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IB 308 SUSTAINABLE BUSINESS

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The idea of “Sustainable business” has become fashionable – though businesspeople have always sought sustainability.

Yet the way this important subject is taught alienates many practical people. Rather than confronting real trade-offs, academics and activists make simplifying assumptions. But why would “Sustainable business” be less logical or useful than say finance or marketing?

There is also a “religious ritual” aspect to signaling virtue: to some extent we have CSR and ESG programmes because we’re expected to. There is at least as much effort invested in ‘green-washing’ as say actually capturing “fugitive methane emissions”. Sometimes consulting companies (e.g. McKinsey) and business schools market their services by “proving” that say diversity boosts profits – and this makes intuitive sense even if the evidence is weak.

Sometimes companies “do the right thing” because they can afford to: nowadays we have Google’s “do no evil”, but in the 1960s then monopolist IBM had similar pretensions. Monopoly profits justify largesse, political contributions, lobbying, and “buying journalists”.

We will try to make the course relevant and interesting, by focusing on dealing with live issues that challenge real decision-makers. We advance by informing ourselves, and encouraging new thinking. Develop your own ideas. Exchanging diverse information from multiple sources facilitates breakthroughs.

This is part of a ‘case study’ type approach: even if (hopefully) C-19 is long-forgotten by the time you are making business decisions, you will still face trade-offs amid uncertainty. Decisions always look easier in retrospect. Humans also over-simplify when telling stories, which makes the right approach appear easier than it was at the time.