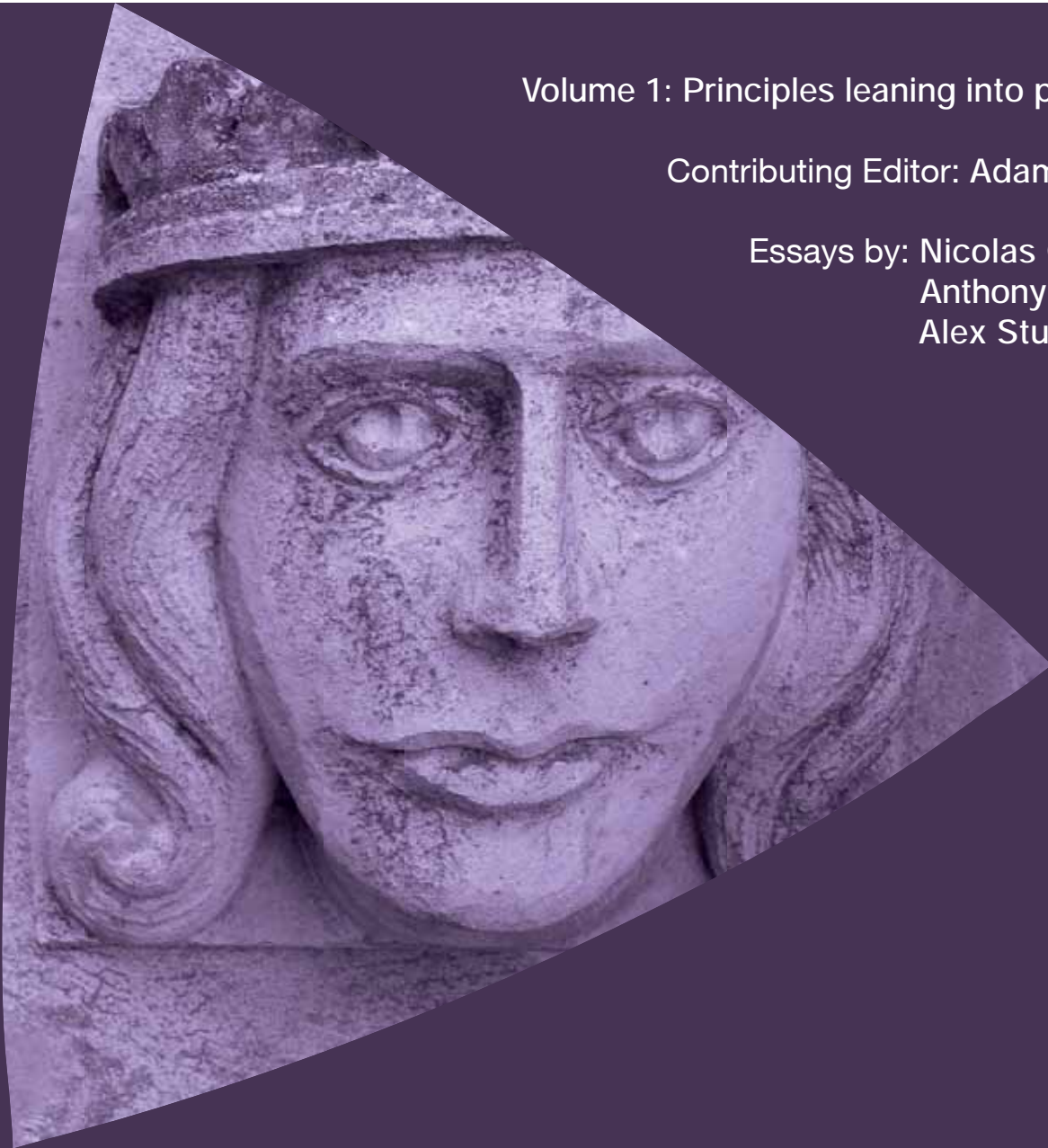


# THOUGHTS ON SUSTAINABILITY

Volume 1: Principles leaning into process

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# INTRODUCTION

Kai Peters, Chief Executive, Ashridge Business School

This series of essays can be read on a number of levels. At a very high level, the essays reflect a deeply rooted questioning of the philosophical premises which have shaped Western society: the belief in rationality, cognition, expansion, and consumption supported by a world of unlimited resources. While it has become clear over the past 30 years that this world view is unsustainable and that resources are increasingly under strain, a new paradigm has not yet emerged which provides a clear way forward.

To this end, the essays by Alexandra Stubbings, Nicolas Ceasar and Anthony Kasozi each represent well reasoned insights into how a new paradigm could look. In her essay, *An ecological mindset: developing a new level of consciousness*, Alexandra Stubbings traces the development of Western thought, by way of Copernicus, Bacon, Descartes and Kant to the present impasse. The new mindset, she suggests, needs to be holistic and integrative, long-term, sensitive, adaptable and mindful. Anthony Kasozi takes another approach by deconstructing what we understand growth to mean. He suggests that growth needs to be reframed away from the focus on increasing consumption and increasing volume to a focus on personal growth and insight, instead. Nicolas Ceasar, in *The art of happiness in pursuit of sustainability* illustrates that not only do we need a new mindset to become sustainable ecologically, but also that we need a new mindset as the present one simply does not make us happy. More does not mean happier. Consumption does not provide gratification. Again, we need a new way of looking at things.

The essays also tackle issues important to sustainability at a more primal level. We now rationally know that the present path that the world is on is not sustainable, yet we do next to nothing substantial about it. Is there thus something in our nature, rather than in our nurture, which stands in the way? Are we pre-programmed from the time of the dawn of homo sapiens to think in the short term, to consume as much as possible while the going is good, to favour our own clan over the common good? How else can one explain the larger behaviour patterns which are manifested in national refusals to sign up to Kyoto or to carbon trading schemes. Alas the "last man standing" philosophy which guides this behaviour is predicated on the basis that the natural world can recover to suit the last man, even when evidence suggests that a destroyed environment simply cannot recover – extinct species do not simply re-emerge to another day's light.

While it cannot be a criticism of a series of essays that there is no clear "solution" to our present problems, reflecting for a moment on both the philosophical and socio-biological origins of our present predicaments makes one realise the importance of striving towards a solution. Alas, it gets worse before it gets better. Total consumption can be seen as an equation in which the total number of consumers is multiplied by each individual's consumption. Stubbings quotes Paul Ehrlich asking why we are ignoring the present population explosion which is clearly exacerbating the situation. Ehrlich suggests that we cannot see the threat of gradual changes. If that is the case, then there are only

really three choices. The first is to do nothing and see how big the mess becomes. The second is to be so successful at developing an alternative mindset that we collectively act in a way which leads us onto a new path. The third is to begin to use some of the tools that we have in combination with the small green shoots of a new mindset and learn on the way. I'm not putting odds on the likelihood of either of the first two approaches. I'll leave that to the discretion of the reader. The third way is the way suggested in the final essay, *Sustainability as a relational practice*, by Adam Faruk. This approach, based on Faruk's extensive experience with sustainability reporting models (GRI and AA1000) and his more recent experience with dialogue and emergence, combines measurement with an effort to broaden the acceptance of the measurement system. He also emphasises the need to look at measurement systems in the round, rather than to focus on only one particular criterion, whether that be carbon emissions or diversity preservation or any other single factor.

This "cahier" of essays forms the first of three parts. By reflecting on the philosophical underpinnings of the system in which we live, these principles are clearly stated and can thus better be challenged. Challenging the philosophy, however, is not enough to make something change. To that end, the last essay provides a preview of essays which will appear in the course of the next few months... to make an alternative Weltanschauung actionable.



Kai Peters  
Chief Executive  
Ashridge Business School

# AN ECOLOGICAL MINDSET: DEVELOPING A NEW LEVEL OF CONSCIOUSNESS

Alexandra Stubbings, Ashridge Consulting

**“No problem can be solved from the same level of consciousness that created it.”** Albert Einstein

Open just about any newspaper or magazine these days and you will probably find a section offering hints and tips for being more ‘environmentally friendly’. But that’s the thing, it’s just a section, a page in a paper that can sit opposite an advertisement for the latest SUV without any seeming realisation of the irony. Indeed one glossy publication, a magazine devoted to beautifying one’s home, recently featured a couple’s house built and furnished entirely with reclaimed materials and junk shop finds. Unfortunately the magazine went on to offer their readers ideas to ‘get the look’ with newly manufactured mass-produced items available in High Street stores. How was it that the clear message the couple were trying to convey was so utterly lost on the magazine in question?

In a similar vein, George Marshall<sup>1</sup> highlighted such an inconsistency of thought in a blog entry, *Death of a 1000 tips*, in which he gives the example of the recent drive to reduce plastic bag usage. He claims that the average Brit uses 134 bags a year – admittedly an unnecessary excess of non-biodegradable waste – but which only account for 2 kilos of the typical 11 tonnes of carbon emissions for which he or she is responsible per annum. Yet for a short period plastic bag reduction was big news for the Government and the media. Whilst comparatively trifling details become amplified in the common consciousness, the bigger issues remain unheeded.

I offer these examples – sections in magazines, the focus on the ‘little things to save the planet’ – because they tell us something

about how we think, the predominant Western (and now indeed global) mindset through which we construct our early 21st century reality. This mindset, a collection of beliefs and assumptions developed over millennia, perpetuates a ready myth of an infinite, resource-rich world that we inhabit and yet are outside of, where we can be protected from ‘nature red in tooth and claw’, that is pliable to our wills and, crucially, is our own, to shape to suit our wants and needs. Such a way of seeing was no doubt less of an issue when our numbers were far fewer and we were not so widely dispersed. But our population has risen so dramatically in recent centuries, and our desire for ‘more and better’ driven us to consume so much, that we have reached and massively exceeded the material limits of our finite planet. Our way of thinking is not only an anachronism; it has brought us to the brink of social and environmental collapse.

There is ample evidence available for the urgent need for fundamental global change; I will not repeat it here<sup>2</sup>. Yet the principal global response so far is fundamentally a positivist, scientific, and somewhat heroic one, as if we must rescue ourselves from an environment out of control. Witness the rhetoric of ‘saving the planet’ and ‘solving climate change’. Our environment has been problematised, identified as a puzzle to be solved, for which most of the so-called solutions are technological (carbon capture, hydrogen fuels, renewables), or expressed in terms of self-denial and killjoy deprivation, (fewer foreign holidays, turn down the thermostat, buy less stuff). These responses, for me, are evidence that we are stuck in our prevailing mindset; to paraphrase Einstein, we are still thinking, and trying to solve our ‘problems’, from within the same level of consciousness.

<sup>1</sup> <http://climatedenial.org/2007/09/18/death-of-a-thousand-tips/>

<sup>2</sup> For a good summary of the evidence see the Royal Society’s *Climate Change Controversies*, <http://royalsociety.org/page.asp?id=6229>

Donella Meadows, the famous systems thinker, identified twelve 'leverage points' to intervene in a system.<sup>3</sup> She defines leverage points as 'places within a complex system, (a corporation, an economy, a living body, a city, an ecosystem), where a small shift in one thing can produce big changes in everything'. Number two on her list is 'the mindset or paradigm out of which the system – its goals, power structure, rules, its culture – arises'.<sup>4</sup> Change the paradigm and transformational, whole system change will follow. Meadows is quick to emphasize, however, that changing the paradigm is probably harder than changing anything else on her list. Individually we can make the shift in a moment, experience an epiphany that fundamentally alters our perspective and results in a new mindset. At the level of society it is much more difficult and history offers many examples, secular and religious, of dominant powers violently pushing back against attempts to challenge the prevailing paradigms, (consider the Inquisition, the 'war on terror', powerful oil lobbies). But hard as it may be, this is where I suggest we need to be aiming – to change our collective, socially constructed and sustained paradigm. And to begin by changing our own individual mindset.

Incidentally, number one on Meadows' list is 'the power to transcend paradigms'. By this she means recognising 'that no paradigm is "true"', that our ability to perceive and understand our world is incredibly limited, and that this understanding too is in itself another paradigm! Whilst such a concept may be considered the traditional territory of seekers after spiritual enlightenment, I can imagine that this is ultimately the level of consciousness to which we should aspire, and which would enable us to overcome many of the seeming intractable issues facing us, at the social as well as the environmental level.

The premise of this paper, then, is that what is needed to avoid societal and environmental collapse is a fundamental shift of the dominant paradigm, and that this starts with the development of a new 'ecological' mindset.

A quick Google search for variations on the 'ecological mindset' theme will give you many hits from people asserting the need for such, but little by way of definition as yet. What I hope to do in this paper is to offer a first

outline of what constitutes an 'ecological mindset'; to set out the core characteristics of the perspective and the way of thinking that we might anticipate. I have chosen the term 'ecological mindset' to convey the idea that such a mindset is comprehensive, systemic, and grounded in and experienced as of its environment.

