



City Research Online

City St George's, University of London

Citation: Banerjee, S. B. (2012). Critical Perspectives on Business and the Natural Environment. In: Bansal, P. (Ed.), The Oxford Handbook of Business and the Natural Environment. (pp. 572-590). Oxford University Press. ISBN 9780199584451 doi: 10.1093/oxfordhb/9780199584451.003.0031

This is the accepted version of the paper.

This version of the publication may differ from the final published version. To cite this item please consult the publisher's version.

Permanent repository link: <https://city-ref-test.eprints-hosting.org/id/eprint/8014/>

Link to published version:

<https://doi.org/10.1093/oxfordhb/9780199584451.003.0031>

Copyright and Reuse: Copyright and Moral Rights remain with the author(s) and/or copyright holders. Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge, unless otherwise indicated, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way. For full details of reuse please refer to [City Research Online policy](#).

CHAPTER 31

.....

CRITICAL PERSPECTIVES ON BUSINESS AND THE NATURAL ENVIRONMENT

.....

SUBHABRATA BOBBY BANERJEE

In this chapter I describe some critical perspectives on business and the natural environment. The emerging field of critical management studies (CMS) offers unique and important ways to study how business deals with environmental issues. The chapter is structured as follows: I begin the chapter with a brief introduction to CMS and discuss the intellectual and philosophical traditions that inform this field. Issues of power and domination are addressed in CMS in ways that are profoundly different from mainstream organization studies and offer distinctive ways of theorizing environmental issues. In the next section I summarize the key themes of research on business and the natural environment. Almost all of the research on organizational approaches to environmental issues takes a functionalist approach that privileges organizational rather than environmental goals and there are serious limitations of such a win-win approach to environmental issues. I conclude the chapter by outlining a critical research agenda for the study of business and the natural environment.

A variety of philosophical and theoretical strands weave the network of debates that is CMS. Perspectives from critical theory developed by Horkheimer, Adorno, and Habermas from the Frankfurt School inform some formulations of CMS, particularly in its critique of instrumental reason, consumerism, and the positivist bias in social science research and technocracy (Scherer 2009). The notion that knowledge cannot be separated from human interests and that there is no such thing as value-free or neutral science marked a radical departure from conventional theories in organization and management research. Scholars employed perspectives from critical theory to show how

organizational structures serve as modes of domination and control while proposing alternate modes of organizing and governance arrangements that are deemed to be less oppressive and more emancipatory (Willmott 1993; Scherer & Palazzo 2007).

Key questions that would emerge from a CMS perspective would focus, not on just explaining contemporary arrangements in organizations and the political economy, but on asking how that particular arrangement came about and exposing power relations that prevent alternate forms of organization. Such a perspective would challenge mainstream research preoccupations with profitability and shareholder value and, rather than ask questions about how to enhance profitability and shareholder value, it would ask questions about how particular profits were created and attempt to identify the social and environmental costs associated with generating profit, or explain how certain segments of society become disenfranchised as a result (Banerjee 2010). Thus, in the context of organizations and the natural environment a critical approach would critique mainstream environmental management or strategy research because it leaves the fundamental assumptions of the profit paradigm unchallenged. As we shall see later, particular constructions of the “environment” and “nature” emerge when environmental issues are framed from the conventional economic paradigm. A critical approach would go beyond searching for economic efficiencies through environmental improvements, but rather highlight its boundary conditions while exploring possibilities of alternate economic and organizational arrangements that could arise from an environmental perspective.

THE EMERGENCE OF CRITICAL MANAGEMENT STUDIES

The discussion that follows on key developments and writings on CMS is by no means exhaustive. Instead, I provide a fairly selective reading of what I think are the key themes of CMS. What began as a fairly fragmented field of research involving a handful of scholars has now evolved into a sub-discipline along with the accompanying institutional structures and processes. Critical Management Studies, which began as an Interest Group, is now a full-fledged division in the Academy of Management with its allocated quota of professional development workshops and competitive paper sessions at annual meetings. A biennial CMS conference has been held since 1999. The 2009 CMS conference held at Warwick Business School in the UK comprised twenty-five streams involving a wide range of topics such as critical perspectives on strategy, globalization, international business, diversity, feminism, race theory, human resource management, marketing, accounting, postcolonialism, sexuality, gender, postmodernism, and environmentalism. Obviously there is much to be critical of in organization and management studies. It will be useful to explore exactly what CMS is critical of, and what alternative worldviews, epistemologies, theories, methodologies, and ways of organizing and managing emerge from such a critique.

The domain statement of the CMS Division in the Academy of Management can provide some insights:

CMS serves as a forum within the Academy for the expression of views critical of established management practices and the established social order. Our premise is that structural features of contemporary society, such as the profit imperative, patriarchy, racial inequality, and ecological irresponsibility often turn organizations into instruments of domination and exploitation. Driven by a shared desire to change this situation, we aim in our research, teaching, and practice to develop critical interpretations of management and society and to generate radical alternatives. Our critique seeks to connect the practical shortcomings in management and individual managers to the demands of a socially divisive and ecologically destructive system within which managers work. (CMS 2010)

Thus, the underlying assumption and the starting point of a critique is the “structural features of contemporary society” that result in ‘domination and exploitation.’ What makes management and organization studies the focus of critique is the “profit imperative,” which, leaving any “social” or “stakeholder” issues aside for the moment, is the fundamental basis of the modern corporation. CMS challenges the fundamental normative assumptions of management and organization theory and practice—that managerial notions of efficiency are universally desirable, and that pursuing profit motives can only lead to positive outcomes for the workforce and for society. Instead, employing a critical perspective can reveal the hidden structures of oppression in management. Such a perspective would enable us to see organizations and management practices as a contested terrain of power relations. The goal, then, is to transform existing power relations in organizations with a view to building less oppressive workplaces that do not harm social and environmental welfare.

