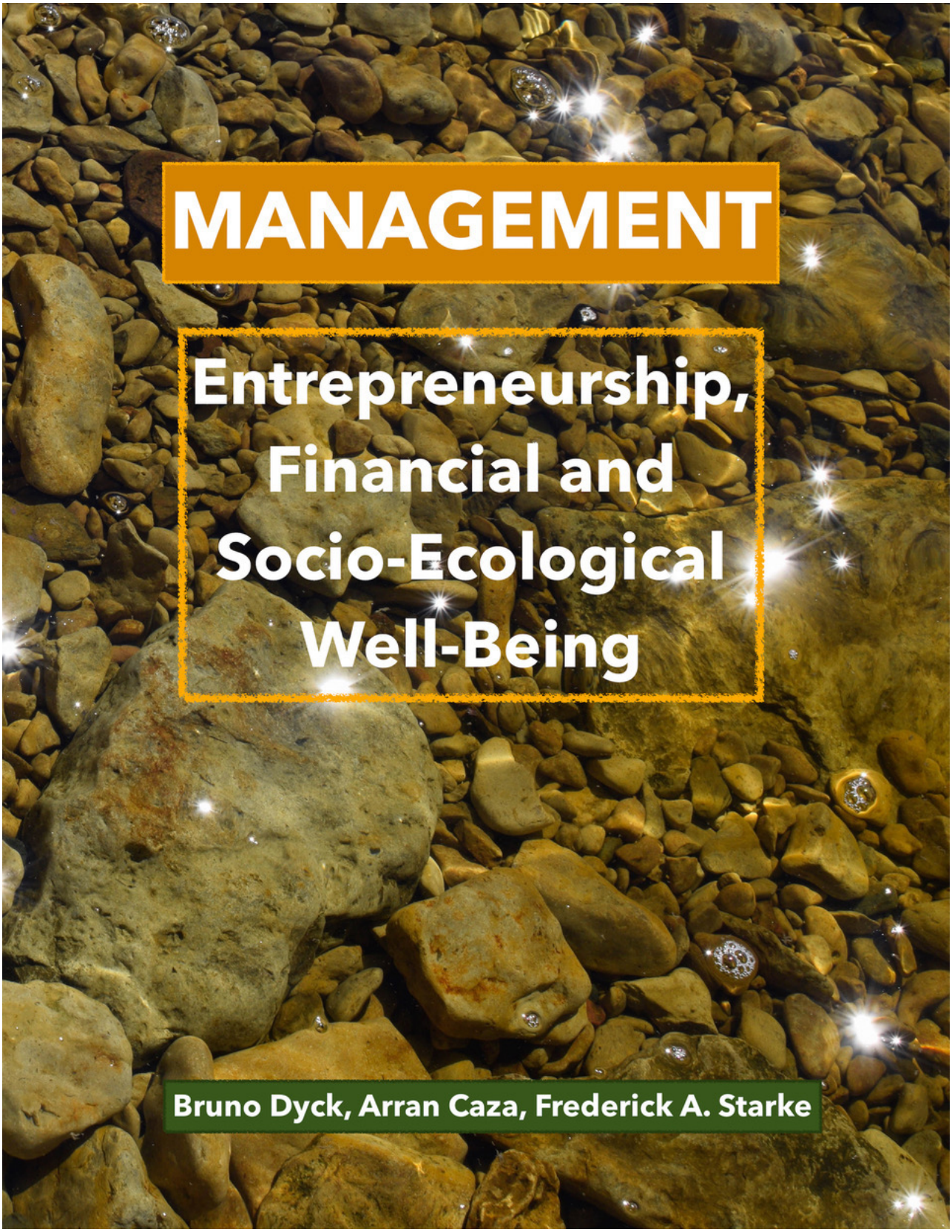

MANAGEMENT

Entrepreneurship, Financial and Socio-Ecological Well-Being

Bruno Dyck, Arran Caza, Frederick A. Starke


KEY FEATURES
Each chapter describes three approaches to management
Financial Bottom Line (FBL) management
Focuses on maximizing financial well-being
Has been the dominant approach to management in the past century
Triple Bottom Line (TBL) management
Focuses on maximizing financial well-being via sustainable development
Has become a dominant approach to management in the past twenty years
Social and Ecological Thought (SET) management
Focuses on enhancing socio-ecological well-being ahead of maximizing profits
Poised to become the dominant approach (especially among Millennials)
Emphasis on entrepreneurship in each chapter
Encourages readers to apply management concepts in organizational settings
Pedagogical benefits
Learning multiple approaches improves critical and ethical thinking

MANAGEMENT:
ENTREPRENEURSHIP, FINANCIAL AND SOCIO-ECOLOGICAL WELL-BEING

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Frederick A. Starke

Sapajo Publishing

"This book is dedicated to our students and readers; may it help and inspire you to become truly good managers."

- Bruno, Arran and Fred

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BRIEF CONTENTS

KEY FEATURES OF THE BOOK

Authors: The three co-authors are well-published scholars, textbook writers, and teachers. In total they have written 10 textbooks (over 30 editions), over 100 scholarly papers (including over 20 publications on the *Financial Times 50* list), and received teaching awards. Authors also developed the test bank and Instructors' Manual.

Affordability: Student-friendly pricing (starting at $25 for the e-book edition).

Format: In order to optimize the readability of the book:

- each chapter is about two-thirds the length of a regular textbook chapters (while still containing the same core concepts that are covered in other textbooks)
- each chapter ends with an entrepreneurship feature that challenges students to apply the ideas from the chapter to managerial practice (of special interest for Millennials)
- the font size and format of the book have been designed with readability in mind
- each chapter has an opening preview/summary that readers can refer to as they read

Relevance: Each chapter describes and compares three approaches to management:

Financial Bottom Line (FBL) management
- management that maximizes financial well-being
- the dominant approach to management in the past century

Triple Bottom Line (TBL) management
- management that supports sustainable development, where organizations enhance their financial well-being by reducing negative social and ecological externalities
- has become a dominant approach in the past twenty years

Social and Ecological Thought (SET) management
- management that enhances socio-ecological well-being ahead of maximizing profit
- poised to become the dominant approach to management (esp. among Millennials)

Pedagogical benefits: Learning about multiple approaches to management has been empirically shown to enhance critical thinking ability, reduce emphasis on materialism and individualism, and contribute to perceived improvement in ethical thinking.

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FBL management, based on the financial bottom line, focuses on maximizing an organization's financial well-being.

TBL management, based on the triple bottom line, seeks to enhance an organization's financial well-being by reducing its negative social and ecological externalities.

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CHAPTER 1:
INTRODUCTION TO MANAGEMENT

Learning goals

After reading this chapter, you should be able to:

1. State five reasons why the study of management is important.
2. Describe the four functions of management.
3. Understand the three main approaches to effective management.
4. Describe the benefits of studying three approaches to management.
5. Identify three main reasons that people start new businesses.
6. Distinguish between different types of entrepreneurs.

OPENING CASE:
SEEING JEWELS WHERE OTHERS SEE DESPAIR

When Kallie Dovel first traveled to Uganda in 2007, she did so to put her nutrition degree into practice by helping orphanages in Uganda that were recovering from the aftermath of Joseph Kony's reign of terror, which had created child soldiers and brides. She never dreamed that she would eventually start a company that would become a million dollar brand.[1]

While in Uganda, Dovel made two important observations.[2] First, the parents of many of the children in the orphanages were still alive, but had placed their children in orphanages because they lacked the economic means to care for them. In other words, the orphanages were a symptom of a larger problem. Second, Dovel met some women who were using recycled paper to make beautiful beaded jewelry, which they wanted her to sell when she travelled back to the U.S. She took a full suitcase home, and sold the jewelry at craft fairs. Dovel realized that that if she could do this on a larger scale, she might be able to help impoverished Ugandan single mothers.

So, Dovel and four of her college friends who were eager to make the world a better place—Allie Swanson, Anna Toy, Brooke Hodges, and Jessie Simonson—started a company called *31 bits*. She returned to Uganda in 2008 to work with Ugandan women and to set up the operation, while her four friends focused on selling.

"The rest of us began our last year of college with a new agenda: selling jewelry anywhere we could. We had no idea what we were getting ourselves into. We were a misfit group of dreamers, artists, and socialites…not business people. We didn't know the first thing about starting a business. By day we were college students, but the evenings were filled with studying fashion, marketing, and development work. We discovered two things. Firstly, we didn't want to be just another charity selling key chains and t-shirts. We were determined to create a fashionable product that customers would purchase because they actually liked it. Secondly, we knew the artisans needed a lot more than a paycheck. They needed education, health care, and counseling. They needed to be cared for physically, mentally, and emotionally. They needed a way to be whole again." [3]

"We started small, selling at school events and craft fairs. Eventually we started an online store and a wholesale program. The road was rocky and the sleep was short, but five years later, we're in over 300 stores and have shared our story with hundreds of thousands of people." [4]

While her four partners were learning the business of selling jewelry at craft fairs and on-line, Dovel was developing the program in Uganda. The program is four years long, and provides Ugandan single mothers with basic business training and mentorship, language and numerical literacy, and some English. They earn a salary that is equivalent to a local school teacher. The program is financed by the sale of the jewelry made by the women. In its first year, the program employed six Ugandan women, and six years later it had grown to 170 women. The idea of using recycled paper to empower women has been quite compelling, and *31 bits* has grown about 20% per year. Within ten years, it had 9 full-time staff in the U.S. and 14 full-time employees in Uganda.[5]

"But the story doesn't stop there. In 2016, we expanded our program to Indonesia where our story continues to unfold. We're partnering with a Balinese workshop where we are putting a modern spin on their traditional techniques of making brass jewelry. By giving artisans access to the global market, we are able to provide ethical working conditions and fair and consistent incomes, while giving our customers an opportunity to shop a whole new line of products."[6]

This book is all about management. It is written for people who want to better understand what it means to be an effective manager. In this first chapter, we start by explaining why it is important to learn about management. We then describe what

management is all about and what managers do. Next, we introduce three different approaches to management, which we will refer to continuously throughout the rest of the book. The first approach will be of interest to those who want to learn about the classic ideas related to maximizing an organization's financial bottom line. The second approach describes the current emphasis on a triple bottom line approach, where managers seek to enhance financial well-being by reducing negative social and ecological externalities. The third approach describes what management looks like when the primary organizational goal is to optimize social and ecological well-being instead of profit. In this approach, financial viability is important but it is not the top priority and it does not need to be maximized. The final section of this chapter, as with every chapter in this book, will highlight the implications of the chapter material for entrepreneurship theory and practice.

Why Learn About Management?

Learning about management is valuable for at least five reasons. First, it will increase your opportunities to be offered a job as a manager. Managers must develop strong **technical skills–***expertise in a particular area like marketing, accounting, finance or human resources*--and strong **social skills–***abilities in getting along with people, leadership, helping others to be motivated, communication, and conflict resolution*. But technical and social skills by themselves are insufficient to get promoted into management. Rather, it is strong conceptual skills that determine who gets promoted. **Conceptual skills** *refer to the ability to think about complex and broad organization issues*. This is the focus of this book: to introduce and develop a solid conceptual framework of what management is all about. The book will also help you to develop human skills and to develop some technical skills in areas like strategic management.

Having strong conceptual skills is key to getting promoted.

Second, the better you understand the work of your own managers, the easier it will be for you to get along with them. This will not only make your work experience less stressful and more enjoyable, but should also help to make your organization run more smoothly.

Third, learning about management will help you to better understand the important role that managers play in our society. That, in turn, will help you deal with the various organizations you come into contact with on a daily basis. The knowledge provided in this book is relevant for all kinds of organizations: large or small, profit-oriented or non-profit, local or international, and traditional or virtual. It is also relevant at every level of management in organizations, including:

- **first-line supervisors,** *who manage the work of organizational members that are involved in the actual production or creation of an organization's products or services;*
- **middle managers,** *who manage the work of first-line managers and others;* and

- **top managers,** *who have organization-wide managerial responsibilities, such as Chief Executive Officers (CEOs), Vice-Presidents, and Board Chairs.*

Of course, the nature of managerial work changes depending on the level and type of organization. What a manager does may also change depending on the size of the organization, the kind of technology it uses, its location, its culture, and so on.

