Employer and employee engagement in CSR
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By Jacomijn Klitsie
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- **The power of love in organisations**
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  Love in the workplace goes far beyond the superficial. Expressed as trust, compassion, friendship, and creativity, love shapes our working environment to such an extent that we could say love is the organisation and vice versa. Problematically for our data-driven systems, love is impossible to quantify or manage. Rather than developing new frameworks in which to examine and discuss love in the study of organisation and management, it is easier for us to simply ignore it. But exploring these potential frameworks may uncover opportunities to more fully understand our workplaces, our teams, and ourselves.

- **Strategic renewal in institutional contexts**
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Whatever your strategy, human factors matter

Managers considering the positive impact their organisations can have when strategising sustainability issues would do well to pay equal attention to internal dimensions as well as external ones. When working towards the betterment of society, whether through agendas such as the UN’s Sustainable Development Goals or independent strategies, firms cannot achieve much in the way of societal ‘good’ if they are not uniformly aligned internally about what they wish to achieve.

As Dr Lonneke Roza and Prof. Lucas Meijs explain in the article on p05, successfully implementing CSR initiatives within organisations has been overly simplified. Ensuring matching levels of engagement between corporate strategy and individual expectations or desires is, they explain, all about finding congruence. Congruence also features in Frank Wijen’s article (p08), in which he challenges the leaders of corporate organisations to ensure public posturing about CSR and behind-the-scenes political manoeuvrings are not at odds with one another. Companies, Wijen says, must behave responsibly both politically and socially.

External pressures affecting society’s need to innovate is the subject of Prof. Mathijs van Dijk’s article (p11), in which he outlines recent research showing how, across centuries, climatic shocks have had a powerful influence on our technological and scientific development. Innovation, especially in consumer products, is essentially driven by the pursuit of improvements for end users. Yet as Eugina Leung, Dr Gabriele Paolacci and Prof. Stefano Puntoni show in their article (p14), consumers can sometimes find the supposed benefits are actually to the detriment of the product’s perceived value.

The inner perspectives and feelings that we all have as individuals, and specifically in relation to the complex nature of love as understood through the concepts of Eros, Philia and Agape, is an area long overlooked by management scholars. Dr Stefano Tasselli, in his article on p17, puts forward the belief that understanding love in a workplace context can give meaningful insights into how organisations function at the human level, and with positive effects. Human factors and motivations are very much integral to Dr Jacomijn Klitsie’s article (p20), in which she explores the impact of the individual on innovation, particularly in relation to organisational change processes.

In many respects the articles in this issue of RSM Discovery magazine emphasise the importance of human factors to the inner congruence – or harmony – of organisations, particularly relative to how these organisations, their strategies, identities and reputations, are perceived externally. In a world, indeed, in an age where organisations strive to be seen in a positive and friendly light, and while often overlooking the complex human factors involved, perhaps it is appropriate to borrow the words of Roman poet Ovid, who said so succinctly that, if you want to be loved, be lovable.

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Employer and employee engagement in CSR

Chris Murray talks with Lonneke Roza and Lucas Meijs

After years of studying corporate social responsibility in Dutch companies, Dr Lonneke Roza and Prof. Lucas Meijs conclude that the challenges of implementing CSR, especially in terms of shared employer-employee engagement, have been oversimplified. Through their research and articles, Roza and Meijs highlight the nuances and dynamic complexities of CSR, thus helping practitioners — especially corporate leaders, managers and (activist) employees — to find effective ways for organisations to encourage and implement successful CSR initiatives.

Roza and Meijs first emphasise that when addressing CSR issues, corporate leaders must understand that people judge organisations both on their company’s identity as much as its behaviour. A company’s identity includes its business purpose and strategy, its espoused values and its philosophy — everything that makes the company unique. And that identity may not always include CSR values. In turn, CSR behaviour includes all the actual practices that a company or individuals within that company have partaken. “It takes social responsibility important. It’s not about where they should go with CSR. It’s where they want to be, what their ambitions are, what’s in their identity.”

Then, says Roza, “they have to change their behaviour accordingly.”

In some cases, companies can change their views on the importance of CSR. “In other companies,” explains Roza, “the organisation starts with CSR behaviour as they might be pressured by stakeholders, but through their CSR experiences they socialise with CSR and internalise the importance.”

Social responsibility:
The term ‘corporate social responsibility’ is traditionally used to refer to social responsibility attitudes and actions at both the organisational and individual level. However, as Roza and Meijs note, employees may have different attitudes or act differently than the company as a whole. So, in addition to highlighting the distinction between social responsible identity and behaviour, Roza and Meijs underline the equally important and even less well-understood distinction between social responsibility at the organisational level and at the individual level — in short, whether employees are on the same CSR page as their employers. As a result, they coined the phrase employee social responsibility (ESR) to refer to employee-specific social responsibility values and behaviours, retaining corporate social responsibility to refer to top management or corporate-wide social responsibility values and behaviours.

