Strategy and Organization Scholarship

through a Radical Sustainability Lens: A Call for 5.0

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Introduction

Writing this editorial is of particular portent during this moment in history, as Covid19 exposes the fragility of our assumptions about the world in which we live, or the amount of time we may have to adapt to its change. At the time that this special forum on sustainability and strategic organization was under discussion, neither our authors nor we had any idea that a change of such significance, that would confront almost every aspect of our understanding about the interconnectedness and vulnerability of global systems, was around the corner. And yet, a world that would have seemed fantastic at the end of 2019 became our reality as the rapid and systemic effects of Covid19 were amplified both in our everyday lives and around the world. We suggest that this is a particular apposite time to consider what we might learn about other aspects of sustainability beyond those that have contributed to the causes and the effects of Covid19.

The rapid onset of Covid19 and the lack of foresight over its occurrence may make it seem exceptional compared to other sustainability issues such as the climate effects associated with the Anthropocene. Yet pandemics, similar to weather-related disasters, have long been high upon the risk registers of many countries (e.g., Simpson, Beever & Challon et al., 2019), indicating that it is not the unanticipated nature of the risk that shaped lack of foresight.

Furthermore, while the speed and scale at which Covid19 had its dramatic effects upon the globe are certainly remarkable, so also are the effects of rising global temperatures upon extreme weather events. Events such as hurricane and extreme heat, and their secondary effects, such as flooding, drought, and bushfire, have almost doubled to 6,681 events over the past 20 years, costing $4.07 trillion in global economic losses (United Nations Disaster Risk Reduction, 2020). The speed, scale, and probability of climate effects upon strategy and organization, are, therefore, not something we can continue to ignore, as the authors in this special forum note (e.g., Hahn & Tampe, 2021; Howard-Grenville & Lahneman, 2021).

We consider this special forum as something of a call to arms for strategy and organization scholars. The essays in this forum provoke us to open our thinking about the broader, interdependent systems within which organizations operate (Hahn & Tampe, 2021; Howard-Grenville & Lahneman, 2021), the role of managers within those organizations (Walls et al., 2021), and about our own roles as teachers (Hoffman, 2021) and impacting the participants in our research (Williams & Whiteman, 2021). This is a crucial overarching agenda. Yet, as our editorial suggests, these essays hardly begin to fill the agenda. Instead, we need a new generation of strategy and organization scholarship that helps us as scholars, with our students and research participants, to reconfigure our implicit assumptions. For example, what use is it to suggest that managers plan for change, or strive for competitive advantage, when the world for which they plan may look so very different from today? It is of little value to tell the pasta makers, the beer manufacturers, and the grocery chains that they need to adapt to change, when the fundamental habitats and supply chains upon which their businesses are dependent are threatened with collapse. Just as there has been no scenario under which the global travel industry could thrive during Covid19, so also, there may simply be no scenarios under which our existing theories of strategy and organization can enable

businesses to thrive when faced with the scale, scope, and speed of climate change. We, therefore, appeal for this special forum to further a radical rethink of strategy and organization scholarship through a sustainability lens.

We now outline some of our thoughts about what this strategy and organization scholarship 5.0 might entail. We use the term 5.0 advisedly. Just as Industry 4.0 is premised on a shift to big data and smart technologies (Schwab, 2017), so we advocate for a shift to sustainability as integral to the current and future design of industry (Cummings & Bridgman, 2021; Ehrenfield, 2008), and to our own agenda as scholars. We explain how the papers in this special forum touch upon the call 5.0, and how to expand upon that agenda in our research, our teaching, and our impactful engagement with organizations and their strategies.

Sustainability and the nature of strategy and organization research

In recent years, the concept of sustainability has become popular within the general public and in academia. Once considered at the fringe of the social science field, sustainability has become ubiquitous in management & strategy journals. New catchy acronyms, such as ESG or CSR, or terms such as 'grand challenges' and 'stakeholders,' try to capture its essence. Despite its popularity among management scholars, we still have a limited understanding of what sustainability is. And when we try to measure it, our proxies of sustainability are often inadequate.