Fourth, studying management can help you to improve the ability of organizations to create and capture value. All organizations need to engage in **value creation,** *which means offering goods and services that are valued by society,* and financial **value capture,** *which means acquiring part of the financial benefits associated with the value being created.* The book will enhance your ability and knowledge to create value, especially in regards to developing new products and services within an organization or starting a new organization. It will also teach you different ways to think about what value capture actually means. For example, should business always seek to maximize profits and shareholder wealth, or is it sufficient to remain financially viable in order to enhance opportunities to create socio-ecological value?

Finally, the study of management is important because it fosters self-understanding. By understanding management, we get a better sense of the values and forces that are shaping us as persons and as societies. According to prominent management philosopher and scholar Peter Drucker, management "deals with people, their values, and their personal development … management is deeply involved in moral concerns."[7] Thus, one goal of this book is to help you develop a rich understanding of how different approaches to management are based upon different sets of values. This will also help you to think about contemporary issues like personal and corporate corruption, climate change, downsizing, income inequality, and decisions to move jobs overseas.

The Nature of Management

Because we live in a time when organizations dominate our lives, most people have at least some idea of what managers do. We generally think of a manager as "the boss" who is "in charge." A manager has status, power, and influence. A manager gets to tell others what to do, and usually earns more money than others. Managers also have a chance to make the world a better place and to make a difference in the lives of others, both inside and outside of their specific organization. Even though managers are commonplace in our society, most people are not able to provide a clear definition of what management is. And without knowing the hallmarks of management, it is difficult to become a successful manager, a good follower, or to understand the role of management in our society.

Management *is the process of planning, organizing, leading, and controlling human and other resources towards the effective achievement of organizational goals.*

A definition of management commonly has two components. **Management** *is (a) the process of planning, organizing, leading, and controlling human and other organizational resources towards (b) the effective achievement of organizational goals*. The first part of the definition looks at the *what* of management (i.e., the four functions that managers perform), and the second part looks at the *why* of management (the meaning of success and effectiveness). We will look at each component in turn.

THE *WHAT* OF MANAGEMENT: THE FOUR FUNCTIONS

Planning, organizing, leading, and controlling are the four main functions of management. These functions were first identified by Henri Fayol[8] over a century ago, and are still commonly used as the organizing framework for management courses and textbooks throughout the world. These four management functions are also evident in the basic definition of an organization: An **organization** is *a goal-directed, deliberately-structured group of people working together to provide specific goods and services.* Or, in less technical jargon, management involves deciding what goods and services an organization will provide (planning), arranging the necessary resources (organizing) and helping people to enable this to happen (leading), and overseeing the whole process (controlling).

Managers play a variety of roles in the drama that is the improv theatre of organizational life.

Although Fayol's four functions of management continue to serve as the *conceptual* framework most often used to describe management, a famous study by Henry Mintzberg helps to better understand what managers *actually do*.[9] Mintzberg literally followed managers around for weeks on end and took careful notes on what they did every minute of each day. Rather than the orderly and thoughtful picture that might be implied by Fayol's four functions, Mintzberg found that managers' workdays are fragmented (the average time a manager spends on any activity is less than 9 minutes), have a lot of variety, and move at a relentless pace. Whereas Fayol's functions might imply that managers spend a lot of their time at their desks, Mintzberg found that deskwork accounts for only 22% of managers' time.

Mintzberg's study suggests that managers play a variety of roles in the drama that is the improv theatre of organizational life. In particular, he suggests that managers play ten roles that are organized into three categories:[10]

- interpersonal roles (leader, liaison, and figurehead);
- decisional roles (resource allocator, negotiator, entrepreneur, and crisis handler);
- informational roles (monitor, disseminator, and spokesperson).[11]

Table 1.1 provides the definitions of and identifies areas of overlap between of Fayol's four *functions* and between Mintzberg's *roles*. In the following paragraphs we describe the four functions and how each of Mintzberg's ten roles can be associated with a specific function.[12]

Table 1.1: Definitions of and overlap among management functions and roles

Fayol's management functions	Mintzberg's managerial roles
1. Planning: *deciding on an organization's goals and strategies, and identifying the appropriate organizational resources that are required to achieve them.*	**Entrepreneur role:** *proactively and voluntarily initiating, designing, or encouraging change and innovation.*
	Negotiator role: *making incremental changes related to plans and resources.*
	Disseminator role: *transmitting to members of one's organizational unit information that has been gathered from internal or external sources.*
2. Organizing: *ensuring that tasks have been assigned and a structure of organizational relationships created that facilitates meeting organizational goals***.**	**Resource allocator role:** *distributing all types of resources (e.g., time, funds, equipment, human resources, and so on).*
	Liaison role: *building and maintaining a good structure of information contacts beyond the boundaries of a manager's specific work unit.*
3. Leading: *relating with other members in the organizational unit so that their work efforts contribute to the achievement of organizational goals.*	**Leader role:** *communicating with subordinates, including motivation and coaching.*
	Spokesperson role: *transmitting decisions and other information up, down, and across an organization's hierarchy, and/or to the general public.*
	Figurehead role: *representing an organizational unit in a symbolic or ceremonial capacity.*
4. Controlling: *ensuring that the actions of organizational members are consistent with its values and standards***.**	**Monitor role:** *acquiring internal and external information about issues that can affect the organization.*
	Crisis handler role: *taking corrective action when things are not going as planned.*

Planning

Planning means deciding on an organization's goals and strategies, and identifying the appropriate organizational resources that are required to achieve them. The planning function draws the most attention to managers' hierarchical authority. Managers call meetings and set the agendas as to what will be discussed at those meetings. Managers ensure that departmental goals and strategies are developed, which often includes planning for the exchange of resources with key suppliers and customers. Managers are held responsible for their organizational unit's decisions, goals, and strategies.

Mintzberg's study suggests that planning can focus on fine-tuning a firm's current operations, or on developing strategic organizational changes. For example, the negotiator role often involves making incremental changes to ongoing plans and resources. In this role, a manager represents the organization in major negotiations

affecting the manager's area of responsibility (e.g., negotiation of a union contract, negotiating the fee that a consulting company will be paid, negotiating the price to be paid for a new acquisition, etc.). In the disseminator role, managers transmit information to members of their own organizational unit; this information may have been gathered from internal or external sources. Such information is essential to the planning function, and includes sending memos, scheduling and attending weekly staff meetings, re-telling the myths and anecdotes that represent an organization's culture, and relaying information from top management.[13]

Perhaps the most far-reaching role in Mintzberg's framework is the entrepreneur role, which involves proactively and voluntarily initiating, designing, or encouraging change and innovation. Managers may delegate parts of the implementation process to others, but will typically oversee the overall process and retain the authority to make final decisions. The entrepreneurial role, which is evident in all four managerial functions, is of growing importance in the real world, and will play an important role in this book.

Organizing

Organizing means ensuring that tasks have been assigned and a structure of organizational relationships created that facilitates meeting organizational goals. Organizing has to do with the structures and systems that managers establish and maintain. This includes developing an **organization chart** *which describes the reporting relationships and authority structure of the organization*, deciding on the approach to departmentalization, choosing the technology that the organization uses, the physical lay-out of a factory or office space, budgets, human resource policies, and so on. When senior managers are asked about the most challenging part of their job, they often talk about implementing changes to organizational structures and systems.

Two of Mintzberg's managerial roles are most closely related to organizing. First, the resource allocator role is defined very broadly, and involves the distribution of all types of resources (e.g., time, funds, equipment, human resources, and so on). Managers oversee the organizational structure that members work within, such as what sort of departments an organization has and how budgeting processes are used to allocate financial resources. Second, organizing also requires coordinating the use of resources with external stakeholders. **Stakeholders** *are parties that have an interest in what an organization does because they contribute resources to the organization and/or are affected by its operations*. This is accomplished via the liaison role, which includes building and maintaining a good structure (network) of information contacts beyond the boundaries of a manager's specific work unit. It also includes activities like meeting with bosses and other managers at the same level within the organization, and dealing with competitors, suppliers, and customers.

Managers spend 75% of their time interacting with people.

Leading

Leading refers to relating with other members in the organizational unit so that their work efforts contribute to the achievement of organizational goals. Leading is often the first function that comes to mind when people think about management, because it is the most obvious and visible face of management for most subordinates. Leading includes interpersonal skills in communicating with members, encouraging them, resolving interpersonal conflicts, fostering members' motivation, and so on.

Mintzberg found that on average managers spend 75% of their time interacting with people. The most important role here is the leader role, which includes virtually all forms of communicating with subordinates, including motivating and coaching. Most of the focus of the leader role is on face-to-face interactions, and includes activities like staffing, training, and motivating. The public face of leading is often seen in the spokesperson role, where the manager transmits information and decisions up, down, and across the hierarchy, and/or to the general public. Finally, the figurehead role highlights the important symbolic function that managers play for their organizational units. Organizational members pay special attention to their managers' behavior, taking cues from them regarding work, company values, and even their personal dress codes. The figurehead role is evident when a manager hands out a plaque for performance at an organizational banquet, is present at the ribbon-cutting ceremony for a new plant, or is interviewed by the media to announce a new organizational initiative.[14]

Controlling

Controlling means ensuring that the actions of organizational members are consistent with the organization's values and standards. Controlling can be very visible, such as asking members to punch in on a time clock to ensure they do not overstay their lunch hour. However, as described in subsequent chapters, the most effective controls are often less visible. These include professional norms, organizational culture, and the informal understanding employees have of the-way-we-do-things-around-here that characterizes each organization. This less visible activity of management is important because it determines the organization's identity, shapes the identities of individual members within the organization, and provides members with meaning in their jobs.

Mintzberg's roles draw attention to the fact that controlling includes both correcting things that are going wrong, and supporting things that are going well by providing positive recognition of good work. In the monitor role, a manager seeks internal and external information about issues that can affect the organization. This might include talking to members, taking observational tours in the organization, asking questions, reading newspapers, attending conferences to keep abreast of trends in the field, monitoring performance reports, and reading minutes from meetings. The crisis handler role requires taking corrective action when things are not going as planned. Often this includes unexpected difficulties (e.g., fire damage in a factory, loss of a major customer, or the breakdown of an important machine).

THE *WHY* OF MANAGEMENT: EFFECTIVENESS AND SUCCESS[15]

The second part of the definition of management focuses on ensuring that the four management functions are performed *effectively*. There is an old expression that distinguishes between efficiency and effectiveness, where efficiency refers to doing things right, and effectiveness refers to doing the right things. The idea of effectiveness draws attention to larger, meaning-of-life, and overarching goals that shape management. The question of what it means to be a "good" manager draws attention to the fact that managers, like anyone who makes decisions that affect other people, have *moral* obligations. What does it mean to be an effective or a successful manager? It depends on what criteria people use to evaluate success. In this book we will describe three different approaches for understanding managerial effectiveness. We call them Financial Bottom Line management (FBL), Triple Bottom Line management (TBL), and Social and Ecological Thought management (SET). Each approach is briefly introduced here, and more fully developed throughout the book.

Financial Bottom Line (FBL) management

FBL management *is characterized by its emphasis on maximizing an organization's financial well-being, which is typically achieved by appealing to individual self-interests*. For most of the past century "effective" management has been virtually interchangeable with "financially successful" management. This is particularly true when talking about business managers, where effectiveness has been measured primarily in economic terms. Jack Welch, the former CEO of General Electric, is an excellent example of the FBL approach.

