

The SAGE Handbook of Business in Society

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Overview

Businesses take shape in a large variety of forms, ranging in size from large multinational corporations via small and medium-sized enterprises to micro enterprises, and with varying ownership structures, including public, private, collective, and cooperative. Business is the main driver of capitalism in contemporary society, the engine of economic activity. It is considered the centre of growth, development, and innovation across cultural, social and geographical divides in modern societies across the globe. However, business is also seen as the main culprit of societal problems and crises. Business is the main cause of CO₂ emissions, social inequalities, plastic pollution, abuse of human rights and severe governance crises such as corruption around the world.

In this *Handbook of Business in Society* we explore the changing role of business in society that has occurred over the past decades, in management research and practice. We invite some of the world's most insightful management scholars from across the world and from across the career spectrum to help us provide a state of the art of 'what do we know today about business as implicated in societal challenges and advancement'. We want this handbook to capture the positive and negative roles that businesses have played (the past and present) and can or must play (the future) for the development of a global world that is oriented to advancing both business and society.

The recognition of the societal influence of business catalysed a thriving realm of academic inquiry. This field of business in society unites researchers in the broad domain of management and organization studies, finding inspiration in sociology, ethics, political science, economics, and more broadly engaging insights from natural sciences (such as physics, chemistry, climate and medical sciences) as well as from other social sciences and humanities (such as anthropology, psychology, history, geography, arts, literature, and language). Its early emphasis in management studies was centred on topics such as managing labour relations, understanding the wider business environment, and defining businesses' and their leaders' responsibilities vis-à-vis society, thus conceiving of business as a domain separated from society—and hence the label 'business *and* society'. Today, by contrast, its scope has clearly expanded to encompass a much wider array of themes—including human rights, inequalities, decolonization, indigeneity, biodiversity loss, circular economy, climate change, and DEI (diversity, equity, and inclusion)—and geographical orientations. Its development has reflected the evolving landscape of societal concerns, such that it has come to highlight and scrutinize the roles of business in society (BiS).

In tandem with the increased academic appreciation of investigating how business is operating in the right way for society to flourish, a profusion of specialized journals dedicated to business and society topics has emerged, alongside a noticeable increase in attention to these issues in mainstream journals within the foundational disciplines. Special issues—in both specialized and mainstream journals—focus on a wide array of business and society themes, ranging from global value chains (GVC) to new technologies, or from socio-ecological systems change to

inequality. Dedicated scholarly associations have formed and organize conferences on business and society themes, while more general (‘broad-tent’) conferences in management and organization increasingly incorporate business and society themes. This surge in academic interest underscores the pressing need for a comprehensive curation of this dynamic field, which encompasses diverse approaches and themes that intersect with and influence the complex relationship between businesses and the societies in which they operate.

The expansion of the business in society field has come with differentiation, specialization, and fragmentation. Therefore, a comprehensive overview of the field is warranted, to consolidate what we know, and also to reflect on the directions this field may take (or should be taking) in a world that is rapidly changing and experiencing the consequences of climate change and new socio-economic realities. This Handbook aims to deliver both such an overview and reflection.

SAGE Handbooks offer major retrospective and prospective overviews of a field that frame, assess and synthesize the work in a field and thus help to define and shape its current and future developments. To do this, *The SAGE Handbook of Business in Society* takes a global, interdisciplinary, and contextual approach to present a wide spectrum of established and contemporary theories and practices in the domain of business and society. It will contain 42 chapters (approx. 375,000 words), featuring the work of both established and emerging scholars from a range of disciplines, geographic regions and demographic profiles. From the formation of the field to its development spanning over seven decades, this Handbook explores BiS in seven parts: origins, perspectives, environmental and health, socio-economic and socio-political themes, actors of change, and dynamics for change. This state-of-the-art and cutting-edge handbook will be an essential reference book for researchers, practitioners, teachers, and university students.

Proposed Outline of the Handbook

INTRODUCTION

The first chapter introduces and lays out the ideas behind the Handbook, as reflected in its proposed title, *Mapping the Terrain: Business in Society in Turbulent Times*. In so doing, it also briefly captures BiS as a field of academic study. We will explain that we focus on business *in* society: 1/ to emphasize the wider range of topics and contexts in the field—when compared to the early days of field—which implies increased inter-dependencies, 2/ to further emphasize the position of business(es) within society and its role as an instrument for societal welfare rather than business in/for itself, 3/ to also differentiate from the scope of the journal *Business and Society*, and similar journals that have “Business and Society” in their name (e.g., *Business and Society Review*).