Such a broad and general critique invites theoretical pluralism from conventional neo-Marxist analyses, labor process theory, and the Frankfurt School of critical theory to postmodernism, poststructuralism, deconstruction, postcolonialism, cultural studies, feminism, queer theory, and psychoanalysis (Fournier & Grey 2000). There is not, and indeed some might argue can never be, an overarching critical management “theory”—rather theoretical developments in CMS can be seen as a connected network of debates with different, sometimes contradictory, political and epistemological stances. While acknowledging the theoretical diversity that informs CMS, Fournier & Grey (2000) nevertheless attempt to describe its boundaries by focusing on aspects relating to performativity, denaturalization, and reflexivity.

Fournier & Grey (2000: 17) argue that performativity is at the root of conventional management studies where efficiency is paramount, and all knowledge and truth is directed at promoting efficiency or the “production of maximum output for minimum input.” CMS rejects this quest for performativity and instead advocates a non-performative or even anti-performative approach to the study of management and organizations. Performativity can also be accompanied by exploitation, manipulation, surveillance, subordination, and disempowerment (Burrell 1997), and a critical management perspective would show how knowledge operating in the guise of performative knowledge produces these negative outcomes.

Denaturalization involves exposing irrationalities, “unnaturalness”, and power relations behind constructions of rationality (Alvesson et al. 2009). Thus, a denaturalizing organizational inquiry challenges the stability, rationality, and “naturalness” of existing organizational and social relations and attempts to inscribe what has been written out of management theory (Fournier & Grey 2000). Reflexivity marks the third boundary condition between critical and non-critical approaches—positivist epistemologies and methodologies are rarely challenged in mainstream accounts of management, and a reflexive approach would explicitly acknowledge and scrutinize these assumptions with a view to highlighting the limitations of received knowledge. What truths are acknowledged and what truths are denied is an integral part of the reflexive process. A critical perspective would not just seek new answers to questions but also ask why certain kinds of questions demand answers while others do not, whose interests are included or excluded in the universal quest for knowledge, and why particular approaches to knowledge production are selected over others (Grice & Humphries 1997).

However, Fournier & Gray’s boundary conditions of CMS have not gone unchallenged. Critics argue that the preoccupation with philosophical arguments about ontology and epistemology ignore the political realities of the workplace and the material (as opposed to “socially constructed”) challenges faced by workers in organizations (Thompson 2004). Rejecting the notion of efficiency as being exploitative, patriarchal, Eurocentric, colonial, capitalistic, hierarchical, and performative is fine, but a theoretical critique must also provide alternate ways of being and knowing while remaining self-reflexive about the knowledge it produces. Otherwise there is a danger that CMS can lapse into cynical management studies or, as Burrell (1993) eloquently puts it, the intellectual equivalent of “pissing in the streets”,

Rather than embrace non-performativity or anti-performativity, Spicer et al. (2009) call for an affirmative or critical performativity that calls for performative engagement as an integral part of CMS. Only by engaging with practice and critical dialogue and performing pragmatic interventions that challenge oppressive organizational and social relations can CMS hope to create alternatives to existing forms of domination and subordination that its critical scrutiny has revealed. Such a performative stance would be affirmative (not just negative), involve an ethics and duty of care, while also being pragmatic in locating specific organizational practices and spaces that require intervention, as well as identifying alternatives and potentialities along with a critical analysis of the normative criteria used to assess alternative practices (Spicer et al. 2009).

To illustrate some of the perhaps more abstract notions of CMS it may be useful to look at land and resource conflicts between Indigenous communities and extractive industries, such as mining and oil drilling. A mainstream “stakeholder” approach would advocate consultation, dialogue, compensation, and resettlement of affected communities so that resource extraction can proceed in a socially and environmentally responsible way (see Bondy & Matten [Chapter 28] this volume). However, such an approach disavows the vastly unequal power relations that underlie “stakeholder engagement” strategies of powerful multinational corporations as well as the colonial relations of power that continue to operate in North-South economic and political interactions.

Indigenous modes of being and relationships with the land are inherently incommensurable with the economic paradigm of resource extraction, and no amount of “stakeholder dialogue” can reconcile these fundamental differences unless there is an explicit analysis of power relations that either enable local communities to say no to particular forms of “development”, or empower multinational corporations backed by nation states to extract resources from Indigenous lands (Banerjee 2000; 2003).

A critical approach would examine how discursive constructions of “development,” “modernity,” and “progress” create particular relations and structures of power in the political economy that allow certain forms of development to occur while disallowing others. The separation of economic, social, ecological, and political spheres is also typical of “Western” ways of seeing and organizing the world, and despite its universalistic claims does not reflect the lived reality of a majority of the world’s population. For example, the transformation of nature into the “environment” as required by “development” has produced disempowering consequences for millions of people in the Third World because it obscures the social, economic, and political dislocations that result (Banerjee 2000; 2003; 2008). Critical performativity would go beyond exposing oppressive conditions of power and focus on pragmatic interventions such as protecting indigenous land rights, and legal mechanisms to protect indigenous cultural rights and social arrangements.

What impact has CMS had on management and organization theory and on managerial practice? If the quality of research is judged by its relevance and impact then I would argue that, despite its growth and increasing institutionalization in recent years, both the relevance and impact of CMS on managerial practice or public policy has been negligible. While it may have created a new space for academic publishing careers there is a danger that CMS can become an insular sub-discipline in organization and management studies, content to critique the research that appears in mainstream journals, while remaining secure in its philosophical and theoretical comfort zones. Since this handbook focuses on research on business and the natural environment (B&NE) it will be interesting to see what impact, if any, perspectives from CMS have had on B&NE-related research, as I will discuss in the next section.

