

Lecturer's Notes and Instructions on
**Corporate Sustainability & Green
Cities**

Lecture 1: Introduction to Corporate Sustainability &
Green Cities

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INTRODUCTION

This session will address the role of businesses in cities and give an understanding to what is meant by corporate sustainability. It will discuss the positive and negative contributions of businesses to the urban context and understand the opportunities available for creating sustainability solutions. This session will primarily focus on how business is conceptualized with regard to its role within cities (both societally and ecologically). The session explores the concepts and limitations of the three main viewpoints and ends with a discussion on the implications of the embedded viewpoint for sustainable cities.



CONTENT

The session begins with an overview of the whole module. The course objectives are introduced and the assignments are detailed. It is worth highlighting that if students are following the whole programme they are asked to complete a weekly CEO video pitch which is uploaded on the shared platform. This gives them experience and a chance to hone their pitching skills for assignment 2.

The content part of this first session is divided into three constituent parts (recommended proportion of session time given in brackets): (1) What is Sustainability? (25%) (2) Business and Cities (25%) (3) Evolution of Corporate Sustainability (50%).

Instructions

(1) What is Sustainability?

The first component works as a warm-up exercise and allows students to engage with their previous teaching and pre-conceptions on sustainability. Students are invited to consider the sustainability of the Brazil 2014 World Cup. Students may engage with another major sporting tournament if they wish. It is recommended to ask the open question of 'What makes a world cup 'sustainable' for a city?' and build up the answer with the class contributions. Hopefully the answers should include the economic, social and ecological considerations. An overview of the analysis on the Brazil can then subsequently be offered.

(2) Business and Cities

This second segment aims to give students an understanding of the interdependence of business and cities. It is recommended that students are first asked open questions, before example answers are given.

First students should understand the role of businesses as providers of goods and services, considering their contributions to every part of city life. Secondly, they should engage with the current and future challenges and negative impacts of the production and consumption activities (i.e. water pollution, waste etc). Thirdly, these challenges are framed in terms of opportunities for businesses. This is a particularly good moment for students to work together and consider what opportunities there may be and how they could be achieved. At this point it is advised to engage with compulsory reading: Macomber, J. D. (2013). Building sustainable cities. *Harvard business review*, 91(7), 40-50.

(3) Evolution of Corporate Sustainability

There are two main objectives of this sub-section: (1) Students understand that corporate sustainability is not a new phenomenon but has a long history and has undergone many iterations; (2) The prevailing view of business within society (and within cities) has evolved from a desperate view to recognition of embeddedness. The important learnings of the three viewpoints are detailed below:

The Disparate View

The presumed purpose of business is to maximize financial wealth (Jensen, 2002) as a principal means by which humans meet their individual needs. Business is generally regarded as self-contained and self-organizing, and is typically characterized as a system of transactional exchanges rooted in a logic of individual self-interest. Social and environmental phenomena are not completely ignored but rather that they are deemed relevant only insofar as they can be modeled as economic factors.

Discussion should focus on the limitations of the viewpoint for achieving sustainable cities. Most important is the idea of the 'anthropocene': We are living in the age of humans, whereby our activities have significant impact at the planetary scale on the Earth's ecosystems. In recognition of this we need understand the consequences of our actions on ecological systems and actively manage these impacts.

The Intertwined View

Recognizes the importance for business to be profitable, but it also requires the pursuit of societal goals: Profit Sustainable Business, Planet Eco-Efficient (& eco-effectiveness!) Business, People Ethical Business or Eco-Justice.

The intertwined view implies that business, societal, and environmental objectives can and should be pursued simultaneously, and the central goal of achieving sustainability takes precedence over simple economic outcomes.

Optional engagement with recommended reading: Dyllick, T., & Hockerts, K. (2002). Beyond the business case for corporate sustainability. *Business strategy and the environment*, 11(2), 130-141.

The Embedded View

An explanation to the limits of the intertwined perspective should be given. Essentially, in general we have seen an increase in companies and governments engaged with sustainability practices and likewise an increase in its attention from management scholars: However our ecological systems on which we dependent continue to decline. What do managers do when they have trade-off decisions between social/ecological/economic considerations? The economic dimension is dominant: If the debate truly was about environmental and social sustainability, surely one would expect the relationship to be reversed, on the assumption that development proceeds within the constraints and limits of the biophysical environment.

