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# The interplay between business and society - two views from practitioners in the field

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## 1 Introduction

The interplay between the corporation and societal progress has shaped the corporate discourse since its birth. With increasing global socio-political instability and humanity facing an existential environmental crisis this discussion is rapidly gaining traction and moving from theory to practice. Below follows two discussions from the practitioner perspective about the relation between corporate profit and social impact.

## 2 News Media: The balancing act between safe-guarding democracy and building a thriving commercial business

"Democracy dies in darkness" is the official slogan of the Washington Post. A weighty and grandiose statement that embodies the identity of the Washington Post, but also carefully captures the pivotal role that an entire industry, News Media, plays in today's society. A statement that a few years back may have been viewed by some in the Western world as pompous and as a relic from the past, yet with the rise of Trumpism and Putin's invasion of Ukraine seems more relevant than ever. In a world where democracies and truth-telling are increasingly under attack, few will dispute that news media companies, including publishers, play a seminal and increasingly important role as the disseminator and interpreter of information that – depending on the eyes of the beholder – can enlighten people or throw them into further darkness. The question for a serious news media company then becomes how to balance this momentous task with running a profitable business in a fiercely competitive industry with increasingly shorter news cycles that constantly define success or failure. While a single answer to this question do not exist, this brief memo reflects on some of the important dynamics at play as seen from the perspective of a practitioner in the field.

### *2.1 First-party data is the new gold for news media companies*

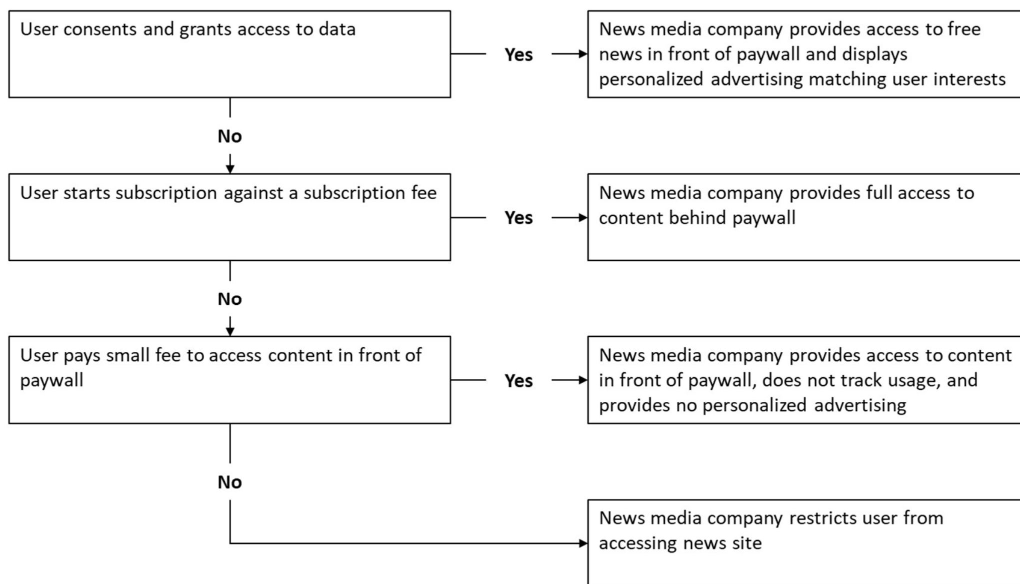
A commercial news media company has two primary revenue streams: advertising and subscription. Typically, most news media companies favor building their subscriber base rather than advertising business given the stable nature of this business model with recurring revenues less prone to economic swings. Still, while the revenue mix between advertising and subscription may vary across players, the reality is that advertising remains an important source of income to most news media companies since it is both costly and time consuming to build a sizeable subscription base. With the rise of digitalization and Big Tech (e.g. Google and Facebook/Meta), this fundamental dynamic has not changed but revenue has increasingly shifted from traditional paper-based products to digital products underpinned by digital advertising and subscriptions. Following this shift, data (amount and quality) has become the differential factor that allows news media companies to continuously evolve / personalize their products in an attempt to build an