Four categories:
Roza and Meijs used high and low levels of identity and behaviour to develop four categories of engagement in social responsibility (SR) that applies to both employees and organisations:

- **Identity-based social responsibility:** This category of engagement describes companies and employees alike that espouse social responsibility values but don’t follow through with any CSR action (high SR identity, low SR behaviour).
- **Behaviour-based social responsibility:** This category of engagement occurs in companies or with employees that don’t actively identify and proclaim their CSR values, but quietly behave in socially responsible ways (low SR identity, high SR behaviour).
- **Low social responsibility:** This category of engagement is reflected in com-

"In the Netherlands, we are not really used to talking about our philanthropy, and especially about corporate philanthropy..." Lonneke Roza

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comanies and individuals that don’t value social responsibility and act accordingly (low SR identity, low SR behaviour).

*Entwined social responsibility:* This category of engagement is reflected in companies and/or individuals that value social responsibility and follow through with socially responsible behaviours (high SR identity, high SR behaviour).

Although some might think that behaviour-based social responsibility is the least common pattern, it does exist, especially, says Roza, related to the philanthropy element of CSR. “In the Netherlands, we are not really used to talking about our philanthropy, and especially about corporate philanthropy,” she says. “That is changing a little bit now, but I do know that a lot of companies are making really big investments in corporate philanthropy and don’t talk about it. It is simply not in our culture.”

The four types of social responsibility engagement can be applied to employees as easily as to organisations as a whole. “Employees also have their norms and values and attitudes and beliefs,” says Roza, “and it may also be that not all employees who value social responsibility might actually behave accordingly,” she says, describing in this case employees in the identity-based social responsibility category: they espouse social responsibility values but do not practice them (sometimes with good reason: young parents or informal caregivers may not be able to volunteer every Saturday morning with other employees even if they wanted to).

Employees can also engage in behaviour-based social responsibility, notes Meijs. He gives the example of an employee who does not care about social responsibility but engages in CSR activities “to impress a manager.”

These four categories help companies, their leaders and individual (prospective) employees identify where they are in terms of social responsibility and where they want to be. A company, for example, may want to launch CSR initiatives so that it moves from identity-based social responsibility focused on espousing CSR values to entwined social responsibility (ESR) that supports values with action.

“Or a company may be exactly at the point it wants to be,” notes Roza. One example: the companies described above who want to be discreet about their corporate philanthropy. “It depends on which of the four types you want to be,” she says.

**The power of congruence**

By matching CSR and ESR levels of engagement, corporate leaders, employees and even prospective employees can determine if there is a good fit – “congruence” in the terminology of the researchers – between an individual and an organisation. Meijs explains that the concept of congruence is non-judgmental. For example, if a company does not want to be engaged in socially responsible activities and an employee shares the same attitude, the SR values and behaviour of employer and employee are congruent.

For example, a CEO having trouble pushing his company to be more actively involved in socially responsible activities may realise that there is a disconnect between the company’s “entwined” level of engagement (high CSR identity, high CSR behaviour) and the employees’ identity-based level of engagement (they profess socially responsible values but these are not translated into action).

Likewise, “if you are looking for a job, you can also start with: who am I and what do I find important and what is my own behaviour?” Roza says. You then ask which company fits with that. This is important as a good fit between the organisation and the employee leads, for instance, to organisational commitment, employee engagement and less absenteeism. A mismatch between the organisation and the employee could lead to resentment, disappointment and, in the end, higher turnover.

The most productive impact of understanding CSR congruence, however, is to guide both top managers and individual employees in improving the socially responsible attitudes and activities in their companies. "Let’s assume...
Although the majority of CSR activities are initiated at the organisational level, individual employees can make a major difference, according to Roza and Meijs. “If you’re an employee and you find yourself in a place where you want to move the organisation up the CSR ladder in behaviour or in identity,” says Meijs, “find yourself some friends and start doing something– because in many cases companies are not going to fight about small CSR initiatives. For example, if you want to start recycling within your company, you should probably just do it.”

The bottom line, says Roza and Meijs, is that awareness of employer-employee congruence can encourage top-down or bottom-up initiatives that improve the CSR pattern of a company. “I really find it interesting,” says Roza, “how employees can positively influence their organisations in doing good, and vice versa, and I think that’s also the whole underlying notion of this research.”


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Corporate illusionists: socially but not politically responsible

By Frank Wijen

Corporate social responsibility has gone mainstream. Something once seen as the province of eco social warriors has in recent years become an established part of the corporate and commercial framework. An estimated 80 per cent of Fortune 500 global companies issue sustainability reports and the word ‘sustainability’ has become something of a religious mantra. But is it enough?

