

QUASI Seminar Series: September 17, 2021, Chat Transcript

Topic: Are Corporate 'Win-Win' Strategies an Effective Way of Alleviating Social & Environmental Problems?

Yes: Mark Kramer; No: Andy King; It Depends: Irene Henriques; In Practice: Auden Schendler

- 00:22:47 Andre Coutinho: Hello everyone! as a Brazilian i am glad for such start, subtle music for demanding ears.
- 00:23:19 Irene M Henriques: com muito prazer
- 00:24:32 Mike Barnett: Welcome to everyone! Please post your questions/comments into the chat here. We'll draw from them in posing questions to the presenters. We want to favor questions from doctoral students, so please do indicate if that fits you. And yes, we will post everything (including this chat log) on the RICS website after the event.
- 00:30:19 David Kirsch: Would EV transition have happened faster if incumbents had been enjoined from lobbying against progressive regulatory frameworks?
- 00:31:46 Jeana Wirtenberg: Dan Pink says you need to pay people enough so they are not thinking about money and are thinking about the work!
- 00:32:16 Andre Coutinho: Venture Capital, definitely, but also scientific and technological advancement funded gov. gov. agencies like DARPA and NIH
- 00:32:23 Kenneth Pucker: Here is another source of Tesla's financing....According to the LA Times, Tesla Motors has received \$2.391 billion in government subsidies,
- 00:33:00 Irene M Henriques: Myth: Governments are not risk takers
- 00:33:09 Paolo Quattrone: Hearing what Mariana Mazzucato has to say here would be useful. Mike, invite her... (-:
- 00:33:37 Mike Barnett: Everyone is welcome!
- 00:34:07 Jeana Wirtenberg: Greyston Bakery is a wonderful model for Open Hiring. We have an article on that in Rutgers Business Review.
- 00:36:48 Dror Etzion: Another myth: for profit organizations are more efficient than others. Graeber 2018 Bullshit Jobs: A Theory.
- 00:42:06 Arthur Gautier - ESSEC: Does type of ownership of firms influence their willingness/ability to create actual "shared value"? E.g. family firms, privately-owned firms, foundation-owned firms vs. publicly-traded firms, presence of investment funds...
- 00:42:07 Kathy Lund Dean: Smith also described accurately worker exploitation and alienation propensity within capitalism
- 00:43:15 Paolo Quattrone: Accounting teaches us that win win is impossible, as the idea of unlimited growth: better to think of trade-offs and reaching a reasonable balance...

- 00:44:52 mthompson: Trade-offs raise issues of power and often result in maintaining the status quo?
- 00:45:09 Mike Barnett: Wasn't expecting animation -- this is awesome!
- 00:45:25 Paolo Quattrone: Hmm.. alignment raises issues of power. Trade-off create a space for conversation?
- 00:46:30 mthompson: Trade off assumes a fixed situation - how about combining elements to find more optimal solutions?
- 00:47:29 Paolo Quattrone: Just published this, sorry for self-advertisement:
<https://www.emerald.com/insight/content/doi/10.1108/AAAJ-04-2021-5233/full/html>
- 00:48:20 Sandra Waddock (she/her, Wampanoag/Nipmuc Lands):My last paper with Jegoo Lee and Sam Graves on the CSR-FP issue: Doing Good Does Not Preclude Doing Well. Jegoo Lee, Samuel Graves, and Sandra Waddock. Social Responsibility Journal, 2018, 14(4), 764-781, DOI: <https://doi.org/10.1108/SRJ-03-2017-0044> , Doesn't preclude it, but doesn't necessarily lead to it, either.
- 00:49:21 Paolo Quattrone: @Sandra thanks for sharing!
- 00:49:52 Sarah Ku: Cases are contextualized explanations, not necessarily generalizable. Of course it's misleading to assume that one case can be translated to mass situations but it's also misleading to assume that business models and landscapes are static and don't evolve. Cases may represent exceptions during certain contexts and time periods but could represent the rule later on.
- 00:58:59 Gerardus Lucas:Many of these cases seem large scale Hawthorne effects: the win-win arises in situation where participants are hugely motivated to achieve social value aside from meeting certain other necessary conditions, but not scalable long term as such high motivational energy is not sustainable nor replicable in more 'normal' contexts
- 00:59:37 Mike Barnett: Yes. Also may depend on competitive advantage, and so can't be scaled across industries without eliminating profit.
- 01:00:31 David Kirsch: On the history of the electric vehicle, I hope the Rutgers community will not mind my citing a RUP book... <https://www.rutgersuniversitypress.org/the-electric-vehicle-and-the-burden-of-history/9780813528090>
- 01:00:42 Mike Barnett: We'll allow it ;)
- 01:01:27 Andre Coutinho: Well done Irene by bringing a “complexity lense” to the issue.
- 01:05:10 Sarah Ku: @Irene Thank you for emphasizing the importance of incorporating sustainability into business models. Relying too much on thought leaders and policies to tackle these problems takes too long and assumes that governments are the only actors that can move the needle forward. But the role of corporations in sustainability issues is substantial, so their continued exclusion from being part of the solution is both ethically and economically deficient.