attractive subscription and advertising business, targeting and serving users in the best way possible. Still, digital advertising has long been a double-edged sword for news media companies. On the one hand, the inherent nature of digital products provide opportunities to build an audience reach unobtainable with any paper-based product, which offers clear benefits in terms of advertising. On the other hand, the reality has been that super-aggregators, like Facebook and Google, have increasingly collected the majority of ad revenues based on third-party data gathered through cookies from platforms with unrivalled scale and attractive network effects for both advertisers and users. However, this is about to change. With global privacy concerns putting an end to third-party data tracking there is a growing opportunity for news media companies to leverage their own first-party data collected through its own sources based on user-consent to build an attractive value proposition, also towards advertisers.

## *2.2 Pay or consent model – the next step on the "monetization ladder"*

In this new environment, where first-party data becomes increasingly crucial, there is an emerging trend towards "pay or consent" models in which data represents an explicit and valuable currency for the user that can be leveraged to purchase access to news and information. Figure 1 illustrates the main stages in the model (example of this model in use is available at e.g. www.Bild.de).

**Figure 1: Overview of stages in pay or consent model**




Within this model, the user can only access news content through payment with his data or against a monetary fee. This naturally leads to the moral discussion if quality news of the watchdog type should only be accessible to the few that will either share their data or have the financial means to opt out. Given the skepticism towards data sharing and usage caused by cases such as the Facebook-Cambridge Analytica scandal in 2018, a likely outcome could be that fewer prospect users would consent to data sharing, thus reducing the number of people with access to news than previously. While further scandals similar in magnitude to the Facebook-Cambridge Analytica case may alter the conclusion, early studies of the "pay or consent" model suggest otherwise. In fact, results show that over 90% of users will consent to data-sharing, and hence the immediate impact on the audience accessing news seems limited. However, there may be other more subtle long-term effect at play as a consequence of indirectly "forcing" users to share their data and thereby building up much richer first-party data profiles on each user than previously. Effects where the journalistic focus will discretely narrow and may propel polarization.

After gravitating towards variations of a business model based on pure advertising with no content locked behind paywalls in the early heydays of online publishing, most news media companies have understood that charging for

content, in one way or another, will be the only way to secure their future. The most prominent example of this complete shift in business model may well be the New York Times. It is little over a decade ago that it was forced into accepting an emerging cash infusion from Mexican business magnate, Carlos Slim, following severe financial trouble. Pundits at the time were seriously questioning if the "Grey Lady" would still exist within a few years. Then in 2011 it launched its famed metered paywall and has since then turned into a thriving business and the aspiration for an entire industry. Following this shift where news media companies have increasingly pivoted towards introducing paywalls, pay or consent is just the logic next step on the "monetization ladder" where superior data is the key to success.

Given the intensity of competition and rapid technological development within News Media (e.g. use of synthetic media), the drive towards data-driven personalization of content is an inevitable trend that cannot be turned. To remain competitive and differentiate, news media companies are increasingly using experiments and meaningful data to figure out which customers or customer groups are most lucrative and how best to serve them. The decisive metric for gaining and retaining users is "individual customers' time spent with the media". For instance, an extensive German data-gathering project called Drive has revealed that this was the key metric for selling digital subscriptions – not the influence of individual stories or subject areas. Focusing on "media time" implies that many news media companies won't be able to afford much journalism that doesn't zoom in on lucrative audiences. As resources become scarcer, newsrooms must discount target groups that offer little commercial success. They are better off further satisfying those who they already serve. This may be an audience with a certain level of education, political lineage or background. Respected news media companies like the Washington Post, New York Times, and the Financial Times have long understood this. Despite assertion to the contrary, it is hardly worth many newsrooms' while to reflect the diversity of society as a whole. To the contrary, this can even alienate their core audience. In simple terms; news media companies with too little focus will sooner or later risk their existence.