Sustainability is chanted in public company accounts and other announcements, business schools, universities, think tanks and the now ubiquitous 24/7 news media. Thanks to the progress made in embedding the concept of sustainability into corporate DNA, many elements of modern business life are undoubtedly significantly better than in the relatively recent past.

Unilever and Philips are two prominent examples. Unilever has significantly reduced the environmental impact per product supplied, for instance, by co-creating and adopting a series of voluntary sustainability standards, including MSC (Marine Stewardship Council), governing seafood catch and sales) and RSPO (Roundtable on Sustainable Palm Oil). For its part, Philips has significantly reduced its environmental footprint per product, in particular around energy efficiency, packing, weight, toxic materials and recycling.

Unfortunately, as noted in a recently published article in which I participated, CSR needs CPR: corporate sustainability and politics (in this context, the abbreviation CPR is shorthand for corporate political responsibility), it is rare to find firms that are equally transparent about and proactive in their political activity. The most common methods used to evaluate corporate social responsibility (CSR) and corporate sustainability today almost completely ignore the role of business in shaping public policy.

Political agendas
The article notes that there is also evidence that some companies use their corporate sustainability initiatives as a cover for their political efforts to block meaningful change through government regulations seeking to rectify negative social and environmental externalities from self-interested corporate actions. Like illusionists, they distract the public attention through overtly benign actions while undertaking covert moves to water down societally beneficial regulations.

The European fine particle emission limits for cars is one example. Not only do car manufacturers such as Volkswagen cheat with their (diesel) emission tests, but the official, regulatory emission ceilings themselves are way too lenient. This leniency is most probably the outcome of intensive lobbying by the car industry. While the environmental movement also lobbies at the European level, there is no level playing field since the muscle of corporate lobbyists in Brussels dwarfs the lobbying resources of environmentalists.

The issue of vehicle emissions is hugely important as it potentially affects vast numbers of people. According to the Air quality in Europe – 2017 report from the European Environment Agency (EEA), the annual limit value of nitrogen dioxide (NO₂) continues to be widely exceeded across Europe. The EEA further calculates that in the European Union (EU) an estimated 502,351 premature deaths in 2014 were caused by air pollution, including NO₂, much of which comes from car emissions. This has attracted little in the way of media attention. Slow and largely invisible deaths do not grab headlines in the way that, for example, a terrorist attack would.

In a similar vein, the EU generously distributed free greenhouse gas (GHG) emission rights to the largest (industrial) producers in Europe, knowing that these legally allowed emissions would lead the EU to exceed the emission levels allowed by international agreements.
Again, most probably this was the result of intensive industry lobbying.

Another example is the active lobbying by Netherlands-based multinationals to abolish the Dutch dividend tax. The companies concerned included Unilever and Philips, both of which top sustainability rankings. No single political party advocated this measure, which will cost the Dutch taxpayer about €2 billion. That is money that could have been spent on social amenities and good causes such as healthcare, education and nature preservation.

This example would nicely confront the proactive CSR positions of these firms with their actual political activities. Lobbying for this and other fiscal favours, including secret tax rulings between multinationals and fiscal authorities, embodies sheer political irresponsibility.

Aligning behaviour

It is clear, then, that the situation is far from perfect. Something needs to be done to encourage more companies to align their behaviour much more closely with their virtue-signalling pronouncements on sustainability and corporate responsibility. This RSM Discovery feature is a call to action and to argue that CSR needs CPR, as the title of our recently published article suggests. At the very least, firms must become as transparent about their political activity as they are (at least on the surface) about their sustainability activity. It is understandable from a purely commercial perspective that companies will not be keen to see tougher regulation that would harm them, but it would be hypocritical if they are campaigning and we don’t know. This is especially so in cases where the net impact would be the same for all the companies affected since they face the same regulations.

Where there is very intensive lobbying against emissions regulation, what can we do to make sure companies are open about it? In the above-mentioned article, we made three relatively simple suggestions for companies.

First, fully disclose corporate political activity; lobbying and other political actions, such as financing ‘environmental’ organisations opposing regulations, should be publicised. This may seem idealistic, particularly in the light of legal decisions that currently allow unlimited covert political spending. But in the longer run, we do not expect current conditions to last. Social expectations change over time, and in the information age transparency is being increasingly insisted upon.

Second, align political activity with public pronouncements and CSR efforts: do not say one thing in public and do something else behind the scenes. If a firm says it is seeking to voluntarily reduce its carbon footprint, then we would expect it also to support public policies that require all firms to reduce their GHG emissions.

“Like illusionists, they distract the public attention through overtly benign actions while undertaking covert moves to water down societally beneficial regulations.”

Third, support public policies that will enable the private sector to better pursue sustainability efforts and commitments. This does not mean supporting public policies that are financially disadvantageous, but supporting policies that enable the firm to act more responsibly without suffering a competitive disadvantage.