Exemplary FBL manager: Jack Welch

Jack Welch, CEO of General Electric from 1981-2001 was named the "manager of the century" by *Fortune*, and was held up by *Business Week* as the "gold standard against which other CEOs are measured." Welch illustrates the dramatic difference that a manager can make in an organization. Under his leadership, General Electric (GE) experienced twenty consecutive years of dividend increases, a near-perfect record of ever-higher profits, and a remarkable 4,000% increase in share price. With Welch at the helm, GE became the first corporation to be valued at more than $200 billion, one of the most-profitable firms in the world, and "the model U.S. corporation."[16] Descriptions of Welch's approach to the four functions of management—planning, organizing, leading and controlling—have been found in management textbooks for years.[17]

First and foremost, Welch was seen as brilliant at strategic *planning* and decision-making. He was especially known for his decision rule that GE exit from industries where its divisions did not hold the #1 or #2 position in the market. This decision rule helped to established the tone for the decisions and goals that other GE managers set for their subordinates.[18]

Second, Welch was known for his innovations in *organizing*, especially for introducing "Work-Outs" throughout GE. Work-Outs are akin to "town hall meetings" where employees give grass-roots advice to their managers on how to cut costs and improve quality.[19]

Third, an influential *leader*, Welch was famous for his hand-written notes praising or prodding employees throughout the company: "'The biggest job I have is to let people know how I feel about 'em,' he once said. 'You gotta tell them you love 'em and you gotta kick 'em in the [butt] when they're not doing their job.'"[20]

Finally, he is known for establishing innovative systems to *control* people and information at GE. This is illustrated by GE's emphasis on "Six Sigma" which is "a disciplined methodology to relentlessly pursue higher quality and lower costs."[21]

FBL management is based on the idea that societal well-being is optimized when organizations maximize the creation of financial wealth, which occurs via managers maximizing organizational wealth under the assumption that individuals pursue their own financial self-interests.[22] This premise is consistent with the common interpretation of Adam Smith's (1776) metaphor of the **invisible hand** *which suggests that the good of the community is assured when every individual is permitted to pursue their own self-interested goals*.[23] Smith's logic is two-fold. First, when individuals maximize their own financial well-being then (regardless of whether or not they intend to) they will inevitably also maximize society's financial well-being.[24] Second, the invisible hand will work to protect the interests of everyone; Smith argued that even rich selfish landlords would pay their workers well, because the landlords would recognize that they were dependent on the workers who grow their food and care for their castle.[25]

"There is one and only one social responsibility of business: to use its resources and engage in activities designed to increase profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud."

Milton Friedman

Not only is FBL management effective according to this economic rationality, it is also deemed effective and good because it is ethical according to a popularized understanding of a moral-point-of-view called **consequential utilitarianism,** *which focuses on optimizing an action's rightness (and limiting its wrongness) as measured by its effect on the net overall happiness outcome for everyone involved*.[26] An organization is rightly ordered when its structures and systems are arranged in a way that maximizes everyone's net overall happiness. Because different people will have a different view of what constitutes happiness and satisfaction—for example, some people value vacationing, others value fine food, and others value

supporting charity—in practice money is often used as a proxy for happiness (because people can use money to go on vacation, purchase fine food, or make donations to charities). Thus, in its simplified popular form, consequential utilitarianism suggests that ethical management strives to maximize a firm's financial outcomes. Milton Friedman, recipient of the 1976 Nobel Prize in economics, can be seen as a champion of an FBL approach to effectiveness. As the quote in the insert attests, Friedman's views are consistent with consequential utilitarianism and with the invisible hand.[27]

The FBL approach has been highly-valued, thanks to being associated with creating unprecedented financial wealth. However, the FBL approach is also being increasingly criticized for its shortcomings because it overlooks social and ecological well-being. This can be illustrated by the criticisms of Jack Welch, who was given the nick name "Neutron Jack" because of his practice of closing profitable divisions simply because they were not #1 or #2 in their industries. These actions left tens of thousands of people unemployed. Sometimes GE employees in this "perform or perish" climate were motivated to act illegally and unethically, perhaps in order to remain #1 and #2 in their industry. Under Welch, GE had a less-than-glowing record in terms of ecological issues; improperly disposed industrial wastes made GE public enemy #1 among environmentalists,[28] particularly for Welch's ten-year fight refusing to clean-up the cancer-causing PCBs GE had released into the Hudson River.[29] Welch's GE was also plagued by issues related to workplace safety (excessive radiation in the workplace) and illegality (fraud in military contract procurement).[30]

Overall, FBL is facing increasing criticism because it is associated with (unintentionally) creating negative ecological and social externalities. **Externalities** *refer to positive and negative effects that organizations have on society but which are not reflected in their financial statements*. Recall that FBL is based on the "invisible hand" assumption that increasing financial well-being at the individual or organizational level will inevitably create positive externalities that enhance overall societal well-being. And indeed, countries whose businesses have the most effective FBL managers and businesses also tend to have a high GDP and good standard of living. However, as we shall see in later chapters, those same high-income countries also tend to deplete more than their share of environmental resources, and are living far beyond the carrying capacity of the planet, which is contributing to negative externalities related to climate change and the deterioration of ecological resources. For example, the negative ecological externalities of the world's businesses are estimated to be about $7 trillion per year.[31] In other words, business creates about $1,000 worth of ecological damage per year for every person on the planet, which is the same amount that the poorest half of the world lives on each year.[32] Moreover, the financial benefits of large businesses that create negative externalities are not spread evenly across

Businesses create about $1,000 worth of ecological damage per year for every person on the planet, the amount of money that the poorest half of the world lives on.

the globe; it is only the relatively wealthy who can afford to own shares in them. This contributes to the widening gap between rich and poor and related social problems. Observations such these have led to the development and adoption of an updated-and-improved approach to management, namely TBL management.

Triple Bottom Line (TBL) management

TBL management *is characterized by its emphasis on enhancing an organization's financial well-being while simultaneously reducing its negative socio-ecological externalities.* The TBL approach is based on the assumption that managers can find win-win-win solutions that simultaneously benefit profits, people, and the planet.[33] TBL management pursues **sustainable development,** *which means "meeting the needs of the present generation without compromising the ability of future generations to meet their needs."*[34] From a TBL perspective, sustainable development means simultaneously pursuing economic prosperity, social equity, and environmental quality.[35] Jeff Immelt, who took over from Jack Welch as GE's CEO in 2001 and served to 2017, is a great example of TBL management.

Exemplary TBL manager: Jeff Immelt

Jeff Immelt has been regularly listed on the "World's Best CEOs" lists, though his approach to the four functions of management differs from Welch. First, in terms of *planning*, Immelt was one of the first CEOs of a large business to recognize the importance of climate change, which prompted him to make bold plans and strategic decisions designed to increase GEs profits by addressing ecological and social issues.[36] For example, in 2005 Immelt agreed to pay for cleaning up the PCBs from the Hudson River,[37] and he launched GE's well-known Ecomagination initiative. Since then, the over $12 billion invested in Ecomagination has generated $180 billion in revenues, while reducing greenhouse gas emissions by 32% and saving GE $300 million.[38]

Second, in terms of *organizing* and arranging resources, GE purchased the largest wind-turbine producers in the U.S. in 2002, and its largest solar producer in 2004. Immelt also began to connect the dots between teams within GE who were working independently on green technologies, ranging from fuel-efficient jet engines to energy-saving refrigerators and dishwashers.[39]

Third, Immelt has been an influential *leader* both within GE and beyond its borders. For example, when he first brought his plans for Ecomagination to the 35 top managers at GE, about 30 were opposed. Immelt acknowledged the concerns of the naysayers, but proceeded with his plans anyway, commenting that: "There's about five times a year with that group that I say, 'Hey guys, here's where we're going, get in line.' If you did it six times, they would leave. And if you did it three times, there'd be anarchy."[40] Immelt also advocated for

GE to take a strong stand on climate change, including publicly endorsing carbon pricing. Lee Scott, the then-CEO of Walmart, called Immelt "the Pied Piper of sustainability." When President Trump announced that the U.S. would withdraw from the Paris Climate Accord, Immelt tweeted: "Disappointed with today's decision on the Paris Agreement. Climate change is real. Industry must now lead and not depend on government."[41]

Finally, Immelt has also set clear *control* standards. For example, in order to qualify as an Ecomagination product, it must offer customers quantifiable benefits in terms of both financial and ecological well-being. Seventeen products initially qualified, including a locomotive that reduced greenhouse gas emissions by 50% and fuel costs by 15%.[42]

TBL management recognizes that the classic FBL approach ignores negative socio-ecological externalities created by business. In contrast, the TBL approach promotes the view that by attending to and reducing these externalities organizations can actually further enhance their financial well-being. In short, the TBL approach draws attention to the business case for sustainable development. A **business case** *is a justification, often documented, that shows how a proposed new organizational initiative will enhance an organization's financial bottom-line.* Often a business case also demonstrates that the financial resources invested in the new initiative will yield higher returns than if they were invested elsewhere.[43] Walmart has become a leading example of TBL management by showing, for example, how decreasing the packaging of the products it sells can save money and the environment, and how LED lighting and solar panels can reduce energy costs and fossil fuel greenhouse gas emissions. TBL management is also evident among businesses in the Silicon Valley who are known for providing employees with free organic meals at their cafeterias, which can increase their health, job satisfaction, and productivity, and reduce costs associated with sick days and turnover.

In short, the TBL approach draws attention to the business case for sustainable development.

The TBL approach has arguably become the dominant management paradigm in the larger business world. For example, in 2011 100% of the UK's 100 largest companies issued annual reports on their social and ecological performance (up from 71% in 2005, and from 27% in 1996). The comparable figures were 99% in Japan, 83% in the U.S., 79% in Canada, 59% in China, and 20% in India.[44] There is ample research that suggests that it "pays to be green."[45] For example, research shows that when firms are added to the Dow Jones Sustainability Index (DJSI)—the most-respected listing of leading sustainable corporations in the field—their share values go up, suggesting that financial well-being is enhanced alongside socio-ecological well-being.[46] Companies on the DJSI list—which identifies the top performers in their industry—include Walmart, Enbridge Mining, PespiCo, Royal Dutch Shell, Nissan, and Bridgestone Corp.[47]

The TBL approach has arguably become the dominant management paradigm in the larger business world.

The influence of TBL management is also evident in a recent study involving almost 2,000 executives from 100 countries; 51% of respondents indicated their firm had "fully addressed" (13%) or "largely addressed" (38%) ecological sustainability issues, and 53% responded that their firm had "fully addressed" (11%) or "largely addressed" (41%) social sustainability issues.[48] Further evidence that there is movement away from the classic FBL management can be seen in the growing number of business schools joining organizations like the Principles for Responsible Management Education (PRME) and supporting the UN Global Compact, as well as the growing recognition of climate change and social problems associated with income inequality, and the increasing emphasis on sustainable development, especially among Millennials.[49]

Finally, in terms of what it means to be a "good" manager, when compared to the FBL approach, TBL management can be seen as more effective according to both economic rationality and consequential utilitarianism. First, just as FBL management can be seen to be effective because it enhances a firm's financial well-being, the same can be said for TBL management. Indeed, research suggests that TBL firms often financially outperform FBL firms.[50] Second, the TBL approach is also arguably more ethically effective than the FBL approach within an **enlightened consequential utilitarian** *moral-point-of-view, which suggests that ethical management seeks to improve an organization's financial well-being, especially via reducing negative social and ecological externalities*.[51] This enlightened TBL approach is similar to the FBL approach, except that the TBL approach explicitly notes that reducing negative externalities can be in one's self-interest; sustainable development and preserving socio-ecological well-being can serve the financial self-interests of the firm.

Social and Ecological Thought (SET) management

SET management *is characterized by its emphasis on enhancing social and ecological well-being while maintaining financial viability*. SET management recognizes the importance of financial viability, but it encourages managers to improve social and ecological well-being even when this does not *maximize* the financial well-being of the organization. In other words, the SET approach realizes that management involves a larger "set" or collection of factors that go beyond maximizing the financial bottom-line, and that management is "set" or embedded within larger social and ecological environments. The SET approach prepares managers to be ready and set to go face the socio-ecological issues facing humankind. SET management is also more process-oriented than either FBL or TBL; this is consistent with the Old French idea of "sette" which means "sequence" and points to processes (e.g., a musical set played by a band).[52] SET management principles are evident at *31 bits* (the opening case) and at Greyston Bakery, co-founded by Bernie Glassman, a former aeronautical engineer with a PhD in applied mathematics.