## *2.3 Increasing personalization may lead to polarization*

The consequence of this continuous drive towards a more focused and narrow journalistic scope, will inevitably be a further polarization of journalism and news coverage. Gravitating towards one end of the spectrum will be an increasingly sophisticated form of commercial journalism, in which highly professional providers, leveraging ever richer first-party data, will offer their distinct audiences tailor-made, high-quality content, and user-friendly products that inspire them. This is likely to expand into closed portfolio universes – so called walled gardens – where users will buy access to customized bundles of products, covering both generalist and niche news, but may expand well beyond news into other consumer product, e.g. podcasts, audio books, wellness services, and online retail. Early steps towards this world is already visible today but will only accelerate in the future, possibly supercharged at one point by the introduction of a futuristic digital metaverse as envisioned by Meta and Mark Zuckerberg. The total package will be a truly personalized product portfolio built from an increasingly refined data profile of each user. A package that may well be of high quality but where data-driven optimization of content – including journalistic angle, tonality, form and display in accordance with individual preferences and political lineage to increase engagement and avoid churn – may add to polarization and leave the user with a less balanced/nuanced news coverage where opposing thoughts are presented.

Moving towards the other end of the spectrum will be a range of public or non-profit journalism, which may partially step in where the market fails. In some countries, like the Nordics, with strong traditions for public service and where public service remains well-funded, at least for now, this offer may still be a quality news product at the core. However, even in these countries, public service products will gradually be put at a disadvantage with respect to personalization without access to the same quality first-party data that commercial news media companies will increasingly collect through "pay or consent" models and ever expanding walled gardens. As a result, discrepancy between the two offers in terms of quality and perceived relevance for the single user is likely to grow.

Over time, it is therefore not difficult to envision a future where users will increasingly be drawn towards news media products that, propelled by data-driven personalization, appeal and reinforce their existing world views and where the role of public service is increasingly diminished. Left to its own devices, this dynamic is likely to result in more extreme and polarized viewpoints, and a further erosion of the cohesion between the different parts of society. A dynamic that over time may become a dangerous destabilizing factor in some democracies where the boundaries between truth-telling and falsehood may gradually be erased in pursuit of optimizing user targeting and engagement. Examples of this can already be found in the debate and news coverage in the US today where the credibility of news is constantly being contested through the concept of "fake news", and a deep detrimental chasm has been created between leading media outlets on either side of the political spectrum (e.g. Fox News vs. CNN, New York Times and Washington Post).

### *2.4 Conclusion*

Safeguarding democracy while building a thriving business has always been a balancing act for a commercially driven news media company. A balancing act that has only become more challenging with ever growing competitive pressure to differentiate through providing a data-driven personalized offering to each user. This requires every serious news media company to continuously assess what content to lock behind paywalls versus making available to the wider public, and to what extent content should be personalized to the individual user to increase engagement and reduce churn. It is a slippery slope that requires a strong steering model with clear guardrails to stay the course. Within this steering model, computer algorithms may provide valuable input on what content drives conversion and engagement, yet they cannot replace the need for a strong moral compass and professional integrity of employees/journalists that will time and again need to make difficult decisions on what content to offer. This may involve fronting content with limited commercial value yet serves an important societal role. These conscious decisions are made everyday across newsrooms, but there is a constant need to review both the steering model and factors that can compromise and put the moral compass under pressure.

Part of this involves a greater public acceptance and willingness to pay for quality digital news that can ease the competitive pressure. Users and society more broadly simply need to come to terms with the fact that digital journalism at the core is a product on equal footing with other consumer products and that developing quality journalism, also digital, comes at a cost that needs to be recuperated. This still holds true, even if serious journalism serves a critical societal role as well.

Luckily data usage and personalization are also evolving – and it is not all in a dystopian direction. So far, personalization has primarily been focused on unlocking opportunities through providing more content of a similar nature. However, promising initiatives within personalization is starting to tap into opportunities by enticing users to consider content with opposing viewpoints as a way to drive conversion and engagement. If successful, the result is likely to be a more balanced view that can partially mitigate polarization. While mechanical in nature, this is a clear example of how technology can be leveraged in a smart way to provide a better offer than what is available today, yet will not compromise the safeguarding of democracy.