PART ONE: ORIGINS

Business in society emerged as a distinct field of study in the 1950s/1960s with studies examining the “responsibilities of the businessman” (cf. Bowen, 1953; Davis, 1960; Heald, 1961) and the foundation of the journal *Business and Society* in 1960 (Brown et al., 2022), followed by journals such as *Journal of Business Ethics*, *Business and Society Review*, and

Business Ethics Quarterly in the subsequent decades. Back in those days, the discussion was mainly confined to US-based topics, themes, and concerns. Since then, the field has expanded, both in terms of topics (specifying and differentiating from ‘social responsibility’) and in terms of geography (including contributions from, and asserting relevance for, first, Europe and later other parts of the world, beyond so-called ‘WEIRD’ societies: the Western, educated, industrialized, rich and democratic societies [Henrich et al., 2010]).

Part One focuses on the origins of the field, as long time before the emergence of the field, business had been in existence, on the one hand, and topics/questions that are core to the field had been discussed in ‘established disciplines’. After a historical take on Business in Society, this part of the handbook will discuss the role of such foundational disciplines. In particular, we will assess the initial and continuing relevance of philosophy/ethics, sociology, political science, economics, and management and organization studies for the development of business in society as a field of study.

- We start this part with a **historical take** on Business in Society. In this chapter, BiS is understood as an empirical domain. The chapter goes back to the advent of organized commercial activity that can reasonably be labelled as ‘business’, perhaps the guilds in European Mediaeval times, or the creation of joint stock enterprises such as the Dutch VOC, the British EIC, the Hudson Bay company, etc., (cf. van Lent et al., 2022) and later the creation of factories (as an organizational form distinct from the association of craft work) at the beginning of the industrial revolution (cf. Idowu, 2011). It serves as a background to discussing the origins of the field of BiS in the next four chapters.
- **Philosophy**, and **ethics** in particular, is essential in thinking about the roles and responsibilities of business(es) in society (cf. Hsieh, 2017). Whereas some would argue that business and ethics could be seen separately, most research views them as inseparable (Sandberg, 2008). After all, debates in BiS have roots in, and are informed by, normative considerations. Normative thinking in BiS has been informed by both analytical and continental traditions. This chapter will dwell on how ethics perspectives have informed debates in BiS, including discussions about the purpose of business if not restricted to the pursuit of profit (e.g., the common good). Philosophy and ethics offer tools and directions, both for criticizing and rethinking the role of business in society, which this chapter aims to cover.
- **Sociology** is another field of origin for BiS, due to its analysis of social structures and dynamics. Relevant topics include the traveling of ideas across societies (e.g., CSR, Lim & Tsutsui, 2012), the unfolding of institutional change on themes such as sustainability and CSR, the role of social movements as agents of change (den Hond & de Bakker, 2007), the moralization of markets (Balsiger, 2021; Holzer, 2010) vs. the ‘McDonalidization’ of society (Ritzer, 2004), and the relevance of macro-level changes for business (e.g., demographic change, Cheah et al., 2011; globalization, Sassen, 1988).
- **Political science** brings in perspectives on power, the capacity to influence, lead, dominate, or otherwise have an impact on the life and actions of others in society. The lobbying activities and the influence of interest groups (Moe, 1988) are a core interest of political scientists; it entered BiS through corporate political activity. A crucial debate in BiS is how the role of business in society is being regulated within and across

different jurisdictions (Knudsen & Moon, 2022). Which forms of regulation and self-regulation would work, when and where? How about different kinds of governments and governance (Fuchs, 2007)? And what is considered legitimate use of power, or legitimate business behaviour?

- Debate in BiS has also been strongly informed by **economics**. The influence of economic science transpires, for example in the role of business in the creation of jobs and wealth, in the analysis of positive and negative externalities of transactions and markets, and in its, often-dominant, focus on efficiency and performance. Economics can also draw attention to issues of societal welfare and development (Sen, 2000), to alternative arrangements beyond individualized liberal markets and state regulation (Ostrom, 2010), and to the planetary boundaries for sustainable development (Raworth, 2017).
- **Management studies** have also contributed to the debates in the evolution of BiS from different angles. Strategic management for instance addresses the complexities of competition and changing environments, while increasingly aligning with societal and environmental impact and ethical challenges (Engert et al., 2016). Organizational behaviour research delves into permeating societal impact into organizational dynamics, covering topics such as leadership, organizational culture and motivation (Treviño et al., 2006). And functional areas related to operations, marketing, and finance each opened a stream of investigation on how to address BiS like sustainable operations management (Walker et al., 2014), marketing and business ethics (Schlegelmilch & Öberseder, 2010; Sheth & Parvatiyar, 2021), or responsible finance (Bril et al., 2022; Scholtens, 2006). In understanding the origins of BiS, looking at how insights from management have contributed hence is a final foundational chapter in this Handbook.

