AOM 2013: Capitalism at the Crossroads- Perspectives on the Future of Business

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Title: Capitalism and the Crossroads- Perspectives on the Future of Business

Short Title: Envisioning the Future of Business

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6) **Andre Habisch**
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B) Abstract

Capitalism is at a crossroads and the challenges for management in the 21st century are manifold. From climate change, to increasing inequity, social exclusion, poverty and decreasing social trust in business, many agree that managers are witnessing a perfect storm. While many scholars posit that business needs to be rethought and reenacted, in this panel we wish to highlight some of the proposed solutions. From sustainable business, to inclusive business, to humanistic business or positive leadership we wish to highlight the variety of approaches taken to highlight how business can become a part of the solution and contribute to the common good.

After a short introduction, Stuart Hart will outline the challenges for traditional business institutions to become environmentally and socially sustainable. Anil Gupta will present his thinking how business can become more inclusive by being more embedded in communities they operate in e.g. reaching out to indigenous innovators. Kim Cameron will further outline how organizations can become more life-conducive presenting lessons learned from positive organizational scholarship. Finally, Bob Quinn will outline how leadership needs to be rethought from an ontological perspective embracing deep change, focusing on being rather than having and especially serving a greater cause than oneself. Andre Habisch will discuss the contributions and suggest how management education and practice could adapt to prepare students for business of the 21st century.
The panel will entertain questions and answers from the audience with the goal to inform business school researchers and teachers about their respective contributions to the global transformation required.

C) **Sponsoring Divisions:**

1. **Organizations and the Natural Environment (ONE)**
   - Environmental Sustainability, Cross Sectoral Collaboration,

2. **Social Issues in Management (SIM)**
   - Social Sustainability, Inequity, Informal Sector Collaboration

3. **Organizational Behavior (OB)**
   - Positive Organizational Scholarship, Leadership

4. **Business Policy and Strategy (BPS)**
   - Innovation, Environmental Crisis, Sustainability and Collaborative Strategies, Ambidexterity
D) Full Description of Symposium

Capitalism is at a crossroads and the challenges for management in the 21st century are manifold. On a systemic level, business is facing legitimacy challenges as it is viewed as a contributor to the environmental and social sustainability crises. On an organizational level this legitimacy gap manifests itself via low stakeholder trust and low levels of employee engagement. On an individual level questions of meaning and sustainable well-being beyond material satisfaction have put in question a traditional understanding of management and leadership. According to many scholars, practitioners, and policy makers a revolution is necessary, i.e. a paradigm shift needs to occur which allows for sustainable development and a life-conducive economy (Hart, 2005; Pirson & Lawrence, 2009; Senge, 2010). To usher in the necessary revolution (Senge, 2010) management scholars, practitioners and policy makers need to become more aware of our shared vulnerability and more actively support the transition on a paradigmatic level.

In this symposium we wish to highlight how novel management approaches can support the transition towards a more life-conducive economy. We wish to highlight a humanistic management style which addresses 1) system level, 2) organizational level and 3) individual level challenges. As such we present thought leaders on all three levels: 1) Stuart Hart and Anil Gupta will address the system level challenges and highlight opportunities for sustainable business development; 2) Kim Cameron, who is one of the founders of the Positive Organizational Scholarship movement will address how organizations can become a place of shared meaning and build trust among stakeholders and higher levels of engagement.; 3) Finally, Robert Quinn, will highlight his perspectives on the role of authentic leadership as a key for a humanistic transformation of business.
In a first section, we will hear about why and how business as usual is threatened by a loss of legitimacy and increasing opportunity costs. Stuart Hart will outline the trade-off illusion of sustainable business development and argue for sustainable, inclusive business development as a key to building and re-building legitimacy (Hart, 2005). He will specifically outline how business can and need to reach out to the base of the pyramid (BOP) for inclusive and sustainable innovation. He will describe the latest iteration of the BOP protocol, an approach he developed with his team to support organizational learning for sustainable, inclusive business development. He will highlight how some firms (e.g. CEMEX, TeleNor) are already learning through this protocol and have gained in terms of building novel businesses that were more sustainable in terms of environmental, social and financial dimensions.