## 3 ESG – system change or placebo?

The world is facing existential systemic risk from climate change and deteriorating health of ecosystems. To limit global warming to 1.5 degrees, global greenhouse emissions would have to peak before 2025 and be reduced by 43 % by 2030. UN-backed IPCC (Intergovernmental Panel on Climate Change) and IPBES (Intergovernmental Science Policy-Platform for Biodiversity and Ecosystem Services) call for immediate and deep action to combat climate change and biodiversity collapse. The safety and prosperity of current and future generations are at stake.

The task ahead is enormous and requires systemic transformation of our established mode of production, consumption and life. All parts of society have to take responsibility to mitigate and adapt to climate change and ecosystem crisis. Governments, the private sector and civil society are all called upon to reduce fossil fuel use, improve energy efficiency and bring about changes to lifestyle and behavior. The financial system and the private corporation are believed to play a particular important role in this transformation. Partly because our existing economic system has been driving force in accelerating the crisis, but mostly because it is seen as a necessary force in mobilizing and scaling change.

The dominating neo-liberal capitalist ideological platform of established economic thinking has produced high economic growth, but at the expense of environmental and in many domains societal resilience and prosperity. Production, transport and consumption of goods has fueled an exponential increase in GHG emissions, waste and extraction of natural resources and put enormous pressure on the global ecosystem, way beyond its carrying capacities. In addition to environmental destruction are traditional business model and the chase for ever growing profits linked to human right violations and social costs. Business models based on globalized supply chains based, reliance on fossil fuel energy and mass consumption have come with human and environmental cost. Outsourcing production to countries with low-cost labor and limited environmental regulation has to a large extent served to hide societal and natural costs of a product to the end consumer.

The current environmental crisis is bringing the negative and social effects of conventional business models and economic thinking into light. The legitimacy of the current economic system and the corporation is thus increasingly fragile. There is a growing sentiment that corporations and the pockets of a privileged few are robbing the many of the opportunity to prosper and thrive, now and in the future. In particular younger generations express growing concern with neo-liberal capitalism and blame it for the societal problems they will inherit in the wake of climate change, such as massive flows of migration, instable political systems, food insecurity and growing inequality.

In relation to a growing public critique are signs of an emerging ideological debate about the effectiveness of the current economic system and the modus operandi of the corporation. The managerial and regulatory discourse is infused

with language of “transformational change”, corporate responsibility and ESG investing (Environment, Social and Governance). Implied beliefs of the current mode of capitalism, such as the obligation of private corporations to optimize profits and care for shareholder interests, are in several high profile cases brought out of its taken for granted shadows and made debatable. Facebook whistleblower Francis Haugen for example used language familiar to capitalist critique such as “profit over people” to pinpoint the dynamic that led the Facebook corporation to systematically ignore evidence of social media´s negative impact on human beings and democracy in order to keep making more money.

Increasing use of ideological and system based language in relation to business could suggest that the climate and sustainability discussion could be fuelling a deeper economic system transformation. Below follows a short illustration of some of the leading thoughts and ideas connected to corporate sustainability and ESG. The illustration aims to start a discussion about underpinning beliefs of the emerging “change” rhetoric and whether or not they signal deeper change in the logic of corporate decision making. In sum, a closer look at some of the dominating developments in the corporate sustainability discourse suggests that we should not be too quick to conclude that systemic change is coming any time soon. Established capitalist beliefs such as the rational market and the rational decision maker still seem to dominate the narrative of the corporate responsible and successful corporation.

### *3.1 Regulation of corporate reporting and the rational market of sustainability information*

One dominating development in the corporate sustainability discourse is tied to regulatory development. In several jurisdictions, including the EU and Scandinavia, some form of reporting on corporate sustainability has been obligatory for listed companies for some time. However, the requirements have been loose and given corporations the flexibility to decide what and how much information to disclose. The most ambitious companies have used voluntary frameworks such as GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board) and TCFD (Task force for Financial Climate Disclosures) to report systematically on their sustainability impacts and performance. These frameworks have been developed and maintained by different NGOs to hold companies accountable to society and investors on sustainability risks, but has to limited degree been regulated by systemic audit or government rules. This is about to change.