As a starting point, I have identified five characteristics that I consider to be crucial to an ecological way of thinking, and I shall explore each of these in this paper. I do not imagine for a moment this list to be exhaustive. One could say these factors are 'necessary but not sufficient'. Indeed, perversely, my attempt to articulate a mindset in this way is an expression of the reductive nature of our current paradigm; a hubristic assumption that such an amorphous, tacit, immeasurable and living thing as a person's way of seeing and thinking can be condensed and codified in a written document. To borrow from Gregory Bateson, it is an attempt to encode the analogue in the digital, to make the truly tacit explicit. I shall return to this concern later, but having acknowledged the limits of what can be achieved in this paper, I propose that an ecological mindset is:

- Holistic and integrative: able to see wholes and patterns of relationship, integrating paradoxical notions
- Long-termist: thinking in terms of eons and epochs, not end-of-month or next quarter
- Sensitive: having a highly developed sensitivity to information and feedback from the surrounding environment
- Adaptable: being flexible in responding to that feedback
- Mindful: acting from principle, concerned with higher purpose.

I will deal with each of these in turn, but before doing so, I want to pause briefly to reflect on and highlight some of the key moments and shifts in thinking that have helped to shape our thinking today; to acknowledge that our modern paradigm has enabled us to achieve much to improve our well-being and has assisted in creating the issues we face now. It is also to remind us that our current ways of thinking are inherently mutable – fundamental changes in thought are natural developments.

<sup>3</sup> [http://www.sustainabilityinstitute.org/pubs/Leverage\\_Points.pdf](http://www.sustainabilityinstitute.org/pubs/Leverage_Points.pdf)

<sup>4</sup> 'Mindset' and 'paradigm' are often used interchangeably, as here in Meadows' quote. However mindset is more often thought to mean an individual's fixed attitudes or habits of thought, whereas 'paradigm' is more generally used on a societal level, denoting a set of assumptions that inform collective action. I shall use the terms mindset and paradigm as per these definitions, with mindset pertaining to the individual, and paradigm to the collective.



## A very reduced history of Western thought

Our predominant paradigm is founded on a belief of man being detached from and superior to the natural environment, as most famously declared in the Bible's *Book of Genesis*. But the seeds of a distinction between human and non-human worlds are found further back in Greek philosophy, most notably in the works of Plato in which the transition from animistic polytheism (as manifested in the Homeric tradition), to more rational, abstract attention to pure form is seen to emerge. Plato's fascination with the mathematically precise movement of heavenly bodies around a stationary world and the belief in Ideal form (predictable, constant, pure) spurred a philosophical divergence between cognitive purity and base matter (transitory, variable, corrupt). (Tarnas, R; 1991)

The monotheistic religions maintained Plato's geocentric notion, augmented with the belief in humans as God's children, formed in his image and containing his divine spark – the conscious mind. Consciousness, although it got us cast out of the Garden of Eden, enabled us to know God's world.

It was Copernicus's attempts, at the end of the Renaissance, to find an elegant solution to the seemingly erratic movement of the planets – a question that had so vexed Plato – that led to the development of his heliocentric model. The belief that our world was the centre of the universe was shattered. The certainty offered by the Church and the unique relationship between God and man were profoundly undermined. In Tarnas' words: "More than any other single factor, it was the Copernican insight that provoked and symbolized the drastic, fundamental break from the ancient and medieval universe to that of the modern era" (Tarnas, R; 1991 p.248). It took a long time – two hundred years – for Copernicus' ideas to become mainstream, but the maths was irrefutable.

It is interesting to note that this 'fundamental break' took place at the end of the Renaissance, a period initiated in severe economic, political and social strife, with plagues and wars decimating a population that had been climbing steadily for some centuries. There is an obvious comparison to be made with the turbulence of our own time. Apocalyptic sentiments promulgated through the new technology of the printing press demanded a return to an earlier, simpler and more moral way of life. Yet this period also saw the first stirrings of the Scientific Revolution

with its rapid medical and technological advances. Man's dominion over nature was no longer God-given, but still a birthright nevertheless, a consequence of our mental brilliance and creative flair.

The emerging worldview was epitomised in the works of Francis Bacon and Descartes in the 17th century. Although working at different ends of the continent, both were developing a more empirical, rational means of investigating and understanding nature. Bacon encouraged scientists to 'bind and torture' nature to force her to give up her secrets. Descartes, in his quest for certainty, doubted everything outside his own mind: *Cogito ergo sum*. Subject was split from object; *res cogitans* – thinking substance, consciousness, was separated from *res extensa* – matter, the physical universe (ibid, p.277). He concluded that the material world was effectively dead, devoid of soul and therefore could be investigated like a machine, reduced to its constituent, atomised parts. Animals, not having souls, were inferior species that could be vivisected without concern for pain or welfare (Harding, 2006). Such thinking opened the door for Newtonian physics, the Industrial Revolution, modern medicine and battery chicken farming. The modern scientific mindset – reductive, atomistic, objective – was born.

But more than any it is Kant, taking Descartes' empiricism to its logical conclusion, who offers an insight into the self-obsessed monad of today's society. He said that ultimately subject cannot know object, that reality is filtered through the epistemological position of the perceiver. "Man has no necessary insight into the transcendent, nor into the world as such. Man could know things only as they appeared to him, not as they were in themselves" (ibid p.348). Everything outside the self is now not only object but forever unknowable and beyond our grasp.

We can see how such ways of thinking, generally developed incrementally but with occasional radical turns, have contributed to the individualistic notions that epitomise the modern period, with humans as self-aware manipulators of a clockwork world, confident in our ability to bend nature to our wills, sure of finding technological solutions to every eventuality, and yet isolated, from each other and from our environment, a Leibnizian 'windowless monad'<sup>5</sup> bound by ego and intellect.

<sup>5</sup> Burkitt, *Social Selves*; 1991

Tarnas sums it up thus:

“... the cosmological estrangement of modern consciousness initiated by Copernicus and the ontological estrangement initiated by Descartes were completed by the epistemological estrangement initiated by Kant: a threefold mutually enforced prison of modern alienation” (Tarnas, 1991; p.419).

Add to this Darwin's conclusions on the shared origins of humans and all other species, and we can see how the certainties held over many centuries of man's special place in the world, buttressed by religion and scientific advance, have utterly crumbled.

The results of this alienation are plainly apparent to us today; evidence the horror stories, fear and cynicism ingrained in our media. Psychologists, particularly ecopsychologists, point to the widespread denial of climate change, rise in depression and mental dysfunction as demonstrative of the size of the problem. Perhaps worst of all, because it is so ubiquitous (and because our whole socio-economic global system is based upon it), is the rise of the seeming addiction to consumerism, to own more and more. As Kanner and Gomes assert: “Consumer practices serve to temporarily alleviate the anguish of an empty life” (Roszak, Gomes & Kanner, 1995; p.79). We have, broadly speaking, responded to our modern alienation not by seeking higher purpose or meaning, or deep connection with the human and non-human world around us, but by focusing on the transitory and the material. And it is not enough. We are never quite satisfied.

Perhaps Kant, though, also offers us a way out. In his socially constructed worldview we can see seeds of a new paradigm emerging, where the scientific obsession with objectivity gives way to a post-modern reality which is subjective and derived from relationship. This, I contend, is the beginnings of an ecological mindset, and this is what I want to explore next.

### What constitutes an ecological mindset?

Gregory Bateson argued that there are two forms of knowing: ‘digital’, which we may think of as explicit knowing, exemplified in methodical scientific process, discursive

in practice and intended to transmit data precisely from one party to another (equivalent to copying a computer file); and ‘analogue’, what is more commonly thought of as tacit knowing, held bodily and pre-lingual, a form of understanding that cannot be conveyed in words.<sup>6</sup> So, because I am using the digital, linear medium of the written word to convey my ideas here I can only ever hope to share a partial sense of what, for me, constitutes an ecological mindset. And, according to Bateson, we should accept this. Incompleteness, he says, is a necessary condition of knowing (Berman, 1981; p.251), which in itself is a significant departure from the Cartesian paradigm that assumes all things are knowable and that the scientific quest is to make the unknown known.

Language too is a barrier here to full expression of tacit notions. As I try to unpick the threads of the complex tapestry of habits of thought that comprise a mindset, so it loses shape and colour. The web of meaning and context, with its rich associations and imagined pictures, is reduced to a linear simulacrum. The very nature of language, applying labels to categorise an item as one thing and not another, splits and distorts.

The irony is that any attempt to elucidate the intrinsically whole will inevitably reduce it to arbitrary parts. This is nowhere more apparent than with the first of my characteristics of an ecological mindset.

### Holistic and integrative thinking

I use the terms holistic and integrative here to mean how one experiences self as of the environment, not separated from it, embedded in a wider systemic field and participant in a greater ‘consciousness’ or ‘Mind’ (Berman, 1981). Such a perspective senses the environment as alive, sentient, resurrecting the best of a long-established animistic tradition that appreciates non-human cognizance. Anthropocentric beliefs in the superiority of *Homo sapiens sapiens* (our conceited wise wise man) are rescinded in favour of inclusion in a living, breathing animate earth (Harding; 2006). Morris Berman, in *The Re-enchantment of the World*, speaks of mimesis wherein “The ‘subject/object’ dichotomy breaks down and the person feels identified with what he or she is perceiving” (1981, p.346).

Historically such ‘participating consciousness’ has been associated with mysticism

<sup>6</sup>See *Steps to an Ecology of Mind*; Bateson G.

and attempts to transcend the material (inadvertently sustaining the mind/matter split). The intention here is not to deny the value that scientific objectivity has brought us, or to swing the pendulum wildly back towards primitive animism, but to achieve an integration of the rational with the subjective, to re-establish our sense of ourselves as being in full and interdependent relationship with our environment, to heal the split between mind and matter. As Berman puts it: "Despite its abuse, intellectual analysis is a very important tool for the human race to have, and ego-consciousness is not without its survival value" (1981, p.270). So I am not proposing that we aim for loss of self, but there is much we can do to open ourselves up to participation with our environment.

In practice this requires a mental shift from 'detached observer' to 'participant enquirer', actively experiencing ourselves situated in our environment<sup>7</sup>. This can be achieved on the intellectual level until it truly 'sticks to the ribs'. In *The Hidden Connections* Fritjof Capra offers a convincing explanation for the development of consciousness as a consequence of the evolution of cognition from the earliest bacteria onwards. Echoing Bateson, Capra explains how 'mind – or more accurately mental activity – is immanent in matter at all levels of life.' Cognition, from this perspective, is certainly not unique to humans. It may be that we have achieved the most complex form of cognition currently known to us, but in Capra's terms it is fundamentally no different from any other process of interaction with environment that living beings engage in. Capra overcomes the mind/matter dichotomy by explaining cognition and consciousness as process, an emergent property of the non-linear dynamics our form and substance are subject to.

Quantum physics also has much to offer us in developing such perception. William Isaacs, building on the work of quantum physicist David Bohm, suggests undertaking meditative exercises to help to let go of judgements and labels we may attach to the 'things' we see around us until we can be fully present and the perceived boundaries between I and not-I break down (Isaacs, 1999). The cosmologist Brian Swimme offers, for those of us who might struggle with such seemingly esoteric ideas, a compelling means of engaging with this way of thinking. He explains how, at the quantum level, the act of seeing actually changes us physically.

"When you look at the moon, you are absorbing the moon just as the ocean absorbs minerals... imagine a patterned wave of light flowing into you. Some of the photons of this light wave interact with your own elementary particles, and through this interaction your quantum state is changed." (2001; pp.91-92)

So there is plenty of 'evidence' within our current scientific paradigm to support the notion of participating consciousness. But I use the terms 'holistic' and 'integrative' to mean more than this. Bateson spoke of the 'pattern which connects': the principles of organisation, the processes as well as the structures that sustain life (Capra 1988), what Lovelock came to call 'Gaia'.

Thinking holistically means having a heightened awareness of the complex webs of relationships within our ecosystems, so that instead of reductively seeing discrete species and applying linear cause-and-effect explanations, we comprehend pattern and relationship, value and quality, the non-linear dynamics of life where the 'sum is greater than the parts' (Berman, 1981; Capra, 1988, 2001).

But what does this look like in practice? A good example is Goethe's approach to science, what he termed 'active looking': to 'suspend the urge to theorise, and to enter as fully as we can into the experience of sensing the phenomena before our gaze' (Harding, p.35). Goethe's work is seen by many, (Bortoft 1996; Berman 1981; Harding 2006) as a real alternative to the prevailing scientific model, taking a holistic, qualitative, approach to science that balances 'fact' and 'value' (Bateson & Bateson 2005).