One might not expect, for example, an oil company to support restrictions on fracking. But it would be reasonable to ask that same company to support regulations that restrict GHG emissions from fracking if doing so would be environmentally beneficial and only entail marginally higher operating costs. Effecting such change will take time and effort, on the part of the companies themselves and of institutions such as the European Commission that should be safeguarding public interests but are failing in this basic duty.

Greater transparency
Creating a mandatory public register detailing CPR, requiring companies to disclose dealings with politicians, regulators and bureaucrats, could form another element of the solution – even though firms might still pursue their political dealings secretly. It has to be admitted that it will be hard to develop an effective sanction. But whenever outright lies are told, these will be more easily revealed since the official statements can be more readily compared with actual behaviour. In other words, prompting firms to report their concrete stances and actions (not their lofty, abstract ideals about a beautiful society with happy people) offers a better basis for showing non-compliance with official statements.

In conclusion, the CSR/CPR article is a manifesto. Both academics and business persons have, so far, primarily focused on CSR, thereby overseeing the pernicious effect of politically irresponsible acts by businesses. Many today agree that companies must be much more transparent about their political activities. If they claim that they are following the tenets of CSR, they must demonstrate openly that they are not lobbying in the political arena against societally beneficial regulations. Companies must not act like illusionists, showing off their benign actions but hiding their less rosy achievements. Instead, they must behave responsibly across the board, both socially and politically.


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An overview of the core aspects addressed in the California Management Review article can be found at: https://youtu.be/Kf9Mc7C_2PM

“Many today agree that companies must be much more transparent about their political activities.”
Innovation has had a profound impact on our human civilization. And while the types and varieties of these innovations may constantly change, the fact remains that as humans, we are driven to push boundaries and alter the way we interact with the world around us. Now, research into one of the potential causes of innovation suggests implications that are truly global in nature.

Our history as humans is driven by important scientific and technological discoveries. The discovery of fire and tools brought us out of the forest. The switch from hunting and gathering cultures to agricultural societies set the stage for an explosion of innovative growth. And nobody can argue with the fact that the enlightenment, the industrial revolution, and now the information and digital age, have all dramatically changed the way we interact with one another and with society in general. But countless other innovations have also paved the way for progress. It is not an understatement to say that humans can almost be defined by their unstoppable creativity and innovation – innovation that while sometimes risky can also lead to undeniable benefits.

Sudden innovation
These scientific discoveries and technological innovations have prevented and cured disease. They have enabled us to produce food more efficiently. They have helped us take care of increasing populations with rising life expectancy rates, and they have helped the world become more interconnected.

The prevailing notion when it comes to this multitude of innovations is that they are the result of moments of inspiration that come “out of the blue”. Others may say that they are 99 per cent perspiration and one per cent inspiration. But wherever our inspiration comes from, it is surprising to find that these discoveries don’t follow a consistent pattern. Instead, we see long periods of relative stability followed by sudden surges and advancement. And these advances vary across cultures and time.

External pressure
Experts don’t understand much about why this happens, but some wonder whether external situations such as threats or pressures might play a role. During a visiting fellowship at the Netherlands Institute for Advanced Study (NIAS), which brought together a variety of disciplines from the social sciences and humanities to promote interdisciplinary research, I ran into co-author Carsten K. W. De Dreu. Carsten is a professor of social and organizational psychology at Leiden University and a recent recipient of the prestigious Spinoza Prize. I had been studying competition as an external force inducing businesses to innovate, and Carsten is a leading expert in creativity and innovation within organisational teams, especially in the area of external pressure and innovation. Carsten’s great idea was to look at climate change as an exogenous pressure that might spur innovation, and he began collecting historical data documenting innovations across Europe.

Climatic change has often been associated with economic pressures and resource scarcity. For instance, it has...
resulted in impeded crops, increased food shortages and famine. Climate change has also been associated with migration, group conflict and warfare. Innovations often result from such external pressures. For a recent example of this, we don’t have to look far. Many living Dutch remember the North Sea storm tide in 1953 that resulted in a considerable loss of life, extensive damage to farmland, and national trauma. The Dutch response? A technologically brilliant strengthening of coastal defences through an innovative system of dams and storm surge barriers.

We thought we would take a deeper look at this phenomenon. The result was our recent study: Climatic shocks associate with innovation in science and technology. This study looked at annual rates of scientific discovery and technological innovation and their association with often unanticipated and sometimes rather abrupt changes in climatic conditions, and surface temperature in particular.

Climatic shocks
More specifically, we looked at four annual time-series covering almost 500 years of human history. Within these time periods, we examined 5,000 individual scientific discoveries and technological innovations across Europe. We found that, statistically speaking, the prevalence of these developments correlated with a prolonged decrease in temperature.