Exemplary SET manager: Bernie Glassman

In 1982 Bernie Glassman and his wife started Greyston Bakery in New York City, a company that illustrates a SET approach to the four management functions.[53] Today the bakery, located on the Hudson River, is famous for the 35,000 pounds of brownies it produces daily, made with fair-trade ingredients,[54] most of which end up in Ben & Jerry's ice cream or sold at Whole Foods.

First, in terms of *planning*, the mission of Greyston is reflected in its motto: "We don't hire people to bake brownies; we bake brownies to hire people." Greyston hires chronically underemployed people, such as ex-convicts and homeless people, using what it calls an Open Hiring process, where people apply for jobs by adding their names and contact information to a waiting list, and are offered a job when it's their turn. No resumes or references are required. In this way over the years, Greyston has created over 3,500 jobs that pay a living wage. Greyston currently employs over 150 full-time workers.[55]

Second, in terms of *organizing* its resources, all the profits from the bakery go to the Greyston Foundation, a non-profit organization that invests in the local community. Greyston has created space for community gardens, workforce development programs that provide skills training and job placement service for youth aged 18-24, a learning center for children, and environmental education programs.

Third, in terms of *leading*, Glassman's approach is based on two core principles: (1) life is intrinsically interdependent, which means that all businesses should help meet the needs of the whole community and the whole person; and (2) change is constant, which gives rise to seeing business as a path where one never arrives, a journey where managers value innovation, agility, and growth.[56] For example, new hires at Greyston enter a ten-month apprenticeship process where they learn to grow as employees and as persons. In addition to the benefits this provides to participants, Greyston estimates it saves local taxpayers over $2 million per year in recidivism costs alone.[57]

Fourth, with regard to *controlling*, in 2014 Greyston became the first company in New York to register as a Benefit Corporation, a new legal status now available in most U.S. states that enables firms to place socio-ecological well-being ahead of maximizing profits. As a B Corp, Greyston uses services provided by a non-profit organization called "B Lab" to monitor, measure and certify its financial, social and ecological performance.[58]

Just as TBL management seeks to address shortcomings associated with its FBL forerunner, so also SET management seeks to address shortcomings associated with the TBL approach. Proponents of SET management are skeptical that the TBL approach can adequately address socio-ecological problems caused by business, such as the $7 trillion

TBL businesses are unable to address the host of socio-ecological problems that cannot be solved within a profit-maximizing paradigm.

worth of negative externalities businesses annually create. While it is heartening that many of the world's largest firms are leaders in TBL practices, it is also true that the world's largest 3,000 corporations account for over US$2 trillion in negative ecological externalities each year. That is the equivalent of about 7% of their total revenues, and an amount close to their net profits.[59] Observations like these raise the question of whether TBL best practices are good enough. For example, Walmart has impressive accomplishments in the areas of renewable solar energy and reduced packaging, but it also puts pressure on suppliers to constantly reduce prices, which creates incentives to cut corners, which in turn can reduce social and ecological well-being. As well, Walmart's policies regarding minimizing employee benefits (e.g., by keeping employees at a part-time level) off-loads costs onto social agencies and taxpayers, and its sourcing of products from around the planet creates negative externalities caused by greenhouse gas emissions related to shipping (not to mention negative socio-ecological externalities in overseas manufacturing facilities).[60] A similar story can be told about Enbridge Mining, rated by DJSI as "best in class" even though it is responsible for the most expensive onshore oil spill in U.S. history.[61]

In short, because TBL management is committed to improving financial well-being, it can address only the subset of socio-ecological problems that lend themselves to enhancing the financial bottom-line. Thus, TBL businesses are unable to address the host of socio-ecological problems that cannot be solved within a profit-maximizing paradigm.

Another difference between SET management and a TBL approach is that, while both emphasize reducing *negative* socio-ecological externalities, the SET approach places relatively more emphasis on enhancing or creating *positive* socio-ecological externalities. For example, *31 bits* jewelry is made from recycled paper (which reduces negative ecological externalities) and provides jobs and education for poor single mothers in Uganda (which enhances positive social externalities). Greyston Bakery hires ex-convicts and others who have a difficult time finding jobs in the economy (which increases positive social externalities) and lowers recidivism and crime rates (which reduces negative social externalities).

With respect to effectiveness as defined by economic rationality, SET management is seen as less effective than the FBL and TBL approaches with regard to maximizing a firm's financial well-being, at least in the medium to short-term. However, if we accept the argument that the FBL and TBL approaches are not sustainable in the long term, then SET management could be seen as more economically effective than the FBL and TBL approaches in the long run.[62]

Similarly, the effectiveness of SET management in terms of ethics also differs from the FBL and TBL approaches. Recall that the FBL and TBL approaches are both based on variations of a consequential utilitarian moral-point-of-view, which focuses on outcomes

(i.e., consequences) and the idea that more financial wealth is better. In contrast, SET management is based on **virtue theory,** *which focuses on how happiness is achieved by practicing virtues in community.*[63] The SET approach emphasizes virtuous process and character, not financial outcomes. Indeed, virtue theory deems it unethical to maximize economic goals for their own sake.[64] When it comes to financial well-being, virtue theory emphasizes that "enough is enough." This applies both to having enough consumer goods, as well as to creating enough financial value capture (e.g., profits), and stands in contrast to the insatiable "more money is better" assumptions that are evident in the FBL and TBL approaches. From a virtue theory perspective, the purpose of business is not to make as much money as possible, but rather to provide goods and services that benefit society.

From a virtue theory perspective, the purpose of business is not to make as much money as possible, but rather to provide goods and services that benefit society.

Virtue theory goes back to ancient Greece and philosophers like Aristotle and his peers, who argued that using money simply to make more money, and achieving luxurious amounts of financial wealth, is dysfunctional and unethical. Rather, from the perspective of virtue theory, the purpose of human activity is to optimize people's happiness, which is achieved by practicing virtue in community. For example, in terms of the four cardinal virtues, the virtue of *wisdom* is evident when managers make decisions that are deliberately aware of, and informed by, their larger socio-ecological setting; *justice* is evident when managers ensure that all stakeholders associated with a product or service receive their due and are treated fairly (being especially sensitive to the marginalized); *self-control* is evident when managers temper their own narrow self-interests; and *courage* is evident when managers are willing to address shortcomings of dominant socio-economic structures and systems.[65]

The SET management emphasis on community is also consistent with the time-honored moral-points-of-view associated with the indigenous peoples of the planet, such as North American Cree and Ojibway, Australian Aboriginals, and the African Ubuntu philosophy whose heritage stretches back thousands of years to the Egyptian idea of *Maat* (which was associated with the Hebrew idea of *shalom* or wholeness). Like other indigenous moral philosophies,[66] Ubuntu has a lot to do with interconnectedness, in particular with humankind's inter-connectedness with others and with nature. Whereas from a traditional western perspective people see themselves primarily as individuals and secondarily try to also understand themselves as members of a larger community and cosmos, from an Ubuntu perspective we are primarily members of a larger cosmos and community who secondarily see ourselves as individuals: "I am, because we are; and since we are, therefore I am."[67]

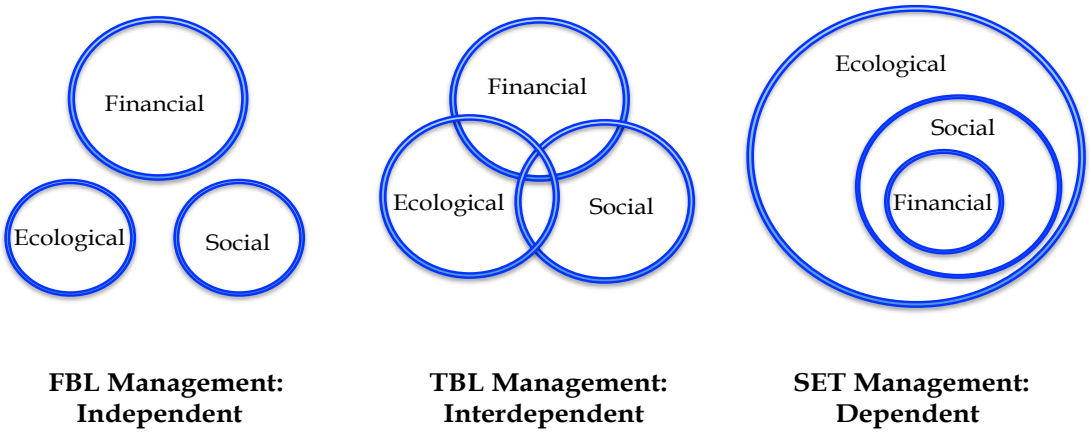
In sum, principles associated with SET management have been evident for a long time in the history of humankind, and the influence of SET management can be expected

to grow in the near future, especially as people become more aware of the shortcomings and critiques of both FBL and TBL management.

Depicting differences between FBL, TBL and SET approaches

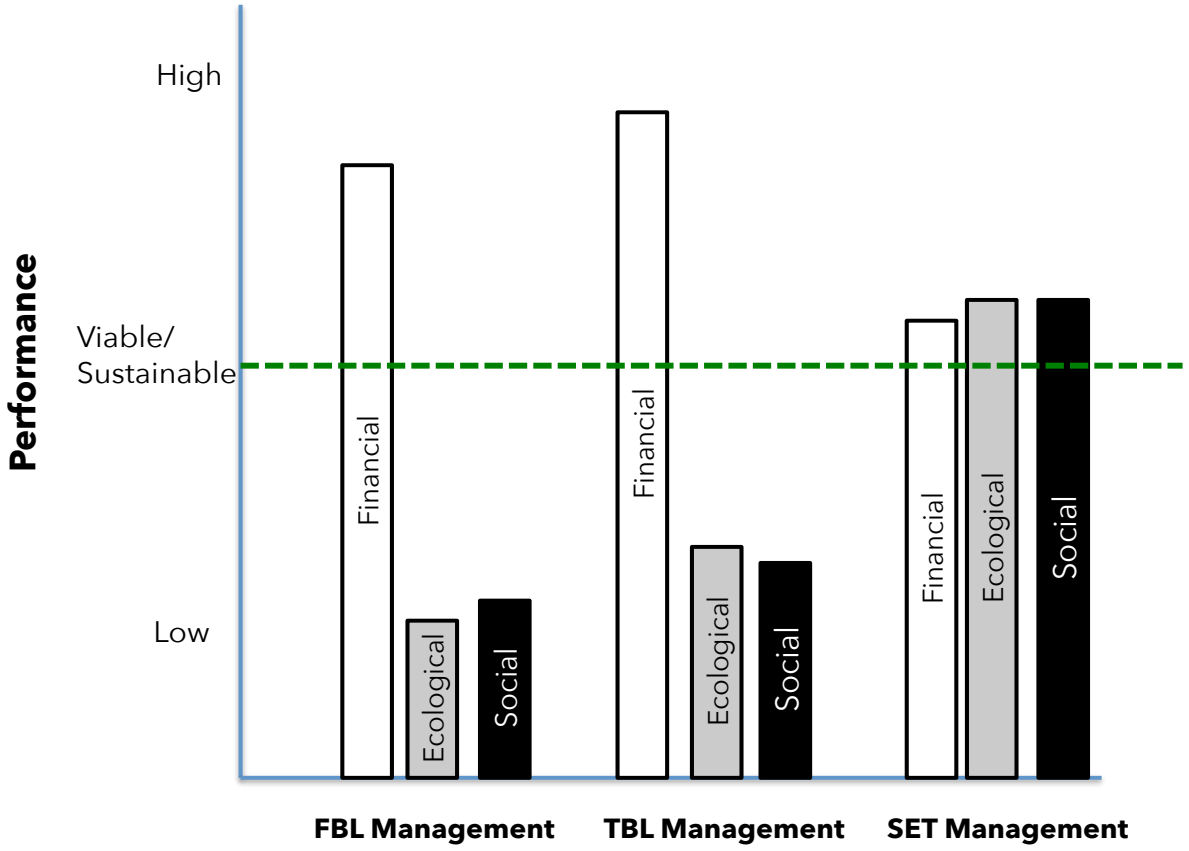
This book will examine in detail the differences between the three approaches to management, but for now we will offer two simple ways the differences can be depicted in terms of how each approach understands the relationships between financial, social, and ecological well-being. First, as shown in the Venn diagram in Figure 1.1,[68] the FBL approach tends to assume that management is primarily concerned with economic activity, which is separate and independent from the natural and social environments. The FBL approach assumes that government and other societal institutions will manage social and ecological well-being. Second, TBL management suggests that economic activity is interdependent with the natural and social environments. TBL managers therefore seek to simultaneously enhance financial, ecological, and social well-being. However, TBL managers are constrained by needing to make a business case for which socio-ecological issues they can address. Finally, SET management suggests that economic activity is embedded within and dependent upon social and ecological well-being. Specifically, economic activities are a human invention and thus a subset of society, and society is in turn a subset of the natural environment. For example, just as the planet existed for billions of years before humankind came on the scene, so also humankind existed for thousands of years before money came on the scene.