The definitions of sustainability tend to be vague and often instrumental to the business-centric view of the interaction between organizations and the environment. While management scholars often reduce business sustainability to business activities that include social, environmental, and stakeholder concerns (Meuer et al., 2020), they scarcely rely on

theories from other fields, in which researchers have been active in better understanding the relationship between human activities and the environmental system.

Two papers from the set of essays in this issue try to overcome the myopic view on what business sustainability is by bringing back some of the original ingredients of sustainability. First, to fully comprehend how business needs to adapt to the changing environment, we, management scholars, need to start to acknowledge that human activities are interconnected with the biosphere (Howard-Grenville & Lahneman, 2021). This vantage point requires us to move beyond existing organizational theories of adaptation and embrace theories born in ecological sciences, where the concept of sustainability has originated. Howard-Grenville and Lahneman's essay suggests that our current organizational theories of adaptation tend to focus on the implications of adaptation – what is often called organizational resilience – and less on the very process of adaptation. In doing so, they tend to focus on the focal organization rather than on the interconnections of organizations that are embedded in the same biophysical environment. Through the lens of ecological adaptation theories, they propose, scholars could conceptualize organizations as connected in a dynamic biophysical environment, where changes at any special-temporal scale can influence changes at any other scale, as a ripple effect; the basic idea being that even small changes can have non-linear impacts on a complex system. Hence, by situating organizations in multi-faced, complex, and dynamic social-ecological systems, scholars have the opportunities to build new organizational theories of adaptation across special-temporal scales and across co-evolving organisms and coordinating among actors.

Second, such interconnection with the biosphere also requires a different approach in which business activities should be evaluated within the ecological limits of the biosphere. Such an

approach, called the systems approach, would allow scholars to reconsider corporate activities within the ecological boundaries by bridging organizational theories with natural sciences theories. As shown in Hahn and Tempe's (2021) essay, one of the manifestations of the re-emergence of systemic foundations of sustainability is the notion of regenerative sustainability that has become popular in the urban planning and built-environment field. Hahn and Tempe propose that the idea of regeneration provides an opportunity to rethink business in terms of regenerative business, that is, "businesses that enhance, and thrive through, the health of socio-ecological systems in a co-evolutionary process" (page 9). Based on two principles of regenerative business that clarify both the relationship between the business and the ecological system and the managerial approach to be tailored to that ecological system, Hahn and Tampe provide a range of regenerative strategies that go behind damage control and leap forward by restoring, preserving or enhancing the socio-ecological systems. Their approach has a relevant conceptual implication that helps redefine what business sustainability is. Instead of the organization, they set the socio-ecological system at the center of managerial attention in formulating sustainability strategies.

With their call to address organizations, their strategies, and their adaptation within the wider socio-ecological system, these papers pose important challenges and opportunities for strategy and organization scholars in terms of what phenomena we attend to in the pursuit of sustainability research agenda. In existing research, we tend to use proxies that try to capture either very generic items loosely related to sustainability or many different sustainability dimensions in just one indicator, and so limit our understanding of what sustainability is. The essays of this special issue thus trigger a number of questions about our objects of study. For example, measurement is one key feature of strategy and organization research, but on what and how can we measure sustainability? Suppose we need to rediscover the basic elements of

sustainability, such as its systemic nature and the link to the ecological system. Should we not then reconsider whether our current firm indicators are still capturing business sustainability? Shall we still rely on commercial databases with their clear limitations (Berg et al., 2020)? Shall we separate ESG into E, S, and G and measure these dimensions independently with better tools? And should we reach out to other scientific communities, beyond the strategy and organization field, to borrow or build better tools? Rethinking what sustainability is, how it is measured within our and other scholarly fields, may enrich our understanding of sustainability and nudges our own scholarship to examine the unmissable link between business activities and the larger ecosystem in which organizations are embedded.

