
B4P PROGRAM IN BUSINESS EDUCATION AND ITS SPIRITUAL PRESUPPOSITIONS

商业教育之 商业促进和平项目及其精神前提

STEPHEN YONG-SEUNG PARK 朴永生

Abstract

The purpose of this paper is to shed light on the vision of B4P (Business for Peace) that management education can aim for within the new stakeholder management paradigm, and to explore the possibility that business schools in East Asia can lead the new paradigm of Responsible Management Education by developing and researching meaningful B4P business cases in the region based on the traditional philosophy of the Eastern world. It first introduces the framework of a basic understanding of the Business for Peace (B4P) through the system approach of management and explains the meaning of the spiritual dimension in management education for B4P from the perspective of Pope Francis' "ecological conversion". The paper then examines the opportunities and challenges of B4P paradigm in Asia by introducing the cases of the Kaesong Industrial Complex in Korea and the Greater Bay Area Initiative in China. Finally, the paper concludes with the vision of a model of a flourishing business for peace and prosperity for Asia and beyond.

B4P as the Ultimate Agenda of Responsible Management Education

Since the UN PRME (Principles for Responsible Management Education) was established in 2008, more than 700 business schools around the world have been working together to implement a new business education model that enables future business leaders of companies to fulfill their social and environmental responsibilities (Park, 2018). In particular, business schools participating in UN PRME are making efforts to lead the sustainable future of the international community through the practice of responsible management education centering on the 17 agendas of SDGs promulgated in 2015. Among the 17 agendas of the SDGs, the 16th goal is the construction of a sustainable, peaceful, and just society, a topic that is often not easily linked to corporate social responsibility (Williams and Park, 2019).

When companies are perceived as a group with the sole purpose of maximizing profits, they are often seen as destroyers of peace. In the history of Western imperialism that came along with industrialization after modern times, corporations became the cause of disputes around the world along with national governments (Robins, 2007; Thomas, 1996). Even today, companies in contemporary society are singled out as the main culprit undermining environmental sustainability due to reckless resource development and environmental pollution, and social sustainability due to deepening social inequity caused by irresponsible company practices (Perkins, 2004). However, going beyond this traditional shareholder-centered corporate management paradigm, the new socially responsible management paradigm of the 21st century opens the possibility of a

peaceful contribution by companies (Park, 2019).

This paper intends to discuss the effect of responsible management education in business schools in promoting sustainable peace and justice in the international community. Unlike negative peace, which means only the absence of violence or fear of violence, as scholars of peace studies suggest, *positive peace* means the attitudes, institutions and structures that create and sustain peaceful societies (Galtung, 2012). The transition from traditional egocentric shareholder-centered capitalism to the new eco-centric stakeholder capitalism opens the possibility of positive-peace building by the corporate world (Williams and Park, 2019).

“Going beyond this traditional shareholder-centered corporate management paradigm, the new socially responsible management paradigm of the 21st century opens the possibility of a peaceful contribution by companies.”

The discussion of positive peace opens the possibility of peacebuilding through the stakeholder management paradigm. In addition, transforming the management paradigm from shareholder perspective to a stakeholder-based model will require a fundamental shift in business leaders' convictions about corporate management. This is to evoke the vocation of the business school of consciously nurturing future corporate leaders, by awakening the spirit of responsible corporate management in the interconnected business ecosystem. In this regard, future business education should provide students with a learning experience in the spiritual dimension.

The significance of responsible management education has a special meaning for business schools in Asia. East Asian countries such as China, Japan, and Korea achieved significant economic growth with their own remarkable stories in the turbulent modern history that emerged along with Western imperialism after the Industrial Revolution. Western capitalism has formed a new type of development model of *state capitalism* in those Asian countries with great success, but the recent global crisis symbolized by Covid-19 has shown that the whole of humanity now has reached a turning point in demanding a new paradigm of life, especially the way of running business, for the sustainable future of the global community, both East and West. And in this new era of an “Asian Century”—indicating that Asian GDP in 2020, as a share of world GDP at purchasing-power parity, is higher than that of the rest of the world (Schwab, 2021)—the historical importance of Asian business leaders and management schools cannot be underestimated.