- 01:06:33 Arthur Gautier - ESSEC: How do panelists reflect on the ozone depletion regulations, what role businesses played (if any), and what can we learn from this historical case to think about climate change regulations?
- 01:07:13 mthompson: Ozone was a tame problem.....?
- 01:08:20 Mike Barnett: We'll post Auden's slides (and all others) on the RICSi website
- 01:14:48 Irene M Henriques: @Arthur Gautier The ozone case is unique in that it involved a few players and the US and UK governments stated that something must be done (government threat).
- 01:14:52 mthompson: Beck called it organised irresponsibility
- 01:15:52 Gary Cohen: Mike, I'll have some questions/comments if time permits.
- 01:16:12 Mike Barnett: Yes, we'll have time.
- 01:17:23 Dror Etzion: I am sympathetic to the "No" argument. The proposed remedy is to increase gov't power and control. I am sympathetic to that too. But realpolitik-wise, with American approval of gov't at around 15%, and numbers not much higher in other countries, is there a popular base of support for this remedy?
- 01:20:49 Irene M Henriques: Ozone was not tame but we knew the direct source! A substitute to CFCs were found
- 01:22:48 Jeana Wirtenberg: Can any of you speak to the role of business schools in educating a new generation of leaders in addressing these wicked problems?
- 01:23:28 Sandra Waddock (she/her, Wampanoag/Nipmuc Lands):The issue here is that most companies, even when attempting to gain competitive advantage through shared value or win/win solutions, still respond to the pressures from their ecosystem--e.g., for profits in the relative short term. What is really needed is system transformation that repurposes businesses. Individual companies making changes will never make system change.
- 01:23:55 Arthur Gautier - ESSEC: Thanks Irene.
- 01:24:30 Sarah Ku: +1 Irene and Sandra
- 01:24:51 Robert Bwana: Does the fact that responsibility tends to fall under marketing and communication departments suggest what companies think of the problem?
- 01:25:30 Paolo Quattrone: @Robert, well said. This is why if corporate governance and accounting are not changed companies will not have the right incentives
- 01:25:59 Sarah Dadush, Rutgers Law School -- she/her: As Mark said, shared value is likely most meaningful/transformational when companies actually change their internal governance structures and their business models. Should this type of change be required by government? Should / could we move toward a more generalized model, not (just) of shared value, but of "shared responsibility"?

- 01:27:23 Kenneth Pucker: How is it that a company like Nestle can be cited as a paragon of Shared Value when their own internal assessment revealed that close to 70% of their own products failed to meet a “recognized definition of health.”
- 01:27:37 Rama Mohana Turaga: Isn't win-win kind of endogenous. Strong government regulation or labor or consumer organizing push up the costs of not doing enough on sustainability and the equilibrium of win-win is more likely to converge to a social optimum. Maybe I am not understanding win-win correctly?
- 01:28:17 Paolo Quattrone: @Sarah A change from for measuring profit to measuring Value-added and how the production and distribution of value consumes resources is the first step.
- 01:29:45 Dror Etzion: What's to prevent all the academics on this call from co-authoring a short paper calling out these examples of hypocrisy, as Auden suggests? It should be pretty straightforward if we set our minds to it. I bet even Nature might publish it.
- 01:30:07 Paolo Quattrone: @Dror I second that.
- 01:30:23 Mike Barnett: They're already published, Dror
- 01:30:27 Mark Kramer: @Dror, I'm game!
- 01:30:38 Robert Tomasko: Applause for QUASI for bringing the practitioner voice into the discussion!
- 01:32:22 Sarah Ku: Yes, I appreciate QUASI's incorporation of practitioners but I think it's also important to highlight the very racially skewed perspectives on today's session
- 01:32:22 Kathy Lund Dean: @Andrew-- the left keeps thinking logic and morality will win the day. See COVID responses
- 01:32:31 Sarah Dadush, Rutgers Law School -- she/her: The documentary The New Corporation makes exactly Andrew's point
- 01:32:36 mthompson: Win-win, net zero - kicking the can down the road
- 01:32:54 Sandra Waddock (she/her, Wampanoag/Nipmuc Lands):@Andy, yes, @Dror, yes. But what does need to be done?
- 01:33:28 Gerardus Lucas:I guess when social activism became a branding opportunity, whether for celebs, companies, politicians, etc
- 01:35:13 Sandra Waddock (she/her, Wampanoag/Nipmuc Lands):If we listen carefully to Irene, we begin to see that systemic issues like the ones being discussed required _systemic_ solutions, which is likely to mean that there is no magic bullet, no one solution, but rather a whole system of different solutions, drawing key leverage points somehow, that begin to shift the sytem.
- 01:36:22 Sarah Ku: Preach, @Irene!