Harding, in his attempts to find a definition of 'holistic science' refers to Jung's four main psychological functions: sensing and intuition, thinking and feeling. Sensing is about direct experience with the world through our senses – sight, touch, hearing and so forth; intuition refers to a more unconscious and systemic form of knowing. Thinking and feeling focus on how we interpret and what we do with the incoming information – thinking being interpretative and more fact-based, 'feeling' more emotive and evaluative, echoing Bateson's 'fact' and 'value'. Jung noticed that people generally have preferences and believed it was necessary to healthy development that individuals develop what he called 'the neglected function' (Harding). I see this as an

<sup>7</sup> 'Detached observer' and 'participant enquirer' are terms used by Ralph Stacey in exploring the value of quantum physics and complexity theory to understanding strategy and organisations.

excellent example of 'integrative thinking' – the development at the personal level of the ability to balance sensing and intuition, thinking and feeling.

Ultimately, integrative thinking is about the ability to hold the tension between conflicting and often paradoxical beliefs. Acceptance of certain phenomena as irresolvable can, paradoxically, lead to resolution of a higher order. Noticing our attachments to particular paradigmatic positions, for example objectivity, free market capitalism, democracy, is just the beginning.

At its simplest, 'holistic and integrative thinking' can be summed up in Deepak Chopra's urge to us all to "forget that you ever heard the word 'environment'. Instead, think of 'my world', and look upon Nature as 'my body' in extended form" (*Resurgence*, #252).

### Long-term perspective

Arguably, making a mental shift from a short-term to a long-term perspective should be comparatively easy. However, it depends somewhat on how we define 'long-term', as well as raising the question of what it serves us to think in the temporal terms we currently do.

We seem to have a 'hard-wired' tendency to focus on the near future, whether that is the immediate future (the next few moments) or the length of our own lifetime. Paul Ehrlich, asking "Why isn't everyone as scared as we are?" about the population explosion, explains it thus:

"People aren't scared because they evolved biologically and culturally to respond to short-term 'fres' and to tune out long-term 'trends' over which they had no control. Only if we do what doesn't come naturally – if we determinedly focus on what seem to be gradual or nearly imperceptible changes – can the outlines of our predicament be perceived clearly enough to be frightening."<sup>8</sup>

We have evolved to focus on our own survival: finding food and shelter, avoiding predators, reproducing. We have not been biologically equipped by evolution to consider the long-term, multi-generational, consequences of our actions today, and certainly not those consequences that are geographically as well as temporally removed from us.

However, Ray Anderson, Chairman of Interface Inc, appeals to us to think in terms of epochs and eons. He believes that "relevant timeframes are geologic in scale. We must, at least, think beyond ourselves and our brief, puny time on Earth – so brief – and think of our species, not just ourselves, over geologic time" (p.94).

Given that *Homo sapiens* has evolved so recently in Earth's history it is hard to think in epochal terms without wondering about our own biological evolution. But even if we think just a few generations ahead, it soon becomes clear that our current way of life is utterly unsustainable. A long-term perspective takes us beyond the time-limited confines of our own lives, and connects us with the natural cycles and rhythms of Earth.

I mention above the need to hold seemingly paradoxical, or at least antithetical, notions in balance. I suggest here that, paradoxically, we can develop better awareness of the impacts of our choices on future generations by paying more attention in the moment. In other words, to become more far-future oriented we can start by being fully present now. Many of the decisions we take day-to-day at home and in business do not require complex expert insight for us to assess the likely consequences. Pausing to consider the consequences is the first step to gaining epochal perspective.

### Sensitivity

I referred earlier to holistic thinking involving a shift from 'detached observer' to 'participant enquirer'. The concept of participation is dealt with in some detail above. By 'enquirer' I mean engaging in a way that is more active than sitting back and waiting for something to grab your attention (Stacey, 2003). Enquiry is energetic and dynamic, a proactive engagement with one's surroundings, an attitude that questions and seeks to understand the whole and relationships within. Stephan Harding uses the delightful phrase "exquisite sensitivity to feedback", which for me beautifully unifies fact and value, thinking and feeling. Feedback is a rational-scientific construct, describing how the change in a component of a closed 'loop' system will affect other components until all are affected, either negatively (which will keep the system in balance), or positively, eventually pushing the system into runaway and potential collapse (Harding, p.70-76). Exquisite sensitivity is evocative, inviting a delicacy of touch and the awe-inspired active looking that Goethe recommended.

<sup>8</sup> <http://www.ditext.com/ehrich/1.html>

We need both forms of sensitivity: the intellectual and the intuitive. We can heighten our awareness of the potential for runaway change on the intellectual level, gathering and analysing scientific data, codifying and comparing, and we can develop our felt sense, honing our intuitive abilities to see relationships between elements in our biosphere and the downstream effects of our actions. With our ecological senses attuned we don't need to read a lengthy environmental report to know that building houses next to a rare wetland bird sanctuary will impair the birds' ability to nest and breed. And we know intuitively that a pair of jeans costing a fiver cannot be made by someone earning a living wage.

Modern technology has enabled us to develop far more sensitivity to our surroundings than evolution gifted us with. Telescopes and radio receivers give us access to the far reaches of the universe and to the earliest moments of the cosmos; microscopes take us into ever more infinitesimal realms, to understand how life works at the molecular level. It is such technology that has alerted us to the impending environmental catastrophe. Access to such instruments and the curiosity to keep enquiring is vital to anticipating the consequences of our actions. But we are not entirely dependent on 'experts' to give us the facts. Much of it we can work out for ourselves when we begin to perceive from within this 'ecological' frame.

How, then, do we know what information to pay attention to? In this era of unprecedented availability of information, how do we choose what to focus on and what to ignore? Laura Sewall tells us that "within neurophysiological research, attention is classified as both 'endogenous', internally generated, and 'exogenous', that which arises by virtue of the dynamic, demanding world of innumerable things buzzing, ticking, changing, and jumping into view" (1999; p.101). In other words, exogenous attention is an evolutionary trait, enabling us to find food and avoid predators. Endogenous attention can be understood as seeing what we expect to see, noticing that which chimes with our anticipated reality or reflects what we are thinking. It's the phenomenon of buying a new car and suddenly noticing them everywhere. Sewall believes that, with practice, we can physically improve our vision, our eyesight. By the same token an ecological mindset requires us to improve our endogenous attention, expanding our perceptual field so that we notice more and sustain ourselves in a more encompassing, receptive and curious mental state, alert and

actively seeking the unusual, the unexpected and the provocative.

## Adaptability

The corollary of the need for enhanced sensitivity to feedback is an improved ability to adapt to that feedback. Adaptability is a characteristic that evolution has generously equipped us with through the development of our mental capacities. What has set us apart from other species is that generally we have used those capacities to adapt our environment to suit us, rather than adapting ourselves to our surroundings (Ehrlich, P and Ehrlich, A; 2008). We can survive in comparatively hostile environments with very high or low temperatures, or even for short periods in space, because of the technology we have developed. Our tool-making abilities have allowed us to adapt rapidly to different local needs, enabling us to become one of the most widely dispersed species on the planet in a geological fraction of time.

From an ecological perspective, continuing to adapt our environment to suit our needs, especially given our myopic propensity for not seeing the whole picture, is only going to amplify the damaging trends we are already experiencing. A good example is the current governmental focus on CO<sub>2</sub> emissions. Carbon dioxide is widely acknowledged as a major contributor to climate change, but it is not the only issue (*Stern Review*<sup>9</sup>). Focusing on this one factor to the detriment of others is likely to create problems elsewhere within the complex web of relationships and dependencies within the biosphere. Technological responses, admittedly not all taken seriously, so far include mirrors in space, provoking huge algal blooms in the South Pacific and filling the upper atmosphere with particles, as well as the more mainstream carbon capture. What all of these approaches have in common is that they represent a fragmented, 'downstream' way of thinking; an attempt to solve a problem such that the solution may well create another problem. Again, returning to Einstein, what is needed is to move to a different level of consciousness – to change how we change. Watzlawick, Weakland *et al*, in the field of psychotherapy, have conducted in-depth research into people's capacity to change. What is it that enables them to adapt and why do they often get stuck? In essence they concluded, among other things, that "there are two different types of change: one that occurs within a given system which itself remains unchanged, and one whose occurrence

<sup>9</sup> [http://www.hm-treasury.gov.uk/sternreview\\_index.htm](http://www.hm-treasury.gov.uk/sternreview_index.htm)

changes the system itself." (1974; p.10) They call these first-order and second-order change. We can think of the search for technological 'fixes' to climate change as first-order; they remain within the positivist anthropocentric frame, wherein we make further changes to our environment in order to repair the damage already done. Taking an ecological, holistic perspective is second-order. At this level, change of change, we begin to question and then fundamentally transform our whole approach. This is the form of adaptability that constitutes an ecological mindset – to change the way we change. Watzlawick *et al* go on to share what they think second-order change is about:

- "a. Second order change is applied to what in the first-order change perspective appears to be a solution, because in the second-order change perspective this 'solution' reveals itself as the keystone of the problem...
- b. Whilst first-order change always appears to be based on common sense ... second-order change usually appears weird, unexpected, and uncommonsense; there is a paradoxical element in the process of change.
- c. Applying second-order techniques to the 'solution' means that the situation is dealt with in the here and now. These techniques deal with effects and not their presumed causes; the crucial question is what and not why?"

So, paradoxically, our so-called solutions are actually part of our problem. 'Adaptability' then becomes how we use our cerebral resourcefulness to think 'outside the box', and I would contend, that starts with adapting ourselves rather than our environment. James Lovelock offers such radical ideas as synthesising food from sugars and amino acids in order to decrease our dependency on farming land (2006), a shift that would require us to drastically reform our relationship to 'food'. But again, we can start locally, with ourselves. Consider what constitutes a paradoxical, second-order change. If reducing energy consumption is a first-order response, then perhaps creating clean, renewable energy from micro-generation is second order; where buying less is first-order, finding non-material sources of meaning or transforming our understanding of 'ownership' is second-order. This is what I wish to turn to next.

## Mindfulness

Nowhere so far in this paper have I considered whether it is important to love the world we belong to. E O Wilson believed that loving the living natural environment, what he termed 'biophilia', was vital to personal health and well-being (de Angeles, Orr & Dooren, 2005; p.87).

It is my personal belief that in developing an ecological mindset, in participating in a wider consciousness and developing our acute awareness, a veneration and awe for our world will follow. As sensitivity and holistic thinking develop, we come to recognise the fundamental dependencies, between ourselves and our natural environment and with each other. As Fritjof Capra put it:

"When the concept of the human spirit is understood as the mode of consciousness in which the individual feels a sense of belonging, of connectedness, to the cosmos as a whole, it becomes clear that ecological awareness is spiritual in its deepest essence" (1997).

It doesn't require any religiosity, but an ecological mindset, being holistic, integrative and exquisitely sensitive, cannot but integrate what we categorise and dismiss today as spiritual. Einstein called himself "a deeply religious non-believer". Richard Dawkins, in *The God Delusion*, quotes him thus:

"I have never imputed to Nature a purpose or a goal, or anything that could be understood as anthropomorphic. What I see in Nature is a magnificent structure that we can comprehend only very imperfectly, and that must fill a thinking person with a feeling of humility. This is a genuinely religious feeling that has nothing to do with mysticism" (2006; p.36).

Mindfulness, then, is about reverence, respect and awe. Connecting with the reciprocal, symbiotic patterns of relationship in which we are all intrinsically interconnected. It is not purely spiritual, but it is inherently thoughtful and pertains to the non-material. It relates to a sense of a higher purpose, an identity and self-worth beyond the ownership of big-ticket status symbols. As I construe it, it doesn't mean self-deprivation, the popping of the fantasy bubble of consumerism, where a

better world is to be had with the gathering of more possessions. Nor is it to create another fantasy, of bucolic rural communities living self-sufficiently in a warm-beer-drinking idyll. Rather, it enables the necessary healing of what Kanner and Gomes call 'narcissistic wounding' (1995, p88). Echoing Wilson's 'biophilia', they speak of how "dormant qualities of the self flourish when connected with the natural world... Many forms of pleasure that have been numbed by urban living, from bodily to perceptual to aesthetic to spiritual, come back to life in natural settings" (p.90-91). Our 'threefold mutually enforced prison of modern alienation' begins to break down, to be replaced by a fully embodied sense of self in relationship.

Mindfulness is a quality that develops over time. It begins with a burgeoning sense of personal meaning and a seeking after purpose beyond the narcissism of short-term reward. It is about deriving satisfaction and fulfilment from something other than status and ownership. It means working and living from principle – establishing what constitutes a way of life that is of greater value to others and the environment whilst reducing ecological impact, and sticking to those principles.