Simply put, we found that more innovation took place the colder it was. These colder temperatures were often caused by climatic shocks... “
eruptions that create what are known as ‘volcanic dust veils’ – that in turn lower average temperatures. This was true when we looked at Europe between 1500 and 1900 CE: innovation was more prevalent during prolonged periods of cold and when volcanic dust veils filled the air. We also found a similar link between temperature and innovation when we looked at France, Germany, and the United Kingdom between 1901 and 1965 CE. Our study deliberately stopped in 1965 – a year marked as the beginning of the “Anthropocene” era (the era of significant human impact on the Earth’s geology and ecosystems), after which the climate-innovation link may well run the other way.

We did find one piece of evidence to make the external pressure underlying this correlation more concrete: wheat prices as an indication of resource scarcity. In colder periods, wheat crops tended to falter, leading to price increases. This put direct external pressure on a variety of areas, including agriculture, transport, storage, and so on, stimulating innovations in these and other areas.

Defining innovation
Of course, other people have looked at this issue. However, they often defined innovation in a very specific way, limiting it to areas such as agriculture or tools. We defined innovation in a much broader way. Why? Because the previous approaches were limited to innovations that addressed specific, local problems. We looked at the full range of human ingenuity and innovation, experimentation and exploration. Examples included the development of production facilities, new modes of transportation, new or improved communication technologies, and discoveries in biochemical and medical sciences. After all, innovation can be costly on an individual level – you don’t always know how things are going to turn out – so it makes sense that groups and societies will only innovate when they need to. And it turns out that this “need” might result from changing climatic conditions and socio-economic hardship.

Parallels today
This is certainly an area that deserves more attention. Our team is currently working on more detailed data collection, as we try to narrow down types of innovation and where they took place. We’re also expanding beyond Western Europe, and even looking at temperature and innovation in specific cities. We hope other researchers will do the same.

In the meantime, isn’t it interesting that climatic shocks may cause social and economic pressures that in turn trigger scientific inquiry and technological innovation? After all, we can see parallels in today’s business world – studies show that innovation often arises in the face of external organisational pressures. It could be that causes of innovation in a business setting have – at their core – a truly global and widespread source.

The paper Climatic shocks associate with innovation in science and technology, written by Carsten K. W. De Dreu and Mathijs A. van Dijk, was published in PLoS ONE 13(1): e0190122. DOI: https://doi.org/10.1371/journal.pone.0190122

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In business, efficiency is almost always considered a good thing. Economic historians generally agree that people’s lives are easier and longer today than in past generations because we have learned how to do more with less. Most of the time, the idea that a more efficient product is more desirable holds as true for consumers as for factory managers. We’re happier when we’re offered products that are more powerful, easier to use, and often even cheaper than the gizmos they replace. But there are exceptions.

In certain special situations, higher efficiency can actually lead to lower consumer satisfaction. One case in point: in the 1950s, when General Mills began selling Betty Crocker brand cake mixes in the US that only needed to be mixed with water, the company found that sales were disappointing.

General Mills marketers discovered that although housewives didn’t want to bake the cake from scratch, they did want to feel they had done some of the work themselves. When the company changed the recipe, so the home baker had to add an egg, sales went up.

Interestingly, this situation is not unusual. We have found many products where substantial numbers of consumers don’t want the improvements that companies have worked so hard to give them. Serious hobbyists often reject products when they make the task too easy. From sonar fish-finders to bread-baking machines, tools that take the skilled work out of a task are often not welcomed by people who like to invest themselves in the process.

Economists and sociologists have thought a lot about automation. However, from Karl Marx on, this literature has mostly taken a supply-side perspective and examined the consequences of automation in production for workers, unemployment, and societal welfare. We wanted to look at the consequences of automation for consumption, a side that hasn’t been considered very much.

To learn more about why some people feel so strongly about certain kinds of automated products, we conducted a series of six experiments in which we tried to understand when consumers are likely to reject automation and when they are likely to accept it. We looked at how consumers respond to automation in a variety of product categories (vehicles, fishing devices, kitchen appliances) using several methods (surveys of real choices, experiments), and sampling techniques (several online and offline participant pools).

Cars: Our first study looked at the decision to buy an automatic versus a manual transmission among 2,431 American drivers. We wanted to see how closely their perception of themselves as serious drivers correlated with their ownership of a car with a manual transmission.

We found that this was indeed the case: owning a car with a manual transmission correlated fairly strongly with the degree to which the person saw driving as an important part of his or her identity. In other words, people who identified with a particular social category — in this case, serious drivers — did not buy cars that compromised that self-image.

Bikes: The car study demonstrated a correlation, but we wanted to show causation as well. In the second study, we asked 338 Dutch university students whether they would consider buying a new bike with a free battery pack attached at no extra charge.