Figure 1.1: Three ways to depict the relationship between the financial and the ecological and social realms



The bar chart in Table 1.2 provides a simplified depiction of the performance level for each management approach in terms of overall financial, ecological, and social well-being. For FBL management, financial well-being is high, but social and ecological well-being are unsustainably low. For TBL management, financial performance is even higher, and social and ecological well-being have improved thanks to the reduction of negative socio-ecological externalities, though they are still unsustainably low. Finally, for SET management, financial well-being is viable but lower than for the FBL and TBL approaches. However, social and ecological well-being have increased and become sustainable as negative externalities have been reduced and the emphasis on positive externalities has increased. The values on the bar chart are intended to be suggestive and represent what might be average relative performance within each approach; there will be exceptions to these representations.

Table 1.2: The financial, social, and ecological performance associated with each of the three management approaches



Benefits of Learning 3 Management Approaches

Each of the three approaches to management discussed in this book is what Max Weber calls an "ideal-type." This does *not* mean that they are the ideal or best way of managing. Rather, an **ideal-type of management** *refers to a specified constellation of concepts and theory that collectively identifies what effective management means and how it is practiced.* Just like other ideal-types that you may be familiar with—for example, introverts versus extroverts—we would not expect to find many managers who are a perfect example of an FBL, TBL, or SET approach. This means that, even though this book will provide many examples of managers who illustrate FBL, TBL, or SET management, those same managers could sometimes be used to illustrate one of the other two approaches. For example, Jack Welch was a classic FBL manager, and Jeff Immelt exemplifies TBL management, but sometimes even they might act in ways not intended to maximize GE's profits.

Research points to several benefits that come from learning more than one approach to management, that is, from learning about different ideal-types of management. First, doing so increases students' critical thinking skills.[69] This is an important point, since research suggests that the critical thinking skills of university students often do not improve even after four years of study, and that business students' critical thinking skills sometimes lag behind those of students in other disciplines.[70] Learning multiple approaches to management helps students to develop their abilities to resist simple answers by exploring and integrating opposing ideas or viewpoints, which are hallmarks of outstanding managers.[71] Learning multiple approaches is akin to the difference between management *training* (learning what managers do) and management *education* (understanding why managers do what they do so that students can adapt appropriately for the conditions they will face in the future).[72] Learning more than one approach is also relevant because managers will likely need to interact with different types of managers as they work in different contexts and with different people.

Learning multiple approaches to management increases your critical thinking skills.

Second, research suggests that learning about multiple approaches also improves skills in ethical thinking, and serves as an ongoing reminder that managers' actions and practices are not value-neutral.[73] In fact, it is impossible to develop management theory that is *not* based on some values. For example, each of the three approaches to management discussed in this book are value-laden (i.e., each is based on its own distinct moral-point-of-view). Studying only one approach often acts as a self-fulfilling prophecy, where students forget that the approach is based on specific values and thus they increasingly adopt those values.[74] Business schools that teach only FBL management have been criticized because their students have become more materialistic and individualistic during their program of study. In contrast, learning multiple approaches

compels and enables you to give careful thought regarding your own personal moral-point-of-view, and how you express it in the workplace. You may feel drawn to any one of the three types described here, or you may find yourself using the tools provided in this book to develop your own distinct approach to management, based on your own values and understanding of managerial effectiveness.

Finally, studying the three different approaches to management can be likened to studying three managerial languages.[75] It is important for managers to become familiar with multiple languages, because they will be managing a variety of people in a variety of settings during their careers. Students who are multilingual tend to have higher levels of cultural empathy, open-mindedness, tolerance of ambiguity and creativity,[76] a deeper understanding of their mother tongue, and enhanced ability to learn and understand additional languages.[77] Research suggests that business students tend to move away from conventional FBL management the more they learn about alternative approaches like TBL and SET management.[78]

Entrepreneurial Management

Each chapter in this book ends with a discussion about the implications of the chapter material for entrepreneurship. Entrepreneurs and the organizations they create are vitally important to business and to the world. An **entrepreneur** is *someone who conceives of new or improved goods or services and exhibits the initiative to develop that idea by making plans and mobilizing the necessary resources to convert the idea into reality*. Entrepreneurs change existing organizations and create entirely new ones, potentially fostering whole new industries and ways of doing things. Most of the breakthroughs and conveniences that shape our lives came to use through entrepreneurs, and many of the solutions we need for current problems facing the world are likely to also come from entrepreneurs. As a result, it is heartening to know that interest in starting new organizations is very high among young adults, with one U.S. study suggesting that 63% of people in their twenties want to start a business.[79]

One study found that 63% of people in their twenties want to start a business.

THREE REASONS WHY PEOPLE BECOME ENTREPRENEURS

The recipe for entrepreneurial success has two main ingredients: 1) an opportunity for a new product or service to create value for society, and 2) an organizational plan that identifies and facilitates assembling the necessary resources to pursue the opportunity. The first part of this book (especially Chapters 3, 4 and 5) will help you to explore and develop the first ingredient; the rest of the book will help with the second ingredient.

In addition to these two ingredients, entrepreneurship requires a third factor: a motivated entrepreneur who acts like a chef in choosing and assembling the ingredients.

Just as a chef can make an almost infinite variety of food dishes, so also entrepreneurs can create an almost infinite variety of new organizational start-ups. And just as a chef is informed by his/her taste and the purpose and style of the meal (is it lunch, dessert, fusion?), so also entrepreneurs are influenced by their experiences and motivations.

A recent study looked at 1,000 entrepreneurs from four English-speaking countries over a six-year period (2008–2013). It was based on the Global Entrepreneurship Monitor (GEM) research project, which provides the best international data set available for studying entrepreneurship. The study found that the three main reasons that motivate entrepreneurs to start a new business are relevant to our discussion of the FBL, TBL and SET approaches to management.[80]

First, according to the entrepreneurs in this study, perhaps unexpectedly, financial gain is only the third most important reason for starting a new business. Although many people might assume that the main reason entrepreneurs go into business is to make money, the data suggest that this simply is not true. When entrepreneurs were asked to list all of the reasons they could think of for starting their business, less than half (42%) even mentioned needing or wanting more income, and only 25% indicated that having great wealth or very high income was important to them.[81] These results are consistent with other research findings that show that, when asked to identify their *primary* motivation for starting a business, only 8% of entrepreneurs mention money.[82] So, even though most management and entrepreneurship research and writing may still assume an FBL approach,[83] most entrepreneurs do not even mention financial well-being as a reason for starting a business.[84]

Most entrepreneurs do not start a business in order to make money: rather, they want work they find more satisfying and they want to make the world a better place.

So, if not money, what is important? The most important reason entrepreneurs identify for starting their business is related to their desire for autonomy and better work (which are central components of personal social well-being, related to TBL management). For example, 73% of entrepreneurs rated "To have considerable freedom to adapt my *own approach to work*" as important.[85] This desire for autonomy and to be one's own boss is also identified as a main reason in other studies of entrepreneurs,[86] and is clearly of considerable relevance for a book on management. In order to be your own boss and to effectively manage a business in a way that is consistent with your "own approach to work," it is helpful to learn about different approaches to management.[87]

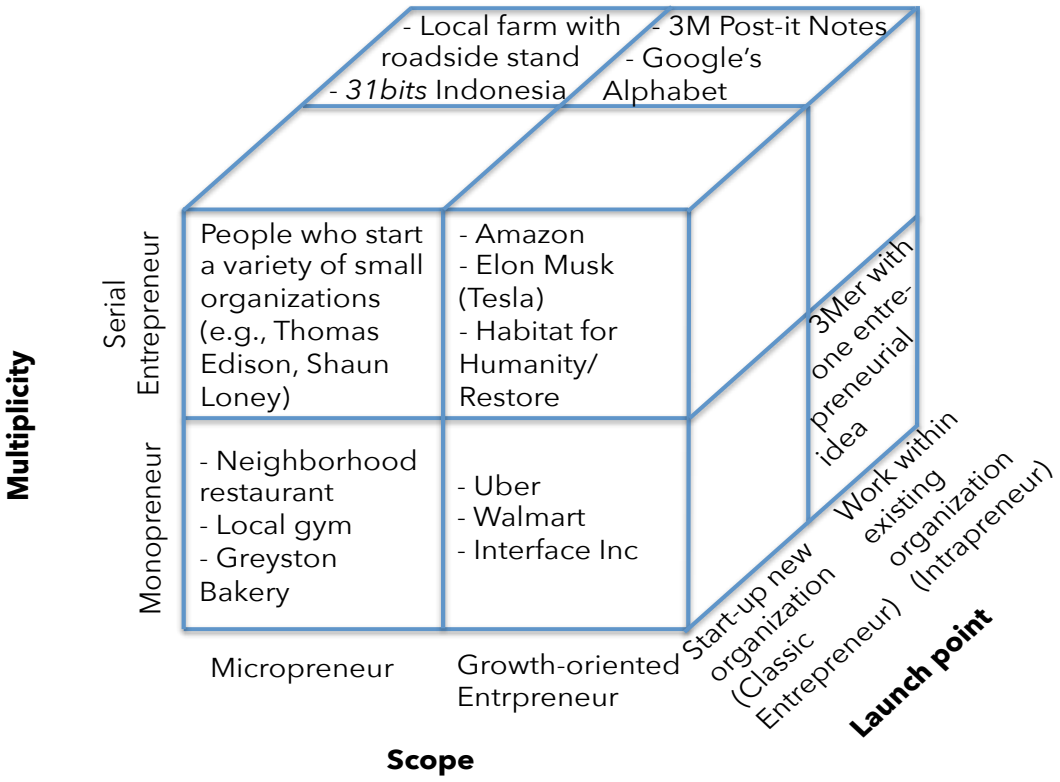
The second-most important reason entrepreneurs identify for starting their new business is to address challenges and pursue opportunities that are related to a SET approach. For example, 40% of entrepreneurs mentioned the desire "To make a positive difference to my community, to others, or to the environment."[88] Start-ups created by entrepreneurs with this motivation, and/or the motivation for autonomy and good work, have higher survival rates than financially-motivated firms.

Finally, note that the reasons given above are the three main motivations for entrepreneurs who started traditional businesses. The study does not include founders of non-profit organizations or other **social enterprises**, *which are entrepreneurial organizations created intentionally and specifically to pursue a social or environmental well-being mission*. Thus, if such SET-oriented entrepreneurs had been included, we might expect financial well-being to be even less important, and enhancing socio-ecological well-being to be more important.

TYPES OF ENTREPRENEURS

In addition to understanding the three main motivations of entrepreneurs, the literature also points to three important characteristics that are helpful for distinguishing between different types of entrepreneurs: 1) the scope of their ambition; 2) their propensity to start multiple new organizations; 3) and their desire to work within existing organizations (see Figure 1.2). Each of these three characteristics is discussed below to identify different types of entrepreneurs, and to explain how each type is evident in the three management approaches (FBL, TBL and SET management).