RESEARCH ON BUSINESS AND THE NATURAL ENVIRONMENT: A CRITICAL ANALYSIS

Environmental issues entered the corporate agenda in the late 1960s and early 1970s when the first environmental legislation was enacted in the US and Europe. Environmental issues also began to enter the academic literature around the same time, and environmental issues began to be theorized as part of a corporation’s responsibility to society. The oil crisis of the 1970s, and mounting evidence of the environmental and health dangers caused by pollution, the indiscriminate use of pesticides, and the

dumping of toxic waste, saw a rise in public environmental concern, accompanied by the introduction of environmental legislation. Academic research in the business disciplines, particularly in management, accounting, and marketing began to focus on issues such as energy conservation, ecological responsibility (of both consumers and business firms) and corporate social responsibility. The environmental movement that began in Europe and the United States in the 1960s and 1970s was very much a grass-roots movement that saw the emergence of several green NGOs who directed their attention at the environmental impacts of “big business”. However, a decade-long hiatus followed in the 1980s, and environmental issues returned to the corporate agenda in the 1990s, albeit in a different form.

While social responsibility and morality arguments continued to be used as normative justifications for corporate environmentalism there was a strategic shift in theory and practice from the 1990s. Environmental issues became “strategic” because they had the potential to impact the financial performance of firms due to escalating costs of pollution control, environmental liability for damage caused by a firm’s products and processes, stricter environmental legislation, and increased consumer awareness of environmental issues (Banerjee et al. 2003). The 1990s saw a minor explosion of articles dealing with corporate greening in the management literature. Much of this literature attempted to incorporate notions of sustainable development into corporate strategy (see for example, the 2000 special issue on the “management of organizations in the natural environment” in *Academy of Management Journal*, the 1995 special issue on “ecologically sustainable organizations” in the *Academy of Management Review*, or the 1992 special issue on “strategic management of the environment” in *Long Range Planning*) and discusses the emergence of corporate environmentalism and organizational processes of environmental management.

In the Academy of Management, this renewed interest in the natural environment was recognized by the emergence of Organization and Natural Environment (ONE) as a field of research, first by the creation of ONE as an interest group in 1994 which was then further legitimized when it was granted the status of a separate division in the Academy. According to the domain statement of the Organization and Natural Environment Division of the Academy of Management the division promotes

research, theories and practices regarding relationships of organizations and the natural environment. Major topics include: ecological sustainability, environmental philosophies and strategies, ecological performance, environmental entrepreneurship, environmental product and service industries, pollution control and prevention, waste minimization, industrial ecology, total quality environmental management, environmental auditing and information systems, managing human resources for sustainability, ecological crisis management, natural resources and systems management, protection and restoration, interactions of systems management, interactions of environmental stakeholders, environmental policies, environmental attitudes and decision making, and international/comparative dimensions of these topics. As the natural environment is integral in all individual, organizational and societal activity, the interest group encourages holistic, integrative, and interdisciplinary analysis.

It promotes joint exploration of these topics with all other disciplines and Academy units. (ONE, 2010)

Apart from a couple of references to “environmental philosophies” and “holistic, integrative and interdisciplinary analysis,” the dominant theme of the domain statement is about “managing” environmental issues. So it should not come as a surprise that the “joint exploration” of the majority of research has focused on the strategic implications of the natural environment for organizational survival and growth. Thus, the focus is on “eco-efficiency” and its accompanying economic benefits arising from reduced energy bills, waste and pollution prevention (Banerjee 2001); or ways to enhance competitive advantage through cost leadership and product differentiation (Bansal & Roth 2000; Kallio & Nordberg 2006); or “managing” stakeholders and the regulatory environment in an attempt to circumvent or anticipate legislation (Banerjee 2007; Banerjee & Bonnefous 2010). Although several studies focused on “environmental outcomes” (Bansal & Gao 2006), the underlying assumption was that these outcomes would lead to enhanced financial or economic outcomes for the corporation. This “win-win” approach to environmental research is the fundamental basis of mainstream B&NE related research. Much of this research is silent on explaining what happens when “good” environmental outcomes lead to “bad” financial or economic outcomes, how managers and firms negotiate these trade-offs, or whether “environmental outcomes” are sustained over a period of time (Banerjee 2007: 2010).

While environmental issues have the potential to transform theory and practice in organizations and management there is still a long way to go. In contemplating the future of B&NE-related research, Shrivastava and Hart (1994: 607) commented:

Environmentalism will be one of the most potent forces of economic, social, and political change in this decade. By the year 2000, organizations and organization theory will need to transform themselves dramatically to accommodate environmental concerns. Despite the rise of environmentalism over the past two decades, organizations and organizational theorists have failed to adequately address environmental concerns.

While there is no consensus on how “adequately addressing environmental concerns” is to be assessed, there is certainly no evidence to suggest that organizations and organization theory have “transformed themselves dramatically to address environmental concerns.” In fact, some researchers would argue the contrary: that organizations and organization theory has dramatically transformed nature itself into an “environmental issue” that can be managed, leveraged and manipulated to meet organizational outcomes (Banerjee 2003; 2007; Levy 1997; Newton & Harte 1997; Shrivastava 1994; Welford 1997). While business firms can no longer ignore environmental issues and most large corporations today have environmental management policies in place, the dominant paradigm is still business-as-usual, tinged perhaps with some green credentials. A critical approach would analyze power dynamics in the political economy as well as in the Academy to understand the reasons why such a transformation has not occurred, as well as the role of interest groups that actively prevented the transition to a green economy.