- 01:36:28 Robert Bwana: I believe you are referring to Rutger Bregman @irene. A historian who was invited to Davos
- 01:36:44 Gerardus Lucas: His name is Rutger Bregman FYI, see <https://www.youtube.com/watch?v=r5LtFnmPruU>
- 01:37:20 Dror Etzion: I'm kind of aligned with Anand Giridharadas that Davos is more a problem than a solution...
- 01:37:38 Irene M Henriques: Yes Rutger Bregman!
- 01:37:40 Sarah Dadush, Rutgers Law School -- she/her: @Irene, but it's not just about having more money to address social and environmental issues, it's also about addressing how those social and environmental issues come into being
- 01:37:45 Kathy Lund Dean: The short term vs long term time horizon must be addressed with any meaningful solutions
- 01:37:51 Auden Schendler: But I think that guy called them out--saying that they wanted to do everything but change tax policy
- 01:38:26 Andrew King: All companies create shared value.
- 01:39:20 Richard Vail: Creating shared loss?
- 01:39:29 Irene M Henriques: @Sara I agree but government revenues fund education, healthcare, the social safety net.
- 01:40:09 Sandra Waddock (she/her, Wampanoag/Nipmuc Lands): @Kenneth Pucker, yes!
- 01:41:07 David Kirsch: Rules = institutions of capitalism. We don't really talk about capitalism much, either casually or in our research.
- 01:41:21 mthompson: I like the emphasis on changing rules of the game but is the US democratic system too broken for this to happen?
- 01:42:10 Dror Etzion: But did folks hear Andy say that morals and leadership are fairy dust?
- 01:42:13 Juan Francisco Chavez R.: What is your experience in regard to how business students learn about the relationship between business and government. In my experience, I perceive students receive a message that governments and regulation are not good for business, and should be kept at a minimum. How to solve wicked problems if that is the mindset?
- 01:43:26 Andrew King: Step 1: protect democracy, Step 2: act out for climate change.
- 01:43:50 Robert Bwana: How much can academia impact companies? If it takes 15-20+ years for graduates to reach decision making upper management level surely that would be too little too late?
- 01:44:18 Andrew King: Step 0: stop publishing false hope.

- 01:44:24 Gary Cohen: Self-interest, hypocrisy and threat-response behaviors are by no means limited to the business sector. Consider what happens today in government, in the media, even in universities and nonprofits. The key in my view is identify the leaders and organizations in each (and across) sectors whose motives are aligned and sincere, and encouraging collaboration and orchestration among them.
- 01:44:37 Gastón de los Reyes: Revolutions can happen very quickly
- 01:44:55 Mark Kramer: @Gary: Amen
- 01:45:16 Arthur Gautier - ESSEC: If only companies/billionaires paying their fair share of taxes to our governments was sufficient! Of course, 100% necessary condition, but not sufficient as even democratic governments are part of the same "system" that let the climate crisis build up.
- 01:45:24 Sandra Waddock (she/her, Wampanoag/Nipmuc Lands):My collaborator Steve Waddell talks about four strategies for transformative change--the warrior (XRO, which @Auden is talking about, collaboration (cross sector initiatives), working from the inside for change, and entrepreneurial/innovative strategies. The argument is that you actually need all four applied to different leverage points effectively.
- 01:46:00 Sarah Ku: The overwhelming acceptance of corporations as too focused on short-term to be part of solutions to these wicked problems is frustrating. Settling on this reality assumes that new business models or visionary business leaders can't help shift this landscape.
- 01:46:11 Sandra Waddock (she/her, Wampanoag/Nipmuc Lands):Mike, thanks so much for once again organizing a great and important conversation.
- 01:46:35 Sarah Dadush, Rutgers Law School -- she/her: @Paolo, I understand your point much better now and totally agree.
- 01:46:59 Paolo Quattrone: @Sarah great let's talk paolo.quattrone@ manchester.ac.uk
- 01:47:05 Gaia Melloni: Thanks so much it was a great seminar and debate
- 01:47:12 Gastón de los Reyes: Wonderful session! Thanks to all the speakers and organizers
- 01:47:21 Paolo Quattrone: Thanks Mike et al, good as usual.
- 01:47:21 Azish Filabi: Thank you, great event!
- 01:47:33 Auden Schendler: Even progressive powerful business leaders who "get it" have wacky ideas of how to fix things--like, Bill Gates and small nukes, or Mark Bennioff and tree planting. Small nukes take too long to cut carbon meaningfully, and tree planting has its own problems.
- 01:47:44 Lucia Piscitello: Thanks! really great session!
- 01:47:45 Gary Cohen: Thanks Mike, it was a great debate!