This paper first introduces the framework of a basic understanding of Business for Peace (B4P) through the systems approach to management and explains the meaning of the spiritual dimension in management education for B4P from the perspective of Pope Francis’ “ecological conversion” (Pope Francis, 2015, pars 216-221). The paper then examines the opportunities and challenges of the B4P paradigm in Asia by introducing the cases of the Kaesong Industrial Complex in Korea and the Greater Bay Area Initiative in China. Finally the paper concludes with the vision of Asian model of flourishing business for peace and prosperity for Asia and beyond.

Conceptual Framework of B4P: A Systems Approach

To effectively examine the theme of B4P, the systems approach to management provides a useful framework. As noted in Figure 1, the Systems model of business activities can explain the possibility of B4P in each part, such as input, transformation, and output of a given business operation (Park, 2019).

The most fundamental input of the management system is the paradigm of business itself; in particular, the new management paradigm aims for coexistence with stakeholders in the corporate ecosystem, namely stakeholder capitalism. In this new paradigm of corporate management, business aims for the virtuous cycle of an economic ecology, in which the sustainable prosperity of society and the environment is taken into consideration in the choice of industry and all subsequent business strategies. All of these are solid foundations for the positive peacebuilding of the communities in which businesses operate. In the transformation stage the management system, meaning the production process of business corporations, the B4P effects can happen in more specific manner. In other words, corporate management contributes to the sustainable prosperity of the overall society through a series of functional strategies (e.g., marketing, human resources, production, etc.) in which coexistence with stakeholders such as consumers, employees, investors, and business partners is achieved.

In addition, companies create a transparent and ethical social atmosphere through compliance management and play the role of public diplomacy by maintaining a win-win relationship based on trust with various parties in the community where the business operates. As such, the transformation stage of the

management system with stakeholder perspective also contributes to the construction of positive peace in the community.

The B4P effect is completed in the output stage of the management system. The economic development of the community, including the provision of employment and wages, is itself a foundation for the peaceful society. In addition, environmental sustainability and social justice pursued throughout the stakeholder management paradigm are important conditions for the construction of a sustainable peace in the community in which the enterprise operates.

Since the Industrial Revolution, ever-intensifying competitive market pressures have made business corporations to focus on zero-sum based profit maximization doctrine while ignoring the possibility of B4P effects. It may not be exaggerating to observe that such an egocentric world view caused self-interested behavior in the global marketplace resulting in today's complex crises such as climate change, social inequality, and human alienation that the contemporary

global community faces. It is the corporate world that has caused the world's sustainability crises and holds the key to overcoming them.

Teaching B4P: Towards Ecological Conversion

The most fundamental input factor for the transition to the B4P paradigm is the transformation of the business leader's worldview. That is, for the genuine paradigm shift of business, the corporate leaders' own transformation from a self-centered to an other-centered world view will be essential. It is at this point that the spiritual awakening of business leaders is required for the B4P management paradigm. This is in line with the concept of *ecological conversion* emphasized by Pope Francis in his encyclical, *Laudato Si'* (Pope Francis, 2015, pars. 215-221).

Today's business schools around the world should lead students to form a new worldview through spiritual awakening and to use the business knowledge and skills acquired in their learning process for the good and universal

