

Evolutionary Leadership for Building Sustainable Organizations

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The Emerging Sustainable Paradigm

A new paradigm for business and society is emerging in which business is being asked, and in some cases pushed by social forces, to assume greater responsibility for social dimensions: the well being of the communities in which it operates, the impact of operations on the local and global environment, and even the relationship between consumer and producer. This new social framework includes business as a partner in the process of problem solving and drives innovation throughout society. Business is no longer only a source of economic production but also a participant in the development of socially just and ecologically sustainable social systems. Accounting for business impact across the three complementary dimensions of social, environmental and economic impact, known as the “triple bottom-line”, provides a basis for a new business and societal paradigm¹.

Businesses assuming responsibility for this triple bottom line commit themselves to an evolutionary process that requires change, learning, and a new worldview, that is, a new way of thinking and perceiving our world. Change toward sustainability is a process that presents a leadership challenge. In order for organizations to navigate this evolutionary journey, they need a new kind of leadership that:

- is educated in perceiving and understanding complex systems
- understands the scientific principles of sustainability, and
- is capable of envisioning and actualizing the sustainable future of the organization or the community.

We can call a leader that combines these characteristics an “Evolutionary Leader”.

This type of leadership does not come easy for leaders in today's businesses and organizations. In fact, CEO's or senior managers may have committed to become a responsible or sustainable business without having the competencies and the processes to lead the organization toward this goal. This paper presents the core competencies needed by an organization for the continuous evolution toward sustainability.

Core Leadership Competencies

Leaders who commit to lead social responsibility in organizations or build sustainability in communities also commit themselves to a journey of personal transformation. This change begins with fundamental assumptions that we inherit from socialization and education processes. The dominant modern worldview, based on the Cartesian legacy of linear and materialistic thinking, is one such example. From the Cartesian cognitive framework, the world is a

metaphoric machine and human beings are separate from nature. The worldview of the Evolutionary Leader, on the other hand, is based on a systems view of life, whereby we perceive and respect the interconnectedness of living systems, human beings, and the biosphere. This is a worldview that sees whole systems and interdependent cycles of which we are a part.

Leadership is a way of being, a way of perceiving the world, as well as an “Activity” in which skills or competencies are used to mobilize people to take actions that bring about a desired future. Evolutionary Leaders, besides developing an appropriate worldview, are also educated in a set of competencies or disciplines that support them in managing and creating the socially responsible and ecologically sustainable business and communities. To lead an organization through its adaptive changes, leaders need a new set of powerful competencies that can complement their more traditional leadership competencies. We propose the following five competencies as the basics for leading an organization toward a sustainable future:

1. Vision and back-casting.
2. Language and conversations.
3. Systems thinking.
4. Scientific understanding of sustainability.
5. Culture and Organizational learning.

1. Vision and Back-casting

The most common trait among successful leaders is the ability to develop and communicate a vibrant and compelling vision of the future. Evolutionary Leaders have the capacity to envision not only the details of traditional business concerns, such as the development of new products and growth in market penetration, but also include issues of social and environmental context. Evolutionary Leaders create and sustain an intention in the design and development of the enterprise in order to work for continuous improvement in the triple bottom line of economics, society, and environment.

Visionary leaders need not be heroic leaders; rather they need the ability to see eye to eye with others and engage the rest of the organization in creating a shared vision. They have the capacity to use language, conversations, and daily actions to involve others in the growth, development, and achievement of that vision.

The essence of a shared vision lies in bringing personal visions into harmony with a larger organizational vision. Personal vision cannot be dictated, and implicit in a shared vision is differences in perspectives

regarding the same goal. If the vision is truly shared, responsibility for success does not rest on any one individual's shoulders. Instead, shared vision gives people a genuine sense of responsibility for their actions, and every member of the organization shares responsibility for the collective result. When the shared vision includes social and environmental aspects, individuals in the organization will be motivated and encouraged to achieve those goals.

Once there is commitment to a shared vision, the journey requires that leaders at all levels of the organization mobilize the people and the systems toward achieving a sustainable future. The process of organizational change demands the collective intelligence of the whole organization, and cannot be accomplished through mandate from the top of the organizational hierarchy. Back-casting is a participatory tool for reorienting internal business processes toward the new goals of sustainability.

Back-casting

Back-casting involves "looking back from the future" in order to link a vision of a future desired state to the current situation, and to develop a strategic plan of action that defines the path to the desired future. When sustainability is part of the vision, the enormous gap between current reality and a sustainable future can make the vision appear hopelessly unattainable. Often organizations and institutions, without a shared vision for a sustainable future, pursue solutions that only address symptoms rather than systemic causes. This can create stumbling blocks and foster a dependence on quick-fixes. Real solutions create flexible platforms for progressively more sustainable practices, which serve as a springboard for future measures and innovation rather than a quick-fix to a current problem that leads to dead-end or costly future options.