Several jurisdictions are now tightening regulations on corporations´ duty to report on how it impacts and cares for social and environmental wellbeing. Following the growing political attention climate change has received in later years, with the Paris agreement to reduce global warming to 1.5 degrees followed by green policy programs such as EU green deal and the US´s build back better, sustainability reporting is now becoming mandatory to a broader scope of companies. EU is leading the way in this regulatory development, but the U.S. and UK has taken important steps to make climate reporting mandatory for listed companies.

In the EU, the new corporate sustainability reporting directive (CSRD) is expected to set a new standard on sustainability accounting and reporting from 2024. With this framework companies have to relate to a set of detailed accounting standards on sustainability reporting, ESRS (European Sustainability Reporting Standard), which requires detailed and quantitative data on historic and future ESG performance to be reported as part of their official annual report. Parallel to this European development, the international accounting board IFRS has its own initiative to develop a global baseline for sustainability accounting through the development of new ESG reporting standards developed by a newly appointed separate board ISSB (International Sustainability Standards Board).

This web of regulatory development is often portrayed as a dramatic shift in corporate accountability that will change the rules of the game for the corporate sector. However, the rationale underlying this regulatory development is to a large extent based on the continued belief in the well-functioning financial market, the rational economic decision maker and the social progress that comes from profit seeking corporations. Even though the need to extend corporate accountability to more stakeholders is part of the emerging regulatory discussion, the dominating idea behind the need for more standardized sustainability accounts is the need to feed the financial market with better information to assess and manage the climate risk of its portfolio in order to make more rational financial decision making. The assumed convergence between the ESG friendly corporation and the profitable corporation is fundamental to the idea that reporting regulation will make capital flow to more sustainable companies. This assumption is based on the idea that companies that face higher risk in the face of climate change will be computed to be less attractive as an investment object, and thus that capital will shift to more climate resilient sectors and companies, such as renewable energy and circular economic business models.

Both the EUs sustainable finance program and the new sustainability accounting standards from ISSB (International Sustainability Standards Board) builds on the underlying rationale of the corporation is primarily accountable to financial markets. The continued belief in the rationality of the financial market can also be seen in the growing market of ESG rating agencies. The role of these agencies is to feed the financial markets with systemized information about company sustainability performance in the form of grades of corporate sustainability scores based on reviews of company´s exposure to ESG risk and management´s ability to handle risks and grasp opportunities. The dominant focus of such companies is not to evaluate the relative environmental and societal impact of companies, but to

evaluate the financial risk of a company´s ESG risk exposure and the ability of management to reduce this risk. The growing importance and use of such agencies with emerging calls to regulate this "new" sector illustrates how the overall discourse of the sustainability information ecosystem of the financial market is central to the regulatory discourse.

Will mandatory regulation on corporate sustainability disclosure lead companies to change its activities in a sufficiently deep and rapid fashion to reduce GHG emissions and rebuild a healthy ecosystem? More standardized metrics on GHG emissions and waste provides better information about whether a company´s climate performance is good or bad relative to its own targets, historical data or peer performance. However without an objective reality of necessary emission reductions, it will be difficult to assess whether a company´s performance is good enough. And as discussed investment firms will only count such information about climate performance as important to the extent that reduction in climate emissions is believed to influence a company´s financials in a positive way. This means that if companies can persuade itself and investors with stories of financial resilience that does not include costly shifts in technology, supply chains, or worse de-growth or acknowledgment of stranded assets they are currently incentivized to do this. It is still financial performance, not climate performance that in the end counts.

Moreover, requirements to be more open about climate impact, risk and performance will not in itself mean necessary action is taken by corporate management to reduce negative impact and transform business models to align with a sustainable planet and society. For ESG reporting to be effective in transformative change, managers have to act upon sustainability data. This in term requires management who cares, values and commits to transform its business and reach sustainability goals.