In practice it is stewardship and perhaps even activism – helping others to engage for themselves with a new paradigm, to confront those whose way of life seems increasingly preposterous, and to do so with empathy and conviction.

### Is such a way of thinking and acting possible?

In writing this paper I have been very aware that I too am steeped within the current Western mindset. I experience the hypocrisy of wanting to live ethically and lightly, whilst being attracted to new, bright shiny things. Yet I can see this new paradigm emerging, and quickly, though not necessarily quickly enough. And, to paraphrase Donella Meadows, paradigms are hardest to overturn because there are plenty of apologists and dominant powers seeking to push back and sustain the existing ways of thinking. David Aaranovitch, writing in *The Times* (Jan 24, 2009), suggests that in the current trend to down-size and consume less it is the working class who will lose their jobs. In the short-term this may be true, and not just for the working class. And, I would add, it will be the businesses that can make the shift from material to non-material or at least closed-loop cycles of material deployment that will benefit

in the longer-term. Sustainable organisations, those that acknowledge physical limits and yet transcend intangible limits to their thinking, can flourish. Arguably they will be the only ones that will.

The difficulty in trying to establish new mindsets, and ultimately a new ecological paradigm, is that many of us who are in a position to change our habits are quite happy as we are. Which is to say we do not associate the soaring levels of depression in the UK and US with lack of meaning or purpose or the emptiness of our material lifestyles, and we continue to buy into the belief that we can buy our way out of misery. It is a very tough treadmill to get off. Tied up in our current paradigm are strong psychological notions of who we are as individuals; our ego-consciousness demands that we find ways to differentiate ourselves, demonstrate our success to others, maintain our self-worth through our material worth. To shift this paradigm will require a mental leap of faith for many: that living sustainably is not about deprivation and loss of liberty; quite the opposite. Living sustainably, mindfully and lightly can be hugely liberating if we are willing to acknowledge and let go of our attachments.

Are the ideas in this paper unrealistic fantasy? The level of denial is such that we don't really know what we are denying. Bateson, referring to Darwin's theory of natural selection thought the great man had made a mistake. Rather than seeing the 'unit of survival' as the species, Bateson said it was the 'species + the environment'. We have run out of niches to exploit, habitats to dominate. We can no longer change the environment to suit us, we need to change ourselves.

It seems impossible to believe that we can make such a paradigm shift. And the Earth goes around the Sun.

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# INTELLIGENT GROWTH

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(With additional article commentary from Adam Faruk)

## New questions about “feeling” the earth

One of the privileges of being a consultant and/or academic is that from time to time I am invited to speak to business practitioners, managers and leaders about my views regarding the challenges that they, as managers, face daily. Managers hope that our research and experience might offer some new insights that may help them deal with vexing business conundrums. On my part, I hope that my musings may survive being exposed and tested in dialogue and debate and emerge clearer, stronger and more potent. Both sides enter the discussion tentatively and with mixed expectations. More often than not, however exciting and involving the encounter, we all emerge with new questions. We become travellers who have shared a moment of respite and encouragement. We depart with answers and affirmations, and always with more questions. Questions asked of us and questions we now want to ask of others.

A question that I arrive with and so far have always departed with is this simple one – which I always ask myself and my variedly attentive audiences: “When was the last time you felt the earth under your bare feet?”

The question vexes me and others because it is often heard as a mild challenge. Sometimes it is even received as a reprimand. Indeed I have to admit using it as a device, to draw attention to the subject I want to talk about. I use it to leave behind a deposit, a metaphor: one that may quite probably come alive every time the hearer clothes their feet and in so - doing obscures their sensitivity; restricting this particular privileged connection to the earth.

## Questioning managers’ connection with brute reality

I am also told that the reason why it is often heard as a reprimand is because it has some significant and challenging questions hidden within it. Most managers and leaders of businesses (large or small) are:

1. acutely aware that their world is flooded with data and information calling for interpretation and response
2. also aware that their ability to guide their organisations effectively depends on their individual and collective abilities to make sense of, and to adapt themselves (or their organisations) sensitively and sensibly to, what they are discovering
3. concerned that the speed at which they live, the complexity of relationships they have and the ubiquity of messages they face, make it difficult for them to be effective.

Most managers and leaders also acknowledge that much of what they perceive is through cultural and institutional filters. They suspect that these filters, at best, let through only the most persistent and dramatic messages; and at worst, completely distort their realities from the brute reality perceived by colleagues in other places, facing the “on-the-ground brute facts” and outcomes of centrally directed corporate activities and decisions<sup>1</sup>. In short, being asked when was the last time they felt the earth on their bare feet, is tantamount to a direct challenge as to how well they are connected with, and taking full account of, the multiple realities they are implicated and involved with<sup>2</sup>. The fact is, as managers we are responsible for the ways our organisations spend literally billions of dollars building new products, services and ways of interacting that filter, distort and/or modify the perception and actual effects of the brute facts of the environment that we are born into. As human beings,

<sup>1</sup> For a discussion of the nature of “brute facts” as opposed to “institutional facts” see Searle (2005)

<sup>2</sup> It is worth reflecting on different mindsets, myths and perspectives that we bring to each interaction we have with others. Of course we have different spheres of concern and experiences of reality. The extent to which we hold these separately and fragmented both “protects” our peace of mind and our sense of what we need to attend to. The challenge as always is being able to develop the capacity to truly engage and be aware. [For example consider Douglas (1966; 1973) and Thompson, Ellis and Wildavsky (1990)]

adapting to and adaptation of our environment is a lifelong endeavour. Vast amounts of time, energy, and all kinds of resources are directed at seeking out, designing and developing innovations that make our lives easier (or for easier – read more predictable – in the short term!)<sup>3</sup>.

To sociologists and biologists this phenomenon is unremarkable. Our existence within a brute world demands that we construct niches in which to live and grow. Growth is not an end we seek. It is the means and the matter of survival. If we are “lucky” it becomes a matter of comfort. It may for a few individuals and organisations also become a matter of trans-generational continuity. It is neither guaranteed nor determined; rather it is a process that requires intelligent engagement<sup>4</sup>. The paradox though, is that as we create our personal, organisational and social niches, we may also obscure and weaken the exposure and sensing that we need to live and grow well. We construct niches that rest precariously within an environment that we desperately need to grow and thrive but are unable any longer truly to connect with and live in. Our feet metaphorically and literally “stop touching the ground”<sup>5</sup>.

Against this brute reality we have created a social reality that is equally dominating and just as commanding: Business and Economic Growth. In corporate and economic management circles “growth” has become something of a mantra as well as an unchallengeable imperative. Managers are charged with achieving revenue or earnings growth. Shareholders seek value growth. Portfolio managers portentously name their most precarious funds “growth funds”. Technology provides new growth opportunities – and so on, and so forth. Questions of limitation, utility or caution are often viewed as evidence of lack of imagination, insight and/or courage. Questions such as: what to grow, why to grow it, when, how and where – are the subject of post-mortem discussions, not the substance of true entrepreneurial spirit. Growth becomes a disembodied concept – far removed from its true socio-biological meanings and encrusted with the weighty, unexplained and unqualified expectation that it is always good and always necessary.

## Intelligent growth

My aim here is most definitely not to attempt to knock growth off its well-defended pedestal. Such an endeavour would be futile and is in any case unnecessary. It is futile because much of what the corporate world measures (and values) is cloaked in references to growth. It is unnecessary because unquestioned, narrowly-conceived growth has long ceased to be credible. From GDP indices, to Corporate Balanced Scorecards, and to Individual Performance Assessments: measures and indices have been enhanced, changed and expanded to provide more intelligent, more meaningful and more relevant measures of change.<sup>6</sup>

The issue is not that managers fail to understand the shortcomings of narrowly conceived growth; it is that critics of growth have fallen into the trap of seeking nothing less than the total abandonment of the term. A fruitless endeavour which I see as being itself a denial of the value and usefulness of the concept and consequently a missed opportunity that leaves us lamenting the possibilities, if only it were more broadly conceived and applied.

Alongside and on behalf of others, who like me are concerned with the shortcomings of narrowly conceived growth, I would venture to propose the possibility of a different, more expansive, understanding. Our proposal is that it is time to rescue the term growth from the clutches of narrow definition and application. We propose a wider more useful conception – namely “Intelligent Growth”. We suggest that growth to be effective – it has to be intelligent. We conceive of intelligence as requiring exquisite sensitivity and uncompromising responsiveness to feedback<sup>7</sup>. We further see the inseparability of growth from its sources and implications. To be intelligent, growth has to be engaged with, connected to, and dependent on its relationships. It has to be seen as taking place in an open living system, and in so being, to be characterised not simply by maturation, but also by processes of perception, learning, growth (maturation), immunity, heredity and evolution (Back, 1971). Furthermore it must demonstrate the ability to adapt and change using all of the three

<sup>3</sup> If R&D investment were to be used as a measure of effort and investment directed at changing the way we interact with our environment – then the UK is at the forefront with R&D investment measured at a colossal £21 billion a year (UK Trade and Investment, 2006).

<sup>4</sup> I take intelligence here to include the emotional and intuitive along with the logical and intellectual.

<sup>5</sup> For details see Laland *et al* (2000) – who refer to Niche Construction as involving “the activities, choices, and metabolic processes of organisms, through which they define, choose modify and partly create their own niches.”

<sup>6</sup> A variety of new indices have been advanced. Some add to and enhance existing indices, others seek to introduce new aspects into consideration, whilst others seek completely to advance new ways of valuing. A separate and involved debate has developed around these as well. See the commentary at the end of the paper reflecting on the movement towards more relevant measures.

<sup>7</sup> I would like to acknowledge the discussion and contribution of colleagues at Ashridge for coming up with these apposite and well-judged descriptions. Other requirements that emerged from our conversations also included “awareness of limits” and “ingenious novel design”.

basic adaptive strategies that living organisms use to detect and respond to changes in the environment, namely: genetic, developmental and physiological strategies (Chavas J-P, 1993). Any conception of growth that excludes connection, open living-system processes and comprehensive strategic adaptiveness, simply falls short of being intelligent.

## Connectedness

Connectedness is important because it is impossible to conceive of meaningful growth separate to and detached from a living system. Human beings and their creations (organisations, products, ideas, cultural artefacts etc) are a natural result of dependent and co-dependent existence with other organisms within a complex ecology and web of life. Even the most self-centred, self-starting and independent-minded business person focused on narrow goals of maximising profit and revenue regardless, has to contend with reality that customers buy the products she makes; suppliers deliver the materials she uses; and the bios-sphere provides the conditions she needs; to resource the operations she is in charge of. In the end she must accept that her organisation needs a favourable environment to survive.

Furthermore, she may acknowledge that her organisation's success (survival and growth) as a living system involves innovation. Innovation involves change, and organisations cannot survive without innovating. Innovation is sustaining when it involves life-enhancing change. Life-enhancing change (as opposed to life-degrading change) involves growth. In a dynamic and changing environment, for growth to be life-enhancing it must be intelligent (Mezias and Glynn, 1992).

Connectedness is also important because it enables organisations to ensure that the social and institutional models that are created to deal with the challenges of living in a complex environment are able to lead to well-adapted organisational development and change. Without connectedness organisations create "insulating" mental models that reduce sensitivity and responsiveness, and ultimately lead to maladapted organisational development and eventual termination.

## Living system processes

We live in, are inseparably embedded within, are part of, and essential to, the environment

in which we are born, grow and die. During our lives our presence affects and is affected by our environment. Who we are, what we do, where we are, and how and why we are able to have the influence we have (and be influenced in the way we are), only make sense within this environment that we are present in and is present in us. The processes by which we change and adapt involve:

- Perception – a process involving the capacity to feel, sense and/or be aware of the smallest stimuli, perturbations and alterations within oneself and one's environment. Furthermore a capacity to draw insightful information that creates immediate understanding that provides links between causes and effects and enables implications to be explored, scenarios to be drawn and possible responses to conceived
- Learning – a process applying the capacity to collect and assimilate information, to use that information to conceptualise and explain experiences, to reflect on the meaning and possibilities of conceptualisations and to act on the basis of that enhanced, robust awareness, continually seeking to validate or refute assumptions and presumptions
- Growth – a process involving cumulative and continuous change, enabling the multiplication, maturing and strengthening of composing elements of an entity. Ultimately enabling an entity to survive through a cycle of existence and to make available its coded inheritance and learning for trans-generational transmission to siblings and/or mutations
- Immunity – a process by which an entity develops defensive modifications within its make up that enable it to protect against invasive or destructive aggressors introduced from within its environment
- Heredity – a process by which replicating entities within a system are passed on across generations to successors who inherit ancestral characteristics through mechanisms of reproduction and replication
- Evolution – a process by which a complex system develops and mutates creating different and imperfect copies through mechanisms of variation, inheritance and selection leading to evolution.