These six chapters collectively offer an overview of foundational disciplines that gave rise to a dedicated field of BiS. Although the languages spoken and the themes studied vary greatly across them, they all provide foundational ideas that have been applied in the development of specific perspectives on BiS.

PART TWO: PERSPECTIVES

As every field of study, BiS is informed by a range of perspectives, or lenses, to study phenomena in the field. Perspectives are not necessarily distinct theories or theoretical orientations; they are more like ‘ways of looking’ that appear in multiple topics, issues and questions.

- Most prominent is perhaps Freeman’s seminal work on **stakeholder thinking** (Freeman, 1984). Stakeholder thinking has informed a wide range of studies (Parmar et al., 2010); who or what are a company’s stakeholders is a question of continuing interest (Johnson-Cramer et al., 2022), as are questions of how to engage with stakeholders (Kujala et al., 2022). Thus, stakeholder thinking has offered a distinct perspective on bringing society and its actors and interests into the realms of business. The first chapter in this part addresses current thinking on stakeholders, its links to management and its future directions.

- Extending from stakeholder thinking, ideas on how business organizations could or should be controlled have evolved and constitute an important perspective on issues topics and themes in BiS discussions. **Corporate governance** not only discusses the corporate objectives (Goranova & Ryan, 2022) but also connect to stakeholder thinking, wondering how shareholders impact stakeholder interests (DesJardine et al., 2023). Corporate governance thus is a distinct perspective on BiS.
- Alongside financial reporting, with its roots in accounting and its function in establishing trust with investors and tax authorities, measuring and reporting on corporate social, environmental and governance performance has become a main feature of contemporary business. Businesses are expected not only to perform well in financial terms but also in non-financial terms. In a way, responsibility has been transformed into **accountability**. Standards and metrics for non-financial reporting have proliferated and are increasingly made mandatory. Recurring questions include issues of completeness, accuracy, and materiality (Bouten et al., 2024; Slager et al., 2021). Transparency both exposes and disciplines businesses, it may affect their reputation; yet it also distracts from what remains opaque (Wijen, 2014).
- With the advent of globalization, in terms of trade, culture, ideas, and the movement of goods, people, and information, **international business** offers a distinct perspective on the interdependencies that characterize many of the issues, questions and concerns of business in a globalized society, spanning global value chains. Trade has always been international (Ricardo) but its scale, scope, and speed have exploded after the economic crises of the 1970s and 1980s and the subsequent liberalization and deregulation of many international markets. The iconic experiences of Nike attest of the intricacies of globalization. Businesses have outsourced production to parts of the world where the cost of labour is lowest ('Nikefication', Davis, 2016), but information about labour conditions in their extended supply chains can easily reach consumers in their major markets (Ballinger, 1992).
- The exchange of information, in the form of text and images, is a major, perhaps the major, modality through which the dynamics of business in society take shape. **Communication** is constitutive of the framing, perceiving, shaping, and resolution of issues, questions and concerns in business in society (Morsing & Spence, 2019). Businesses strategically use text and images in representing themselves and their products and services, such as on their websites and social media, in their annual reports, in making public statements, and in marketing; all of these may or may not be sincere or truthful (cf. greenwashing). Language is central in the attributions of blame and responsibility to businesses, and in their warding off such attributions (Crane & Glozer, 2016). The human interface in the communication between business and customers, furthermore, is being replaced by bots. This chapter reviews the communication perspective on BiS.
- Many issues, questions, and concerns in BiS have a **technology** component. Technology has always been part of the relationship between business and society, for better and worse. Technology can be perceived as an external and autonomous development to which one has to adapt (cf. the 'T' in the 'STEP/PEST' acronym), but more often than not some (mega)corporation is pushing a particular technological trajectory (cf. Whelan, 2021). Technology can offer a solution to pressing societal

problems and grand challenges but it may also be an instance of ‘solutionism’ (Morozov, 2013). Other perspectives on technology are possible and have remained relatively underdeveloped (den Hond & Moser, 2023). Questions such as: “Which values and whose interests has technology come to emulate?”; “How do these values and interests play out in stabilizing the status quo?”; and “How can it be contested, disrupted, and changed?” are rarely asked (D’Cruz et al., 2022a). These and related questions are especially pronounced in relation to the use of artificially intelligent algorithms (Lindebaum et al., 2023) and the rising attention for “surveillance capitalism” (Zuboff, 2015).

