

## Social Sector and Business Strategies for Complex Adaptive Change: Navigating the Changing Currents for Business Education

### 1) Title, Abstract & Keywords

*In your abstract, please include a brief session description (not to exceed 100 words), and three to four keywords. If your proposal is accepted, this description will be printed in the conference program.*

**Title:** Social Sector and Business Strategies for Complex Adaptive Change: Navigating the Changing Currents for Business Education

**Abstract:** Increasingly, the spotlight for global development that will improve the lives of the poor is shifting to the business sector and strategies to influence private sector practices. Organizations - private and public, established and entrepreneurial, designed and emergent, formal and informal, profit and nonprofit - are critical to the well-being of nations and their citizens. They are of crucial importance for producing goods and services, creating value, providing jobs, and achieving social goals. As commerce becomes more global, business leaders realize that to open up new markets and ensure there are consumers for their products, as well as workers able to compete internationally; they must help improve the health, education, and income security of the very poor. Entrepreneurs are also bringing a new energy and innovation to philanthropy through their investments. This requires a different set of skills than those traditionally taught in business schools. Private-sector businesses have a unique role to play in solving social challenges—they have the tools, a stake in improving these markets, and collective access to global capital that greatly exceeds the available pool of foreign aid. And philanthropy can seize this moment and leverage these resources to achieve its goals of improving the situation of the very poor. Using a multi-stakeholder qualitative value elicitation protocol, we consulted with community leaders, business, public sector, social innovators, and academics that practice, study, and teach about innovations to accelerate improvements in the lives of the poor. We explored how successful pedagogical experiments from business schools could be transferred across boundaries to drive public and private sector changes that accelerate social change.

**Keywords:** Adaptive Challenges; Business Schools; Complexity Theory; Wicked Problems

**Session Description:** Overall, the session would take 60 minutes. In the session, we will use the World Café Approach. The World Café is a participative process which allows participants to have creative conversations while sitting cafe-style around small tables. It is easy to use method for creating consequential and mutual dialogue around questions and issues of importance. There will be a short presentation (5 minutes) to discuss the overall findings of the study, and another five minutes to discuss the world café approach to enlighten participants who are not familiar with the approach. The remaining 50 minutes would be used for the world café.

### 2) Teaching Implications:

*What is the contribution of your session to management pedagogy/andragogy? Specifically, please include your learning objectives, and describe what management*

*and/or teaching topics are relevant to your session, and why. Also, include theoretical, disciplinary, or theoretical foundations that will help reviewers understand how your ideas fit within the broader field of management.*

In this study, we explored how philanthropy can serve as a catalyst to engage the private sector in developing and implementing new models to alleviate poverty and improve the lives of the vulnerable population. The object was to begin to identify points of engagement and potential partners for philanthropic leaders seeking to leverage the strengths of the business sector and business schools to achieve social goals. The research questions of the study are:

- How could communities be given voice and decision-making power within collaborative projects involving business?
- How can business be a partner in poverty alleviation?
- How could business schools and philanthropy work together to train current and future business leaders in multiple bottom lines, including social change?
- How can social policy spur innovation?

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### **Multi-Stakeholder Qualitative Value Elicitation (MSQVE)**

For the MSQVE we interviewed more than 65 experts and thought leaders, and synthesized what we learned. The following section is a summary of common themes that emerged from synthesizing the views of experts and stakeholders from the qualitative value elicitation. It was striking how consistent these themes were. We found the following themes emerging:

***Realign business purpose with the public good.*** The purpose of the business corporation must be re-examined and rewritten to realign business purpose with the public good, and business schools must teach this new approach. Triple-bottom-line thinking must be embraced and taught as mainstream. Milton Friedman's mantra, "The social responsibility of business is to increase its profits," must be viewed in its historical context while recognizing that a new frame must be provided to business leaders and business students. New approaches that should become part of the core business curriculum include learning from businesses that are thinking outside the mainstream. For example, students should have access to models such as the Green Exchange, which offers learning opportunities that illustrate big companies working together to accelerate innovation and social benefit. Among the large corporations that have shared best practices and applied technology through the Green Exchange partnership are DuPont, Weyerhaeuser, and Procter & Gamble (P&G). For example, DuPont has created a new fabric out of recycled products from Weyerhaeuser. P&G has a permeable contact lens that can be adapted by other companies. There are also innovations by mid-sized companies that live their values and have the agility and entrepreneurial spirit and commitment to test new ideas that

multinationals cannot try because of scalability. Another innovation of business schools stepping out to give students real life experience in social change and entrepreneurship involves the University of Michigan Ross School of Business, which created the country's first student-led social venture capital initiative. It enables students to learn how to spot opportunities and invest in a socially responsible way.