We selected biking as the context for the study because it is an activity that virtually all Dutch university students perform regularly (daily in most cases) but that can be performed for different reasons and with different levels of involvement. For some students, biking is just a cheap and efficient way to go from one place to another, whereas for others it is pursued as a sport.

This study showed that students who identified themselves as serious bikers were much more likely to turn down the electric option. The results further supported our theory that people resist automation when they identify with the use of the product.

Bread baking: For our third study, we separated a group of US residents recruited on Amazon’s Mechanical Turk (MTurk) into one of two hypothetical roles: people who took their baking seriously and people who didn’t. We gave each group descriptions of an automated bread-baking machine...
and an automated dough-mixing machine and asked them to rate how likely they would be to borrow one from their neighbour. We described two machines because we wanted to learn whether people would be less averse to automation when it took over a manual task that reflected less on their skill.

This study found that people who were asked to think of themselves as serious amateur bakers were resistant to the automated baking machine but more open to the dough-making machine, which we presented as a chore and not a skilled aspect of baking.

Fishing: In this study, we focused on an automated feature that could yield superior outcomes – a fishing rod equipped with an automatic hook-setting device. The automatic hook setter would make it possible to catch fish while the rod is unmanned, a feature that could enable larger catches. Although participants believed that the rod would lead them to bring home more fish, those who identified as serious anglers still rejected the automatic hook-setter. This eliminated the possibility that people in the study rejected automation because it performed worse than manual operation.

Electric bike commuting: In our fifth study, we asked 200 US residents on MTurk about commuting with an electric-powered bicycle. Our intent in this study was to find out whether people would feel differently about an automated device based on the use case. Here, we found that people who saw themselves as serious bikers (strong identifiers), were fine with electric bikes if we described it as being for their commute and not for their sport.

Cooking machine: In our sixth study, we asked 402 business school students in the Netherlands to evaluate an automated cooking machine. We wanted

“We have found many products where substantial numbers of consumers don’t want the improvements that companies have worked so hard to give them.”
“A less-automated product can reinforce their self-image, while automation may call that identity into question.”

to show that simply letting consumers take credit for their work could modify their attitude toward the automated device. The participants were each given a text describing an automated cooking machine. We described the machine in two ways. In the first text, we described the machine as taking care of the cooking for you. In the second, we attributed the action not to the machine, but to the user. Then we asked participants whether they considered themselves serious cooks.

We found that simply reframing the automated product in a way so that the action is attributed to the user rather than the machine made the serious cook feel somewhat more positive about the device. This suggests that simply by advertising automated products as compatible with people’s expression of their cooking skills, marketers should be able to reduce the level of rejection among people who think of themselves as serious cooks.

Overall, these studies all showed that consumers generally appreciate automation that maximises their convenience with one crucial exception: when some aspect of the promised convenience undercuts their own self-image as a skilled producer or practitioner. Consumers not only care about the outcome, but also the process they followed to achieve that outcome. A less-automated product can reinforce their self-image, while automation may call that identity into question.

Start doing less
We often think of automation as something that defines consumer progress, as washing machines did in the past and autonomous cars will in the near future. Yet the consumer should not be left out of the development loop. Now more than ever, a successful consumer product or service will depend on the empathy of its designers with both the practical and the identification needs of the consumer. In our automated age, part of the utility of a product will be tied up in how well it aligns with the consumer’s own self-identification as an operator of that product. If the task your product supports is one that your customer can take pride in, you will want to be very cautious about how you enhance and present your product.
The power of love in organisations

By Stefano Tasselli

Love in the workplace goes far beyond the superficial. Expressed as trust, compassion, friendship, and creativity, love shapes our working environment to such an extent that we could say love is the organisation and vice versa. Problematically for our data-driven systems, love is impossible to quantify or manage. Rather than developing new frameworks in which to examine and discuss love in the study of organisation and management, it is easier for us to simply ignore it. But exploring these potential frameworks may uncover opportunities to more fully understand our workplaces, our teams, and ourselves.

Love has largely been avoided in the study of organisations, but we can still find its traces in studies of related concepts that neatly sidestep the use of the word ‘love’. We may study workplace creativity, we may study ego and the working environment, we may study friendship and trust, we may study altruism, or any other number of personal motivators.

However, we have stopped short of admitting that love in its myriad forms has a powerful influence on the landscape of organisations, let alone creating an umbrella framework under which these disparate pieces of research could be collected. In short, love has not received the attention it deserves in the study of organisations.

Why we ignore love
There is a fundamental conflict between organisational design and the many ways love is felt and expressed. Studies of organisations and management have been dominated by an emphasis on efficiency, rationality, and measurable performance. These ideas contradict the idea of love, which speaks to passion and desire, and is personal and subjective.