So what impact has B&NE-related research had on the mainstream management and organization literature? What new insights have been developed, and in what ways if any has the natural environment influenced organization theory and practice? Recent reviews of the state of B&NE-related research suggest the impact has been marginal at best. For instance, Kallio & Nordberg (2006) argue that the so-called greening of the field has not led to any fundamental shifts or redirection of research in management (see also Gladwin [Chapter 38] this volume for further critique). Much of this research continues to be informed by managerial and functional perspectives and lacks critical self-reflection. In its eagerness to portray itself as a “legitimate” topic for business, B&NE-related research has not led to any new theoretical frameworks, but rather has focused on the incremental development of dominant theories of organizations, such as resource-based views of the firm or stakeholder theories of the firm (see also Ehrenfeld [Chapter 33] this volume for related argument). The literature has very few “paradigm-level” arguments that challenge dominant views of organizations and provide alternative philosophical and theoretical perspectives (Bansal & Gao 2006; Jermier et al. 2006). There was some attempt at paradigm level theorizing in the mid 1990s, where the basic premise was that that attention to the natural environment is lacking in the literature, and in cases where environmental issues have been addressed, the underlying paradigm is anthropocentric where ecological principles are either subsumed or disassociated with the economic paradigm (Purser et al. 1995). For instance, Gladwin et al. (1995) discuss the “technocentric” paradigm with its key assumptions of limitless growth and reliance on science and technology to solve environmental problems. This is contrasted with the “ecocentric” paradigm, which has a different view of nature, and recognizes there are limits to the growth and carrying capacity of the planet. They argue that a “sustainable” paradigm has the capability to synthesize the opposing positions of the other two paradigms, and that sustainable development represents a compromise between unbridled growth and no growth. However, even these somewhat critical attempts at framing environmental issues did not account for a sophisticated analysis of power dynamics in the political economy that would enable such a paradigm shift. Moreover, both the impact and scope of B&NE-related research appear to be minimal: B&NE-related research accounted for less than 1 percent of journal space in the organization and management studies literature once special issues on the topic are discounted (Bansal & Gao 2006).

A more revealing finding is that the ecological aspects of the natural environment are subservient to conventional perspectives that sustain the primacy of the economic growth model. What B&NE-related research has succeeded in doing is to add the prefix “sustainable” to mainstream accounts of organization theory that continue to privilege growth, production, and consumption. Bansal & Gao (2006) and Kallio & Nordberg (2006) are in agreement that B&NE-related research has not generated the “big questions” one would expect of a strong theoretical framework. Rather, the natural environment has become subsumed under the competitive environment and political economy of business, whereby nature becomes a “bundle of resources” and environmental management becomes a “strategic capability” or “core competence” consistent with

mainstream theories of organizations. Even critiques of B&NE-related research are based on the mainstream: Gladwin (1993) in his “plea for organizational theory” to become greener claimed that B&NE-related research, lacked among other things, “precise definitions, causal directionality; empirically testable propositions, and validated general models” (Kallio& Nordberg 2006: 443), and lamented that B&NE scholars did not always “distance themselves from advocacy and ideology” (Gladwin 1993: 43). There have been scores of empirical studies since then that have produced empirically tested hypotheses and measures of environmentalism, but CMS scholars would argue that such assessments of theoretical “rigor” highlight the lack of self-reflexivity and critical perspectives in B&NE-related research, apart from its functionalist and positivist epistemological and ontological assumptions. More accurate measures, empirically testable propositions and sophisticated analytical techniques can generate sound statistical models, but are silent on the “advocacy and ideology” that informs how the natural environment is framed in economic, strategic, and competitive terms. A critical perspective would examine the material, discursive, and institutional power relations that require B&NE scholars to refrain from advocacy and ideology while accepting the normative assumptions of the dominant economic paradigm as one that does not advocate any ideology.

A quick perusal of some of the chapters in this very Handbook shows the discursive framing of environmental issues. For instance, the chapters on competitive strategy and marketing in the context for B&NE research review a range of studies where the basic theoretical approach is to extend existing theoretical concepts from competitive strategy, theories of the firm, market segmentation, and consumer behavior, in an attempt to integrate environmental issues. With few exceptions most studies attempt to make a business case for environmental issues: at the enterprise and corporate level, a green image can yield reputational benefits, at the competitive strategic level, energy efficiencies and product differentiation can lead to competitive advantage and financial benefits, and at the functional level, segmenting markets and producing green products can increase market share and revenues. The main aim is to “fit” the environment into the business model rather than the other way around. This is not to say that products that have a lower environmental impact should not be encouraged but rather to identify the limits of win-win situations. More importantly, the limits to growth and consumption are barely acknowledged—simply prefixing growth and consumption with “sustainable” is not particularly useful. Much of the green consumption literature focuses on trade-offs between environmental improvement and prices that consumers are willing to pay. Even if green products are cheaper, it does not mean they are environmentally sustainable—for instance, in the rapidly growing economies of India and China, manufacturing a super fuel efficient car that is also much cheaper means that while emissions intensity per unit of output is reduced overall, emissions will increase as more people are able to afford cars.

Attempts to “define” what sustainability means for business highlight the discursive power of knowledge in organization studies, and the corporate and institutional capture of sustainability. For instance, the World Business Council for Sustainable Development (WBCSD), a powerful lobby group consisting of CEOs of more than 200 multinational

corporations, in developing their “vision of sustainable development,” claimed that one of the goals of sustainable development was “to maintain entrepreneurial freedom through voluntary initiatives rather than regulatory coercion” (Schmidheiny 1992: 84). Such an assertion contradicts probably the only consistent finding of research on corporate environmentalism: that government regulation is the most important predictor of corporate environmental performance (Banerjee et al. 2003). Not to be outdone by the WBSCD, the Dow Jones Sustainability Group defined a sustainable corporation as one “that aims at increasing long-term shareholder value by integrating economic, environmental and social growth opportunities into its corporate and business strategies” (Dow Jones Sustainability Group Index 2010).

In a similar vein, Zadek (2001: 9) defined a “civil corporation” as one that builds “social and environmental objectives into its core business by effectively developing its internal values and competencies.” These opportunities are to be pursued “within the limits imposed by the tenets of private enterprise,” thus reinforcing the narrow focus on win-win approaches to environmental issues. Thus, environmental and social issues can only be conceptualized as “growth opportunities” for business. The assumption is that if they do not provide growth opportunities, business firms should not pursue environmental and social initiatives, which is hardly the “dramatic transformation” that some B&NE scholarship is needed in organizations, even assuming that B&NE is focused around environmental sustainability and not on social, cultural, or political sustainability. Rather, the business-as-usual approach appears to prevail: as Robert Shapiro, the former CEO of the multinational corporation Monsanto, puts it, far from being a soft issue grounded in emotion or ethics, sustainable development involves “cold, rational business logic” (Magretta 1997: 81). It is precisely the “cold, rational” logic of business that needs to be deconstructed if we are to develop radical visions of sustainability that do not privilege narrow economic interests of powerful corporations. It seems extremely unlikely that a “cold, rational business logic” will lead to a complete “moral transformation within the corporation” (Crane 2000: 673) that some scholars claim is needed to meet the challenges of sustainability. Critical management has a crucial role to play in such deconstructions and reconstructions.