**Build momentum for the systemic change.** Building momentum for the systemic change and tackling wicked problems will require a dramatic shift in public policy that will reward business and allow companies to practice, without being penalized for innovative practices. Rewriting laws to support a new US and global business culture will unleash change agents already working within business and encourage the next generation of managers to find business opportunities in daunting challenges. Wherever possible business schools should be advocates for change and teach policy and regulatory reform with a multi-dimensional perspective. If the private sector is going to be innovative in incorporating the challenges of the poor into their business models, then new economic development policies must be designed that can support new ways of thinking. A more familiar example is B-Corporations, and the expansion of tax incentives and building the capacity of business associations and advocates to be more creative.

**Redefine and support new business education.** Supportive networks of business leaders and business schools are needed to redefine and support new business education. This effort must include open and public discussions about ethics and values, enabling future managers to treat moral issues as strategically and effectively as they do business issues. These networks to recreate curriculum might include convenings of business school deans and faculty, the former to discuss institutional policies and curriculum and the latter to identify gaps and develop new teaching materials such as cases, teaching notes, and revisions to textbooks. An example is found in Babson College's Giving Voice to Values, a new approach to teaching ethics that offers students a safe space to practice applying their values to business. It is designed to support students and give them the courage and competence to raise their voice in times of moral conflict. There is a growing group of business students who are taking a pledge to "do no harm" in their business careers.

**Support multi-disciplinary thinking and partnerships.** It is essential to support multi-disciplinary thinking and partnerships in business schools and boardrooms: Wicked problems require wicked solutions. Many business schools offer joint degrees with public policy, law, and social work schools to help business students be more effective in addressing complex social and financial issues. An example is found in Quinnipiac University's JD/MBA program. Unfortunately, in many cases, these relationships exist only on paper, and students must take the initiative to integrate ideas and approaches rather than faculty taking the lead to mentor students and show them the importance of cross-sector learning. Business schools must be more intentional about such integration and should forge partnerships with faculty from other disciplines and design curriculum accordingly. Just as important, business leaders—current and future—must bring diverse voices and opinions to the table when dealing with wicked problems. Complexity requires collaboration, not command and control. This understanding of the need for multiple voices is part of current thinking and teaching about strategic leadership, and such teaching can be expanded to include social and environmental issues in the context of financial concerns.

**Offer social change strategies in business schools.** Multiple social change strategies should be offered in business schools and mainstreamed into traditional business courses. Currently, many business schools are creating social entrepreneurship programs within business schools. While they can offer students alternative ways of thinking, the cases they use and the career paths they offer tend to focus on start-ups or nonprofits with business activity. The upside, according to an expert who works on these issues, is that they “offer compelling stories of what may be possible in businesses structured around a social mission—but they are also capital starved and small in scale, and they fail to reach the starting gate in the race to solve the big questions of our day. We will not make progress on our most important problems without the active engagement of mainstream business.” There is fear that students who study social entrepreneurship may otherwise conclude that meaningful work is limited to nonprofits or entrepreneurial start-ups with social objectives and little access to capital. Other experts believed that it is a “both, and” proposition. Business schools must integrate social change strategies and cases into traditional courses such as finance, marketing, and international business. These innovators are sometimes referred to as “social intrapreneurs” who are working in large public and private companies that value complexity over simplicity and multiple objectives rather than seeing profit maximization and social mission as either/or.

**Create social change scholarly journals that have stature in academia.** It is important to create scholarly journals that have stature in academia and can reward faculty who publish there for pushing the envelope and trying new ideas. Right now faculty are often penalized in the tenure and promotion process for not getting materials published in traditional scholarly journals, and there is a disincentive to test new theories and write about social change research in the context of business. There needs to be a way to, as one expert points out, “Shine the spotlight on innovators and help faculty find state-of-the-art teaching aids, case examples, helpful theory and curricula—and to find peers with common interests.”

**Business schools should be centers of social change innovation.** Business schools should be centers of social change innovation on a large, bold scale and should interface with public welfare programs to encourage beneficial behavioral changes among the poor. New ideas and new alliances can be built that deeply influence large public welfare programs and the people they are trying to reach. Peter Tufano’s example of adapting the concept of a lottery to promote saving among low-income communities uses advertising techniques to “make savings fun” and build on new ideas in behavioral economics to encourage saving and taking advantage of public benefits such as Earned Income Tax Credits and TANF. Both are earned benefits, but considerable amounts are left unclaimed by qualified beneficiaries. These funds have been shown to be instrumental in providing safety needs that can improve the lives of young families and their children. Innovative ways must be found to reward new behavior. For example, prizes and awards should be offered for competitions of graduate and post-graduate students who show new ways for medium-large-multinational businesses can make money and create social change.