These same processes may be viewed as being active in relation to organisations and not just organisms. They enable organisational life-spans to extend, and to be influential and effective. They also allow organisations to

evolve – to transcend one life-time and evolve into another.

Scholars of organisational change often emphasise the importance of leadership (Bennis, 2003), context (Mintzberg, 1992), well developed relationships and networks (Grannovetter, 1983), entre- and intra-preneurship (Moss-Kanter), the influence of structure and agent action (Archer, 1982), and even the luck (and consequent lack) of allocation of resources and endowments or impact of events (Alchian 1950). It is suggested that all these important aspects of change depend on organisations having effective processes of perception, learning, growth, immunity, heredity and evolution. Whilst survival with these processes is not guaranteed, survival without them is impossible.

## Adaptive strategies

So evidently, living organisms and systems, including businesses, communities and societies survive and thrive by growing. Growth is not a choice that can be easily eschewed. Avoiding growth is nonsensical, tantamount to avoiding life. Clearly this is a futile endeavour for any living system. The thesis here therefore has to be concerned with how growth can be effective. My argument is that the challenge is how to ensure that growth is intelligent, connected, sensitive, responsive and effective, rather than negative, destructive, polluting and degenerative.

Effective growth leaves the organism better adapted to its environment. Intelligent growth is effective growth because it is eventually, systematically and concordantly adapted. Even if its instrumental aspects wrestle and compete with each other, its enfolded, non-reductive and implicate order<sup>8</sup> leads always towards creating surviving and thriving organisms, within a surviving and thriving host with extended influential life-spans that create and enable trans-generational existence.

Intelligent growth involves the use of all three basic types of adaptive strategies. It involves genetic growth, developmental growth and physiological growth.

Genetic growth involves the variation of an entity's life-giving and directing coded information and intelligence in response to and in the face of environmental challenges. The growing entity becomes better suited to and better engaged with its context and

by becoming better engaged is more able to survive and ensure the survival of the environment it is in.

Developmental growth involves the expansion and enriching of entities' life-giving processes and capabilities. Developmental growth may be a result of mere multiplication, variation, selection or creation of routines and activities. It may also be as result of mere acceleration or prioritisation. The developing entity becomes better able to fulfil its unchanged objectives in the face of increased environmental demands and in doing so better able to overcome challenges to its existence.

Physiological growth involves the maturation and strengthening of an entity's corpus. Physiological growth draws attention to the activities and routines that are most needed and used, and through repeated use and exercise directs energy, information and support towards corporal constituents that are most used and needed and away from those least in demand. The growing entity becomes simultaneously stronger and more capable in respect of these specific demands and conditions.

As is clear from the (tentative) descriptions above, intelligent growth not only has to encompass all three strategies, it also has to be informed be guided/regulated by a wider and external survive-thrive value. It is possible for growth to overshoot or undershoot, to be too slow or too disparate. The need for engagement and connection and for continual sensitivity and feedback become self-evident. If it is futile to attempt to conceive of life without growth, it is nonsensical seek growth without adaptive and sensitive responses based on high quality and continual feedback.

## Relevance to business

The implications for business, unsurprisingly perhaps, relate to the simple question – which I always ask myself and my variedly attentive audiences: “When was the last time you felt the earth under your bare feet”. It leads to propositions and questions to be discussed and engaged with. It means that as business people, owners, employees and stakeholders of all kinds, we are challenged to engage actively with what we are creating and working with and through. It leads me, tentatively to suggest that considering intelligent growth is relevant because it means that:

- Businesses concerned with wellbeing and sustainability need not eschew growth,

<sup>8</sup> For further consideration of the notion of “implicate order” see Bohm (2003).

appropriately conceived and engaged with

- To do so managers need to conceive of their organisations as being living systems within open living meta-systems
- Consequently managers and businesses need to acknowledge the importance of the wider system
- The appropriate role of managers within such a conception is one of engaged and responsible stewardship. This needs to be further articulated and given real meaning within an essentially capital based paradigm. This challenge is still with us.

Managers also have to pay attention to considerations such as:

- the importance of emergence
- the importance and strength of weak and strong ties
- the limits and opportunities that brute reality imposes and offers.

In the absence of real and sustained engagement with these key considerations, by businesses and business leaders, intelligent growth will remain a mere concept; growth will be conceived in narrow and conflicted ways and concern for the wider trans-generational well-being will remain just that: a concern, debated but not acted.

There will not be single bare foot in sight.

# Article commentary

by Adam Faruk

## On the move towards more relevant and intelligent measures

The rise of the sustainable investment movement is an example of this more encompassing perspective. It reflects the increasing interest of investors in finding superior returns by bringing environmental and social issues into the investment process. In the past such activity would be spoken of as “ethical investment” and seen simply as the faithful reflecting of the ethical concerns of the individual investor. But indices such as the Dow Jones Sustainability Index and the growing number of funds such as the Jupiter Ecology Fund and the Norwich Sustainable Future Fund Range are responses to the deliberate efforts of pension funds, mutual funds and others to out-perform a benchmark by allocating capital with a broader, longer term view of risk and opportunity in mind. Money invested to a socially responsible mandate has grown to an estimated £8.9 billion, representing approximately 2% of all assets under management in the UK, and up from £2.2 billion only a decade ago (Wong and White, 2008). The more than 80 SRI funds in the UK alone cover a range of asset classes (from private equity, property, corporate and government bonds, to equity investment in listed companies) and investment styles (including pure play, best-in-class and activist strategies).

The Global Reporting Initiative, Carbon Disclosure Project, UN Global Compact and Enhanced Analytics Initiative amongst many others all seek to do broadly the same thing at the organisational level by providing a way for investors and other stakeholders to make better informed decisions about the viability, growth prospects and licence to operate of organisations. They all have in common a view that conventional financial and non-financial

information falls well short if stakeholders are to make good decisions about their relationship with an organisation, economic or otherwise.

## On the growth debate

The growth debate has been raging in sustainability and development circles for many years. The 1972 Club of Rome report “The Limits to Growth” gave impetus to the zero growth movement although it was and still is much criticised. In response, many powerfully made the point that it is not growth *per se* that is the challenge, but rather decoupling economic growth from resource depletion and environmental degradation (Jacobs 1991). For some, decoupling is still no more than an expedient to continue business as usual, to others a genuine effort to address the unintended consequences of an essentially human impulse to develop.

Environmental public policy often reflects a decoupling mindset, with many countries explicitly aiming to decouple GDP from environmental damage – the shift to a low carbon economy through international agreements, cap-and-trade and renewable energy subsidies is a high profile example. Some companies have also made impressive strides, often in the language of eco-efficiency. But to many, this focus on efficiency remains insufficient, not proportionate to the scale of the challenge and about doing harm a little less quickly. Instead the notion of eco-effectiveness has emerged (see McDonough and Braungart 2002). This is less a loosening of the link between economic growth and environmental damage, more an uncompromising divorce; it is growth as replenishing and restorative of societies and nature.

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# THE ART OF HAPPINESS IN THE PURSUIT OF SUSTAINABILITY

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Excerpt from the New York Times, 29 November 2008

*A Wal-Mart worker on Long Island, N.Y., died after being trampled by customers who broke through the doors early Friday, and other workers were trampled as they tried to rescue the man. At least four other people, including a woman who was eight months pregnant, were taken to hospital.*

*Fights and injuries occurred elsewhere at other stores operated by Wal-Mart, the nation's leading discount chain, which is one of the few retailers thriving in the current economy.*

*Meanwhile, two men at a crowded Toys 'R' Us in Palm Desert, California, pulled guns and shot each other to death after women with them brawled, witnesses said. The company released a statement late Friday saying the deaths were related to a personal dispute and not Black Friday shopping.*

*Many other retailers appeared to have fewer customers than usual the day after Thanksgiving, typically one of the busiest shopping days of the year. Merchants call it Black Friday because in the past, it was when many retailers went into the black, or turned profitable, for the year.*

Since reading this news, it's been pretty difficult to detach the powerful image of stampeding shoppers from my thoughts about the wider subject matter for this short paper. If you have difficulty visualising what such an event might even look like, then look no further than the recent Primark store opening on London's Oxford Street<sup>1</sup>. At first glance this looks incredibly primal, and neurological studies would support this. Not only do we rapidly narrow our options (fight or flight) in confrontational and stressful situations but our brains, flooded with dopamine caused by the anticipation of acquisition (the hunt), are essentially high. But why were these shoppers there in the first place, some of whom had queued for hours beforehand? Of course, they were there to obtain a good or a service that on 28 November would be cheaper,

and offer greater value than the day before. But what does this purchase represent more broadly? Is it the additive dopamine hit, or a response to the promise of a better 'quality' more 'enjoyable' or 'easier' life experience? Whatever it was, in this instance it seems that in the midst of psychic numbness<sup>2</sup> and hurry sickness<sup>3</sup>, a tragedy occurred.

Whilst this example could be likened to a certain 'pursuit' of 'happiness' it is difficult to see how such pursuit could be 'artful', 'sustainable' or 'meaningful' and thus aligned with longer term prerequisites for leading an enriched, happy and fulfilling life. And whilst for some 'retail therapy' in and of itself is a fulfilling experience, for many it leaves us wondering why we are left feeling empty and thirsty for more.

<sup>1</sup> [http://uk.youtube.com/watch?v=QFPr5F\\_p5so](http://uk.youtube.com/watch?v=QFPr5F_p5so)

<sup>2</sup> Whilst the term "psychic numbing" or "emotional anaesthesia" is used in disaster related psychology and is associated with deadened feeling or diminished responsiveness to the outside world, it has also been suggested that this is becoming a permanent state of mind in a modern society unable to confront some of the impending planetary disasters facing our times.

<sup>3</sup> Hurry sickness is the continuing and even increasing pressure to get more done in less time. We all tend to suffer from it to some degree and it can lead to heart disease, high blood pressure and other diseases.

Of equal concern is that some retail stores rely on such events to pull them back into the black so late in the year. This creates a negative spiral whereby we require ever increasing 'customer value' to drive footfall with less and less room to manoeuvre towards more structurally sustainable alternatives. The impact this has on the Jeremy Bentham's "greatest happiness to the greatest number" principle is negative. Staff will need to work harder to sell more products for equal or less reward; externalities such as environmental damage and labour conditions continue to be driven into the supply chain; and customers will continue to be persuaded that their little pots of inner satisfaction await them on aisle 23 at the end of the happy-mart rainbow.

### LESS IS MORE AND MORE IS MORE

It's important at this point to say that for many people in the world a significant increase in basic material goods would essentially be a good thing and increase happiness. Also, if we think in terms of Maslow's hierarchy of needs (rather than wants), then sitting below his pyramid lay some prerequisites that provide the substrata upon which such a pyramid can be built. These include basic human rights through objectives such as the millennium development goals, including the eradication of extreme poverty and hunger, universal primary education and the promotion of gender equality. In addition to this, living in a stable political environment relatively free from war, conflict and corruption are important starting points if we are to move towards Bentham-style policy goals.

Conversely, and probably for many that will view this essay, we can say that in material terms, less is also more. This means that as our gainful employment rewards us with more cash and credit, acquiring proportionally more stuff does not result in a correlated increase in happiness. The now well known *Easterlin Paradox*, illustrated by various life-satisfaction and GDP per capita graphs, has provided significant fodder for the argument that future happiness states in many countries do not rely on GDP but on other factors and are therefore best measured by other indicators. Try the *Happy Planet Index* to benchmark your own happiness ([www.happyplanetindex.org](http://www.happyplanetindex.org)). My own score was above the UK average but less than half the target policy score, much of which appears due to the fact that much I have a lifestyle that in "contraction and convergence"

terms deserves of an ecological ASBO (Anti-Social Behaviour Order).