### *3.2 Sustainable managers – can they save the day?*

Alongside the discussion of corporate sustainability reporting we se an evolving discourse on new modes of sustainable corporate management. Herein we find concepts like climate risk management, Diversity Equity and Inclusion (DEI) management, triple bottom line and stakeholder management. The emerging image of the successful sustainable manager in this web of ideas is similarly to the discourse of sustainable corporate reporting the manager who understands how sustainability poses a financial risk factor or strategic opportunity to the company and who is able to manage risks and explore opportunities in the most effective way.

The strong focus on climate risk in the management discussion underpins this belief. Climate risk management refers to managerial ability to handle the physical and transformational risk climate change poses to corporate assets and future cash flows. Rational successful managers is believed to understand and take action to reduce this risk, including reducing its own climate impact and reliance on fossil fuel, and building net zero resilient business models. In other words, managers are acting sustainably by continuing to maximize profit and reducing financial risk. Climate resilient business models are expected to become the dominating corporate model, not because companies are taking responsibility to develop a safe and healthy society, but because this is the model that over time will be able to produce shareholder value and avoid bankruptcy.

Even though concepts such as the stakeholder, interconnectedness and integrated thinking are becoming commonly used to depict how management should care for a multitude of interests, there is limited explicit discussion about how such integrated decision-making plays out in practice and which tools management can use to weigh and balance different interests and values. This lack of explicit discussion about new decision making models could suggest how such concepts also are underpinned by the persuasive rhetoric that profit and societal interests somehow will converge. In this convergence there is no need to discuss difficult questions such as how moral judgment and the evaluation of the relative importance of different type of values will and should be exercised by managers. For example, what if the cost of shifting a business model to renewable energy or circular resource flows will cause the short to medium term shareholder value to go down? Should managers accept a reduction in financial value when the environmental value is high? Who will reward the manager for giving more weight to the value of environmental stability over the value of capital increase, and ensure that this manager keeps her position and is able to keep the company financially viable in the short to medium term?

This means that even though change is a key term used to present a lot of "new" ideas labeled to corporate sustainability management or ESG, the dominating line of thought does not suggest that managerial concern for climate and society require any kind of fundamental changes in management logic. Embedded in language of sustainability is a continued belief in the implied rationality of managers and the existence of an invisible force that will converge financial and societal rationality into common good.

### *3.3 Calls for deeper system change*

The short discussion above suggests that governing beliefs such as profit maximizing corporations and the invisible hand underpinning the current neo-liberal capitalist system continues to dominate the developing corporate

sustainability discussion. However, there are examples of more critical voices in the managerial and regulatory discourse that challenges the traditional economic logic and calls for more transformational system change in the way we think about the role and responsibility of the corporation.

Parts of the emerging managerial literature highlight the potential tension and conflict between economic and sustainable action. The former CEO of Unilever Paul Polman for example introduces the concept of the "Net Positive" company. Embedded in this concept of corporate value lies the idea that managers ultimately have to preserve the social legitimacy of the corporation (not optimize profit) by ensuring it has a clear societal purpose and contributes to creating some form of positive societal value, e.g. by contributing to solving societal problems rather than causing them. Polman challenges the mainstream idea that the ultimate responsibility of the corporation is to maximize profit, and that financial and societal value will automatically converge.

Different from the dominating belief in the smooth transition to sustainable finance, this line of thinking suggests that capital will not automatically flow to sustainable investments. Capital interests are often short term. Managers will therefore need to exercise agency to actively manage and challenge financial interests and expectations by seeking owners with long-term perspective. This type of discussion highlights the challenges the current financial market and aggressive shareholder maximization logic could pose in the sustainable transformation of the economy. It also highlights how the dominant focus on the manager as the rational decision maker will be insufficient to create change. The manager will need to work hard to become the hero and also take role as a global citizen.