### 3) Session Description and Plan:

*What will you actually do in this session? If appropriate, please include a timeline estimating the activities will you facilitate: how long will they take, and how will participants*

*be involved? Please remember that reviewers will be evaluating how well the time request matches the activities you'd like to do, and the extent you can reasonably accomplish the session's goals. Reviewers will also be looking for how you are engaging the participants in the session.*

In the session, we will use the World Café Approach. There will be a short presentation (5 minutes) to discuss the overall findings of the study, and another five minutes to discuss the world café approach to enlighten participants who are not familiar with the approach. The remaining 50 minutes would be used for the world café.

**World Café Process.** The World Café is a participative process which allows participants to have creative conversations while sitting cafe-style around small tables (Brown, 2002). It is easy to use method for creating consequential and mutual dialogue around questions and issues of importance. "As an organizational or social design process the World Café offers a practical way to enhance the human capacity for collaborative thought" (Schieffer, Isaacs, & Gyllenpalm, 2004). The world café process was created in response to the worldwide interest in dialogue methodologies suitable for organizations and communities (Brown, Isaacs, Margulies, & Warhaftig, 1999); it has the potential of facilitating the transformation of dynamic conversations and unlocking new potential for action if it is appropriately used (Schieffer et al., 2004).

There are multiple ways to conduct a successful and effective world café, and different researchers and organizations have adapted it to suit their purposes. There are, however, seven core design principles that have proven their value over the past years and are normally expected if the process is to be classified as a world café approach (Brown, 2002; Schieffer et al., 2004).

1. Clarify the context;
2. Create a hospitable environment;
3. Explore questions that matter;
4. Encourage everyone's contribution;
5. Cross-pollinate and connect diverse perspectives;
6. Listen together for pattern, insights and deeper questions;
7. Harvest and share collective discoveries.

**Session World Café Process.** In this proposed session, the world café process will adhere to all the seven design principles. Four broad categories of questions, corresponding to café tables will be created and each table labeled according to the question to be discussed on that table. Participants would be asked to voluntarily join café tables at the start. Each table will have a minimum of 4 people and a maximum depending on the number of participants present. Each table will select a chairperson and a rapporteur. The chairperson and participants on each table moved on (individually) to other café tables after approx. 6 minutes. The rapporteur will remain at the café table for the whole time, whereas other participants moved around. Using as a starting point the results of their 'predecessors', participants will then discuss the 'new' topic and select a chairperson to guide the discussion. After four iterations of movements (approximately 30 minutes), the rapporteurs on each table will then present the summaries of the discussions at their various tables (15

minutes) and they will collect the summaries and flip charts of raw data and give a 5 minutes general summary.

#### 4) Application to Conference theme:

How does your session fit with the overall OBTC theme of *Navigating the Changing Currents*?

This session directly fits the overall OBTC theme. Effective Social Sector and Business Strategies for Complex Adaptive change – the so-called wicked problems are the changing currents driving philanthropy, corporate social responsibility, and the triple-bottom-line. It is, therefore, imperative for business educators to learn to navigate these changing currents to meet the leadership demands of this 21<sup>st</sup> century, and the theme of the conference is well timed and extremely appropriate. This session aligns very well with the conference team.

#### 5) Unique Contribution to OBTC:

*Have you presented the work in this proposal before? If so, how will it be different? Is this proposal under current review somewhere else? If so, please explain. How will your proposal be different for the OBTC conference?*

The work in this proposal has not been presented elsewhere, and it is currently not under review anywhere. However, a full manuscript is being prepared to be submitted to the *Journal of Management Education*

#### 6) References:

- Brown, J, Isaacs, D., Margulies, N., & Warhaftig, G. (1999). The World Café: Catalyzing Large-Scale Collective Learning. *Leverage: News and Ideas for the Organizational Learner*, (33).
- Brown, J. (2002). *A Resource Guide for Hosting Conversations That Matter at The World Café*. Whole Systems Associates. (pp. 1-11).
- Friedman, M. (1970). The social responsibility of business is to increase its profits. *New York Times Magazine*, September 13: 32-33, 122-124.
- Schieffer, A., Isaacs, D., & Gyllenpalm, B. (2004). The World Café : Part One. *World Business Academy*, 18(8), 1-16. Retrieved from <http://www.collectivewisdominitiative.org/papers/WorldCafe.pdf>
- Tufano, P. (2008). Saving Whilst Gambling: An Empirical Analysis of U.K. Premium Bonds. *American Economic Review*, 98(2), 321–326.