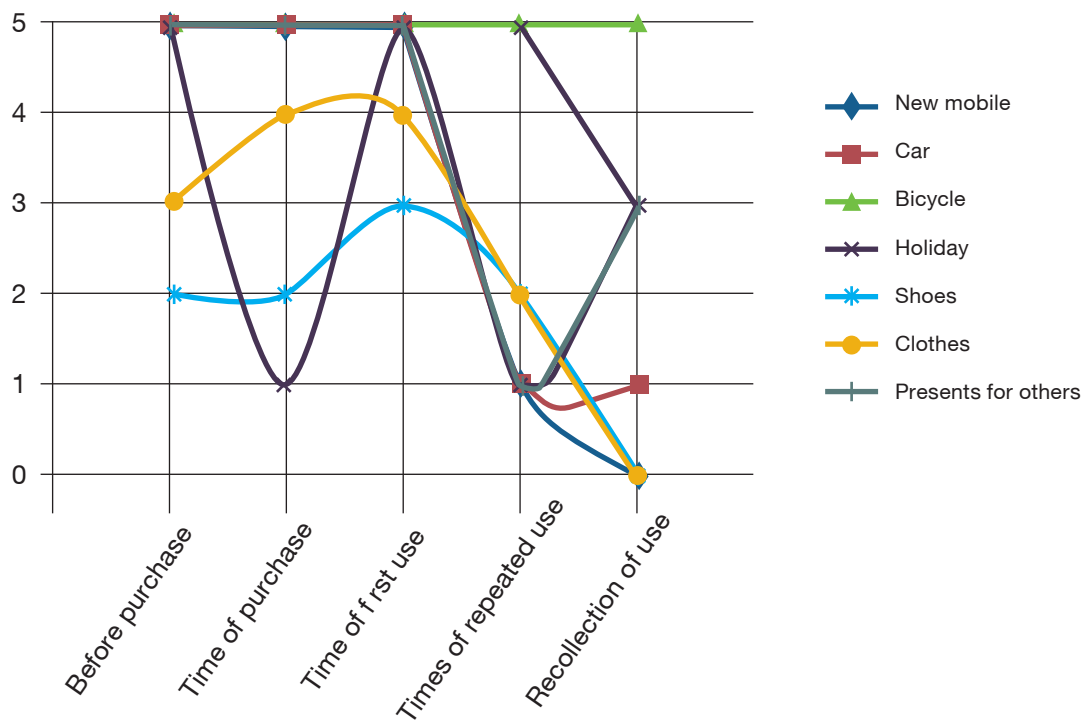
The things we buy to satisfy ourselves that have the most rapidly decreasing utility are the things we buy for extrinsic purpose, driven by our peers be they real or imagined. I say imagined because global communication tools have the ability to connect and communicate with everybody worldwide and fool us into believing that celebrities, world class footballers and even well constructed brands are now our peers, friends and family – when in fact rivalling their lifestyles and aspirations is impossible for most, unsustainable for all and a highly inefficient mechanism for finding a happiness state. In biological terms we all believe we are top-predators, and yet without diversity and critical niche species, top-predators can't survive.

The gaps between our peers' lives and our own cause us to acquire goods that rarely make us satisfied more than momentarily and we fall into the Eddie Bernays, the father of marketing's classic trap of agreeing to promises that were never intended to be met. This is because the acquisition of many items quickly becomes the norm (adaptation); we rapidly forget what life was like without them (habituation); or we never really wanted them in the first place and don't know why we bought them (herding instinct). In the years following Bernays our detailed understanding of market segmentation and reference group influence has been able to scientifically direct peer driven purchases in a highly targeted, highly effective and increasingly accelerating manner.

Such peer driven quests for happiness also help explain why communities in which people are relatively equal and lack access to global communications (e.g. monasteries, communes and until recently remote parts of the world like Bhutan) are far similar in relative happiness and more anxiety free than the rest of us (Layard, 2005). What's more, the inner life, or non 'ego' aspects, of many of these groups is well developed and they have much lighter ecological footprints due to a healthier interdependence with the locality in which they reside. This is of course a huge generalisation.

My own reflections on these ideas led me to think that although I do have a lot of perfectly unnecessary and unmemorable items in my closet, some material goods do provide lasting happiness and perhaps deeper satisfaction

The y-axis shows a satisfaction score ranging from 0-5 plotted against the product experience.



than others. In order to show this I have a plotted a variety of my things on a graph.

The acquisition of the new mobile phone, the car, shoes and clothes quickly left me feeling empty and I rapidly adapt to their presence with no increase in happiness/satisfaction. When I re-use these items or recall my interaction with there is little there to brighten up my day. The holiday, buying presents for others and my bicycle seem somehow different partly due to their more intrinsic qualities.

From a dopamine perspective, the car and the shoes, clothes etc can be easily explained, because if you acquire for the sake of the hunt, once the hunt is over, you are left with feelings of withdrawal. Therefore the best thing we could do in order to enjoy the purchasing experience is to take our time anticipating the acquisition. This is where most of the enjoyment lies. If you want a tip, next time you buy something you really need from Amazon, choose the slowest delivery method possible. You'll enjoy it more.

So what about the bicycle that I bought second hand from eBay after several weeks' careful consideration? Well the bicycle connects me

with the road, the dirt track, the wind, the sun and the rain. It takes my energy, transforms it into a circular motion and hurtles me through bustling traffic, country paths and open roads. Its use keeps me fully focused on the moment, gives me a sense of belonging with my surroundings and through feeding my body and my concentration, touches something much deeper and more evolved. I believe this is probably what the positive psychologist Mihály Csíkszentmihályi means by "flow," symptoms of which include the merging of action and awareness, direct and immediate feedback, and effortlessness. He also says this is how accomplished musicians and acrobats feel as they suspend our disbelief by plying their art (Csíkszentmihályi, 1996).

The giving of presents and taking of holidays provide an opportunity to reach out to others, be they friends or family, or other cultures and communities, and to share experience with them. These more experiential acquisitions seem to have a far greater impact on wellbeing by offering the opportunity to express and receive thanks and to connect with others, all factors that contribute to longer lasting happiness.

So we have the extrinsic and the intrinsic or perhaps the male and the female, or even the head and the heart. The extrinsic drivers are commonly linked to the qualities that one might associate with success, competitiveness, and our evolutionary survival (of the fittest) instinct. However it has also been suggested by the sociologist Dr Linda Wilson that altruism could be as important a part of our evolutionary path as our competitive and aggressive tendencies. For example, those who are more generous and outward orientated are also thought to have stronger more supportive social networks and live for longer (Cutler, Dalai Lama, 1998).

A new film due for release in 2009, *Serotonin Rising*, builds on experiments suggesting that humans are hard-wired to be unselfish. It seeks to show how altruism can make people feel as happy as when they receive money, or even make love. The study shows that in each case the same primitive part of the brain receives stimulation. This suggests that giving without thanks can be as equally as motivating and rewarding as giving with thanks and partly explains the behaviour of the anonymous donor. Unfortunately for the natural world altruism does tend to start at home. This is because empathy is a precondition to altruism and the most likely objects of our empathetic altruistic behaviour therefore tend to be human centred.

Organisationally speaking a benevolent (beyond compliance) outlook is now a clear strategic mechanism for setting companies apart from their evolutionary pack. This is also called "doing well by doing good" and has been shown to create better long-term value, unearth hidden opportunities such as the fortune at the bottom of the pyramid and strengthen staff loyalty and community within organisations.

**"It will be those peoples who can keep alive, and cultivate into a fuller perfection, the art of life itself and do not sell themselves for the means of life, who will be able to enjoy the abundance when it comes... We shall once more value ends above means and prefer the good to the useful. We shall honour those who can teach how to pluck the hour and day virtuously and well, the delightful people who are capable of taking direct enjoyment in things, the lilies of the field who toil not, neither do they spin."**

John Maynard Keynes, 1931 (Haworth, 2004)

## FIFTY YEAR TIME FRAMES AND THE RAPTURE AGE

When we talk about many of our contemporary ills, including population growth, our obsession with ego and self, our lack of moral compass, environmental health and even the *Easterlin Paradox*, fifty years ago seems to be the time when everything was going just right, and fifty years from now when everything will be going apocalyptically wrong.

At the 2008 Schumacher Conference in the UK, the US environmentalist and author Bill McKibben<sup>4</sup> stated the following:

- Americans were happiest in 1956. Since then they are one quarter as happy
- The average American has half as many friends as in the fifties
- The average American has half as many meals with family and friends as in the fifties
- Since the fifties our wellsprings of life have become fed by hyper consumerism and hyper individualism
- Communities have been eroded and Americans live in larger homes further apart
- Since the fifties Americans have dramatically reduced their chances of running into each other.

To compliment this Richard Layard makes the following policy related points in his book *Happiness*:

- We are social animals and the more quality social interaction we have and the more social organisations we belong to, the happier we are
- The quality of the moral fabric (religious, governmental and philosophical) is incredibly important
- Giving people responsibility and autonomy is possibly more effective than driving them with targets, objects and money
- We are moving into a new period of evolution beyond individualism where we need to teach the young to value status less and helping others more. We also need to develop our inner happiness
- People like the *status quo* and increased transience and mobility may have greater external costs than the immediate monetary gains they provide.

Many of us are all too aware of these trends and particularly how mobility and longer working hours are pulling us away from families and our communities. And as a result some places of work are becoming our primary places for social interaction and play

<sup>4</sup> Bill McKibben, Deep Economy Lecture: <http://www.calvin.edu/january/2008/mckibben.htm>

and perhaps replacing some of this need for socialising in the domestic environment. As a result workplaces such as the fabled Google places of work now look more like playgrounds and community centres<sup>5</sup>.

The objective rawness of many of these trends, such as climate change related information or poverty statistics, can lead to fear and negativity, a loss of faith in the future and as such reinforce furthering materialism and individualism (Marks *et al*, 2007). The materialism also has the ability to create its own unease due to a deeply seated anxiety we hold about the way in which we consume (Eckersley, 2005). As an example in 2005 a survey of global leaders from all sectors found that 72% of respondents expect the world will incur major damage to human, social, and ecosystem health because society is failing to transition to sustainable development quickly enough (The 2020 Fund, 2005).

So where is this negative information going when ourselves and our organisations receive it, and how is it expressed?

Continuous exposure to complex and interlinked negative evidence, abetted by the 'if it bleeds it leads' media, has the ability to stir deeply seated fears we may have about the future, and reduce our ability to creatively solve problems. The fashionable need for statistics and data, in the absence of story, creativity and art, leads us to working simply at the cognitive level disengaged from and disrespectful of how we feel and how we connect with the world around. We then become unable to release our true potential in addressing some of these problems (McIntosh, 2008).

The theory of rational ignorance suggests also that at some point we make a fairly conscious decision to switch off from receiving data due to the time and effort it takes to process it and to make an informed decision. Instead we make a relatively uninformed decision based on trust (e.g. a brand), a hunch or one compelling piece of information. This theory is seen most commonly in the way the older generation adapt, or delay adapting, to new technology but has immense implications for the way negative complex information can cause a conscious disabling or switching off from participation in civil society.

This is also why uncomplicated solutions to these complex problems often seem compelling and we are led to believe that

replacing a light bulb, recycling paper or reducing the amount of water we use boiling the kettle is 'doing our bit', when in reality this means a great deal more. Meanwhile the bigger and perhaps more urgent elephants in the room about potential sacrifice or wildly different approaches to our notions of development, growth and lifestyle go unanswered<sup>6</sup>, at least in the conscious realm.

So where does all this proposed 'negative' feeling go? What is the effect of this enlarging pool of shadow-side emotion doing at the collective level? How can we surface and make it a useful tool for the future, for as Carl Jung once said "There is no birth of consciousness without pain".

In some Western cultures the notion of fear is associated with sadness, depression and helplessness, and is a sign of weakness or dysfunction. Essentially we have thrown it into the mixture of other unwanted expressions, due to our societal requirement to be eternally cheery and the 'disease model' of modern psychology.

To help us to identify the reasons we repress the fear we may hold about some of this negative information, Joanna Macy and Molly Young Brown divide them into the following categories:

- Fear of pain – we see fear and associated pain like a disease to be medicated and avoided
- Fear of despair – by acknowledging our real despair, we may lose our love for and meaning for life
- Fear of appearing morbid – we feel it is socially inappropriate to show fear. We must be optimistic and stiff upper lipped
- Fear of looking stupid – we distrust of our own intelligence – due to the abundance of data and the interconnectedness and complexity of the issues we refrain from intellectual debate for fear of exposing what we don't know
- Fear of guilt – we feel complicit in what is happening yet brandish our smoking guns in the safety of our equally guilty peers. The Vatican recently announced that harming the environment was a modern sin, further adding to the guilt we may feel for our incongruent living<sup>7</sup>
- Fear of causing distress – Our desire to protect our loved ones from harm means that we naturally convince each other and ourselves that everything will be all right

<sup>5</sup> The following link provides photos of the Zurich office: <http://www.popgive.com/2008/03/google-office-in-zurich.html>

<sup>6</sup> For more on the way the media has portrayed environmental issues in the UK and specifically climate change, read *Warm Words One and Two* commissioned by the IPPR. [www.ippr.org.uk](http://www.ippr.org.uk)

<sup>7</sup> Vatican lists "new sins," including pollution (2008) Reuters, London, viewed 15 January 2008, <http://www.reuters.com>

- Fear of being unpatriotic – it is unpatriotic to undermine a can-do attitude, particularly in the face of other seemingly more immediate challenges (Macy, Young-Brown, 1998).

Of course many of us *are* able to express our deep fears and as a result become suitably mobilised and empowered. Some even welcome the idea of civilisation and ecological collapse with open arms following such beliefs as “end time” thinking (Marks, et al) and quickening the Rapture<sup>8</sup>.

