

Empathy as an Alternative Paradigm on the Journey Toward Sustainability

By

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Abstract

This paper is based on the author's eight years of field work in China (2006-2013) concerning the challenge of sustainable business development in China. She interviewed 30 Chinese executives from 20 different foreign multinational enterprises. Only two foreign multinational enterprises chose to practice more communication with their Chinese suppliers despite their interests in operational efficiency. They exemplify empathy, not sympathy, when they pursue sustainability. They change their organizational culture and provide training to their selected Chinese suppliers. Managing sustainability through empathy is essential to the competitiveness of firms and the well-being of multi-generations.

This paper also discusses the Chinese context in which these foreign multinational enterprises operate. Numerous enterprises are given many opportunities to choose to superficially comply with the sustainability requirements established by their industrial associations and the Chinese government and earn many respectful corporate citizenship awards. However, these two exemplars go beyond the institutional requirements and have a deep commitment to empower their vulnerable partners and increase their capacities to access the market through empathetic communication, meaningful training, and earned certificates. Resource-based theory is not sufficient to explain these two exemplar's commitments to sustainability and what resources they chose to be committed. These two exemplars understand the need and fear of their Chinese workers and suppliers and develop better incentives for the Chinese workers and suppliers to perform higher standards. In return, there are better working conditions and a more natural environment for workers and suppliers which have faith in these two exemplars.

Multinational enterprises are expected to use their resources for social and environmental projects in many developing countries which have weak institutional frameworks and legal enforcement systems. The local government wants the investment from these enterprises and non-government organizations want to leverage on these business enterprises' money and networks. On the other hand, multinational enterprises can easily bypass the institutional requirements through the support from the local government. Why do multinational enterprises help the insignificant partners to access the market? From the practices of two exemplars in China, the author advocates empathy as an alternative paradigm in promoting the commitment to sustainable development.