Opinion about Business will reach a ‘Tipping Point’ Worldwide:


People’s deepest assumptions about both business and work could be changing in cities around the world, with major implications for future competitiveness. A more subtle shift than the widely reported growth in entrepreneurialism across Asia, it is nonetheless significant. It is a shift towards moral markets. This is the suggestion from Lifeworth’s 6th Annual Review of Corporate Responsibility, published today.

In the foreword, Professor Michael Powell explains how “the dominant paradigm for business success is changing to recognize the absolute necessity of social and environmental sustainability in tandem with financial viability.” Dean and Pro Vice Chancellor of Griffith Business School, Professor Powell is leading the Australian university’s effort to play a leading role in this new approach to business in the Asia Pacific region.

The Review argues this shift is partly the result of changes in technology and industry that are leading to greater ‘work-life blending’ which erode barriers between what we aspire to in our lives, who we work for and what we work towards. It is also the result of growing awareness of the scale, urgency and depth of the challenge posed by climate change. “Last year views on Climate Change ‘tipped’ in much of the Western world,” explains lead author of the review, Dr Jem Bendell. “It used to be a nerdy issue of scientific interest and environmental concern. Now it is a personal issue, of political interest and humanitarian concern.”

The Review, entitled ‘Tipping Frames’, introduces a strategic model for people working on social change, which combines the concept of a ‘Tipping Point’, involving the rapid dissemination of ideas, with that of ‘Cognitive Frames’, involving the assumptions and ideas triggered by key words and terms. Other frames identified as on the verge of tipping concern finance and international development.
A plethora of initiatives such as The Marathon Club, Enhanced Analytics Initiative (EAI) and UN Principles for Responsible Investment (UNPRI) are reshaping what finance professionals understand as material and relevant to their fiduciary duty. Also important is the emergence of a positive connotation to the environmental challenge of consumption. As the social and environmental impacts of economic growth intensify, new visions of sustainable development may be emerging in China and India. As Rajesh Sehgal, Senior Law & Policy Officer at WWF-India explains in the Review, “Indian companies can become leading exporters of and investors in sustainable goods and services, whilst emerging as key actors in promoting a proactive international sustainable development agenda.” Whether this will lead to a tipping point in the way Asian nations generally view and pursue ‘development’ is currently unknown. A counter process of reframing has been underway for sometime, with the shift to individualism and materialism most clearly illustrated in 2006 by the economic boom in Vietnam, which is chronicled in the Review.

Therefore Dr Bendell argues that “although important, the trend towards moral markets is not the dominant one in many parts of the world, such as the rapidly emerging countries. If we want to end poverty and protect the planet we must make it the decisive trend. Although we can’t legislate for personal morals, we can legislate to create market frameworks, enabling conditions and incentives that support moral behaviour.”

Bendell suggests business leaders should both track and become involved in progressive changes in cognitive frames, for strategic reasons. “Changes in basic assumptions about the nature and purpose of business and work will have major knock on effects for the behaviour of consumers, staff, investors and regulators.” Consequently he calls for more research and analysis of these assumptions in societies around the world.

The Lifeworth Review “illustrates well how many assumptions and values in society are shifting as the scale and urgency of the challenges we face finally sinks in,” concludes Professor Powell.
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