## Facing our fears

The Hindus view death as an experience to be welcomed in the same spirit as birth and the living of life. Similarly we need to think, not only about facing our fears but welcoming them, embracing them, holding onto them and expressing them collectively. This follows on from some of the success that Daniel Goleman and others have had in persuading us of the value of using emotional intelligence in managing and decision making and using previously unacceptable faculties such as compassion, hope and mindfulness fruitfully in everyday working life.

In Joanna Macy's workshop *The work that reconnects*, she uses a combination of techniques to environmentally educate the ‘whole’ person, i.e. the heart, the mind and the spirit. Within this she emphasises how important opening up to fear is, dismisses the idea that fear or sadness opposes or prevents happiness and instead suggest that through its release comes relief, renewal and preparedness.

In some of the sustainability work we do at Ashridge, we ask leaders to do something very similar, which is to confront head on the brute facts about our dependence on the planet and the interaction their businesses have on societies and the environment at large. Experiencing, reflecting and articulating this confrontation helps us co-create future strategy from a far broader and deeper base and work only within true limits rather than perceived limits created by our organisational thinking. Without doing this we quickly get trapped in a mechanistic risk averse and quite negatively conceived world of CSR policies and action plans. We then lose our appetite or energy to explore taking these subjects to the heart of business in order to create new realms of possibility, opportunity and affirmative action.

Whilst an understanding and confrontation of our fears is much needed and potentially unifying, a fear based outlook to development and progress is not. In fact positive characteristics are at their most affective when faced with adversity and difficult times (Seligman, 2003). So this means we need to cultivate positive characteristics and emotions whilst not dismissing the greatness of some of the challenges that lie ahead. From a leadership perspective there is no one embodying this duality more right now than President Obama.

Karl Popper once said that we have a moral obligation to be optimistic, however, as this section suggests, without keeping our optimism in the context of some of these larger socio-political issues and trends, of which we are part, we reduce our preparedness, bury our heads in the sand and undermine future opportunities organisationally or otherwise.

## Sustainability and the greatest happiness principle

So this is not about feeling the fear and doing it anyway. Neither is this about being blindingly and ignorantly optimistic. It's about being positive whilst being conscious of the immensity of the task ahead and of the potential of what we are collectively capable. By doing this we open ourselves up to possibility. Negative orientations breed risk based solutions and approaches that are rarely effective or able to inspire, whilst positive ones open us up to new networks, new ways of understanding and new invention.

Studies in positive psychology tell us that the possibilities and promise associated with positive outlooks and emotions are significantly more numerous and far reaching than negative ones. The suite of actions and options available as a result of such emotions as fear, despair and even sadness are far narrower than those of joy, interest, contentment and pride. These positive emotions enable us to push the limits, be creative, play, share, explore, and to expose ourselves to, and manage, complex information, challenges and experiences. In addition such positive emotion builds resilience for future hardship, partly by creating a positive emotion bank balance, and also the critical social support such outlooks develop. Furthermore, having an open outward orientation increases the probability of encountering more experiences, which are

<sup>8</sup> See <http://www.endtimesroundtable.com> for such an example.

in turn interpreted positively – the positive multiplier effect (Fredrickson, 2001).

“AI (Appreciative Inquiry) involves, in a central way, the art and practice of asking questions that strengthen a system’s capacity to apprehend, anticipate and heighten positive potential. It centrally involves the mobilisation of inquiry through the crafting of the ‘unconditional positive question’ often involving hundreds and sometimes thousands of people.” (Cooperrider and Whitney, 2000)

From an organisational perspective, we too have obsessed with the need to solve problems and manage from a perspective of treating the squeaky wheel or reducing negative risks with planned preventative interventions. Appreciative Inquiry, or AI, takes the opposite view and looks more closely at what it is that gives an organisation life (its key character strengths) and what might be possible. It also does this in a highly participative manner, often involving every employee in the process and even external stakeholders. In the light of such a dominance of negative approaches in business, it may be the breath of fresh air required to help organisations address sustainability challenges more transformatively, more creatively and more rapidly<sup>9</sup>.

Retaining and working towards a society with higher levels of positive emotions, be that contentment, satisfaction or happiness, has multiple implications for moving towards a sustainable future. This is not just because we might need less material wealth to keep us happy, but because various research demonstrates that pro-environmental behaviour is in itself a positive experience that feeds positive emotions and makes us happier. For example, ‘Brown and Kasser (Study 1)’ found a positive correlation between the happiness of American adolescents and the extent to which they engaged in environmentally friendly behaviour (Marks *et al*). This suggests that many of the things that we actually may do for environmental reasons, have immediately positive payback even if that wasn’t the underlying motivation. It also may help to explain why good environmental performance of companies is so commonly demanded by the employees who wish to take part in making a positive difference and why there are always so many complaints about (and

disproportionate effort around) visibly wasteful assaults on nature such as packaging, paper towels, printing and plastic cups.

The current economic downturn is likely to result in greater austerity, economisation and reduced mobility. Combine this with more locally resilient and pro-environmental community initiatives (e.g. transition towns) and there is a real possibility that as a result of stronger social cohesion and environmental engagement, people become happier as a result. With this in mind the solution may not be to pursue the *Greatest Happiness Principle* in Bentham’s humanistic terms, but to move towards a policy solution that is more bio-centric and includes our relationship with nature and environmental behaviour in a more integrated and emphatic sense.

## THE ENVIRONMENT AND HAPPINESS – VIRTUOUS SPIRALS

At a recent WWF workshop, the facilitator used some visualisation techniques to help us relax. After a few minutes he asked us to reflect on the two things that gave us the deepest, most enduring sense of happiness. Within seconds I was firmly fixed on the unconditional love I receive from my three year old boy, and the sounds, smells and mists of the wild open sea. The first represented love and hope for the future, while the second, I felt, was linked to inspiration and a love of beauty. Others in the workshop experienced similar non-material things, the satisfaction of working in teams for example, or taking walks in open spaces. Having repeated this exercise twice since, and in different cultures and contexts, the results have been incredibly similar. The commonality seems to be our love of having a close connection with people and with nature.

### People as an enabler of environment

There are sure signs of new postmodern development approaches gaining pace, ranging from hybrid economies and integrated currencies such as [www.Berkshares.org](http://www.Berkshares.org) to skills-sharing freeconomy initiatives. Many of these very entrepreneurial grassroots projects, whether created by environmentalists or not, through a desire to be more locally resilient, go a long way to meeting both the objectives laid out by well-being policy makers and the lowering of environmental footprints.

<sup>9</sup> For an example of a company that has used this process visit [www.fairmontminderals.com](http://www.fairmontminderals.com) or [www.gmcr.com/csr](http://www.gmcr.com/csr)

Local trade means more relationships, stronger communities, more trust, less travel or need to go on holiday, more free time and less carbon. As an example, Bill McKibben also said that you are likely to have ten times more quality conversations in your local market square than in the local supermarket.

The opportunity for the organisation is to understand how to support such movements usefully and meaningfully and to take more of a 'glocal' view. i.e. thinking big whilst being sensitive to the ecological and social structures of the localities in which one operates. This is the ecological and physical equivalent of a long-tail strategy (Anderson, 2004) and there are already very good examples where such an approach is working well, for example the more locally sensitive examples of Bottom of the Pyramid initiatives.

### Nature as an enabler of happiness

There is evidence to support the idea that the closer we bring nature into our lives, from having pot plants in our offices and trees by our windows to walking in parks at the weekend, the better our lives are. Nature as neighbour has been shown to have beneficial effects on crime rates, social cohesion, mental and physical health and even property prices (Shah, Peck, 2005). Conversely there is much more evidence to support the fact that poor quality environments bereft of nature can breed social ills.

Nature is an inspiration, whose forests, streams, savannahs and mountains are woven into folklore, myth, fantasy and poetry, integral to the palimpsests of our planet's rich cultures, and to our own sense of belonging. Who can fail to be enchanted by the Ent guards of Fangorn Forest in Tolkien's *Two Towers* or the geological adventures of Professor Lidenbrock in Jules Verne's *Journey to the Centre of the Earth*.

Sadly, however, it's thought that our deeper and more mystical connections with our planet through folklore may have been lost from Western societies for over 400 years. This can be shown in Shakespeare's own changing relationship with the natural world as he switched from fairies, hobgoblins and moonlight in *A Midsummer Night's Dream* to *Macbeth* where witches represent darkness and evil and nature is in all but chaos (McIntosh).

### Being happy together

The biological concept of intermediate disturbance suggests that we can have, through good husbandry, a win-win relationship with nature. Through medium levels of disturbance, full colonisation by a dominant species is prevented whilst the disturbance is infrequent enough to allow other species to flourish. The end result is a richer ecosystem that is healthier for the environment and provides additional long-term resource for its managers. Such orientation has profound implications on the way we view our relationship with the environment, particularly if we properly value the additional happiness enabling effect of such interaction. From a design principle perspective it could theoretically be perfectly possible to have a mutually abundant (more than the sum of the parts) relationship in certain environments.

Permaculture takes this still further suggesting we can have a mutually abundant relationship with the environment by consciously designing in ways which "mimic the patterns and relationships found in nature, while yielding an abundance of food, fibre and energy for the provision of local needs" (Holmgren, 2007). In teaching us to value renewable resources and services, permaculture recognises that not only should our co-dependency be transactional but that we benefit equally from cleverly using the services the natural world offers without putting any strain on it at all. An example of this might be the planting of trees on the north side of a property to insulate the building from cold northerly winds and keep us warm, or on the south side of a property to provide summertime shade and cool breeze.

### Towards ecological happiness

Having one global ideal for what it means to be happy or what it means to be developed doesn't work. It creates conditions that are unattainable, unsustainable and insensitive to local context. In Martin Seligman's book *Authentic Happiness*, he is quick to point out that certain positive strengths in people have been valued consistently and developed independently by different cultures throughout the millennia. These include love and humanity, courage, justice, and wisdom and knowledge. It seems appropriate therefore that approaches to happiness retain a local and independent focus and their cultural context.



I use the term ecological happiness deliberately. This is because in the past, policy goals have tended to play down the need for the biosphere's own well-being and reinforced the notion that we are separate from and in no way in need of nature. Perhaps by designing from a more ecological mindset, which factors in the short and long term benefits of having an abundant relationship with the world more fully, we can value its wellbeing with as much credence as we do our own. This doesn't remove the notion of having a competitive market for goods and services and the provision of choice, but it does ask that things like ambition, competition, adaptation and dominance and how we choose to define success and growth are adapted to local context.

To consider what this might look we can briefly revisit the example of the large retailer that was introduced on the first page. To operate in the context of delivering the greatest 'ecological' happiness to the greatest number might produce something like the following:

A store would be more autonomous, being totally responsible for engaging with local stakeholders and local suppliers in order to develop ecologically sensitive offerings. Therefore a large global enterprise might look more like a loose federation, rather than a centrally controlled machine. Paradoxically, this is the preferred structure for the global advertising industry right now. This is because by centralising, the sector would lose its ability to be creative (stimulation for which often comes from the fringe areas of society) or to have such insightful local market knowledge.

Managers would need to be much more broadly trained, trusted and autonomous, and competent in the three C's of Connectedness, Complexity and Context (Ashridge, EABIS 2008) in addition to budgeting, stock control and traditional leadership skills. Supplier and staff relationships and scrutiny would be as much about ensuring that workers had meaningful and valuable lives and time to enjoy pursuing the art of living as it would be to ensure reasonable pay. The customer, supplier, staff and local community and environmental relationships would be intricately interwoven to the point that they would essentially become one and the same.

Of course not all sectors would benefit from this fantasy. By taking such a local approach,

major infrastructural projects around telecoms or integrated transport systems would be certain to fail and there will be other examples. There is also the obvious question about what growth might look like, and how we define it in this circumstance. This question is long overdue, and the subject of another paper from Ashridge. For other sectors however there is merit in some of these ideas. Unilever for example has already started investigating what it calls micro-manufacturing, where it would locate small manufacturing units near waste disposal sites, using local industrial and domestic waste as feedstock to serve local markets. Although this doesn't fully capture my rather more holistic suggestion, you can imagine the sort of shift in mindset required to develop such a paradigm shifting business model. So this reorientation, away from the 'one-size-fits-all' approach, is already happening.

## CONCLUSION

We have said, and we all know, that the pursuit of money, possessions and power beyond a certain level does not make us happier as an end in itself. However because of the accelerating pace of society and competition, our hurry sickness causes us to act and work at the instinctive level, craving these more primal satisfiers over more evolved, considered, and thoughtful decisions. It also narrows our creativity and willingness to entertain alternative solutions, to collaborate, or to be mindful of and compassionate towards the wider and longer term context.