Figure 1.2: Different types of entrepreneurship



Scope

Some entrepreneurs, called **growth-oriented entrepreneurs**, *are distinguished by a strong and clear intention to grow a new organization into a large and influential force in their industry*. Examples of successful growth-oriented entrepreneurial organizations include Amazon, Facebook, Uber, Tesla, Google, and Habitat for Humanity. These and other similar organizations started in the minds of one or a few people and grew to become global giants. Because growth-oriented entrepreneurs create and capture so much value, they attract media attention and tend to be what many people imagine when thinking about entrepreneurship.

However, entrepreneurs with less ambitious goals are more common.[89] **Micropreneurs** *seek to develop successful and viable organizations, but not large ones; they do not include size in their definition of success*. Many micropreneurs start their organizations for personal satisfaction or lifestyle reasons, rather than to dominate an industry. Micropreneurial organizations include local "mom & pop" stores, craft-oriented businesses such as micro-breweries, and the many small manufacturing operations that are supporting families in low-income economies. One common approach to becoming a micropreneur is to purchase a franchise. **Franchising** *involves a franchisor selling a franchisee a complete package to set up an organization, including such things as using its trademark and trade name, its products and services, its ingredients, its technology and machinery, as well as its management and standard operating systems*. Many well-known multiple outlet businesses are franchises, including McDonald's, 7-11, UPS, Lululemon, Freshii and Ten Thousand Villages.

In this discussion, scope or ambition refers to how large the entrepreneur intends for the new organization to grow; it does not refer to which of the three management approaches is used. In fact, entrepreneurs of any scope or ambition level may adopt an FBL, TBL, or SET approach. Because many of the highest profile growth-oriented entrepreneurs appear to be primarily driven by financial profit,[90] one might assume that the FBL approach is most compatible with this style of entrepreneurship. However, that is not necessarily the case. For example, Nina Smith founded the organization GoodWeave in 1994 with the goal of eliminating all child labor in the global carpet industry. By early 2016 she had changed the practices of 140 global brands and reduced child labor in the industry by 80%.[91] Similarly, Vivek Maru and Sonkita Conteh founded Namati, which is a global organization working with communities to protect their legal rights in land, healthcare, and citizenship. Namati has helped tens of thousands of clients in numerous countries.[92] While these and other SET organizations like them are clearly not pursuing maximum financial profit, they are certainly examples of growth-oriented entrepreneurship both in terms of their ambitious goals and the extent of their influence.

Likewise, because of their focus on small organizations, one might assume that micropreneurs are most concerned with TBL or SET approaches. It is true that many micropreneurs leave traditional jobs in FBL firms and start their own business as a way to

serve social and ecological ends.[93] However, it is also true that some micropreneurs are primarily concerned with making money, rather than with TBL or SET outcomes.

Multiplicity

Another characteristic that helps to differentiate among entrepreneurs is their propensity to start multiple organizations. Many entrepreneurs are **monopreneurs** *who start a viable organization in order to manage it for the rest of their career* (e.g., Sam Walton). Other entrepreneurs, however, find more satisfaction in starting new organizations than in managing them indefinitely. **Serial entrepreneurs** *start many organizations*. Serial entrepreneurs are typically excited by new ideas and thrive when facing the challenge of creating a new organization. Entrepreneurs of this sort often prefer the energy and uncertainty of a start-up, and frequently leave managing the organization to others once it is successfully underway (see Chapter 19).

Serial entrepreneurs prefer the energy and uncertainty of a start-up, and frequently leave managing the organization to others once it is established.

Both monopreneurs and serial entrepreneurs may adopt any of the three managerial approaches. For example, Thomas Edison founded more than 100 FBL businesses in a variety of industries, including automobiles, batteries, cement, mining, and farming.[94] Elon Musk has created TBL ventures in automotive, software, financial services, space travel, artificial intelligence, and drilling organizations. And Shaun Loney has helped to launch a series of SET enterprises that enhance social and ecological well-being (see chapter 4).

Launch point

The final characteristic that distinguishes entrepreneurs is whether they create a new organization or work within an existing one. When we think of entrepreneurs, we usually think of the **classic entrepreneur**, *who starts an entirely new organization to pursue a new product or service idea*. However, many new ideas, products, and services are launched inside existing organizations. Such ventures are started by **intrapreneurs,** *persons who exhibit entrepreneurship within an existing organization*. Unlike a classic entrepreneur, an intrapreneur does not create a new organization, but works within one that is already operating. Many new products or services created by organizations, as well as spin-off and subsidiary firms, are the result of intrapreneurship. Some organizations even go as far as making intrapreneurship a formal part of all of their operations. For example, Google allows employees to devote as much as 20% of their work time to projects of their own choosing, and 3M has a framework of internal systems, centers, and funding for developing employees' new ideas. Much of what an intrapreneur does is similar to what any other entrepreneur does, but there are also some important differences, and these are discussed in Chapter 14.

All types of entrepreneurs must address all four functions of management. They must plan how to implement their idea, organize the resources to do so, lead their organization as it begins to operate, and control operations to achieve their ultimate goal. As a result, entrepreneurship offers an excellent lens for taking a closer look at every aspect of management. To help readers understand and apply the ideas in this book, each chapter ends with a discussion that connects the ideas in that chapter to the choices and challenges faced by entrepreneurs.

Conclusion and Overview of the Book

In this book, we start by describing the big issues in management and the various forms of well-being that are relevant to management and organizations. We then turn to a more detailed analysis that focuses on how to set organizational goals and plans, how to organize and manage the resources needed for the operation of an organization, how leaders can help organizational members to be motivated and strive for high performance, and how to design control systems that support the effective functioning of the organization.

Each chapter in this book concludes with a section that highlights the entrepreneurial implications of the various theories and ideas that are presented in that chapter. An ongoing feature is the idea of developing an **Entrepreneurial Start-Up Plan (ESUP),** *which identifies an entrepreneurial opportunity and describes a detailed management plan for acting on that opportunity*. Questions and guidance for applying the chapter ideas when developing an ESUP are also provided. All of this information will help readers better understand management, organizations, and the entrepreneurial process that is so vital to society.

Understanding our history is important for managing in the present and in the future, if only because by seeing what once was we may be freed and inspired to think more boldly about what could be.

The chapter content of the book unfolds as follows. Chapter 2 briefly describes the history of how humankind has organized the production of goods and services; a more detailed description of the specific management principles that have been developed over the past century is emphasized. Understanding our history is important for managing in the present and in the future, if only because by seeing what once was we may be freed and inspired to think more boldly about what could be.

Chapters 3, 4 and 5 focus on three domains of effectiveness—financial, social, and ecological well-being—and how management facilitates these. Because these chapters identify the central challenges and needs that are facing humankind in the coming decades, they will be of particular interest to entrepreneurs and readers in the early stages of their management careers. These chapters identify many possible opportunities that an ESUP may address.

Chapter 6 provides an overview of entrepreneurship (including small business and family enterprises) and describes the four steps in the entrepreneurial process. This material will provide a framework to develop an ESUP, which will facilitate developing entrepreneurial opportunities that arise from reading Chapters 3 to 5. The rest of the book will then help to refine the project chosen for the ESUP by explaining the following:

Planning: the decision-making process, goals and plans, mission and vision, and strategy associated with the proposed new venture (based on concepts and theory presented in Chapters 7, 8, 9, and 10);

Organizing: the organizational structure, design, human resource management systems, and approach to managing change (based on concepts and theory presented in Chapters 11, 12, 13, and 14);

Leading: ensuring that members are motivated, managing groups and teams, and intra-organizational communication (based on concepts and theory presented in Chapters 15, 16, 17, and 18); and

Controlling: the systems that will enable members to monitor activities and achieve planned goals (Chapter 19).

Chapter Summary

1. The study of management is important for five reasons:

   i) It develops conceptual skills that increase your likelihood of being promoted into a managerial position.

   ii) It enhances your working relationships with your own managers.

   iii) It allows you to better understand how managers operate in different organizations and settings.

   iv) It improves your ability to create value for society, and to capture value for organizations.

   v) It helps you to develop a richer understanding of who you are and of your life ambitions.

2. The definition of management has two parts:

   i) The four management functions:

   • **Planning** means deciding on an organization's goals and strategies and identifying the appropriate organizational resources that are required to achieve them (facilitated by entrepreneur, negotiator, and disseminator roles).

• **Organizing** means ensuring that tasks have been assigned and a structure of organizational relationships created that facilitates the meeting of organizational goals (facilitated by resource allocator and liaison roles).

• **Leading** means relating with others in the organizational unit so that their work efforts help to achieve organizational goals (facilitated by leader, spokesperson roles, and figurehead roles).

• **Controlling** means ensuring that the actions of organizational members are consistent the organization's underpinning values and standards (facilitated by monitor and crisis handler roles).

ii) The criteria used to describe effective management:

• For **FBL management**, effectiveness is evident when managers maximize the financial well-being of their organizations. It is based on assumptions about the invisible hand idea, and is consistent with a consequentialist utilitarian moral-point-of-view.

• For **TBL management**, effectiveness is evident when managers enhance an organization's financial well-being while simultaneously reducing its negative socio-ecological externalities. It is based on ideas about sustainable development, and is consistent with an enlightened consequentialist utilitarian moral-point-of-view.

• For **SET management**, effectiveness is evident when managers enhance socio-ecological well-being while maintaining financial viability. It is based on recognizing the finite resources of the planet, and is consistent with virtue theory and Indigenous moral philosophies.

3. Studying FBL, TBL, and SET approaches to management enhances:

- Critical thinking (education vs training; preparation for future conditions)
- Ethical thinking (all management is value-laden)
- Cultural empathy, open-mindedness, tolerance, and creativity

4. Entrepreneurs start businesses in order to:

- Gain autonomy and freedom
- Meet challenges and opportunities
- Achieve financial goals

5. Different types of entrepreneurs have been identified based on their scope (micropreneurs vs growth-oriented), multiplicity (monopreneurs vs serial entrepreneurs), and launch point (classic entrepreneurs vs intrapreneurs).

Questions for Reflection and Discussion

1. Many people are attracted to the status, power, and financial rewards associated with being a manager. However, the lifestyle of managers can be stressful, with a high workload and an unrelenting sense of obligation and responsibility to the people being managed. For example, one U.S. study showed that senior managers work long hours and enjoy an average of only 12.2 vacation days per year.[95] What do you think are some of the pros and cons of becoming a manager? Is this a profession and a lifestyle that appeals to you? Why are you studying management?

2. Which metaphor of management do you like better: the idea that managers perform four functions in an orderly manner, or that managers play ten roles alongside other organizational actors? Can you think of additional metaphors that might be useful for understanding management?

3. Does financial success increase happiness? Some research suggests that the answer is "yes" for people who are living in poverty, but "no" for people who are already earning more than $75,000 per year.[96] Other research suggests that money and materialism are, in fact, associated with a *decline* in life satisfaction and personal well-being.[97] Think of a person you know who is truly happy and content. What would that person say about the relationship between overall well-being and an FBL worldview? Do you think that money can buy happiness? Explain your reasoning.

4. When someone is described as an "effective" or "successful" manager, do you assume that the manager is *financially* successful (FBL management), or do you assume they have been able make money while at the same time responsibly attending to social and ecological externalities (TBL)? Or do you assume they have actually enhanced socio-ecological well-being (SET)? What criteria of success would you like to see used by the manager you report to? By which criteria would you like to be judged?

5. Recall a current or past manager you have worked for. How would you describe that person in terms of FBL, TBL, and SET approaches? What factors did you consider?

6. Why study three different approaches to management? Why not simply find the "best" or most popular approach and then learn about it?

7. Do you think that TBL management is able to adequately address the socio-ecological crises that are facing humankind? If not, why do you think the popularity of TBL management has been increasing so rapidly? Do you think SET management is needed? What are factors that might impede or promote the acceptance of SET management?

8. How likely (in percent) do you think it is that you will start a new organization in your career? What would be your main reasons for starting an organization? Look at Figure 1.2, and identify what type of entrepreneur most reflects who you are. Which of the three approaches to management would you like to emphasize in a start-up?