In a second section thus, Dr. Anil Gupta will complement Dr. Hart’s perspective by highlighting how business can become more inclusive and help address some of the vexing social problems. He will present one of the most compelling examples of inclusive, sustainable development, the Honey Bee Network (Gupta, 2003). Heralded by Stuart Hart and C.K. Prahalad as a true example for base of the pyramid innovation, the Honey Bee Network demonstrates how inclusive innovation can be a superb catalyst for development in the 21st century. Anil Gupta will advocate for re-embedding organizational development within society. He will specifically argue for how currently excluded indigenous populations possess valuable capabilities that can support organizational level innovation. As the founder of the Honey Bee Network and an advisor to the Indian Government he will share compelling examples of inclusive, indigenous innovation that can support building and rebuilding the legitimacy of business.
Dr. Kim Cameron will shift in his contribution from the systemic view to more of an organizational view. He will outline the field of Positive Organizational Scholarship (POS) as a leading humanistic approach in management studies. POS is uniquely suited to generate new insight in humanistic business because it studies the usually neglected part of organizational phenomena – the life giving, generative and ennobling human factor. As stated by Cameron, Dutton, and Quinn (2003, p.5) “Whereas POS does not reject the examination of dysfunctions, or dynamics that disable or produce harm, it does tend to emphasize the examination of factors that enable positive consequences for individuals, groups, and organizations”. After outlining the general properties of POS research, Dr. Cameron will present a range of findings that demonstrate how exceptional individual and organizational performance such as developing human strength, producing resilience and restoration, and fostering vitality, along with improved employee satisfaction/retention can be achieved (Cameron & Caza, 2004). POS thus provides a new framework for studying, teaching and practicing management.

Complementing this perspective, Dr. Robert Quinn will present his thinking of individual level development and leadership (K. S. Cameron, J. E. Dutton, & R. E. Quinn, 2003). Dr. Quinn will also draw on the Positive Organizational Scholarship perspective and suggest how the current challenges to the capitalist system present a great opportunity for individual reexamination and personal change. He will suggest that many of the current problems have in part been caused by a narrow understanding of human development. He will outline how leaders can transform the current challenges into opportunities by engaging in ‘deep change’. He will suggest that not only formal leaders can affect such change but that indeed everyone can effect great change in large
organizations by changing themselves. The key for transforming the current business system lies in each and everyone and is therefore achievable.

The panel will be followed by Dr. Andre Habisch (discussant) who will summarize the key points and evaluate various challenges and opportunities developed in terms of informing management practice. He will thereby argue for a more explicit engagement of scholars and teachers with the current systemic, organizational and individual level challenges.

After these concluding remarks, the moderator (Dr. Michael Pirson) will open the discussion to the floor. A question and answer session will follow examining the respective challenges and opportunities of the presented content. The organizers expect this symposium to provide insights for scholars, teachers and concerned practitioners. The organizers hope to provide crucial insight in the change processes that need to be implemented going forward, highlight the essential role of the cross-disciplinary view and the interconnection of the system level, the organization level and the individual level. The organizers also wish to connect those concerned scholars, teachers and practitioners by having them join the humanistic management interest group and will thus spark further discussions and interactions within the Academy on how to pave the way for the necessary revolution.
E) Interest to Sponsoring Divisions

1) Organizations and the Natural Environment (ONE)

This symposium is of interest to the Organization and the Natural Environment Division, because it provides a more comprehensive view about how business can relegate by solving the sustainability crises. Specifically, members of ONE will be interested in this session as it deals with the environmental aspect of the sustainability revolution. Learning how sustainable business can be created by inclusion rather than exclusion from a dignified lifestyle is very pertinent.

2) Social Issues in Management (SIM)

This symposium is of interest to the Social Issues in Management Division, because it deals with various social issues in management. Members of SIM will hear novel perspectives how management can embrace the current challenges as opportunities. From the systemic environmental crisis to the social inequity problems the panelists will highlight how from an organizational and individual level environmental and social issues can be integrated for the benefit of the common good.