Pollution prevention and product stewardship may be the “win-win” environmental strategic capabilities that firms can develop, but it is doubtful if these strategies can address the broader goals of economic, environmental, and social sustainability. If, for example, a “sustainable development” strategy reflects a true “natural-resource-based view of the firm” then there needs to be an effort to “sever the negative links between environment and economic activity in the developing countries of the South” (Hart 1995: 996). Given that much of the global political economy is based on sourcing raw materials from the Third World, it is difficult to see how current theoretical developments in Business Policy and Strategy, or Organization Management and Theory, or even Organizations and the Natural Environment, can even begin to address a problem of this scale and magnitude. Despite calls for a “fundamental revision of organization studies concepts and theories” (Shrivastava 1994) there are no explanations as to how this will occur. Fundamental changes in organizations cannot occur unless there are

corresponding shifts in the larger political economy and fundamental questions regarding the role of a corporation and its license to operate in society are addressed.

Recent debates surrounding the failure of global climate change negotiations have demonstrated the power of the business lobby in setting the global environmental agenda: the preferred strategy of large corporations to address climate change was political lobbying to prevent mandatory emissions reductions rather than any “dramatic transformation” of their business models (Bumpus & Liverman 2008; Levy & Egan 2003). While concepts like eco-efficiency, life-cycle assessment, design for environment, and total quality environmental management may enable business firms to develop strategic capabilities to understand and perhaps reduce their environmental impact, current research suggests that even these environmental initiatives are assessed by their economic benefit to the firm, and only the ones that can deliver economic benefits are implemented (Banerjee 2001; Banerjee & Bonnefous 2010). An exclusive focus on win-win situations does not reflect a paradigm shift but rather the capture of sustainability discourses by an economic, not ecological rationality. If the global environmental crisis requires developing an “economy of restoration” whereby the political economy is structured around conservation rather than depletion of resources as Hawken (1994: 11) suggests, then the uncomfortable silence that prevails in organization studies around the environmental destruction and social dislocations caused by capitalist modes of production and consumption must be broken. Perhaps, this is where CMS can play a role. The so-called “greening of business” should not be confused with sustainable development—rather it is the task of the critical researcher to expose how ecological rationalities and moralities are manipulated in organizations and organization research to consolidate business interests. And for it to be relevant and have an impact, such a critique must also provide alternate avenues for research and practice. I will conclude this chapter by outlining a critical research agenda for research on organizations and the natural environment.

TOWARDS A CRITICAL RESEARCH AGENDA FOR B&NE RESEARCH

So what would be the key elements of a critical research agenda based on an analysis of power relations? I discuss five themes for future B&NE research that depart from the mainstream: *paradigmatic research* that attempts to re-conceptualize relations between business and the environment (as opposed to including the “environment” as another resource to be managed); empirical research that describes the *limits of green management*; a *critical political economic approach* that analyzes power relations between market, state, and civil society actors; *global environmental governance* that aims to promote ecological democracy and more participatory forms of decision-making; and *critical engagement* with communities, institutions, and political constituencies.

Critical paradigmatic research

A critical perspective on B&NE research would go beyond identifying technical solutions to environmental problems. As Shellenberger & Nordhaus (2004) point out, framing the environment as an object that has to be managed allows only certain types of problems to be articulated and limits solutions to the narrowly defined problem. Thus, global warming can be “solved” by technological fixes such as pollution control, vehicle fuel economy, and carbon trading, while leaving the fundamentals of the current political economy intact. Such an approach does not address the political, social, and cultural challenges posed by global environmental problems, and more importantly precludes any forms of grass-roots organizing and resistance. Framing global warming as a problem of “too much carbon in the atmosphere” (Shellenberger & Nordhaus 2004), obscures the unequal use of the atmosphere among localities, regions, and countries, as well as the unequal distribution of resources to deal with the problem. Better technologies may well reduce pollution but cannot address the fundamental problems of resource distribution and equity that are also “environmental problems”. The global environmental crisis cannot be solved by a privatization of the atmosphere and trading the right to pollute.

Critical perspectives on environmentalism at the paradigmatic level go beyond the reductive nature of a technological approach and focus instead on the social, cultural and political aspects of scientific and technological systems in an attempt to promote a “public ecology” and a democratization of the environmental movement (Luke 2005). If climate change is a form of market failure, then market-based solutions will tend to focus on reducing corporate costs of compliance with regulation and promote private forms of governance, rather than search for more effective forms of public regulation and democratic governance.

The limits of green management

Identifying the limits of “win-win” approaches to environmental issues is one area where CMS research can contribute. There is some evidence to suggest that the cost savings resulting from environmental improvements may be levelling off, and the initial high-return/low investment period of environmental improvement appears to have ended as corporate environmental strategies hit the “green wall” (Piasecki et al. 1999). How these limits can be overcome requires research at institutional, industry, organizational, and managerial levels, and a critical perspective will enable us to see not only how institutional and discursive power creates norms that define “acceptable” environmental limits but perhaps point to ways of organizing that can change the normative framework of decision-making (Banerjee 2010). More research is needed to understand the long-term effects of a particular environmental initiative. Most research has focused on the win-win cases of environmentalism. Once the low-hanging fruit of energy efficiencies, waste reduction, and recycling are picked, companies are confronted with environmental

initiatives that no longer provide immediate economic and financial benefits (Banerjee & Bonnefous 2010). How do managers negotiate trade-offs in a win-lose situation? What are the decision-making criteria that are used? How are these communicated to external and internal stakeholders?