- In light of Max Weber’s claims in *The Protestant Ethic and the Spirit of Capitalism*, there is reason to believe that “there is a strong link between spirituality and virtue, and also that spirituality often gives rise to an alternative form of management that may enable escape from the materialist-individualist type” (Dyck, 2017: 919). Hence, the values cherished and espoused in **religion** and/or spirituality can be seen as a source of inspiration for business conduct that seeks to escape the cold, calculative rationality that characterizes much of the contemporary neo-liberal capitalist order (Hackworth, 2016). Some of these are manifested in approaches, such as Islamic banking (Botoeva, 2018). Nevertheless, as an order of worth premised on inspiration (Boltanski & Thévenot, 2006), religion and spirituality may sit uncomfortably with the orders of worth that dominate the industrial and market worlds. This chapter explores the theme of religion in the context of BiS.

PART THREE: ENVIRONMENTAL AND HEALTH THEMES

Parts Three to Five of the Handbook contain central themes for BiS scholarship. We grouped them in analogy to the current ESG-language, environment, social and governance (Bril et al., 2022) and hence start with a cluster of themes related to the physical environment, followed by parts on socio-economic and socio-political themes.

Part Three comprises chapters on the ability of corporations to respond to the challenges in their physical environment, which has become a key contributor to many businesses’ successes. It will serve as an essential guide to the key themes, issues and debates surrounding these changes.

- **Climate change** and its many challenges clearly constitute a challenge for both businesses and societies (Lee & Klassen, 2016; Wright & Nyberg, 2017). For businesses, climate change poses multifaceted challenges due to its potential to disrupt supply chains (Ghadge et al., 2020), increase operational costs, and create regulatory uncertainties (Marcus et al, 2011). Moreover, shifting consumer preferences towards sustainable products and the need to adapt to changing environmental conditions further amplify these challenges. From a BiS perspective, further challenges include exacerbating inequality as vulnerable communities bear disproportionate burdens (Benevolenza & DeRigne, 2019), increasing displacement due to extreme weather events and rising sea levels, and intensifying competition for diminishing natural resources. These developments may lead to conflicts and crises as they disrupt food security, and challenge traditional livelihoods, amplifying socio-economic disparities worldwide.

- Relatedly, climate change can also strain **public health** systems. Thinking about global health challenges, especially within the framework of the United Nations' Sustainable Development Goals (SDGs), requires a critical examination of the business sector's role, which is currently underrepresented in existing literature (Park et al., 2022; Serafeim et al., 2020). In this chapter focus therefore is on how businesses (can) address health challenges, engage in multi-level actions, and improve health outcomes for external stakeholders.
- A third theme in this Part is the increasing attention to **biodiversity** protection and avoiding biodiversity loss. Biodiversity can simply be described as 'the variety of life on Earth'. As nearly all business activities have an impact on biodiversity and biodiversity loss (Panwar et al., 2023), progressively calls are made for increased business accountability for nature (Smith et al., 2020). In this chapter, the theme of biodiversity will be explored, including attention for ecosystem services, biodiversity risks for business, and what business can do about biodiversity (Parr & Simons, 2007).
- **Non-human animals** form a distinct theme intertwined with biodiversity and ethics, examining moral considerations in human interactions with them, including treatment, rights, and welfare (Whelan & Gond, 2017). Given evolving societal attitudes, businesses must reassess their practices in industries like agriculture, food production, entertainment, and research, considering animal welfare standards, sourcing, and alternatives to testing. Additionally, businesses influence public perception of animals through marketing and corporate social responsibility, highlighting the importance of promoting compassionate treatment and ethical behaviour towards animals within the public discourse (Janssens, 2022; Thomas, 2022).
- Inspired by ecological ideas, thinking on the **circular economy** provides another important theme in this Part of the Handbook. Focused on reducing resource consumption, minimizing waste generation, and enhancing resource efficiency, circular approaches aim to mitigate environmental degradation and promote sustainability. Although 'circularity' was met with great acclaim and many definitions (Kirchherr et al., 2017), measurements (De Pascale et al., 2021) and business models (Lüdeke-Freund et al., 2019) were developed, the ideas were also met with criticism (Corvellec et al., 2022; Valenzuela & Böhm, 2017). In this chapter the current state of thinking on circular economy will be presented, paying specific attention to the inclusion of the Global South in North-dominated circular economies (Hofstetter et al., 2021).
- Finally, and offering links to Parts Four and Seven, we here include a chapter dedicated to **degrowth**, the "equitable downscaling of production and consumption that increases human well-being and enhances ecological conditions at the local and global level, in the short and long term" (Schneider et al., 2010: 511). With the ongoing ecological degradation, a growing revival of growth scepticism can be observed (Nesterova, 2020). Degrowth challenges the traditional notion of continuous economic growth and poses challenges to business accustomed to growth-oriented strategies, but also offers opportunities for innovation, collaboration, and long-term resilience in the face of environmental challenges such as climate change, resource depletion, and ecosystem degradation (Hanaček et al., 2020).