3) Organizational Behavior (OB)

This symposium is of interest to the Organizational Behavior Division, because it deals with the potential of Organizational Behavior scholarship to contribute to the solution of the current legitimacy crisis. It extends typical OB research under the umbrella of positive organizational scholarship to include more systemic challenges to management. As such members of the OB Division will benefit from the perspective on how their research impact can be increased in theory and practice.

4) Business Policy and Strategy (BPS)
The current crises are both challenges and opportunities for business strategy. This session allows members of BPS to gain insight into new perspectives for business strategy. Dealing with systemic challenges the panelists highlight how novel strategic approaches can help businesses to re-legitimize their actions and benefit organizations overall.
F) Summary of the panelists’ discussion

In this session, scholars from a variety of divisions in the Academy and outside will present their perspectives on how business can be rethought and capitalism may be saved. We will provide substantive input for a larger discussion on the path forward to what Peter Senge calls the necessary revolution.

To start the session Dr. Michael Pirson will introduce the topic based on reasons capitalism is in question and at a crossroads. He will outline the systemic problems of environmental and social inequity, as well as the organizational problems of low reputation, eroding stakeholder trust and declining employee engagement, and finally, on the individual level the broken promise of the American Dream and happiness achieved by “having.”

In a first section, Stuart Hart will outline the trade-off illusion of sustainable business development and argue for sustainable, inclusive business development as a key to building and re-building legitimacy (Hart, 2005). He will specifically outline how business can and need to reach out to the base of the pyramid (BOP) for inclusive and sustainable innovation.

In a second section, Dr. Anil Gupta will complement Dr. Hart’s perspective by highlighting how business can become more inclusive and help address some of the vexing social problems. He will advocate for re-embedding organizational development within society. He will specifically argue for how currently excluded indigenous populations possess valuable capabilities that can support organizational level innovation.

Dr. Kim Cameron will shift in his contribution from the systemic view to more of an organizational view. After outlining the general properties of POS research, Dr. Cameron will present a range of findings that demonstrate how exceptional individual and organizational
performance such as developing human strength, producing resilience and restoration, and fostering vitality, along with improved employee satisfaction/retention can be achieved (Cameron & Caza, 2004).

Complementing this perspective, Dr. Robert Quinn will suggest how the current challenges to the capitalist system present a great opportunity for individual reexamination and personal change. He will suggest that many of the current problems have in part been caused by a narrow understanding of human development. He will outline how leaders can transform the current challenges into opportunities by engaging in ‘deep change’. He will suggest that not only formal leaders can affect such change but that indeed everyone can effect great change in large organizations by changing themselves. The key for transforming the current business system lies in each and everyone and is therefore achievable.

The panel will be followed by Dr. Andre Habisch (discussant) who will summarize the key points and evaluate various challenges and opportunities developed in terms of informing management education. He will thereby argue for a more explicit engagement with the question of purpose in business schools, in the sense of both personal and organisational aims, as well as the change of the learning ecosystem in business schools to include informal sector exposure.

After these concluding remarks, the moderator (Dr. Michael Pirson) will open the discussion to the floor. A question and answer session will follow examining the respective challenges and opportunities of the presented content.
G) Description of the symposium format

Format: Panel discussion with discussants and question and answer session lasting between 90 minutes and 2 hours.

After the panelist’s presentation (60-75 minutes), the discussant will start the evaluation of the content provided (10-15). This will be followed by an interactive general question and answer session (20-30 minutes).

As it is the goal of the conveners to reflect with a growing community of scholars on how research can support humanistic management we will encourage further exchange and collaboration among participants. A participant list will be compiled to further facilitate potential collaborations.

1) Presentation and discussion (60-75 minutes)
2) Discussants evaluations (10-15 minutes)
3) Question and answer session (20-30 minutes)

Symposium Participants:

1. Dr. Michael Pirson, Fordham University
2. Dr. Stuart Hart, Cornell University
3. Dr. Anil Gupta, IIM Ahmedabad, India
4. Dr. Robert Quinn, University of Michigan
5. Dr. Kim Cameron, University of Michigan

Discussants:

6) Dr. Andre Habisch, Katholische Universitaet Eichstaett, Germany

H) Confirmations of participants
I have received commitments for the presenters and discussants in email or personal discussion. No violation of the Rule of three + three can be detected.


