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EAM PRESIDENTIAL ADDRESS Can We Create Sustainable Organizations?¹

Presidential Address, Eastern Academy of Management
New Brunswick, NJ—May 18, 2007

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It has been an honor to serve as the 44th President of the EAM over the past year. Being a part of the EAM family has meant a lot to me, both in my personal and professional lives. The relationships that I have cultivated here have been an anchor of sorts through my years as a doctoral student and beyond. I attended my first EAM event in 1990 in Baltimore and I have been a part of this family ever since.

Many EAMers have been my friends and mentors during the 17 years that I have been part of this organization, and I would like to thank them all in no particular order of course—Steve Meisel, Joel Harmon, Gwen Jones, and Mzamo Mangaliso to mention a few. It has been an incredible journey. It took me 17 years to go from being a nervous presenter to...err...well...a nervous presenter! You could sayin an odd sort of way...I am an example of a perfectly sustainable system!

The journey has been a tremendous learning experience for me. I have engaged in professional dialogue, debated issues, written papers, and made wonderful friends. I have been involved in many capacities in the EAM—as a presenter, a member of the local arrangements committee, a member of the program committee, and as an officer. Through my years on the Board and as President—I have helped bring technological solutions to our paper submission process, helped implement the online election which was passed by the membership last year, and strived to improve the quality of research at this organization while keeping relevance in mind. I want to be able to continue to give to the EAM as much I have received in keeping with the Conference theme of "Sustainability."

Now, I would like to share my thoughts about the conference theme "Creating and Managing Sustainable Systems and Organizations" and its relevance to organizations that we study, and to us as academics and members of the Eastern Academy of Management. What is "sustainability?" John Ikerd (2005), our keynote speaker earlier today, defines it as "a long run people centered concept rooted in intergenerational equity. It means meeting the wants or needs of the current generation while leaving equal or better opportunities for people of the future."

¹ I would like to thank Rajesh Chandrasekaran for his comments and suggestions on this speech.

Sustainability is certainly not a new concept, but it has never been more relevant. Humanity today faces unprecedented challenges—among them, the growing divide between rich and poor, global warming, climate change, collapse of ecosystems, and rapid increase in population, all pressuring existing resources. Thinking about sustainable organizations and how to create and manage them is an important first step in trying to stem some of these crises and gradually reverse them.

There are several ideas that help us understand and make sense of the notion of sustainability:

(a) First, organizations are wholes in themselves, and exist in larger wholes. Arthur Koestler (1968) the American author and philosopher coined the term “holon” to describe this. As holons, all organizations are embedded in, and affect the web of relationships. We cannot do one thing without affecting something else. Thinking about systems this way changes our perspective on organizations. No longer can we think that an organization operates independently of its impact on stakeholders, society, or nature (Waddock, 2001).

(b) The embeddedness of organizations in societies implies that they need to pay careful attention to their behavior with respect to their numerous stakeholders. Organizations need to recognize that economic objectives need not always compete with social and ecological objectives. They all can and should be simultaneously optimized. Savitz and Weber (2006) have coined the term “triple bottom line” for firms meeting the integrated goals of “people, planet, and profits.”

(c) In order to optimize their behavior, organizations need to view themselves as open systems that give as much or more to the environment as they take from it. Charles Handy (2002) the management thinker put it very well: “the purpose of business is not to make a profit full stop. It is to make a profit so that business can do something more or better. That ‘something’ becomes the real justification for business. Owners know this” (p. 51).

What are some values that we as individuals need to think about to incorporate “sustainability” into our thinking?

An old Indian folk tale comes to mind: It is called the “**Magic Lunch Box.**”

A poor but generous playwright lived at the edge of a forest with his family. He set off with his lunch box to find a secluded place in the forest to ruminate and write. After walking a while, he was tired and laid down to rest. As he slept, the wood spirits came down, and were ravenous. They spotted the playwright’s lunchbox, opened it, and finished all the food in it. Feeling guilty, they cast a magic spell over his lunch box, so that it will always be replenished with delicious food. The playwright was delighted and on returning home, generously shared his good fortune with the rest of the village. A greedy rich merchant tricked the playwright into telling him the secret of his good fortune, and proceeded to the forest with a larger lunch box, always believing that he would upstage the poor playwright who was now gaining in fame and popularity. But the wood spirits sensed his wicked intent, cast an evil spell on his lunch box filling it with ashes instead of delicious food.

This simple folk tale has a number of lessons:

- (a) The playwright and the silk merchant are no different from corporate entities competing for “profits” (albeit nonmonetary in this case). Both seek recognition of success by their fellow men. The difference is that, for the playwright the recognition does not represent an end in and of itself. He is committed to “serving” his people and maximizing overall welfare. Recognition is just a by-product. In sharp contrast, for the silk merchant, success and recognition represent the very tangible ends that he is seeking. His goal is to maximize his personal satisfaction. Granted this is only a story. However, the implications for business conduct are impressive. Much like the silk merchant, organizations measure success by relative size and success relative to others, and there is a general belief that anything that is legal and maximizes material benefits and profits is ok. There is a growing belief that “greed” is good, a la Gordon Gecko in *Wall Street*. But this mindset needs reframing.
- (b) As individuals and organizations, as we grow in affluence, we seek to manage and control external uncertainties through scientific and technological advancement (in the folk tale through magic and spells). Our species is probably the ONLY one that has attempted to control and alter nature to ensure personal survival. In doing so, however, we forget how intricately and delicately the elements are interconnected. There is a general belief that all scientific advancement is beneficial. However, we need to reframe that belief, so that we can see technological progress in the larger context and understand whether we are depleting resources in the guise of technological advancement. We need to see the environment and society as being inside our economic strategy not “outside” its boundary (Ikerd, 2005).

