

The Future of Sustainable Business Management in Asia and the Pacific

Paul Wedel

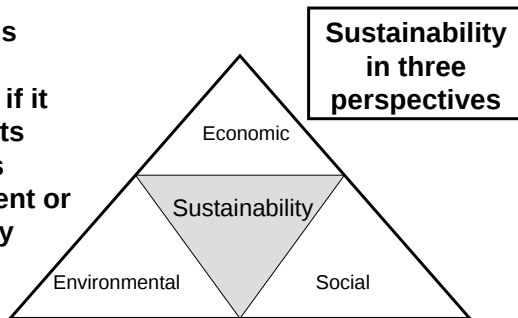
Executive Director, Kenan Institute Asia
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Key Questions

- What is the case for business sustainability?
- What are the drivers for sustainable business management?
- Do these hold for Asia?
- What are the prospects for sustainable business management education?

What makes a business sustainable?

A business cannot be sustained if it destroys its capital, its environment or the society around it.



Adapted from: William McDonough + Partners

Economic Perspective

- Reducing waste & materials cost
- Accounting for environmental costs
- Reducing risks & liabilities
- Maintaining access to markets
- Increasing customer approval (or at least avoiding disapproval)

Social Perspective

- Transparency and accountability
- Communicating with stakeholders
- Avoiding costly conflicts
- Maintaining the “license to operate”
- Improving employee motivation and loyalty
- Improving reputation
- Innovation to reach the bottom of the pyramid

Environmental Perspective

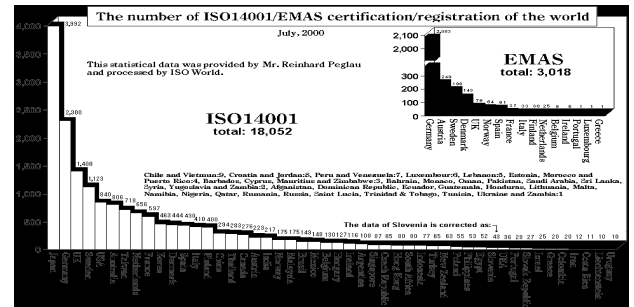
- Reducing environmental footprint
- Avoiding destruction of natural sources of raw materials
- Avoiding adverse impact of climate change
- Eco-innovation

Environmental Management Systems

- An important performance mechanism
- A way of communicating environmental efforts to society
- Require management attention and expertise

Rapid Adoption of EMS

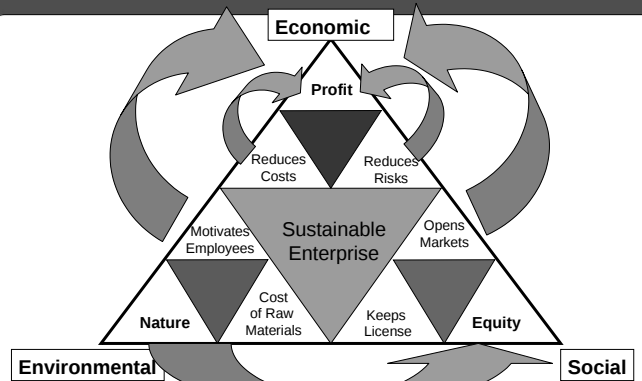
Growing Interest in Adoption ...



... Preliminary Research Findings

- The ISO 14001 procedure often produced additional benefits, even in firms that had environmentally efficient operations already (Rondinelli and Vastag 2000, Darnall et al. 2000)
- SMEs also found benefits from EMS adoption
- Internal barriers can be overcome
 - Environment often not perceived as a core business issue
 - Lack of knowledge about EMSs and benefits
 - Interruptibility of the process (other crises and demands)
 - Difficulty of determining environmental aspects, significance
 - Need for human resources to implement

The Sustainability Triangle



Drivers of Sustainable Management

- Environmental impacts
- Social impacts
- Increasing population
- Growing affluence
- Tightened regulation & enforcement
- Improved education and awareness
- Easier communication (Internet)
- Strengthening of NGOs

Drivers in Asia

- ✓ Environmental impacts
- ✓ Social impacts
- ✓ Increasing population
- ✓ Growing affluence
- ✓ Tightened regulation & enforcement
- ✓ Improved education and awareness
- ✓ Easier communication (Internet)
- ✓ Strengthening of NGOs

OECD Model is not Sustainable

- 3 billion people live on \$2 or less a day
- New products and services are needed to improve quality of life for these people
- But the environment cannot support 3 billion people using energy and resources at OECD rates

Is Management Education Ready?

- WRI surveyed 463 graduate B-schools in 2000
- Just 122 schools responded
- Only 82 reported that they offer some courses on sustainability

Sustainability is a reputation-builder for Business Schools

Problems in Sustainable Management Education

- Lack of environmental and sustainability courses
- Inadequate integration of social and environmental subjects into core courses
- Overly reliant on volunteer activities for social management
- Environmental courses usually in separate modules or electives
- Lack of demand by recruiters

Beyond Grey Pinstripes 2001 awards

Business Innovations in Social Impact Management	Award for Business Innovation in Environmental Management	Business Innovation in Management for Sustainability
George Washington University University of Jyväskylä University of Michigan Kenan-Flagler Business School Yale School of Management	Harvard Business School Marymount University University of Michigan Kenan-Flagler Business School Schulich School of Business	Asian Institute of Management Kenan-Flagler Business School Schulich School of Business

Kenan-Flagler Business School Sustainable Enterprise Program