Love shapes us as individuals as it shapes the way we see our personal and work lives. On the other hand, organisational life tends to privilege authority over passion, and homogeneity over self-realisation. Because love demands exceptions and singularity over reproducible consistency, it presents an innate challenge to the tools we use to study and manage organisations.

Ironically, modern organisations, like love, are intrinsically dynamic and evolving, but our managerial styles and the reward systems within these organisations are more reflective of assembly line management, inadvertently inhibiting the powerful productivity of love.

Love’s three faces
Creating a framework for studying love within organisations begins with understanding the three concepts of Eros (me), Philia (we), and Agape (us all).

Eros calls for a full expression of the self beyond social and organisational norms. This kind of love pushes an individual toward authenticity, for example through creativity. Although creativity is celebrated in principle, it actually conflicts with most organisational structures. These structures tend to be macro, creating top-down cultures of similarity in which employees at all levels display the same thought processes and values as the top managers, perhaps regardless of what they truly think and how they truly feel. Macro structures also breed a kind of inertia, in which an employee’s role is to

“Non-profit organisations are an obvious example of Agape in practice, especially when the organisation is staffed by volunteers.”
The power of love in organisations (continued)

By Stefano Tasselli

The search for love helps us understand the intimate connections between ourselves and those around us in organisational life. The avoidance of love in traditional organisational research conflicts with the love-related constructs we increasingly refer to as important workplace and organisational influences.

Despite the pervasiveness of love in the everyday life of the individual, organisational studies continue to treat love and the workplace as mutually exclusive. This idea of an organisation as a ‘black box’ fails to recognise the obvious fact that an organisation is made up entirely of people. As a person is affected by love (for example, through changing family situations or shifting workplace friendships), so too does the organisation inevitably change.

We understand intuitively that people look for meaning in the work they do, for personal connections within the workplace. This can occur to such a great extent that the bonds between work and love become inextricable, as in the case of a founder seeing his family firm as an embodiment of love. In this case, love is the organisation and the organisation is love. Those emotional bonds tend to be stronger in family firms, considering the potential for greater love (but also hate) among family members.

One of the key traits of any family is how failure is viewed. Sometimes failure is seen as a normal and healthy part of learning a new skill or testing an idea. At other times failure is seen as a source of shame and instils a fear of ridicule in an individual. An organisation mimics a family in the culture it builds around failure. At its best, the ‘friendship love’ Philia offers the freedom to fail without punishment or shame, encouraging ex-
experimentation and new ideas, and providing a kind of bridge between inner and outer realisations of an individual’s authentic self. Managers who activate Philia by creating a workplace culture in which employees are unafraid to fail, and encouraged to try again after failing, can build strong, loyal teams.

Unconditional compassion (Agape) may encourage a firefighter to work, not for money, but to help a community that he or she loves. A manager who understands this motivation is at a distinct advantage compared with one who offers yet another raise to keep members on the team.

Conversely, there are dark sides to the three forms of love outlined earlier. Do organisations use benevolence, compassion and sacrifice as ways to smoothen individual resistance and force members to achieve organisational goals? The self-sacrifice implicit in Agape may contribute to deaths caused by overwork or job-related exhaustion (eg, Karoshi, the Japanese word which literally means ‘overwork death’). The fraternity of Philia may lead to favouritism and the creation of cliques in an organisation, sometimes allowing unethical behaviour to continue unchecked when the offender has ‘friends in high places.’ Only with a better understanding of the role of love can we better identify these kinds of problems before they begin.

This article draws its inspiration from Love and Organisation Studies: Moving beyond the Perspective of Avoidance, written by Stefano Tasselli and published in Organisation Studies, January 23, 2018. DOI: https://doi.org/10.1177/0170840617747924

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Strategic renewal in institutional contexts

By Jacomijn Klitsie

Every organisation faces the paradox of how to balance stability with the need for change and renewal — two opposing forces whose interaction, particularly when change has been successfully engendered, we are only now beginning to understand.

How does change occur in organisations versus things staying the same? How can we understand renewal from this perspective: as an interplay between forces that drive things towards stability, and those that create renewal and disruption?

Take the example of company regulations, often considered rules that simply need to be followed. Regulations are a mechanism that can drive organisations towards adopting the same processes and behaviours over time. Yet not all companies interact with regulations in the same way. Take a look at the world’s top performers: many global corporations are actively engaged with regulatory change, while others — think Uber and Airbnb — are finding innovative ways around these rules altogether.

How are organisations such as these and the people bound within their institutional environments able to initiate transformative change, despite the very strong forces that steer them towards staying the same? This was the key question addressed in a recent study we conducted titled Strategic Renewal in institutional contexts, in which we explore change in organisations on both a macro and an individual level, in an environment where the need for stability competes with the desire for transformative change.