ENDNOTES

Endnotes for Chapter 1

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[1] Chhabra, E. (2016, April 1). How five college friends turned a social enterprise into a million dollar brand. *Forbes*. https://www.forbes.com/sites/eshachhabra/2016/04/01/how-this-social-enterprise-competes-with-instant-gratification-and-rock-bottom-prices/#5e939fed5e93

[2] (2014, Sept 15). 31 Bits International Director and Founder Kallie Dovel. *The every girl*. http://theeverygirl.com/31-bits-international-director-and-founder-kallie-dovel

[3] See company website. http://31bits.com/about/our-story/

[4] 31 bits founder story: What if they never tried to change the world. (2014, June 17). http://blog.sevenly.org/31-bits-founder-story-never-tried-change-world/

[5] Chhabra, E. (2016, April 1). How five college friends turned a social enterprise into a million dollar brand. *Forbes*. https://www.forbes.com/sites/eshachhabra/2016/04/01/how-this-social-enterprise-competes-with-instant-gratification-and-rock-bottom-prices/#5e939fed5e93

[6] See company website: http://31bits.com/about/our-story/

[7] Pages 12-13 in Drucker, P. F. (2001). *The essential Drucker*. New York, NY: Harper Collins.

[8] Fayol, H. (original in French 1916) *General and industrial management*. Dunod: Paris. Fayol actually identified a fifth function, coordination, but most scholars today believe the first four capture the functions of management.

[9] Mintzberg, H. (1973). *The nature of managerial work*. New York: Harper & Row. See also Kurke, L. B., & Aldrich, H. E. (1983). Note—Mintzberg was right!: A replication and extension of the nature of managerial work. *Management Science*, 29(8): 975-984. Luthans, F., Rosenkrantz, S. A., & Hennessey, H. W. (1985). What do successful managers really do? An observation study of managerial activities. *The Journal of Applied Behavioral Science*, 21(3): 255-270.

[10] According to Mintzberg (1973: 54), a role is defined as an organized set of behaviors belonging to an identifiable office or position. Individual personality may affect *how* a role is performed, but not *that* it is performed.

[11] Note that the relative emphasis on the different roles changes across an organization's hierarchy, with "leader" role more important at lower levels, and top managers placing greater emphasis on disseminator, figurehead, negotiator, liaison and spokesperson roles (e.g., see page 9 in Robbins, S.P., & Coulter, M. (2003). *Management – 7th Edition*. Upper Saddle River, NJ: Prentice Hall).

[12] This discussion draws from a study which analyses the video-tapes of actual managers and uses the Fayolian functions and Mintzbergian roles to categorize each activity (Dyck, B. & Kleysen, R. (2001). Aristotle's virtues and management thought: An empirical exploration of an integrative pedagogy. *Business Ethics Quarterly,* 11 (4): 561-574). Of course, our description here is somewhat of a simplification -- for example, the spokesperson role is critical in both planning and leading, and the figurehead role is an important aspect of controlling as well as organizing.

[13] Part of this role includes taking inputs from other parts of the organization, and disseminating information on overall organizational values to subordinates who use it as a guide in decision-making. Note that for Mintzberg the dissemination of values occurs in terms of specific statements on specific issues, not in terms of lofty global principles (Mintzberg, 1973: 97).

[14] Note that the Figurehead role can also sometimes be seen to be part of the Controlling function, since it draws attention to the importance of symbols in the Controlling function.

[15] This section draws on three papers. An extended discussion of conventional and alternative

Weberian ideal-types of management is presented in Dyck, B. & Schroeder, D. (2005). Management, theology and moral points of view: Towards an alternative to the conventional materialist-individualist ideal-type of management. *Journal of Management Studies,* 42 (4): 705-735. Two ideal-types are contrasted and compared in Dyck, B. & Weber, M. (2005). Conventional and radical moral agents: An exploratory look at Weber's moral-points-of-view and virtues. *Organization Studies* 27(3): 429-450; and we also draw on Dyck &. Kleysen (2001).

[16] Page 471 in Robbins & Coulter (2003).

[17] Based on a variety of sources, including: Black (2015). *Sustainability*. SAGE BusinessResearcher. SAGE Publishing Inc. DOI: 10.1177/2374556815574849; Hegele, C. & Kieser, A. (2001). Control the construction of your legend or someone else will: An analysis of texts on Jack Welch. *Journal of Management Inquiry*, 10(4): 298-309; Morris, B. (2006). The new rules. *Fortune* (July 24): 70-87; Schwartz, N.D. (2007) Is G.E. too big for its own good? *The New York Times* (July 22). O'Boyle, T.F. (1998) *At any cost: Jack Welch, General Electric, and the Pursuit of Profit*. New York: Alfred A. Knopf. Williams, E. F. (2015). *Green giants: How smart companies turn sustainability into billion-dollar businesses*. AMACOM Division of the American Management Association. In particular, our description of Jack Welch draws on other management textbooks we searched in 2008, when Welch was the most-cited manager in a content analysis of six top-selling management textbooks.

[18] Page 197 in Griffin, R.W. (2002). *Management – 7th edition*. Boston, MA: Houghton Mifflin Company. Page 340 in Jones, G.R. & George. J.M. (2003). *Contemporary management – 3rd edition*. New York: McGraw-Hill.

[19] Page 667 in Daft, R.L. (2003). *Management – 6th edition*. Mason, Ohio: Thomson South-Western.

[20] Page 560 in Daft (2003).

[21] Page 667 in Daft (2003).

[22] Weber's argument has reverberated in the literature often over the past century (for a review, see Dyck & Schroeder, 2005). In their award-winning paper, Ferraro, Pfeffer & Sutton (2005) underscore how assuming that students are materialistic and individualistic becomes a self-fulfilling prophecy. They suggest that economics (financial materialism) has "won the battle for theoretical hegemony in academia and society as a whole" (p. 10) and that its most fundamental idea is self-interest (individualism). Ferraro, F., Pfeffer, J. & Sutton, R.I. (2005). Economic language and assumptions: How theories can become self-fulfilling. *Academy of Management Review*, 30(1): 8-24.

[23] Moreover, interference by government would minimize the effectiveness of the invisible hand.

[24] Smith, A. (1776). *Wealth of nations.* London, Methuen & Co.

[25] Smith (1759). *Theory of moral sentiments.* Printed for A. Millar, in the Strand; and A. Kincaid and J. Bell. Edinburgh, Edinburgh.

[26] An organization is rightly ordered when its structures and systems are arranged in a way that maximizes the net balance of satisfaction of all its members. McKay, R. B. (2000). Consequential utilitarianism: Addressing ethical deficiencies in the municipal landfill siting process. *Journal of Business Ethics*, *26*(4): 289-306.

[27] The first quote in the textbox is taken from Friedman, M. (1970, Sept 13). The social responsibility of business is to increase its profits. *New York Times Magazine*, 32-33, 133-124. Elsewhere Friedman's support for a consequential orientation is evident when he says that "One of the great mistakes is to judge policies and programs by their intentions rather than their results [consequences]." Taken from a 1975 (Dec 7) interview on *The Open Mind* with Richard Heffner.

[28] Williams (2015).

[29] Opinion page, (2001, July 4). Jack Welch's legacy. *New York Times.* http://www.nytimes.com/2001/07/04/opinion/jack-welch-s-legacy.html

[30] O'Boyle, 1998; see also Litz, R. (2003). Book review essay: Looking at both sides--Jack Welch in review, *Academy of Management Review*, 28: 670-673.

[31] Page 156 in Hohensee, J. (2013). Corporate reporting and externalities. Transforming the corporation into a drive of sustainability. In Worldwatch Institute, *State of the World 2013: Is Sustainability still possible?*, Chapter 13 (154-160). Island Press: Washington.

[32] "Almost half the world — over three billion people — live on less than $2.50 a day." See this and other interesting facts at: Shah, A. (2013, Jan 7). Poverty facts and stats. Found at http://www.globalissues.org/article/26/poverty-facts-and-stats

[33] Elkington, J. (1997). *Cannibals with forks: The triple bottom line of 21st century business*. Oxford: Capstone Publishing.

[34] Brundtland, 1987, p. 8; emphasis added here. *Brundtland Report: Our common future* (1987). World Commission on Environment and Development (vol. 383). Oxford, UK: Oxford University Press.

"Sustainable development is a dynamic process which enables people to realize their potential and improve their quality of life in ways which simultaneously protect and enhance the earth's life support systems" (*Forum of the Future*. (n.d.). What is sustainability. Retrieved 14.04.2016, from http://www.globalfootprints.org/sustainability

[35] Page 397 in Elkington, J. (1997). *Cannibals with forks: The triple bottom line of 21st century business*. Oxford: Capstone Publishing.

[36] Page 5 in Epstein, M. J., & Buhovac, A. R. (2014). *Making sustainability work: Best practices in managing and measuring corporate social, environmental, and economic impacts*. Berrett-Koehler Publishers.

[37] However, there is still work to be done here, as reported Editorial Board, (2015, Sept 4). G.E., Finish the job on the Hudson. *New York Times*. https://www.nytimes.com/2015/09/04/opinion/ge-finish-the-job-on-the-hudson.html?: "The river is still contaminated and it's still General Electric's fault. Toxic industrial waste is still flowing down nearly 200 miles of river from north of Albany to New York City. And though the company has spent the last six years digging up the PCBs that it dumped into the river decades ago, it is about to walk away from an unfinished job. It is getting ready to dismantle its dredging operation this fall, and leave 136 undredged acres for others to worry about."

[38] Black (2015), Williams (2015).

[39] Page 32 in Williams (2015).

[40] Page 34 in Williams (2015).

[41] Horowitz, J., & Mullen, (2017, June 2). Top CEOs tell the CEO president: You're wrong on Paris. *CNN Money*. http://money.cnn.com/2017/06/01/news/ceos-respond-trump-paris-agreement/index.html

[42] Williams (2015).

[43] Messner, W. (2013). Making the compelling business case. London, UK: Palgrave Macmillan.

[44] Buhr, N., Gray, R., & Milne, M. J. (2014). Histories, rationales, voluntary standards and future prospects for sustainability reporting. In J. Bebbington, J. Unerman and B. O'Dwyer (Eds*), Sustainability Accounting and Accountability, 2nd edition* (pp 51-71). Routledge: Abingdon Oxon.

[45] However, there is still debate in the literature on this topic. Dixon-Fowler, H. R., Slater, D. J., Johnson, J. L., Ellstrand, A. E., & Romi, A. M. (2013). Beyond "does it pay to be green?" A meta-analysis of moderators of the CEP–CFP relationship. *Journal of Business Ethics*, *112*(2): 353-366.

[46] Robinson, M., Kleffner, A., & Bertels, S. (2011). Signaling sustainability leadership: Empirical evidence of the value of DJSI membership. *Journal of Business Ethics*, *101*(3): 493-505.

[47] *DJSI 2016 Review Results* (Sept 2016). http://www.robecosam.com/images/review-presentation-2016.pdf

[48] Kiron, D., Kruschwitz, N., Rubel, H., Reeves, M. and Fuisz-Kehrback, S.-K. (2013, Dec). Sustainability's next frontier: Walking the talk on the sustainability issues that matter most: Findings from the 2013

Sustainability & Innovation Global Executive Study and Research Project. *MIT Sloan Management Review*: 1-26.

[49] Lu, L., Bock, D., & Joseph, M. (2013). Green marketing: what the Millennials buy. *Journal of Business Strategy*, *34*(6): 3-10.

[50] Riillo, C. A. F. (2017). Beyond the question "Does it pay to be green?": How much green? and when?. *Journal of Cleaner Production*, 141: 626-640.

[51] Ajibo, C. C. (2014). A critique of enlightened shareholder value: Revisiting the shareholder primacy theory. *Birkbeck Law Review*, *2:* 37.