Sustainability and strategic organization teachers and researchers

Just as research on business and sustainability has emerged from the shadows and become mainstream, teaching sustainability-related topics has become increasingly common in business schools. By now, most MBA and undergraduate business programs now offer multiple sustainability-related courses, and faculty specializing in sustainability topics can be found at nearly every top business school (NetImpact, 2018). It is fair to ask, however, how much of an impact this increased activity has had on the output of these schools – the managers that we help create. At present, most programs appear to have added stand-alone courses on sustainability/ESG/CSR topics. However, few MBA programs appear to be integrating sustainability issues throughout their curricula in a way that demonstrates that sustainability is not simply a topic to be taught to those students interested in it, but rather demands a rethinking of the strategies and practices of the businesses the students will join. Yet, two of the essays in this issue (Hoffman, 2021; Walls, Salaiz, and Chiu 2021) suggest that such a shift in mindset is the only way that managers will truly embrace sustainability as a business necessity.

These essays help to point to a path forward for academics driven to study sustainability issues in business. One of the distinctive features of sustainability research is that, at its best, it forces academics to address two key questions. First, by its very nature, sustainability research has to engage with the question of what are the obligations of organizations to the societies that enable and support them? What, if anything, should companies do beyond delivering their products or services and generating economic returns? How do organizations fit into the broader systems in which they are immersed?

Second, sustainability research challenges us to consider what we are teaching our students. For many of us, our interaction with students represent the biggest opportunity we have to influence business leaders. What models are we teaching them and how do these (explicitly or implicitly) shape their views on topics such as companies' environmental impacts, growing income inequality, racial and gender equity, or corporate political activities?
Too often, these two aspects of our academic lives are considered in isolation; we work hard to ensure that our research is rigorous and theoretically meaningful, but give only cursory attention to whether it has any significance for the students we teach. Sustainability offers an opportunity to reconcile these two solitudes of our identities because sustainability research should be inextricably linked to the realities that our students will face as they go out to work in, and lead organizations. The world they enter has myriad issues that businesses will be forced to grapple with, and the way we examine that world in our research and convey that understanding to them in our classes can help our students develop their perspectives on how businesses can help to solve those issues. Perhaps just as importantly, our role is to help students critically evaluate overly-optimistic views of how corporations can simultaneously save the world and profit while doing so (King and Pucker 2020).

The SO essay forum is an ideal way to bring these issues to light. Essays, such as those included in this volume, are intended to help stake out the field of strategic organizational research and to provide provocative perspectives on our research agendas. They help us to consider both what we are studying and how we should do so – the questions we can and should be asking and the methods by which we ask them. The questions posed in these essays go to the heart of what it means to have impact as academics, and who it is we are attempting to impact.

Hoffman's essay in this volume engages with the very foundations of business education. After first outlining the ways in which current dogma – primacy of profit maximization and the ability of the market to police itself – have led to social and environmental disasters, Hoffman establishes a nine-point plan (this alone shows that Hoffman is a renegade – most people would insist on the usual ten or twelve steps) for reshaping business education. Two of his points are particularly consistent with what we discuss above. First, he argues that business schools must be rebuilt on a system of aspirational principles. He notes that faculty may feel uncomfortable stating such principles, and argue that they are not equipped to do so. This, of course, is false, as we espouse, if only implicitly, a set of principles every time we teach a framework or a concept, and what is needed is that we engage directly with what we are assuming and what we are teaching our students. Second, Hoffman argues, as we have above, that we must train our students to think about how corporations fit into the broader fabric of the society that enables and empowers them. Faculty have a role in dispelling myths (such as the idea that corporations in the United States are legally bound to maximize shareholder value – see Stout, 2012) and in helping students realize a higher purpose for themselves and their organizations than simply to achieve greater returns measured in narrow financial terms.

Hoffman's essay concludes on a hopeful note, as he points to recent calls by organizations (Business Roundtable) and individual leaders (Laurence Fink of BlackRock) for business leaders to reorient their approach to building value as evidence that the business world is changing, albeit more slowly than it needs to do. The essay by Walls, Salaiz, and Chiu offers a similar nugget of optimism, noting that corporate leaders are concerned that business is not doing enough to prioritize the urgent social and environmental issues we face. Walls and her colleagues then outline what we know (and do not yet know) about the role of leaders in driving more sustainable outcomes and in the traits of people who might become such leaders. They outline both the strengths and limitations of our current research lenses for understanding how leaders engage with Corporate Sustainability issues. They conclude that there are gaps both in our theoretical understanding of these leadership drivers and in our empirical approaches to investigating the link between leadership values/traits/behaviors and sustainability. Most provocatively, they conclude that the biggest question we face is where 'heroic' sustainability leaders might come from, and they are pessimistic that business school education, as it is currently constructed, can foster such leaders. Like Hoffman, they see too many obstacles in the way that business schools train their students, and the models that have become entrenched within the curricula, to allow for business programs to identify and nurture these leaders.