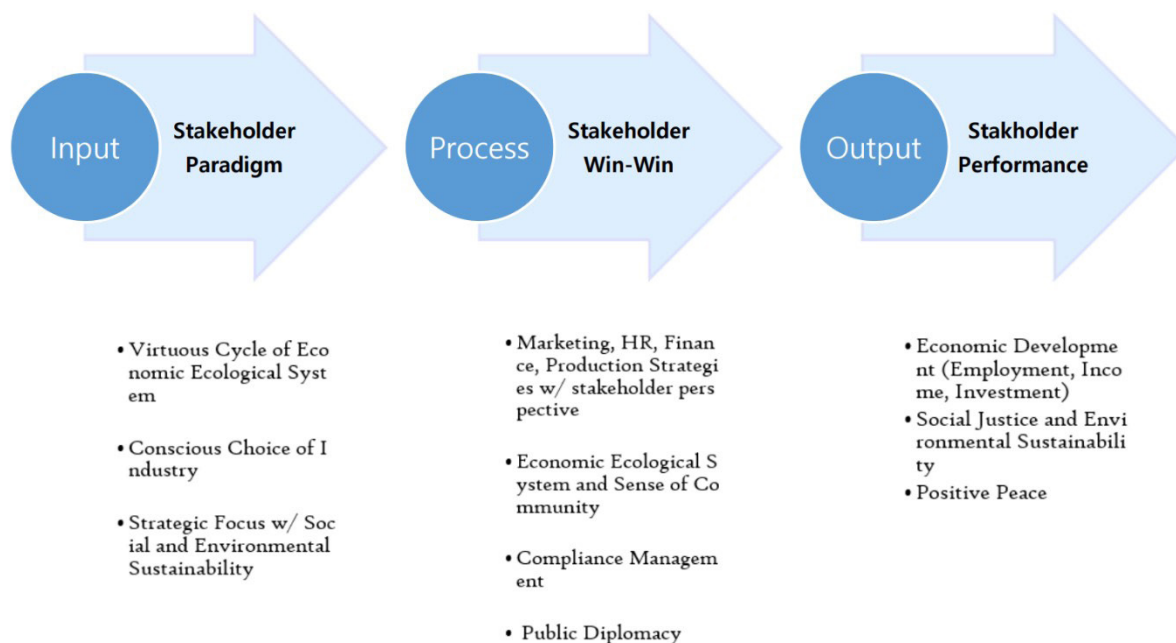


Figure 1. The B4P Framework: A System Approach

purpose of the whole community. As Pope Francis stated in *Laudato Si'*, “Our efforts at education will be inadequate and ineffectual unless we strive to promote a new way of thinking about human beings, life, society, and our relationship with nature (*Laudato Si'*, 2015, par. 215).” Genuine corporate social responsibility and responsible management education of business schools are all eventually based on ecological conversion, which eventually requires *metanoia* from all stakeholders. And this ecological conversion should first start with business leaders and educators, and then it will spread with the empathy and participation of other stakeholders.

Spirituality will have an important meaning in the management of future corporate organizations. The new paradigm of B4P marks the end of the materialistic management paradigm. In the model of corporate management promoted by the stakeholder management paradigm, frugality, deep ecology, trust, reciprocity, and responsibility for future generations and the value of authenticity will be the keywords, which are in direct contact with the value of spirituality (Bouckarert and Zsolnai, 2012).

How then can today's business schools accomplish the mission of conscious business management education in the spiritual dimension? This will be a huge challenge for business schools that have focused on shareholder-oriented mechanical efficiency since the advent of the industrial society. Management education that aims at the ecological conversion of learners requires 1) conscious educators (i.e., business professors), 2) the practice of creative and responsible teaching and research, and 3) the practice of the business school's own ecological and social responsibility (Park, 2018).

As with all social movements, it is important for individuals and organizations with a common purpose to spearhead the transformation towards the new paradigm of management education. In this regard, UN PRME (Principles for Responsible Management Education), established in 2007, will be an excellent platform for a continuous and effective business management education paradigm shift for participating business schools around the world. In particular, the six principles of UN PRME, 1) purpose, 2) values, 3) teaching, 4) research, 5) partnership for practice, and 6) communication, provide an effective compass for business schools that pursue a new management education paradigm (Williams, 2014).

“The new management education should start from the ecological conversion of teachers and learners, aware of a spiritual dimension. It is also the calling of business schools in East Asia of our time to evolve into a new paradigm of management education by combining with the traditional philosophy of life and ecological system of the East.”

Challenges and Opportunities: Asian Perspective

The newly emerging management paradigm of B4P which is based on stakeholder capitalism and responsible management education have a special meaning for East Asian countries. The history of East Asian business is related to the history of Western-centered imperialism that

has been focused on the pursuit of zero-sum self-maximization and the consequent damage to the ecological system. In fact, extreme examples of this distorted history of capitalism have emerged through East Asian regions such as the Korean Peninsula and China's SARs including Hong Kong and Macau.

In this context, the recent cases of the Kaesong Industrial Complex (KIC) on the Korean Peninsula, and the Greater Bay Area (GBA) Initiative which is starting in Southern China warrant intimate attention from researchers and practitioners of responsible management for their possibilities of becoming excellent B4P cases from East Asia.

The KIC is a special economic zone of the Democratic People's Republic of Korea, which was jointly sponsored by the Republic of Korea (South Korea) and the Democratic People's Republic of Korea (North Korea) from 2004 to 2016. The founding vision of KIC was to promote peace and security on the Korean peninsula by increasing economic interdependence between the two Koreas combining each side's economic comparative advantage, that is, South Korea's capital and technology and North Korea's labor and land.