[52] However, the process was typically one of hardening or becoming rigid, which we don't mean. Rather, we look more at the on-going processes and rhythms of management, just as the regular setting of the sun. These ideas on the meaning of set were drawn from http://www.etymonline.com/index.php?term=Set&allowed_in_frame=0

Finally, although SET management has nothing to do with Egyptian deities, note that the Egyptian god Set was born of the earth god (*Geb*) and the sky goddess (*Nut*). Set had traditionally been the god of foreigners/outsiders, and was demonized by Egyptians when they were conquered by foreign nations, and later became the "Lord of the Oasis/Town." In our terms, SET management champions ideas conventional management considers "foreign" (socio-ecological well-being), may be demonized by anyone who feels threatened by the socio-ecological crises facing humankind (and wants to return to the good old days), and SET management may become the go-to approach for identifying the niches/oases where humankind can flourish. (Drawing information from wiki https://en.wikipedia.org/wiki/Set_(deity))

[53] Glassman retired from Greyston in 1996. The firm is now located in a relatively poor part of Yonkers, New York.

[54]See company website. http://greyston.com/2014/12/fair-trade-ingredients-another-reason-enjoy-greyston-brownie/. Greyston is also involved in ecologically responsible initiatives, such as "installing LED lights to reduce energy usage by over 60% and installing solar panels on its roof to decrease its carbon footprint" Wilburn, K., & Wilburn, R. (2014). The double bottom line: Profit and social benefit. *Business Horizons*, *57*(1): 11-20.

[55] Note that Make Brady has been CEO of the bakery since 2012. Brady describes several benefits of Open Hiring, including:

> "1. We focus the majority of our onboarding resources on employee training, rather than on interviews and background checks, which is a cost effective means of growing the workforce.
>
> 2. We train our community's most economically disadvantaged residents and provide them with skills that can break the cycle of poverty in their families.
>
> 3. We generate two million dollars in savings to Westchester County through reduced recidivism."

Besonen, J. (2017, Jan 13). 2017 Leadership Awards: Business Leadership: Mike Brady; Greyston Bakery and Greyston Foundation. *Specialty Food Magazine*. https://www.specialtyfood.com/news/article/2017-leadership-awards-business-leadership-mike-bradygreyston-bakery-and-greyston-foundation/. Keeley, M., & French Dunbar, M. (2015, Jan). How Greystone bakery is using brownies to fight poverty. *Company Conscious Media.* https://consciouscompanymedia.com/workplace-culture/diversity-inclusion/how-greyston-bakery-is-using-brownies-to-fight-poverty/

[56] These Buddhist principles reflect Glassman's background as a Zen Buddhist monk. Weber, J. (2009). Using exemplary business practices to identify Buddhist and Confucian ethical value systems. *Business and Society Review*, 114(4), 511-540.

[57] The main reason employees fail to complete the apprenticeship is that they are late for work (Keeley & French Dunbar, 2015).

[58] According to Mike Brady, current CEO of Greyston: "There is no substitute for articulating a clear vision and being transparent when reporting on your successes and failures in pursuit of that vision. ... Give everyone an equal chance to be successful, hold people accountable for their behavior, and encourage open dialogue from anyone that has a suggestion for improving the business." (Keeley & French Dunbar, 2015).

[59] Mattison, R., Trevitt, M. & van Ast, L. (2010). *Universal ownership: Why environmental externalities matter to institutional investors.* London and Geneva: UNEP Finance Initiative/Principles for Responsible Investment Association.

[60] For more on this general topic, see Carolan, M. (2014). *Cheaponomics: The high cost of low prices*. London: Routledge; Sheehy, B. (2012). Corporations and social costs: The Wal-Mart case study. *Journal of Law & Commerce (2004)*, 24(1): 1-55.

[61] Enbridge spilled about 20,000 barrels worth of oil in the Kalamazoo River in Michigan. Gunther, M. (2012, Sept 13). Why sustainability rankings matter—but maybe shouldn't. *Greenbiz*. https://www.greenbiz.com/blog/2012/09/13/why-sustainability-rankings-matter

[62] "On the one hand, business and related activities are at the centre of the production–consumption system that is the major cause of our sustainability problems. On the other hand, the dynamism of modern business and its ability to innovate and generate solutions to current and emerging problems, including those related to sustainability, promises to be one of the primary sources of new ideas and strategies to tackle the sustainability challenges we face." Quote from: Gaziulusoy, A. I., & Twomey, P. (2014). Emerging approaches in business model innovation relevant to sustainability and low-carbon transitions. *Visions and Pathway*. DOI: 10.13140/RG.2.1.3019.0329

[63] Aristotle (1962). *Nichomachean Ethics* (trans. M. Oswald). New York. MacMillan Publishing.

[64] Leshem, D. (2016). Retrospectives: What did the Ancient Greeks mean by Oikonomia? *Journal of Economic Perspectives*, 30(1), 225-238.

[65] This review of how the four cardinal virtues are evident in community draw form and adapt a review of the literature and discussion in Dyck, B., & R. Manchanda (2017). Sustainable Marketing 2.0: A virtue theory based approach. *Working Paper*, University of Manitoba.

[66] Spiller, C., & Wolfgramm, R. (eds.) (2015). *Indigenous spiritualities at work: Transforming the spirit of the enterprise.* Charlotte, NC: Information Age Publishing.

[67] West, A. (2014). Ubuntu and business ethics: Problems, perspectives and prospects. *Journal of Business Ethics*, *121*(1): 47-61.

[68] This figure draws from Kurucz, E. C., Colbert, B. A., & Marcus, J. (2014). Sustainability as a provocation to rethink management education: Building a progressive educative practice. *Management Learning*, *45*(4): 437-457. See also Marcus, J., Kurucz, E. C., & Colbert, B. A. (2010). Conceptions of the business-society-nature interface: implications for management scholarship. *Business & Society*, *49*(3): 402-438.

[69] Dyck, B., Walker, K., Starke, F., & Uggerslev, K. (2012). Enhancing critical thinking by teaching two distinct approaches to management. *Journal of Education for Business*, 87(6): 343-357.

[70] Arum, R., & Roksa, J. (2011). Academically adrift: Limited learning on college campuses. Chicago, IL: University of Chicago Press. See also literature reviewed in Dyck et al. (2012).

[71] Martin, R. (2007). How successful managers think. *Harvard Business Review*, 85(6): 60-67.

[72] Godard, J. (1992). Education vs. training in business schools: The case of Industrial Relations. *Canadian Journal of Administrative Sciences*, 9: 238-252.

[73] Dyck, B., Walker, K., Starke, F. & Uggerslev, K. (2011). Addressing concerns raised by critics of business schools by teaching multiple approaches to management. *Business and Society Review,* 116 (1): 1-27.

[74] Research suggests that business students become increasingly materialist-individualist over their program of studies, thanks to the self-fulfilling prophecies that underlie the conventional FBL management paradigm they are taught. For a review see Ferraro, Pfeffer, & Sutton (2005: recipient of

the Academy of Management Review "Best Paper of the Year"). See also Krishnan, V. R. (2003). Do business schools change students' values along desirable lines? A longitudinal study. In A.F. Libertella, & S.M. Natale (Eds.) *Business education and training: A value-laden process*, vol 8. Lanham, Maryland: University Press of America: 26-39.

[75] Dyck, B. (2017). Reflecting on 25 years teaching, researching, and textbook-writing for introduction to management: An essay with some lessons learned. *Journal of Management Education.* 1052562917693381.

[76] Dewaele, J. M. (2015). Bilingualism and multilingualism. *The International Encyclopedia of Language and Social Interaction*. 1- 11. doi: 1002/9781118611463.wbielsi108

[77] Cenoz, J. (2013). The influence of bilingualism on third language acquisition: Focus on multilingualism. *Language Teaching*, *46*(1): 71-86.

[78] This is based on several studies: Dyck et al. (2011, 2012).

[79] Zetlin, M. (2013, Dec 17). Survey: 63% of 20-somethings want to start a business. *Inc*. https://www.inc.com/minda-zetlin/63-percent-of-20-somethings-want-to-own-a-business.html

"If you're under 30 years old, you probably want to run your own business. That's the finding of a recent University of Phoenix survey. In the 1,600 adults surveyed, 63 percent of people in their 20s either owned their own businesses or wanted to someday, and of those who were not already entrepreneurs, 55 percent hoped to be in the future.

And while the urge to be your own boss isn't confined to the young, people under 30 have more of an entrepreneurial itch than their older counterparts. In the survey, the older the respondent, the lower the likelihood that he or she had entrepreneurial ambitions. Only 26 percent of those over 60 not already running their own businesses had any desire to do so."

[80] Note that the Stephan et al. (2015) do not talk about FBL, TBL and SET approaches per se. They call the three main bundles of reasons: "financial," "autonomy and better work," and "challenge and opportunity." These three motivations are also consistent with an earlier review of the literature on this topic. Stephan, U., Hart, M., Mickiewicz, T., & Drews, C. C. (2015). Understanding motivations for entrepreneurship. *BIS Research Paper No. 212*: Department for Business Innovation & Skills. London, UK. http://publications.aston.ac.uk/25296/1/Understanding_motivations_for_entrepreneurship.pdf

[81] Stephan, et al. (2015).

[82] Mielach, D. (2013, June 19). The number one reason most entrepreneurs start businesses. *Business News Daily*. http://www.businessnewsdaily.com/4652-entrepreneur-motivation-benefits.html

[83] Ladd, T. (2016). Customer development and effectuation: a review of textbooks to teach a contemporary introduction to entrepreneurship. *Management Teaching Review*, 1: 205–210.

[84] The GEM data show that financially motivated entrepreneurs are more likely to be male and their start-ups are more likely to include with family members.

[85] Emphasis added here. And 63% rated "To have greater flexibility for my personal and family life" as important.

[86] For example, see Good, W. (2008). *Building a dream: a Canadian guide to starting your own business.* Toronto, ON: McGraw-Hill or Longenecker, J. G., Petty, J. W., Palich, L. E., & Hoy, F. (2013). *Small business management (17th edition)*. Stamford, CT: South-Western College.

[87] The study also show that entrepreneurial ventures motivated by reasons related to autonomy and better work have a higher survival rate than financially-motived start-ups, and that the more educated the entrepreneurs, the higher the survival rate of the firm. Stephan, et al. (2015).

[88] "To fulfill a personal vision" was rated "important" by 64% of entrepreneurs. When given opportunity to respond to the question: "In your own words, what were the reasons for wanting to a business" 10% of entrepreneurs mentioned that they "Wanted to help others." Stephan, U., Hart, M., Mickiewicz, T., &

Drews, C. C. (2015). Understanding motivations for entrepreneurship. *BIS Research Paper No. 212*: Department for Business Innovation & Skills. London, UK.

[89] Stephan, et al. (2015).

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[94] For a list, see "Edison's Companies - The Edison Papers" at http://edison.rutgers.edu/list.htm

[95] One study found that in the US senior managers work an average of 44 hours per week. In Germany senior managers work on average 38.6 hours a week and enjoy 29.7 holidays per year, while in France they work an average of 35.6 hours per work and take 32.3 holidays per year. Bloom, N., Dorgan, S., Dowdy, J., Van Reenen, J. & Rippin, T. (2005). Management practices across firms and nations. *Working Paper*, Centre for Economic Performance, London School of Economics.

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[97] See research reviewed in Dyck & Schroeder (2005) – especially Kasser, T. (2003). *The high price of materialism.* Cambridge, Mass.: Bradford Book, MIT Press. A materialist-individualist lifestyle may contribute to lower satisfaction with life (Burroughs, J. E., & Rindfleisch, A. (2002). Materialism and well-being: A conflicting values perspective. *Journal of Consumer Research*, 29: 348-370), poorer interpersonal relationships (Richins, M. L., & Dawson, S. (1992). A consumer values orientation for materialism and its measurement: Scale development and validation. *Journal of Consumer Research,* 19: 303-316), an increase in mental disorders (Cohen, P., & Cohen, J. (1996). *Life values and adolescent mental health.* Mahway, New Jersey: Erlbaum), environmental degradation (McCarty, J. A., & Shrum, L. J. (2001). The influence of individualism, collectivism, and locus of control on environmental beliefs and behavior. *Journal of Public Policy and Marketing,* 20(1): 93-104) and social injustice (Rees, W. E. (2002). Globalization and sustainability: Conflict or convergence? *Bulletin of Science, Technology and Society*, 22(4): 249-268). An important exception is for the very poorest among us, for whom materialism is positively correlated with well-being and life-satisfaction.