How do we begin to reframe our thinking and values to believe in the concept of “sustainability” and think of the world differently than we currently do? In the book *Leading Corporate Citizens* (2001), Sandra Waddock discusses some specific values that help corporations be more conscientious citizens. We can start with two of those values as building blocks:

- (a) **Integrity:** What does integrity imply? It implies two things. First, it involves honesty, which means our behavior reflects our intentions—we are not afraid to walk our talk. Second, integrity implies wholeness or completeness. All of us need to recognize that we are part of something larger than ourselves. Being successful has a much larger meaning than having objectively measurable material success; it needs to include the subjective side, the emotional, inspirational, and even spiritual aspects of addressing multiple stakeholder needs.
- (b) **Developing a Vision: “What do we stand for?”** To be a living vision, it has to inspire and connect people to it. The vision cannot be hidden away in a drawer. For the vision to come alive, an organization has to communicate it loudly to its members. The members need to understand the vision and how it is being implemented.

I would like us to collectively think about what these values mean to us as academics and practitioners in the Eastern Academy of Management and how we can think about “sustainability” in our context.

First, integrity implies that we recognize our status as a “holon” and our existence in a larger whole. As academics we are engaged in research. Hambrick (1994) said: “We must recognize that our responsibility is not to ourselves, but rather to the institutions around the world that are in dire need of improved management, as well as to those individuals who seek to be the most effective managers they possibly can be. It is time to break out of our closed loop. It is time for us to matter” (p. 13). Our research cannot be done in “ivory towers.” We need to find the balance between relevance and rigor in our research. The EAM has taken many steps in assuring that our research counts and is counted. The EAM White Paper Series launched this year translates research done by EAMers into a more practitioner friendly format and we have started a dissemination plan for it. In your registration packets you have the first of the White Paper Series summaries. The officially sponsored EAM journal, *OMJ*, which is an “online journal,” is poised to grow with a new editor in Bill Ferris and a new publisher, Palgrave Macmillan.

Second, what is the vision of the EAM and what do we stand for? Just as much as we are researchers, we are also teachers. EAM makes a significant contribution to the management pedagogy through its ELA and Case partners. The September 2006 issue of *AMLE*—the Academy of Management Learning & Education journal—talks about ethics and social responsibility in the context of education. Several interesting issues are raised. McCabe, Butterfield and Trevino (2006) found business school students engaged in more unethical behavior than students with other career aspirations. In the same issue, Kashyap, Mir, and Iyer (2006) suggest that ethics should be an integral part of the business curriculum, not an after thought. Keeping with our theme, there is a need to develop a stronger sense of ethics in our students, and to help them see their role as responsible individuals in business, and the role of business in society. We need to develop more holistic corporate citizens. EAM is helping to create pedagogical tools—cases, experiential exercises that emphasize the skill sets that may be relevant in the real world.

Finally, the EAM is a learning community where doctoral students and academics in various stages of their careers come to enhance and improve their career opportunities. Through our meetings and other interactions throughout the year, we have become an interconnected family sharing scientific knowledge and principles in a spirit of collegiality. We have extended our reach through the EAM International. In 2005, we met in South Africa and in late June this year we will meet again in Amsterdam.² I encourage the EAM fellows and older EAM members to stay involved with the EAM and give as much or more of their time to help with program issues, fund raising, and the career questions of newer EAMers.

Is “Sustainability” sustainable? If organizations can “Do well by Doing Good,” then “sustainability” will continue to have resonance with academics and practitioners. Margolis and Walsh (2001a, 2001b) in their recent book, *Misery love companies: How social performance pays off*, argue that doing good does indeed pay off. We will hear more on the theme that organizations can do well by doing good at the Academy Meetings in August.³

²The EAM International with its theme “Managing in a global economy: Culture, Integration and Innovation” in Amsterdam took place between June 24 and June 28, 2007.

³The Academy of Management Meetings took place in Philadelphia between August 3rd and August 8th 2007.

I would like to leave you with a poem from the Upanishads—an ancient Indian philosophical text. I am sure there are other cultures that offer similar analogies. It is about sustainability and how wholes within wholes regenerate and become regenerated.

“From the whole, the whole becomes manifest. From the whole when the whole is taken away, what remains is again the whole.”

Again, I would like to thank you all for being a patient audience. I am proud of who we are as a group and it is my belief that as we move forward, we will continue to be an engaged professional and academic membership community. I look forward to being on board with all of you on this journey.

Thank you.

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