A critical political economic approach

The problem with any normative prescriptions on why organizations should become greener lies perhaps in the level of analysis. The organization of the political economy around notions of competition, production, consumption, and economic growth poses significant structural constraints that limit any fundamental shift to environmentalism at the organizational level. Creating an “economy of restoration” requires interventions, not only at the organizational level, but at institutional, societal, political economy, as well as individual levels. A critical perspective on B&NE research would examine the structures and processes that discursively produce external environmental constraints, and how these constraints determine organizational responses. The critique should allow us to broaden the debate to include the political economy and alternative approaches to addressing environmental problems, something that the current “environmental management” discourse fails to address (Levy 1997).

Ultimately any reconciliation between economic, environmental, and social interests is a political task because it involves structures and processes of power. A critical perspective on ONE research would locate power as the central unit of analysis in theorizing the complex interactions between society, economy, and the polity. Power dynamics have shaped the global environmental movement, from the institutional power of supranational institutions like the World Bank and International Monetary Fund, the economic power of industrialized countries and their multinational corporations, to the discursive power of an “environmental-economic paradigm” that creates and circulates particular notions of “nature,” the “environment,” and “biological diversity” (Mcafee 1999). Discursive power in the political economy produces a form of corporate rationality that isolates the economic in a particular way and is reflected in the development policies of institutions like the World Bank, World Trade Organizations, and International Monetary Fund, as well as the corporate strategies of business firms. This role is legitimated by promoting an ideology that social progress can be achieved only by global competitiveness through the production and consumption of goods and services. The rules generated by discourse thus become “natural” rules or norms. Thus, definitions of “progress,” “development,” and “corporate citizenship” become truth effects that obscure the power relationships that govern the definitional process (Foucault 1980).

A critical approach would not merely seek to explain the existing relationships between the economy, society, and polity but analyze how the current order was created and the structures and processes that enable its maintenance. Policy debates about environmental preservation, biodiversity, and planetary carrying capacity have more

to do with the preservation of a particular social order than the preservation of nature (Harvey 1996). Thus, a critical approach to business and the natural environment is ultimately an analysis of social change, an attempt to re-embed the social and the ecological in the political economy with the possibility of identifying alternate power-sharing arrangements.

Global environmental governance

Emerging research that focuses on the political and “citizenship” role of firms also provide the basis of a critique of B&NE-related research (Scherer & Palazzo 2007). The assumption is that in a globalizing world the role of the state has changed, perhaps even weakened, as market actors play an increasing role in societal governance. Making explicit the political role of corporations in their engagement with market, state and civil society, actors can be seen as a form of “ecological citizenship” that goes beyond conventional environmental management approaches (Crane et al. 2008). If corporations are to carry out activities once the purview of governments, then there is a need to examine the processes and outcomes of corporate involvement in political and social domains. Understanding the social role of corporations through the lens of corporate citizenship raises important normative questions, such as the ability of corporations to deliver citizenship rights more efficiently than state or public actors, the desirability of the outcomes produced, and the motivations of corporations to enter the realm of citizenship rights (Van Oosterhout 2005).

In the context of international trade agreements and environmental policy, more democratic forms of decision-making could see the inclusion of more non-state and non-corporate actors. This can be achieved either through a political process where civil society organizations demand to be included, or through a process of “deliberate democracy” where corporations (and governments) voluntarily engage with civil society actors to enhance the legitimacy of economic, social, and environmental policies. Such a process may enable a more “democratic control on the public use of corporate power” (Scherer & Palazzo 2007). However, while participatory dialogue may increase transparency of corporate decisions, it not clear how corporate participation in deliberate democracy can give non-corporate actors “democratic control” over corporate actions. The problem of unequal power dynamics between state, corporate, and civil society actors remains. Open dialogue between conflicting interests may manufacture an uneasy form of consent, and perhaps offer better transparency, but it still does not address how accountability can be established and enforced in the context of deliberate democracy. Public–private partnerships may represent a more participatory approach to development, but the rules governing these partnerships tend to be framed by business through structural and discursive power relations (Fuchs & Lederer 2007). As Mouffe (2000: 14) argues, if relations of power are constitutive of the social, then the “main question for democratic politics is not how to eliminate power but how to constitute forms of power more compatible with democratic values.”

Critical engagement

Finally, if CMS must have an impact on B&NE-related research, a significant departure from conventional modes of theorizing is needed. Ultimately the relevance and impact of a critical research agenda on environmental issues will be judged on how policy and practice can be changed. Rather than “distance themselves from advocacy and ideology” (Gladwin 1993: 43), critical researchers need to engage with market, state, and civil society actors with a view to promoting more participatory forms of decision-making, while remaining self-reflexive about the limitations of the alternatives they propose. Social movements like the World Social Forum and other coalitions for social and environmental welfare have called for wide-ranging institutional reform in order to address global poverty, labor conditions, climate change, environmental destruction, and biodiversity conservation. At the corporate level, these groups have called for more corporate accountability and democratic control over powerful transnational corporations. For instance, Friends of the Earth, an international environmental NGO, proposed a Framework Convention on Corporate Accountability at the Johannesburg Earth Summit (Bruno & Karliner 2002). Governments and corporations not surprisingly, largely ignored the proposal. Key elements of the proposal include:

- Mandatory corporate reporting requirements on environmental and social impacts. Process for prior consultation with affected communities including environmental and social impact assessment and complete access to information.
- Extended liability to directors for corporate breaches of environmental and social laws and corporate liability for breaches of international laws and agreements.
- Rights of redress for citizens, including access for affected people anywhere in the world to pursue litigation, provisions for stakeholders to legally challenge corporate decisions and legal aid mechanisms to provide public funds to support such challenges.
- Community rights to resources, including indigenous peoples’ rights over common property such as forests, fisheries and minerals.
- Veto rights over developmental projects and against displacement and rights to compensation for resources expropriated by corporations.
- Sanctions against corporations for breaching these duties including suspending stock exchange listing, fines and (in extreme cases) revoking the corporation’s charter or withdrawal of limited liability status.