In 2015, there were 124 companies from South Korea in the KIC and their total production output was valued at US\$563 million. It employed 54,988 North Korean workers (Republic of Korea Ministry of Unification, 2017). There were plans to increase enterprise zones in the DPRK to employ some 250,000 workers but, in February 2016, due to sudden changes in the policy of the Republic of Korean government, largely influenced by impending strict UN sanctions, South Korean businesses were withdrawn from the entire KIC, and North Korea officially shut down its industrial complex.

The KIC currently remains an unfinished peace project. However, for more than 10 years, it showed the path toward peace and healing on the Korean Peninsula based on the following four points (Williams and Park, 2019): 1) *promoting the rule of law and accountability structures* (i.e., the KIC served as an opportunity to build a system of compliance between the two Koreas, at least in the scope of the company's production activities, with stakeholders such as resident companies, the South and North Korean governments, employees, customers, partners, and the general public); 2) *promoting economic development* (i.e., business in the KIC has been involved in skills development, education, philanthropic work in the community, and of course, job creation); 3) *contributing to a sense of community* (i.e., community is present where people feel their dignity is respected and this is a goal of the KIC by practicing responsive, inclusive, participatory and representative decision-making at all levels); and 4) *engaging in track-two diplomacy* (i.e., the KIC has performed a mediating role brilliantly by functioning as an open communication channel in the face of confrontation between the two Koreas). In the dynamic geopolitical environment surrounding the Korean Peninsula, the KIC has the visionary potential to evolve into a great business example of a B4P.

The GBA initiative is the ambitious plan for building a world-class city cluster across the Guangdong-Hong Kong-Macau region. By 2030, the region is expected to play a leading role in advanced manufacturing, innovation, shipping, trade, and finance (KPMG, 2017). The economic and social impact of the proposed initiative is expected to be significant considering that the combined GDP of the 11 cities in the area reached US\$1.4 trillion, or 12 percent of the national economy, even though it is home to only 5 percent of the country's population as of 2016.

In the framework of B4P, the GBA initiative can relieve social anxiety based on improved mutual trust and constructive collaboration in the business ecological system of the local community. In the case of Hong Kong, for example, it could be an opportunity to breathe new vitality with a vision of a future of peace and prosperity in a society that is experiencing the social unrest in 2019 and the crises of the Covid-19 pandemic one after another. In this respect, it is meaningful to pay attention to the process and performance of the GBA initiative from the perspective of B4P.

However, in reality, the GBA initiative, which is mostly focused on regional economic development, is judged to have relatively little awareness of its potential social impact. While discussions on economic development such as reform in taxation and finance system, and inter-industry restructuring for the efficient movement of human, material, and financial resources within the region for the success of the project are being actively discussed (KPMG, 2020), there seems to be relatively less discussion on the effects of the GBA initiative on social integration of the region. Surprisingly, it is shown that the average of GBA Sustainable Business Index Score is lower than overall Hong Kong Sustainable Business Index Score by 10.97% (The Chinese University of Hong Kong, 2021).

Nevertheless, the GBA initiative can become a good and meaningful example of B4P. In fact, the ultimate mission of achieving economic prosperity based on social cohesion is the existential purpose of the GBA initiative. To this end, corporate leaders participating in the GBA initiative, as well as leaders from government and non-governmental organizations will be invited to review the B4P system model described in the previous section of this paper, and genuinely

implement a set of strategic plans upon their respective situations. For interested business corporations willing to engage in strategic B4P management on specific agenda, the UN Global Compact's published guide titled 'Advancing the Sustainable Development Goals by Supporting Peace: How Business Can Contribute' offers the steps companies might take to be effective peacemakers (UNGC, 2015). These steps include: 1) *Commit* (i.e., having conviction why contributing to peace is important for business); 2) *Assess* (i.e., determining how to make a positive contribution to peace); 3) *Define* (i.e., setting goals for maximizing impact on peace); 4) *Implement* (i.e., monitoring and evaluating program and peace effectiveness; and 5) *Communicate* (i.e., reporting on impact and progress toward peace).