The key to back-casting is the development of the flexible platform.² The platform is a place of dynamic stability between current reality and the vision. The platform may be an improvement in a production process, a substitution for more sustainable materials, or a more effective and productive means of communication with stakeholders. Creating a platform for innovation should stretch the capacity and creativity of the organization, and in the process, bring it closer to sustainability. Interdependent and attainable goals constitute a platform. A set of clear goals is important in the generation and maintenance of creative tension in the face of the seemingly insurmountable technical and systemic challenges to achieving real sustainability.

The advantages of back-casting become apparent when contrasted with the traditional forecasting approach of many companies. In forecasting, a company may review its current impacts and set targets that incrementally reduce its impacts year after year. The process never challenges the current mindsets and patterns that are part of the problem and encourages a piecemeal approach to complex problems. Forecasting rarely produces more than incremental changes, whereas back-casting produces innovative leaps. By starting from a place of future success, back-casting promotes radical solutions that may not have been considered possible in the current reality and draws on the entire organization's resources to create the desired reality.

2. Language and Conversations

" We human beings are human beings only in language. Because we have language, there is no limit to what we can describe, imagine, and relate."³

Perhaps the most powerful tool available to leaders is language. Effective leaders are directors of language communities. Leaders live in a rhetorical world where their selection and use of language is what makes them more or less effective. The power for inventing a new vision takes place within language, in the act of declaration, and is manifested through the types of conversations that a leader chooses. Leaders choose not only the conversations that they have with themselves, but also influence the nature of the conversations in the organization. Those conversations can support or prevent the organization in moving toward its vision.

Managers live in a rhetorical universe where language and conversation is constantly used to get things done, to set the direction for the company, to coordinate actions toward the goals, to influence others, to build teams, to create and manage important relationships, and to envision new products and innovations. Rhetoric is used well when it mobilizes actions of individuals in a way that contributes both to the individual aspirations and to the performance of organizations as a whole. Evolutionary Leaders recognize the power of language and conversations, and are competent in using specific types of conversations to achieve their vision.

Keen observers of management and its relationship to language, like Fernando Flores⁴ and Robert Eccles⁵, believe that language is the core competency that all managers and leaders should be skilled at. Language allows us to create visions and reality, persuade others to collaborate, and evoke from others promises to take action and

achieve results. When an Evolutionary Leader uses the power of language to invent a vision of sustainability and to mobilize people to make that vision the new reality, a vocabulary of sustainability will begin to emerge in the organization: new words like ecological footprint, living systems, zero waste, and the vocabulary of the science of sustainability will become part of the culture of the organization. In their role as leaders of language communities, leaders influence the networks of conversations that give life to the organization. By hosting participative, strategic conversations to involve the collective intelligence of the organization in dealing with the challenges facing the organization or community, Evolutionary Leaders leverage their conversations in making their vision a reality.

3. Systems Thinking

“Systems thinking is a framework for seeing interrelationships rather than things, for seeing patterns of change rather than static “snapshots”. It is a set of general principles from science, ecology, and social sciences”.⁶ Systems thinking is a competency for understanding the behavior and dynamics of complex systems like organizations, ecosystems, and economies. Evolutionary Leaders, concerned with the performance of organizations as well as with society and the environment, must have a firm grasp of the fundamentals of systems thinking.

A systems perspective involves a shift in thinking that goes from seeing parts to seeing wholes. It involves recognizing our own role in manifesting our desired future. As Peter Senge says, it is to go “from seeing people as helpless reactors to seeing them as active participants in shaping their reality, from reacting to the present to creating the future”. When we go beyond a focus on the individual parts of a problem, we can begin to understand the dynamics of the parts, their interrelationships, and the behavior of the whole system.

Systems thinking is also a language, and one’s language shapes perception. What we see depends on the kind of observer that we are, the worldview and distinctions that we hold, and what we are prepared to see. As a language, systems thinking allows for communicating about the relationship between the parts of the organization and its overall performance, the dynamics of the whole system, and complexities in the societal context.

Leaders who learn this language and develop a systemic worldview become systems thinkers, observers, and designers of their organizations and of their world. They become proactive and more effective in shaping the behavior, patterns, structures, and events of

organizational systems, leading to performance that is in better alignment with the vision and purpose of the organization.

At whatever level of power and influence they happen to be in the community, department, organization, or society, systems thinking capacities will strengthen the effectiveness of Evolutionary Leaders. Systems thinking will enable a more complete understanding of the context within which organizations operate, and thus inform the development of sustainable organizations.