PART FOUR: SOCIO-ECONOMIC THEMES

Whereas the previous Part discussed themes related to the physical environment, in Part Four the focus is on socio-political themes. As this Handbook addresses BiS, considering social and societal themes is crucial. We selected seven prominent themes that shape current debates in the field of BiS.

- Organizational research had a longstanding interest on inequities (e.g., differential outcomes experienced by people in same jobs), inequalities experienced by demographic groups (e.g., discrimination experienced in hiring and wages by women, racial/ethnic minorities) (Amis et al., 2020; Bapuji, 2015), and pay disparities in organizations (Shaw, 2014). But, **inequalities** captured the attention of organizational scholars as well as business and society scholars since the Global Financial Crisis of 2008. Research in this theme has used a combination of ethical (i.e., business as a contributor to inequality due to unfair value distribution to employees, government, and society at large) and instrumental perspectives (i.e., business needs to address inequality because it is a hindrance to business and economic growth (Bapuji et al., 2020). Broadening the focus from inequalities related to gender, race/ethnicity, religion, etc., this chapter will also examine inequalities experienced by hitherto overlooked groups (e.g., low caste individuals, Indigenous Peoples) and the implications of such inequalities to business in society (Salmon et al., 2023).
- When considering BiS, one cannot escape the theme of **business and conflict**. Businesses can either exacerbate or mitigate conflicts, depending on their operations and engagement with local communities and stakeholders. By promoting economic development, providing employment opportunities, and fostering cross-cultural understanding, businesses can contribute to peacebuilding efforts in conflict-affected regions. However, they must also navigate complex political and social dynamics to ensure that their activities do not inadvertently fuel tensions or exacerbate existing conflicts (Kolk & Lenfant, 2015). Balancing economic interests with social and environmental responsibilities can be challenging, especially in areas where business operations intersect with political instability, human rights concerns, or community grievances (Joseph & Van Buren, 2022). Additionally, businesses may face dilemmas related to supply chain management, where sourcing materials from conflict-affected areas raises questions about complicity in human rights abuses or perpetuation of violence. This chapter addresses the complexities of business and conflict, including peace and reconciliation.
- Closely related, but much broader in scope, is the theme of **business and human rights**. The 1948 UN Universal Declaration of Human Rights (UDHR) has become the *de facto* standard in the articulation of human rights. It is the basis on which more than seventy human rights treaties have been sealed. The UDHR includes responsibilities for business (Wettstein, 2022). Indeed, “in the 21st century, the debate on business and human rights (BHR) is no longer focused on *whether* business enterprises have human rights responsibilities, but rather, *what business enterprises should do* to honour those responsibilities and how to understand the human rights impacts of day-to-day organizational decisions and practices” (Buhmann, 2021: 9, italics in original). A recent development in the realm of business responsibility for human rights is the introduction of human rights due diligence (HRR) laws in several countries.

- **International development** involves strategies to alleviate poverty, improve healthcare, and foster economic growth in the Global South. Businesses can significantly contribute through employment provision, community investment, and sustainable development initiatives to address social and environmental challenges, both in their home and host countries (Kolk & van Tulder, 2010). Yet, critics highlight concerns about exclusion and the emphasis on capital assets (Blowfiel & Dolan, 2014). Alternative models are emerging to align business and development objectives, including ideas on ‘upgrading’, which “refers to the strategies that firms, countries, or regions implement to move toward higher value-added activities and increased value capture [...], and the learning opportunities arising from the GVC participation” (de Marchi & Alford, 2022: 90).
- As Lin-Hu and Müller (2013) say, the CSR bottom line is to prevent corporate social irresponsibility (CSI). CSI overlaps with labels such as organizational misconduct, misbehaviour, wrongdoing, fraud, crime, and **corruption**—the “misuse of an organizational position or authority for personal or organizational gain” (Anand et al. 2004: 40). Whichever the label, corruption undermines the integrity of business operations and erodes trust within society, yet it is prevalent in business. This chapter discusses its causes, mechanisms, and dynamics (e.g., Bandura, 2016; Fleming & Zyglidopoulos, 2008; Palmer, 2012; Vesa et al., 2019), interpretations (Schembera et al., 2023), as well as attempts at its prevention and control (such as ethics programs).