Critical perspectives on research on organizations and the natural environment require not only multidisciplinary approaches but also a plurality of epistemological, ontological, theoretical, and methodological perspectives. Instead of seeking more answers to the same questions, CMS asks different questions. For instance, a critical research agenda for B&NE-related research could explore the following questions:

- How do structural and discursive arrangements in the political economy shape organizational environmental strategies?
- How do managerial subjectivities shape corporate responses to environmental issues?
- What are the forms of resistance employed by environmental activists and civil society actors and how successful are their efforts?
- How do managers negotiate trade-offs between environmental impact and economic benefits? How does the structural and discursive positioning of the “environment” shape the range of organizational responses?
- What political strategies do corporations use to influence environmental policy-making?
- How do firms make problematic stakeholders behave in ways that do not adversely impact their economic bottom line?
- What strategies do corporations use to silence problematic stakeholders or delegitimize their claims?
- How do powerful corporate and institutional interests sustain their dominant position in the political economy? What strategies do they use to manage resistance?

To conclude this chapter I pose a provocative question: does environmental sustainability have a future? Or have we reached the limits of greening business, and further efforts will be purely incremental? Any radical shift in discourses of sustainability needs to squarely confront the power of the “sustainable development industry” led by big business that has successfully controlled the debate by deploying notions of eco-modernism and eco-efficiency (Springett 2003). More than forty years of B&NE research has failed to ask the “big” questions but focused almost entirely on environmental instrumentalism. Instead of asking the question how do we make economic growth environmentally and socially sustainable CMS would ask: how do we make a low environmental impact lifestyle, reduced consumption, and standard of living among wealthier populations economically sustainable? Critical management research in the B&NE area must go beyond the organization or the corporation as the unit of analysis and focus its attention on the political economy drawing on transdisciplinary perspectives from environmental sociology (Catton & Dunlap 1980), anthropology (Escobar 1995) and ecological economics (Daly 1999; Martinez-alier 1987). A critical perspective must describe the limits of current approaches to addressing environmental problems, identify strategies and actors to overcome these limits, propose alternative normative criteria for decision-making, and provide directions for future research, while retaining a strong self-reflexivity at all times.

REFERENCES

- Alvesson, M., Bridgman, T. & Willmott, H. (2009) “Introduction,” in M. Alvesson, T. Bridgman, & H. Willmott (eds.), *The Oxford Handbook of Critical Management Studies*. Oxford: Oxford University Press.

- Banerjee, S. B. (2000) "Whose Land is it Anyway? National Interest, Indigenous Stakeholders and Colonial Discourses: The Case of the Jabiluka Uranium Mine," *Organization & Environment*, 13 (1), 3–38.
- (2001) "Managerial Perceptions of Corporate Environmentalism: Interpretations from Industry and Strategic Implications for Organizations," *Journal of Management Studies*, 38 (4), 489–513.
- (2003) "Who Sustains Whose Development? Sustainable Development and the Reinvention of Nature," *Organization Studies*, 24 (1), 143–180.
- (2007) *Corporate Social Responsibility: The Good, the Bad and the Ugly*. Cheltenham: Edward Elgar.
- (2008) "Necrocapitalism," *Organization Studies*, 29 (12): 1541–1563.
- (2010) "Governing the Global Corporation: A Critical Perspective," *Business Ethics Quarterly*, 20 (2): 265–274.
- & Bonnefous, A. (2010) "Stakeholder Management and Sustainability Strategies in the French Nuclear Industry," *Business Strategy and the Environment*, 20:2, 124–140.
- Iyer, E. S. & Kashyap, R. K. (2003) "Corporate Environmentalism: Antecedents and Influence of Industry Type," *Journal of Marketing*, 67 (2), 106–122.
- Bansal, P. & Roth, K. (2000) "Why Companies go Green: A Model of Ecological Responsiveness," *Academy of Management Journal*, 43, 717–736. 29
- Bansal, P. & Gao, J. (2006) "Building the Future by Looking to the Past: Examining Research Published on Organizations and the Environment," *Organization & Environment*, 19 (4): 458–478.
- Bruno, K. & Karliner, J. (2002) "Marching to Johannesburg," *Corpwatch*. Available at <<http://www.corpwatch.org/article.php?id=3588>>. Accessed 31 October 2010.
- Bumpus, A.G. & Liverman, D. (2008) "Accumulation by Decarbonisation and the Governance of Carbon Offsets," *Economic Geography*, 84 (2), 127–55
- Burrell, G. (1993) "Eco and the Bunnymen," in J. Hassard and M. Parker (eds.), *Postmodernism and Organizations*, London: Sage, 71–82.
- (1997) *Pandemonium: Towards a Retro-Organization Theory*. London: Sage.
- Catton, W. Jr. & Dunlap, R. E. (1980) "A New Ecological Paradigm for Post-Exuberant Society," *American Behavioral Scientist*, 24 (1), 15–47.
- CMS (2010) Critical Management Studies Domain Statement. Available at <http://www.aomonline.org/aom.asp?ID=18&page_ID=57#cms>. Accessed 31 October 2010.
- Crane, A. (2000) "Corporate Greening as Amoralization," *Organization Studies*, 21 (4), 673–696.
- Matten, D. & Moon, J. (2008) "Ecological Citizenship and the Corporation: Politicizing the New Corporate Environmentalism," *Organization & Environment*, 21 (4), 371–389.
- Daly, H. E. (1999) *Ecological Economics and the Ecology of Economics: Essays in Criticism*. Sheffield: Edward Elgar.
- Dow Jones Sustainability Group Index (2010) <<http://www.sustainability-index.com/>>. Accessed 31 October 2010. 30
- Escobar, A. (1995) *Encountering Development. The Making and Unmaking of the Third World*. Princeton: Princeton University Press,
- Foucault, M. (1980) *Power/Knowledge: Selected Interviews and Other Writings, 1972–1977*. New York: Pantheon Books.
- Fournier, V. & Grey, C. (2000). "At the Critical Moment: Conditions and Prospects for Critical Management Studies," *Human Relations*, 53 (1), 7–32.