Of course, Walls et al.'s pessimism over the role of business schools in fostering heroic leaders for sustainability leaves us wondering how such leaders will emerge if they are not fostered (or worse yet, squelched) by business education? Their answer is to offer a framework that businesses themselves can use to identify, foster, and empower leaders with the potential to create sustainable change. Again, this process seems doomed unless the

businesses themselves have the foresight and incentives to undertake such an effort. Fortunately, there is one stakeholder that has the salience and perhaps finally the incentive to incite these efforts – the shareholder. Hoffman cites the Fink letter as evidence for change in leadership, but of course Fink is a leader of a massive financial firm that represents trillions of dollars of investment, and that is his real power. Shareholders have arisen to create change elsewhere as well, including electing two directors at Exxon Mobil who were championed by activist investors and who have pledged to move the oil giant more aggressively into renewable energy. This election follows a longer-term trend of greater support for shareholder resolutions on sustainability issues (Barrons 2021). Such events and trends simply underscore the need for business schools to adjust our curriculum and assumptions, lest we fall further behind the world we are supposed to be analysing and informing.

The role of the researchers in 5.0: The age of radical sustainability

The essays in this special forum challenge us, as strategy and organization scholars, to rethink the role of researchers in approaching business sustainability. We, as editors, see a radical sustainability lens as a call to arms and an opportunity for researchers to reinvent the objects of our strategy and organization study (Hahn & Tampe, 2021; Howard-Grenville & Lahneman, 2021), the methodologies we use and disciplinary lenses through which we view the institutions we study (e.g., Tett, 2021), and our impact as scholars (Hoffman, 2021; Walls et al, 2021). In particular, in this special forum, Williams and Whiteman (2021) call for academic research into sustainability issues to be less-possessed with developing new theories, and more focused upon impacting practice. While there is a long history of calling for greater relevance in management studies (e.g., Beyer & Trice, 1982; Bartunek & McKenzie, 2017; Jarzabkowski, Mohrman & Scherer, 2010; Van de Ven, 2007), Williams and Whiteman go a step further in their call for deep engagement. Specifically, they advocate for both ethnographic engagement with the explicit intention of affecting the field as an

insider, based on the first author's experiences with the World Business Council for Sustainable Development, and also academic activism, based on the second author's experiences in initiating Artic Basecamp. Radically, based on their experiences they propose a different approach to evaluating academic research, not solely or even necessarily by the top journal articles published, but by the impact of that research in effecting action around climate change. To do so is, for sure, a major challenge to our own institutions.

As editors, we think it raises fundamental questions about the nature of our research. For example, there are time delays between the conduct of research and its publication, due to the peer-review process through which we establish the validity of our science. Can we, and should we, as academics try to hasten our research impact? If so, how can we also establish the validity of the research that underpins that impact? Could more rapid, but also peer-reviewed, conference proceedings be a way to establish validity of research in a timely way to also have impact in the field? For sure, while there is much to consider about what makes strategic organization research into sustainability robust, these questions also provide opportunities to reconsider the role of an academic from a radical sustainability viewpoint.

We suggest that the essays in this special forum merely touch the surface of what is possible, in our theoretical tools, our teaching, and the impact of our research, in rising to the challenge of integrating sustainability into all facets of being a strategy and organization academic. We hope that this editorial and the five essays offer both provocation and also opportunities to take forward. Without a doubt, it is imperative upon us as scholars to do so, if we wish our own role to remain relevant within a fast-changing world in which it will no longer be possible to ignore or compartmentalize issues of sustainability.

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