PART FIVE: SOCIO-POLITICAL THEMES

The chapters in Part five stand on two legs. They discuss the role of businesses as actors in political systems, on the one hand, and how issues, questions and topics of BiS play out in various political systems, on the other hand. The former has a long-standing tradition in the field; it is known as corporate political activity (CPA) (Sethi, 1982; Getz, 1997), private politics (Baron, 2001), or more broadly as non-market strategy (Boddewyn, 2003). The latter is a more recent development, due to scholars in field realizing that their traditional focus on the US political system should not be taken for granted.

- When considering socio-political themes, looking at the **politics of business** is a logical starting point. Businesses engage in ‘political work’ or ‘corporate political activity’ to influence, promote or contest, in a narrow sense, political decisions and practises and, in a broader sense, public opinion, also on issues relating to BiS (den Hond et al., 2014). Such political activity for instance is performed as brand/corporate/CEO activism (e.g., Olkkonen & Morsing, 2023), ‘insider activism’ (Wickert & de Bakker, 2018) or as lobbying (Barron & Skountridaki, 2022). This chapter discusses business’ engagement with politics in many forms, highlighting themes such as regulatory capture and corporate political responsibility (Lyon, 2023).
- The next chapter examines CSR and **democracy** in Western liberal democracies. In the political CSR discourse, the filling in of the political role of businesses is supposed to occur along the lines of Habermas’s deliberation. It discusses whether and how this deliberative ideal has played out. For example, Goodman & Mäkinen (2023) examined potential implications of the trend to ‘outsource’ public welfare provision (CSR)—traditionally the domain of public policy—to businesses for the functioning of

democracy. Gilbert et al. (2023) edited a special issue of *Business Ethics Quarterly* on the challenges and prospects of deliberative democracy for corporate sustainability and responsibility. Such studies offer an insight in the socio-political context in which much of the writings on BiS is situated.

- This chapter shifts the focus from Western liberal democracies to states in the **Global South**. Authors such as Valente and Crane (2010) started to examine public responsibilities, or CSR, of businesses in countries in the Global South. By taking on public responsibilities, CSR has become ‘political’ also in non-Western countries. It is often assumed, however, that states in the Global South are unwilling or incapable to provide public welfare, and that therefore, businesses—read: multinational companies—need to step in, in order to fill the so-called ‘institutional voids’. For example, Börzel & Risse (2021) studied social responsibility in areas of limited statehood. This assuming away of statehood has led to an underappreciation of the role that states in the Global South play in relation to CSR in the Global South (Nilsson, 2023).
- Issues, questions, and topics of BiS obtain a distinct flavor when businesses operate in countries that are under **authoritarian rule**. Examples from past include the responsibilities of business that operated in South Africa during times of Apartheid, and in Myanmar under military dictatorship and their multiple nullifications of the results of parliamentary elections. More recent examples include the turn to authoritarian rule in Russia under Vladimir Putin, culminating in the calls for boycott after its invasion of Ukraine, in 2022, and Saudi Arabia’s very partial and selective liberalization under the rule of Mohammed bin Salman. Each of these and many other examples pose questions on the responsibilities of businesses in where and how they do business.
- Much research in the field of BiS is premised—whether explicitly or implicitly—on the model of capitalism as it has developed in the Anglo-Saxon world, notably in the US. However, in other parts of the world, other **models of capitalism** prevail (Hall & Soskice, 2001). In the CSR debate, this is reflected in the distinction between implicit and explicit CSR (Matten & Moon, 2008). Hielscher et al. (2022), for example, argue that sharing platforms can become more socially responsible when they find inspiration in the institutions of the German ‘ordo’ variety of capitalism.
- In socio-political debates, a growing stream of work is considering the **limits of neoliberal capitalism** in its exploitation of natural resources, consumers, and workers. A point in case is in the negative effects of the sharing economy as a nightmarish form of neoliberal capitalism (Martin, 2016) for its precariat (Standing, 2011) of riders, bikers, and drivers. Critics of CSR often posit “that CSR is largely ineffective as a corrective to the shortcomings of capitalism namely, the negative effects of business on society and the undersupply of public goods” (Schneider, 2020) or that CSR complements and has co-evolved with neo-liberalism (Kinderman, 2012; but see Vallentin & Murillo, 2022). The critique of neoliberal capitalism, whether of neo-Marxist or Foucauldian breed, is relevant for discussions of BiS.
- In terms of international trade relations, the neoliberal capitalist order is said to be part of the maintaining of a neocolonial system in which the Global South—while nominally partners on an equal footing—are effectively being exploited (‘extractivism’) and kept