The Embedded view highlights systemic limits and the dependency of society and economy on nature: Business cannot succeed in a society or nature that fails.

- Clear value ordering
- Understanding the dependency on society and nature for a firm's value creation activities
- At a socio-ecological perspective hopefully activities of society and business will support a flourishing ecological system

At this point it is advised to engage with compulsory reading: Dyllick, T., & Muff, K. (2015). Clarifying the meaning of sustainable business introducing a typology from business-as-usual to true business sustainability. *Organization & Environment*, 1086026615575176.

Optional engagement with recommended reading: Whiteman, G., Walker, B., & Perego, P. (2013). Planetary boundaries: Ecological foundations for corporate sustainability. *Journal of*

Management Studies, 50(2), 307-336.

Homework: Elevator Pitch

Students are asked to make a 2 minute video message to the CEO on the implications of managing with an embedded perspective. What changes to current practice would this imply?

It is expected that students apply the ideas of both compulsory readings and the lecture material to a business operating in their city.

REFERENCES

Compulsory Reading:

Dyllick, T., & Muff, K. (2015). Clarifying the meaning of sustainable business introducing a typology from business-as-usual to true business sustainability. *Organization & Environment*, 1086026615575176.

Macomber, J. D. (2013). Building sustainable cities. *Harvard business review*, 91(7), 40-50.

Recommended Reading:

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LECTURER'S PROFILE

Steve Kennedy is an Assistant Professor researching corporate sustainability, climate change and sustainability-oriented innovation within the Centre of Corporate Eco-Transformation at Rotterdam School of Management, Erasmus University. Dr Kennedy's current research focuses on how corporate sustainability strategies are translated into successful innovation and the formation of future-ready sustainable business models. In recognition of its academic contribution his thesis on the challenges of operationalizing sustainability at the local-level was highly commended at the prestigious Emerald/EFMD Outstanding Doctoral Research Awards 2010. Dr Kennedy is the Academic Director of the MSc Global Business & Sustainability and teaches courses such as 'Climate Change Strategy Role-Play' and 'Sustainability Leadership and Planetary Boundaries'. His research is published in journals such as *Journal of Management Studies*, *Long Range Planning*, *Journal of Cleaner Production and Management Learning*. Email: skennedy@rsm.nl

MODULE DEVELOPER:



ABOUT ROTTERDAM SCHOOL OF MANAGEMENT

Rotterdam School of Management is one of Europe's leading and largest business schools among the 1% of schools worldwide with Triple Crown accreditation. The school is a world leader in research and teaching on sustainability ranking 3rd in Europe and 19th globally according to The Aspen Institute's Beyond Grey Pinstripes Report.

Project participation is from the Centre for Corporate Eco-Transformation which broadly aims to reach a clearer understanding of the management challenges of corporate sustainability. The Centre conducts high-level research and education on management issues related to sustainability and provides accessible and up-to-date information on cutting-edge research, ideas and works published on the subject of corporate eco-transformation.

Learn more about RSM: <http://www.rsm.nl/>

ABOUT SUSTAIN PROJECT

The SUSTAIN project aims to improve the quality of tertiary education in Sustainable Urban Development in Europe and partner universities in Asia; develop standardized education modules related to SUD and furthermore enriching them with international perspectives and academic and vocational skills and competencies; promote collaboration and international cooperation between European and Asian Higher Education Institutions in SUD but also collaboration and sharing between Erasmus Mundus programmes; establish links and bridge European Higher Education and practice in SUD; increase the visibility and access to European Higher Education in Asia in the field of SUD, attracting prospective Asian and international students.

The SUSTAIN project is co-ordinated by the Institute for Housing and Urban Development Studies (IHS) with the Dutch Research Institute for Transitions, the Netherlands, the Rotterdam School of Management, the Netherlands, Darmstadt University of Technology, Germany; National Technical University of Athens, Greece; European Academy of Bolzano, Italy; Ca' Foscari University of Venice, Italy; Gadjah Mada University, Indonesia; Centre for Environmental Planning and Technology, India; Beijing University of Civil Engineering and Architecture, China; and International Council for Local Environmental Initiatives, Germany.

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