

This essay should be no more than 750 words, not including references.