4. Scientific Understanding of Sustainability

“Once we have a solid understanding of the rules of the game and what constitutes a successful outcome for that game, we can develop strategies, evolve processes, take specific actions, employ useful tools, set targets and assign metrics that contribute to achieving our ultimate goal: winning the game—creating a sustainable global society.”

In order to bring the direction of the organization's development in line with sustainability, leaders need a scientific understanding of the conditions that define sustainability. The systems conditions promoted by Karl-Hendrick Robert, founder of The Natural Step, are the result of broad scientific consensus. These basic principles derive from laws of physics and nature and provide boundaries for creating sustainable systems.⁸

The Natural Step defines the first order principles of sustainability as follows:

In a sustainable society,

*The biosphere (nature) is not subject to systematically increasing concentrations of substances extracted from the earth's crust, and

*The biosphere is not subject to systematically increasing concentrations of substances produced by society;

*Nature's functions should not be systematically impoverished by physical displacement, over harvesting, or other forms of ecosystems manipulation that destroy the ecosystem's ability to renew itself.

*In society resources are used fairly, efficiently, and responsibly in order to meet human needs worldwide.

The Natural Step systems conditions are rooted in the Laws of Thermodynamics and the history of the planetary evolution. A leader with a solid understanding of these systems conditions or “the rules of the game” can develop strategies, evolve processes, and take specific actions that contribute to achieving sustainability. In addition, by evaluating the impacts of the activities and goals of a business against each of the four systems conditions, a scientific understanding of its impacts on social and ecological systems is developed.

The Natural Step also gives a business or a community a common language to draw on when discussing sustainability. This enables scientists, engineers, management, and strategist to learn together effectively. Having a common language facilitates the development of shared vision and the communication of changes and innovation in manufacturing processes, business processes, and goals.

The Washington city of Whistler has chosen to adopt The Natural Step framework as a common language to support the implementation of the Whistler Environmental Strategy. The “learning community” has used the TNS framework to develop a common mental model of sustainability and to create common training programs and toolkits. All residents, second home owners and business have been invited to start their own journey toward sustainability through an integrated program known as “Whistler. It's Our Nature”.⁹ Already numerous improvements have been made in environmental management at the ski resorts and industries throughout. Perhaps most importantly, the municipality understand that it has embarked on a journey of social and cultural change that will happen over time and in many different ways.

5. Culture and Organizational Learning.

The culture of an organization contributes to individual creativity and productivity and often determines the values, the behaviors, the understandings that people maintain and act on. In order to function well, an organization must have a culture that supports its purpose, vision, strategic objectives, and the well being of the people working in that organization. Culture, when consciously designed by management, is a powerful element in the performance of the organization.

Most organizational cultures emerge over time, without attention to their design or strategic role. The result is that the culture is taken for granted and is not perceived as a key element in the success of the business. Thus, a major role of leadership is to be the architects and caretakers of the corporate culture. In mobilizing an organization around sustainability initiatives, the leadership has to be aware of how

the culture works in relation to other key structural components and processes in the organization.

Leaders in the design of organizational cultures will face challenges along the way. First of all is the challenge to be authentic in declarations of values and the kind of culture that they espoused. In addition, a continuous challenge is in being perceived as “walking the talk” of the values and vision in everyday practice.

A corporate culture that supports sustainable development promotes values such as corporate citizenship, quality, innovation, recycling, and sustainability and fosters a climate of learning, communication, team work and creativity. In such a culture, people can bring the best of themselves to their tasks and roles. They can utilize their intelligence and potential in the service of a vision of a company that renews the systems of society and rewards their efforts.

The organization pursuing sustainability is a training ground for Evolutionary Leaders at all levels. These leaders can take their experiences, learning, and sustainable practices into other areas of their lives, such as communities, schools, and homes. The organization becomes a learning organization for human development and product innovation based on sustainable principles.

A Conscious Evolution

“The great challenge of the twenty-first century will be to change the value system underlying the global economy, so as to make it compatible with the demands of human dignity and ecological sustainability.”¹⁰

To create this new paradigm of sustainability, requires changing the unsustainable mind that we have inherited from our culture and the industrial revolution of the last two centuries. The work of evolutionary leaders is multidimensional, it requires leadership development as well as organizational learning and evolution. By developmental, we mean that the leaders engage in a process of self transformation, or personal learning of a new worldview, they become new observers of the world, and declare a purpose or vision that contributes toward sustainability. This leadership development also requires learning new competencies, or languages. This dual process of personal transformation and learning new languages has the benefit of producing a whole new type of leader, that can achieve personal satisfaction by engaging in this evolutionary journey, but also the satisfaction, of inventing new

products and services that are good for people, the business, and the planet.

NOTES

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