A somewhat alternative notion of managerial logic is also part of the concept of double materiality that forms the cornerstone of EU regulation on corporate sustainability reporting. Different from the dominating focus on singular financial materiality and financial accountability, this concept makes an explicit requirement for corporations to report on the risks and effects a company has on the environment and people in and for itself, not only to the extent that it is believed that sustainability risks impact financials. Even though the idea of interconnectedness and alignment between societal and financial materiality overall is more discussed in EUs sustainable finance program, the belief that tension and conflict exists is part of the reason why double materiality is a sacred concept to EU regulators. It is put in place to make sure that managers have to give due consideration to the societal and environmental impact of decisions in its own right, and herein extends the notion of accountability to the broader society and nature a corporation depends on. The concept of double materiality is still immature, and it remains to be seen how this concept will be incorporated into managerial decision-making models and modes of reasoning.

Voices within the financial sector are also concerned about the strong reliance society is currently placing on the financial system to save the day. These voices highlight the conflict between the long term and human logic in investment that is required to solve the climate crisis and the current financial short-termism that governs investor logic. They further highlight the fragility of a transformational system change program that either relies on the same system that caused the problem to fix it, or puts its faith in enlightened managers and investment officers who choose to do the right thing and outlive the capital market pressure to show growth in quarterly earnings.

Some voices go as far as to suggest that the current form of the corporate sustainability discourse is on track of producing a dangerous placebo. Tariq Fancy, a former sustainable investment chief at Black Rock suggests that the whole sustainable finance discourse ultimately will not work because the underlying institutional logic of the financial markets to maximize short term financial value will not automatically change. He suggests that the whole ESG (Environmental, Societal and Governance) discourse mostly serves to pacify politicians and civil society from making real hard decisions to regulate corporate action and putting a price on waste and pollution.

Leakages from the financial sector have also illustrated how the uncomplicated convergence between the sustainability seeking corporation and the profit seeking investor is a pipedream. The ex Chief Responsible Investing Head at HSBC was so bold as to tell the truth, and suggested publicly that for the general investor climate risk should probably not be seen as a particularly important risk factor. Climate change will develop slowly and the risk to a particular company in a particular sector or geography will be difficult to accurately calculate. For most rational investors, other risk factors, such as inflation and energy crisis has more acute impact on economic development. He lost his job.

### *3.4 What will it take for new models of corporate accountability to take over?*

For politicians and civil society it is easier to believe that the current economic system will self-correct and solve the deep environmental crisis it has played a large role in producing. Driving systemic changes in models of corporate accountability is far more challenging than hoping that things will incrementally change for the better within the existing system. Unfortunately the world does not have the time to hope. Deep and rapid change is required to avoid dangerous environmental tipping points.

There lies the potential for a new mode of managerial accountability to emerge from concepts such as double materiality and the socially net positive company. This will however require strong underlying beliefs of neo-liberal economic thinking to be explicitly challenged by alternative economic and managerial models. Such models have to

make concrete how corporations should act and make decisions if profit maximization and the primary fiduciary duty of the corporation cannot be the Holy Grail. Can managers be held to account for balancing and weighing different sets of values without becoming a moral subject? And if morals is what will define whose interests are prioritized, how can we ensure that all companies see the world of moral choices and value in a similar way?

If rational economic logic is what shall solve climate crisis and align economic action with societal well being, the environmental and societal costs and benefits somehow needs to enter the economic equation. Several call for higher environmental taxes and costs of carbon to change the incentives of economics. Others suggest that accounting models also need to change. For example, an NGO called reporting 3.0 has published blueprints suggesting how corporate accounting models play a crucial role in this change, as they can make social and environmental costs and benefits calculable in the same value as money. This would allow for more objective decision making, instead of relying on managerial subjective moral capacity.

A combination is probably the best way to go. Herein lies a historical opportunity and challenge for the accounting profession. For how can hard to measure costs and benefits, such as environmental and societal impacts and value, be calculated in a fairly objective and fair way? And who will take lead in evolving accounting and economic thinking to incorporate such costs? Will companies themselves need to build their own cost and value models? Or will the academic field of accounting research step up?