- Fuchs, D. and Lederer, M. M. L. (2007) "The Power of Business," *Business and Politics*, 9 (3), 1–17.
- Gladwin, T. N. (1993) "The Meaning of Greening: A Plea for Organizational Theory," in K. Fischer and J. Schot (eds.), *Environmental Strategies for Industry: International Perspectives on Research Needs and Policy Implications*, Washington, DC: Island Press, 37–61.
- Kennelly, J. J., & Krause, T. S. (1995) "Shifting Paradigms for Sustainable Development: Implications for Management Theory and Research," *Academy of Management Review*, 20, 874–907.
- Grice, S. & Humphries, M. (1997) "Critical Management Studies in Postmodernity: Oxymorons in Outer Space?" *Journal of Organizational Change Management*, 10, 412–25.
- Hart, S. L. (1995) "A Natural-Resource-Based View of the Firm," *Academy of Management Review*, 20 (4), 986–1014.
- Harvey, D. (1996) *Justice, Nature and the Geography of Difference*. Oxford: Blackwell Publishers Ltd.
- Hawken, P. (1994). *The Ecology of Commerce: A Declaration of Sustainability*. London: Phoenix.
- Jermier, J. et al. (2006) "The New Corporate Environmentalism and Green Politics," in S. Clegg, C. Hardy and W. Nord (eds.), *Handbook of Organization Studies*, London: Sage.
- Kallio, T. J. & Nordberg, P. (2006) "The Evolution of Organizations and Natural Environment Discourse: Some Critical Remarks," *Organization & Environment*, 19 (4), 439–457.
- Levy, D. L. (1997) "Environmental Management as Political Sustainability," *Organization & Environment*, 10, 126–147.
- and Egan, D. (2003) "A Neo-Gramscian Approach to Corporate Political Strategy: Conflict and Accommodation in the Climate Change Negotiations," *Journal of Management Studies*, 40, 803–30.
- Luke, T. (2005) "The Death of Environmentalism or the Advent of Public Ecology?" *Organization & Environment*, 18, 489–494.
- Mcafee, K. (1999) "Selling Nature to Save it? Biodiversity and Green Developmentalism," *Environment and Planning D17/2*, 133–154.
- Magretta, J. (1997) "Growth Through Global Sustainability; An Interview with Monsanto's CEO, Robert B. Shapiro," *Harvard Business Review*, January/February, 79–88.
- Martinez-alier, J. (1987) *Ecological Economics: Economics, Environment and Society*. Oxford: Blackwell.
- Mouffe, C. (2000) *Deliberate Democracy or Agnostic Pluralism*. Vienna: Institute for Advanced Studies.
- Newton, T. J. & Harte, G. (1997) "Green Business: Technicist Kitsch?" *Journal of Management Studies*, 34, 75–98.
- ONE (2010) Organizations and the Natural Environment Domain Statement. Available at <http://www.aomonline.org/aom.asp?ID=18&page_ID=57#one>. Accessed 31 October 2010.
- Van Oosterhout, J. (2005) "Corporate Citizenship: An Idea Whose Time Has Not Yet Come," *Academy of Management Review*, 30 (4), 677–684.
- Piasecki, B.W., Fletcher, K. A. & Mendelson, F. J. (1999) *Environmental Management and Business Strategy: Leadership Skills for the 21st Century*. New York: John Wiley.
- Purser, R.E., Park, C., & Montuori, A (1995) "Limits to Anthropocentrism: Toward an Ecocentric Organization Paradigm?" *Academy of Management Review*, 20, 1053–1089.
- Shellenberger, M. & Nordhaus, T. (2004) "The Death of Environmentalism." Available at <http://www.thebreakthrough.org/PDF/Death_of_Environmentalism.pdf>. Accessed 31 October 2010.

- Scherer, A. G. (2009) "Critical Theory and its Contribution to Critical Management Studies," in M. Alvesson, T. Bridgman and H. Willmott (eds.), *The Oxford Handbook of Critical Management Studies*, Oxford: Oxford University Press.
- & Palazzo, G. (2007) "Towards a Political Conception of Corporate Responsibility: Business and Society from a Habermasian Perspective," *Academy of Management Review*, 32, 1096–1120.
- Schmidheiny, S. (1992) *Changing Course: A Global Business Perspective on Development and the Environment*. Cambridge: MIT Press.
- Shrivastava, P. (1994) "CASTRATED Environment: GREENING Organizational Studies," *Organization Studies*, 15, 705–726.
- & Hart, S. (1994) "Greening Organizations—2000," *International Journal of Public Administration*, 17, 607–635.
- Spicer, A., Alvesson, M. & Kärreman, D. (2009) "Critical Performativity: The Unfinished Business of Critical Management Studies," *Human Relations*, 62(4), 537–560.
- Springett, D. (2003) "Business Conceptions of Sustainable Development: A Perspective from Critical Theory," *Business Strategy and the Environment*, 12 (2), 71–86.
- Thompson, P. (2004) "Brands, Boundaries and Bandwagons: A Critical Reflection on Critical Management Studies," in S. Fleetwood and S. Ackroyd (eds.), *Critical Realism in Action in Organization and Management Studies*. London: Routledge, 54–70.
- Welford, R. J. (1997) *Hijacking Environmentalism: Corporate Responses to Sustainable Development*. London: Earthscan.
- Willmott, H. (1993) "Strength is Ignorance, Slavery is Freedom: Managing Culture in Modern Organizations," *Journal of Management Studies*, 30, 515–552.
- Zadek, S. (2001) *The Civil Corporation: The New Economy of Corporate Citizenship*. London: Earthscan Publications.