in a dependence relationship. More broadly, neocolonialism refers to the ethos and practices by which the ‘West’ keeps the ‘rest’ in a subaltern position, in terms of culture, epistemology, economy and politics. Decolonialization, then, refers to the struggle to undo neocolonial relationships, including struggles for equality, recognition, and self-determination. Business, and multinational companies in particular, are part and parcel in the maintaining of neocolonial structures (cf. Banerjee, 2000). Many of the ‘goods’ that businesses bring to others have a neocolonial flavour to them, to say the least. But a neocolonial ethos can also work in subtle ways. For example, Storgaard et al. (2020) present a study of organizational identity work in a western MNC in which the attempt by the company’s head quarter to the strengthen internal cohesion, cherishing the company’s pedigree, traditions and qualities, resulted in a neocolonial ethos of superiority. The chapter discusses **neocolonialism and decolonialization** in the context of BiS.

PART SIX: ACTORS FOR CHANGE

Part Six zooms in on actors striving for, or critical to, change in the BiS field. By change, we mean change towards more sustainable business models or in thinking about the role of business in society. This requires change in the ways individuals operate within these organizations and in the ways roles are tasked with driving change, such as top managers or sustainability managers. The push for change comes from different directions, from investors and supply chain partners to activists and educators.

- Whenever there is a challenge, crisis, or need for change or transformation, there is a call ‘leadership’, for clarity, inspiration, and direction. Thus, in the realm of BiS, a major role is assigned to **top management**. Upper echelon’s theory (Hambrick & Mason, 1984) is one classical articulation of this idea. And indeed, the most difficult decisions—those that require judgment and tough choices—do end up on the desks of those higher up in a hierarchy. By contrast, many of those high up in a hierarchy have a tendency or desire to ‘make their mark’ on the organizations they direct, imposing, for better or worse, in a top-down manner their vision, also in terms of social responsibility (e.g. Chin et al., 2013). Socio-political CEO activism (Hambrick & Wowack, 2019; Olkkonen, & Morsing, 2022) can be seen in this light. While despised by principal-agent theorists, this form of ‘managerial entrenchment’ is not necessarily rejected by social responsibility scholars; in the language of leadership it may be seen as ‘inspirational leadership’. This chapter reviews the role of top management regarding issues and topics in the field of BiS.
- **Sustainability managers** (Augustine 2021), and other change agents tasked with managing social issues inside organizations, such as diversity officers (Buchter 2021) and corporate social responsibility (CSR) managers (Wickert & de Bakker, 2018), are an important group of actors regarding BiS (Carollo & Guerri, 2018). These managers play an important role in shaping and implementing business organizations’ CSR and sustainability ambitions, but in doing so they often need to overcome serious resistance, both within and outside their organizations. With the rising attention for these actors (Heucher et al., 2024), this chapter takes stock of how they identify, operate and acquire the necessary expertise and other resources to reach their complex objectives.

- Over the last decades, attention for how social **activists** try to influence businesses' activities has grown, joining insights from social movement studies and management and organization studies (Davis et al., 2005; de Bakker et al., 2013). In such studies, increasingly attention has been paid to different ways activists interact with firms (Eesley et al., 2016) and, vice versa, how firms respond to those interactions (McDonnell et al., 2015), as well as to the consequences of such contestation and collaboration, both in terms of changes in businesses' activities and in reputational effects (Amer & Bonardi, 2023).
- Given the high disintegration of production and its global extension, **supply chain partners** also play a key role in reducing the social and environmental impact of their operations (Tachizawa & Wong, 2015). Actors in supply network structures are interdependent and coevolve to shape the sustainable performance of their chains (Choi & Linton, 2011). Collecting information related to sustainability compliance can improve the effectiveness of sustainability implementation. Lead firms through supply chain partnerships can develop programs such as training, workshops, or employee transfers in order to develop sustainable capabilities (Dou et al., 2017). Inter-relational views related to power balances, structure, interdependence, distance, and costs are all factors to be considered in multi-tier supply chains (Bai et al., 2023) as discussed in this chapter.
- The **university** is an actor significantly influencing the BiS agenda, both globally and locally, by educating future managers in the private sector, and yet the role of the university, and education in general, for BiS is often underappreciated in the BiS literature. However, business, management, law and economic studies together are by far the largest study area in higher education institutions these days, granting 70 million degrees to students each year globally (out of a total of 220 million degrees) (UNESCO, 2024). The business school has been severely critiqued for its way of instrumentalizing management rather than generating the responsible leaders that the world needs to produce a more green, just and equitable world (Khurana, 2010; Parker, 2018). This chapter starts with a historical perspective on the development of the business school and then examines the role(s) that management education can play in generating knowledge and education to help the transition to new roles for business in society (Laasch, et al., 2020).
- **Investors** wield significant influence in shaping business behaviour and societal outcomes through their allocation of capital. Their decisions impact environmental, social, and governance (ESG) factors, prompting companies to prioritize sustainability and ethical practices, or steering them away from such practices. In fact, there is evidence that institutional investors drive corporate social responsibility (Dyck et al., 2019), but also hedge fund campaigns result in shareholder-centric and short-lived benefits that “come at a mid- to long-term cost to other stakeholders” (DesJardine & Durand (2019: 1054). Meanwhile, investors engage with businesses to work on their ESG practices through dialogue or shareholder resolutions (Goranova & Ryan, 2014), and they incorporate sustainability considerations into their investment strategies to mitigate long-term risks associated with climate change, resource scarcity, and social unrest (Flammer et al., 2021).