Concluding Remarks: A Path Forward

As a field of Social Science, Management has achieved remarkable growth and development in the fields of education and research over the past century. However, management education, which has contributed to the dominance of shareholder-centered capitalism along with the history of the Western industrial revolution and imperialism, could no longer be free from the responsibility of contributing to the zero-sum, self-centered and divided worldview that has caused the sustainability crisis facing humanity today.

In this historical context, most of the management education at East Asian universities is rooted in scientific management theory based on a mechanistic world view either actively or passively supported by the Western business schools. Now, the new management education in the 21st century should be based on responsible management education oriented towards the

vision of B4P. The new management education should start from the ecological conversion of teachers and learners, aware of a spiritual dimension. It is also the calling of business schools in East Asia of our time to evolve into a new paradigm of management education by combining with the traditional philosophy of life and ecological system of the East. Only when that happens, will Matthew Ricci's vision of Western modern studies' influence on the East (西學東漸) be meaningfully absorbed as a true Eastern learning (東學).



STEPHEN YONG-SEUNG PARK, Professor and Director, Kyung Hee University School of Management, Institute for Peace through Commerce, Seoul, Korea

REFERENCES 参考资料

- Bouckaert, L. and L. Zsolnai (2012). Spirituality in Business: An Interdisciplinary Overview. *Society and Economy* 34(3), 489-514. (doi: 10.1556/SocEc.34.2012.3.8.)
- Galtung J. (2012). Positive and Negative Peace. In Charles P. Webel and Jørgen Johansen (Eds.), *Peace and Conflict Studies: A Reader*, (pp. 75–8). New York: Routledge.
- KPMG (2017). The Greater Bay Area Initiative: A survey on key drivers for success. Retrieved from <https://assets.kpmg/content/dam/kpmg/cn/pdf/en/2017/09/the-greater-bay-area-initiative.pdf>
- KPMG (2020). Keys to Success in the Great Bay Area: Third annual survey on drivers for growth. Retrieved from <https://assets.kpmg/content/dam/kpmg/cn/pdf/en/2020/01/keys-to-success-in-the-greater-bay-area.pdf>
- Pope Francis. (2015). *Laudato Si'*. Retrieved from https://www.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html.
- Ricci, M. (1603). *The True Meaning of the Lord of Heaven 천주실의 天主實義* (Translated by S. Bae). Seoul National University Press 2010. (Korean)
- Park, Y. (2019). Effects of Business Management for Peacebuilding: A Systems Approach. *Logos Management Review 로고스 경영연구*, 17(4), 1-22. (Korean)
- Park, S.Y. (2018). Towards Responsible Management Education: A Transformational Model. *Business Communication Research and Practice*, 1(2), 54-60.
- Perkins, J. (2004) *Confessions of an Economic Hit Man*, CA: Berrett-Koehler Publishers, USA.
- Robins, N. (2007). This imperious company. *Journal of Corporate Citizenship*, 27, 31–42.
- Schwab, K. (2021, August 11). Both Asia and the West Need Stakeholder Capitalism. *Time*. Retrieved from <https://time.com/6085097/asia-west-stakeholder-capitalism/>
- The Chinese University of Hong Kong Centre for Business Sustainability (2021). The 2nd Greater Bay Area Index Result, 2021. Retrieved from <https://cbs.bschool.cuhk.edu.hk/wp-content/uploads/2021/06/2nd-GBABSI-result.pdf>
- Thomas, A. (1996). *Rhodes: Race for Africa*. NY: St. Martin's Press, USA.
- UNGC. (2010). Guidance on responsible business in conflict-affected and high-risk areas: A resource for companies and investors. Retrieved from <http://www.unglobalcompact.org/library/281>.
- UNGC. (2015). Advancing the Sustainable Development Goals by Supporting Peace: How Business Can Contribute. Retrieved from <https://www.unglobalcompact.org/library/3151>
- Williams, O. and Park, S.Y. (2019). Business for Peace” (B4P): can this new global governance paradigm of the United Nations Global Compact bring some peace and stability to the Korean peninsula? *Asian Journal of Business Ethics*, 8, 173–193.
- Williams, O. (2014). CSR: Will it Change the World? Hope for the Future: An Emerging Logic in Business Practice. *The Journal of Corporate Citizenship*, (53), 9-26. Retrieved from <http://www.jstor.org/stable/jcorpciti.53.9>