Stability versus change

That companies tend to develop set patterns of behaviour over time is well established in management literature. Institutional theory, in particular, demonstrates the many forces at play that drive companies towards stability and similarity — and away from change and innovation.

Yet what of the companies that do change, and change radically, with this transformation internally driven? How do individuals within these organisations — influenced by processes that drive them towards repetition and standardisation — still manage to initiate transformation?

We conducted a cross-sectional comparison of institutional theory research to gain an overview of how this paradox plays out. Traditional institutional theory, we discovered, typically attributes firms with a low capacity for change — with little focus on when or how this change occurs. More recent studies in the field however — in particular the areas of research called institutional entrepreneurship and institutional work — show greater interest in change on both an individual and firm level, including how and when it occurs, and attribute firms with a greater capacity for change.

Despite this growing focus on change from an institutional perspective, a broad gap remains in our knowledge. What determines when and how individuals within an organisation will defy the isomorphic processes explained by institutional theory in order to transform operations and disrupt behavioural patterns?

Opportunities for change

Regulations are an example of a force that steers organisations towards stable and fixed modes of operation. Most firms comply with regulations — but many engage with regulatory forces in ways that, as our research revealed, can have profound implications for organisational performance.

At one end of the spectrum are firms such as BMW, which work to actively stay ahead of regulatory change: trying to be the first to introduce new standards and drive regulatory change. At the other end are the rule-breakers, such as Uber and Airbnb: two firms that are outspoken about not complying with existing regulations. Managers within these organisations are aware of regulations but seem to have made conscious choices not to comply with them.

Our research shows that firms at both ends of the spectrum outperform those that follow and adhere. Firms that actively engage, critically thinking about how regulations are shaping their firm,
whether they are useful and make sense, how they can be beneficial to them, or opportunistically looking at whether they are enforceable, perform considerably stronger.

What can managers take from this? While regulations can be forces for stability, they also provide opportunities: companies can choose how they interact with these forces, in the process creating strategic advantages and stronger performances.

**Individual change**
Organisations change; but at a micro level, how does this take place? Goals and strategies and how they are formulated — what we call framing — are an important mechanism via which organisations both preserve existing processes and engender change. How do individuals who successfully create this balance behave? How do they manage to advance new goals while preserving core values or strategies?

An interesting example can be found in Nutrient Platform, a Dutch cross-sector organisation whose strategic goal is to change the way firms in the Netherlands deal with phosphorous and find a sustainable solution for its use. Around 33 diverse partners from sectors participate in this organisation: individuals from government, NGOs, agriculture, and the private sector work together to meet one common goal.

While their strategic goal is shared, these partners have different reasons for wanting to see a change in the use of phosphorous in the Netherlands. Individuals bring contrasting values and strategic goals into the organisation, from economic incentives to environmental targets, yet they must somehow co-operate to reach a common aim.

Management literature posits that this scenario typically requires a process of constant conversing between individual parties until an agreed ‘frame’, or strategy is in place. Yet such a process is both time-consuming and unrealistic.

“Most firms comply with regulations – but many engage with regulatory forces in ways that, as our research revealed, can have profound implications for organisational performance.”
“Depending on the type of innovation a manager wishes to foster, they should identify the kind of innovation behaviour displayed by their employees and whether it is disruptive or transformational in nature.”

The impact of the individual
How important is the individual in the process of innovation – and what determines when the outcomes of this innovation are explorative: disrupting the status quo, or exploitative; where the existing business model is strengthened?

We know that individuals actively work to maintain existing processes within their organisation – an activity essential for its survival. Yet they also work towards manifesting change: creating new processes, formulating new ideas and rules, and constructing new environments. This change is either disruptive or transformative – the latter being incremental in nature, treading the line between comfort and chaos.

In our research, we confirmed that the type of innovation carried out by the individuals within an organisation could be directly linked to whether the organisation was more explorative or exploitative in its innovation as a whole.

While this is not a new finding, this link between individual innovation behaviour and firm-level change serves to connect existing literature on innovation to that of institutional theory – enabling shared definitions to be established and knowledge cross-referenced.

This finding also demonstrates again that innovation begins at the roots of an organisation and with the people within that environment. Depending on the type of innovation a manager wishes to foster, they should identify the kind of innovation behaviour displayed by their employees and whether it is disruptive or transformational in nature.

This research demonstrates the importance of individuals within an organisation in regards to the process of change. Whether the institutional work carried out by these individuals is creating or maintaining, their behaviour is clearly connected with the balance that exists within the organisation between the forces that keep these institutions the same, and those that allow it to innovate and change.

This article draws its inspiration from the PhD thesis Strategic renewal in institutional contexts: the paradox of embedded agency, written by Elizabeth Jacomijn Klitsie, and published as part of the ERIM PhD Series Research in Management. It can be freely downloaded at https://repub.eur.nl/pub/106275

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