PART SEVEN: DYNAMICS FOR CHANGE

Building on the origins and having the perspectives and themes in scope, as well as the most relevant actors in BiS, this final Part of the Handbook focuses on the dynamics of change. If change is needed across many dimensions, then how can we think about this and develop alternative ideas that do justice to the complexity of the issues at hand? We highlight three directions in this Part: systems thinking, alternative organizations and rethinking impact. Collectively, these chapters generate a wealth of ideas for advancing more sustainable business practices and fostering positive societal impact, redefining BiS.

- In thinking about dynamics for change, **systems thinking** is a helpful approach as it considers the interrelations and interdependence between different components within and across interconnected systems (Whiteman et al., 2013). Although not (yet) prevalent in mainstream management journals, systems thinking and its notions of interconnections, feedbacks, adaptive capacity, emergence and self-organization (Williams, 2017) are promising for rethinking the changing BiS landscape and for bringing in notions of temporality (Bansal & DesJardine, 2014). This chapter addresses systems thinking as a way to think through BiS in a dynamic and integrative manner, building on early calls to do so (cf. Gladwin et al., 1995).
- The word ‘business’ has strong connotations with the stock-listed multinational firm (‘Wallstreet’) or the ambitious entrepreneurial start-up whose owners dream of a successful IPO (‘Nasdaq’). The core question in the field of BiS, then, is the reconciliation of the dominance of the profit motive in guiding business and the demand or expectation of social responsibility. There are, however, many other ways for organizing economic activity: **alternative organizing**. Opening up the BiS debate to consider possibilities for organizing economic activity “beyond the narrow imagination of economists and management theorists” (Parker et al., 2014: the quote is from the back cover) — co-operatives, social enterprises, collectives, to name but a few of the more prevalent alternatives — can be inspirational for the BiS debate, as witnessed also by the growing attention for such organizational forms (cf. Mair & Rathert, 2021). This chapter examines such possibilities as well as their limitations.
- The final chapter addresses what arguably is the ‘holy grail’ in management research these days: **impact**. Defined in many ways, the European Commission (2022) defines (research) impact as, “*A change or a benefit to the economy, society, culture, public policy or services, health, the environment or quality of life.*” If we are to advance the impact of BiS research beyond academia, thinking about impact is necessary. As “management scholars struggle to produce concrete solutions or to communicate how their research can help to tackle [...] grand societal challenges” (Wickert et al., 2021: 297), plenty ideas are provided on rethinking impact, from making a difference to human life by doing research that is context-relevant and by authentic inclusion of Global South scholars (D’Cruz et al., 2022b), to seeing impact as part of involvement with research stakeholders and investing in the necessary communication and rhetorical skills (Spence & du Gay, 2022). This chapter thinks through how different forms and conceptions of impact can make BiS (even) more meaningful, both *in* and *for* society.

CONCLUSION

In the final chapter of the Handbook, a comprehensive synthesis of key insights from preceding chapters is presented, providing a holistic understanding of the current state of research in the field of BiS. Additionally, some emerging trends and unanswered questions are identified, paving the way for further investigation and scholarly inquiry to address gaps in knowledge and propel the discourse forward. The final chapter serves as a roadmap for scholars and practitioners alike to continue advancing the field of study.

References

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