As the socio-political and environmental issues for us as individuals and members of organisations becomes more challenging and more complex, the ramifications of such low order response and insensitivity to wider system changes become more and more threatening. So what can we do to get us towards a place where we are happier, not just as a species, but as a planet?

Firstly we need to build on the work already done around the acceptance of emotional intelligence in organisations to be able to express our concerns for the future honestly and within the public realm. This means not only getting in touch with ourselves, but with others too, so that we can address issues proportionately and from a whole system perspective. We must also be able to hold these concerns in conjunction with hope,

optimism and positive emotion, and there is no better embodiment of this right now than Barak Obama.

Secondly, we must allow the development and usage of our higher order brain functions, and give them the time and space to serve us properly, particularly for those with leadership positions within organisations, used to fighting and trusting their gut instincts. We can borrow a great deal from the numerous self-help books on seeking happiness to do this, as many of the techniques chosen appeal to such development. Learning the art of savouring (marvelling, luxuriating etc), consciously expressing gratitude, showing compassion, meditation, volunteering, slowing down and reflecting, active listening, and consciously engaging one's signature strengths can all contribute to this development.

It is worth noting that whilst these practices can all make us happier, not one of these mechanisms has any overtly negative impacts on society or the biosphere or sustainable development goals.

And finally, we have to build our capacity for ecological altruism (EA), which I would suggest comes from a combination of mindfulness (M), empathy (E) and a realistic understanding and surfacing of the feelings we have about the crises that present us (Acute Awareness).

EA = M x E x AA

A realistic challenge?

I think so.

"In the day-to-day trenches of adult life, there is no such thing as atheism. There is no such thing as not worshipping. Everybody worships. The only choice we get is what to worship. And an outstanding reason for choosing some sort of god or spiritual-type thing to worship – be it JC or Allah, be it Yahweh or the Wiccan mother-goddess or the Four Noble Truths or some infrangible set of ethical principles – is that pretty much anything else you worship will eat you alive. If you worship money and things – if they are where you tap real meaning in life – then you will never have enough. Never feel you have enough. It's the truth. Worship your own body and beauty and sexual allure and you will always feel ugly, and when time and age start showing, you will die a million deaths before they finally plant you. On one level, we all know this stuff already – it's been codified as myths, proverbs, clichés, bromides, epigrams, parables: the skeleton of every great story. The trick is keeping the truth up front in daily consciousness. Worship power – you will feel weak and afraid, and you will need ever more power over others to keep the fear at bay. Worship your intellect, being seen as smart – you will end up feeling stupid, a fraud, always on the verge of being found out."

David Foster Wallace on how to make it to 30 or 50 without shooting yourself in the head, *The Guardian*, 20 September, 2008.

Wallace, a Professor of Creative Writing and Professor of English at Pomona College, California, committed suicide on 12 September 2008, age 46.

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# SUSTAINABILITY AS A RELATIONAL PRACTICE

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## Introduction

This article considers what it means for an organisation to relate well. As social creatures, we all have an understanding of good and bad behaviour as we experience and exhibit it in our everyday exchanges. Social norms, mores and manners shape what we do and how we do it. Opprobrium and approval, sanction and reputation are powerful forces that are culturally determined yet fluid. Corporate personae are no less immune from these shifting influences and expectations than we as individuals. The issues addressed here then are:

- As the gap between societal expectations of companies and perceptions of corporate behaviour continues to widen, what does it now mean for a company to relate well with others directly and indirectly (including through its impact on the environment)?
- When looking at the more sophisticated attempts by companies to close the deficit in trust and behave in ways more in-tune with the public good (in a sense, to keep up with the times and often in the name of corporate responsibility or sustainability), what is there to learn?

These are encompassing matters and raising them provokes some more specific questions:

- What is the difference between being held accountable (literally, to be required to render an account) and being held responsible?
- What is the difference between being inquiring and consultative, and being responsive and reciprocal?
- How does an organisation interpret and meet its obligations to comply with the rules of the game, while going beyond them, simultaneously responding to and shaping emerging expectations?

But before we consider these challenging

questions, we should recognise they carry with them some assumptions. The starting assumption is that for some time now organisations, especially in the private sector, have been framing their interests in increasingly narrow terms. This has been happening to such a degree that these institutions have become insensible to, or so wilfully disregarding of, the consequences to others that wider society has become ever more unwilling or unable to pay the cost of this creeping parochialism. There is plenty of evidence around environmental degradation, human rights abuses, exploitative working conditions and so on to draw a compelling picture of the troubling externalities that can arise from furthering private interests at the expense of the public good. While there's no need to revisit all that here, it is worth noting that a narrow and short-term view of success is by no means limited to the private sector, just perhaps more pertinent to it. At a recent Confederation of British Industry meeting a representative of the secretariat was complaining loudly about the demands for greater accountability being made of companies but not of government and not-for-profits. His protests were quite misplaced of course. The fact that it is companies that face such urgent calls to account for their behaviour is what should have occupied him, not encouraging business leaders to whinge about the greater trust other institutions enjoy. It is enough for the purposes of this article to accept that there is widespread disquiet about corporate behaviour substantiated by an extensive body of evidence such that even the most liberal of neo-classical economists would have to accept its power, although they might put it as perfectly straightforward examples of market failure that will self-correct with the continued well-intentioned pursuit of core purpose.

The second assumption is that there is an

unstoppable momentum behind not only those challenging the worst excesses of corporate behaviour, but the very models on which so much corporate activity is predicated and justified. In other words, those who see bad corporate behaviour as commonplace are growing in number and influence, as are those challenging the dominant ideas around acceptable conduct in the pursuit of corporate purpose. Fundamentally, that is because the facts of the matter support their position, especially around the changing environmental and social context of business (see for example the Worldwatch Institute's *State of the World* series that goes back over 25 years now; UNDP's *Human Development Reports*; and the World Bank's *World Development Reports*). As our collective awareness is raised about the causes of pollution and damage to the regenerative capacity of the environment on which we all depend, or about the realities around growing income disparities and the far-reaching consequences of grinding poverty, so our understanding of what constitutes bad behaviour is changing. In short, the second assumption is that there has been a profound shift in how the public interest is and will make itself felt on those holding fiduciary responsibilities to advance private corporate interests as currently articulated and still vigorously defended.

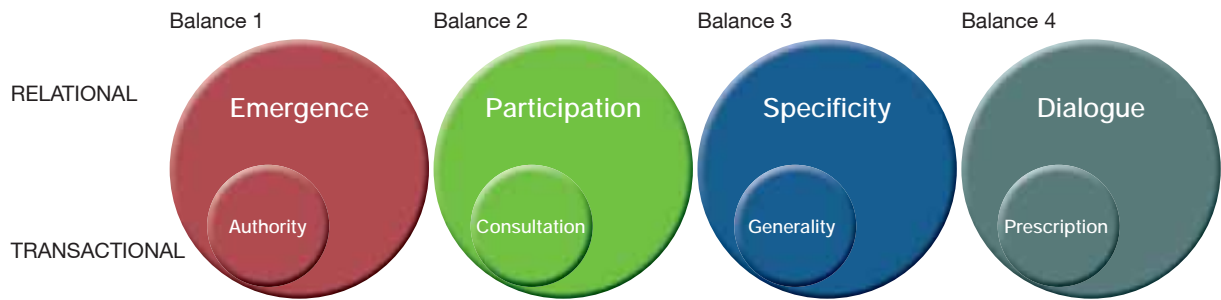
The third assumption comes from a view on the nature of organisations. Organisations are taken here to be first and foremost communities of people who come together for a purpose. Some might use terms such as "complex responsive processes", "communities of social interaction" or similar (see Griffen and Shaw 2002; Stacey 2001; Streetfield 2001 for more detail). It is not the intention here to focus on the ideas around complexity theory, social constructionism and so on. It is enough to be interested in organisations as social institutions with articles of association, systems and processes, management tools and frameworks, governance structures and so on as artefacts of social interactions within and beyond their porous boundaries. In short, organisations are treated here as essentially the people who constitute them, their relationships and all that emerges from them as individuals variously represent some collective interest, organisational purpose and values. So starting with what we might consider appropriate

behaviour, one might even say the good manners of a conscientious citizen is more than just a metaphor – it is the most pertinent place to begin to consider questions of the role of business in society, the best interests of the corporation and sustainability. Notions such as openness, reciprocity, participation and personal responsibility find their near organisational equivalents in transparency, responsiveness, diversity and accountability.

Bearing these assumptions in mind, the questions above are explored in a way that is grounded in the practice of organisational sustainability, and with frequent reference to two of the most widely used and highly regarded standards: the Global Reporting Initiative (GRI) and the AccountAbility 1000 Principles Standard (AA1000). They are used for broadly the same purpose of promoting organisational change and put confidence in the power of transparency and accountability, chiefly by prompting a more rounded disclosure of financial and non-financial information (see the Appendix for an overview). Both have their strong advocates – many who work with them see value in both. This article draws on the experience of using them with clients and on research into organisational accountability, including to develop the AA1000 standard (see Faruk 2002).

While it might seem something of a leap to go from the grand, sweeping questions posed at the beginning of this article to the consideration of a couple of management instruments, the aim is to bridge that gap by simply using the GRI and AA1000 as a polemical device to explore questions that speak to philosophically different ways of regarding organisations, processes of change and the pursuit of corporate purpose. These two standards have been chosen not least because they are familiar to the intended primary audience for this article – namely, those with responsibility for sustainability, social impact performance and similar in organisations. As with all such devices, it is important to use it to think through a balanced view rather than accept the tyranny of false alternatives. Figure 1 illustrates the accountability and organisational development concepts around which this article is arranged.

Figure 1. Organisational accountability as a balance between the relational and transactional



### Balance 1: emergence and authority

AA1000 and the GRI are as similar as they are different, and to a degree can be used in combination. But the differences are important, not just in their detail, but in the mindset and informing assumptions about organisations and change that have given rise to them. The GRI places emphasis on explicit rules, norms, standards and acknowledged authority; AA1000 is much more concerned with exploring, inclusiveness and involving. In a sense, AA1000 promotes a more expansive even democratic view of the process by which an organisation may become more in-tune with the societies of which it is a part. The GRI in effect, although clearly not in terms, says it has done enough exploring and involving to know what organisations and their stakeholders need.

Like the GRI, AA1000 refers to the need for an organisation to acknowledge, assume responsibility for and be transparent about the impacts of its decisions, actions, products and performance. But more than that, it obliges an organisation to involve stakeholders in identifying, understanding and responding to sustainability issues, and to report, explain and be answerable to them. The basic premise is that an organisation should take action based on a comprehensive understanding of stakeholder concerns and the broader than conventional view of materiality that results.

The principles that promote this way of working are Inclusivity, Materiality and Responsiveness. These principles by their nature promote a quality of organisational accountability that is more stakeholder influenced, and therefore

more emergent, specific, current and generative than many other frameworks and standards, including the GRI. They ask of an organisation that it takes the initiative to actively engage with its stakeholders to understand those sustainability issues that will have an impact on its economic, environmental, social and longer term financial performance, and then use this understanding to collaboratively develop business strategies and performance objectives. As an articulation of principles rather than prescriptions, AA1000 requires an organisation to interpret the detail of materiality for itself, identifying and acting on opportunities and risks specific to its own circumstances. Indeed, in some cases outcomes may look so particular they border on the esoteric or idiosyncratic. In other words, the framing of performance and the resourcing of priorities emerges out of the social accountability process rather than being stipulated by it. But it is worth noting that these principles are certainly not antagonistic to norms:

**“The materiality determination process identifies and fairly represents issues from a wide range of sources including the needs and concerns of stakeholders, societal norms, financial considerations, peer-based norms and policy-based performance and understands their sustainability context.”**

AccountAbility, 2008

The GRI Reporting Framework differs from AA1000 in that it is intended to serve as a generally accepted framework for reporting indicators of an organisation's economic, environmental and social performance. The narrower focus on reporting is itself telling of course, as rules-based approaches need to attach themselves to something sufficiently concrete to be able to stipulate. While AA1000 is interested in reporting and disclosure but only as part of a larger process, the GRI seems to assume that change inevitably flows from better information, or at least it has nothing much to say beyond transparency. The GRI recommends that a combination of internal and external factors are used to determine whether information is material, including concerns expressed directly by stakeholders, but places greater emphasis on the basic expectations expressed in the international standards, agreements and norms with which an organisation may be reasonably expected to comply. In general, impacts considered important enough to require active management or engagement are those subject of established concern by expert communities, or those that have been identified by a specialist internal function using technically sophisticated tools such as impact assessment methodologies or life cycle assessments. Clearly, the GRI stresses the role of established authority both in the emphasis on norms (in the detail of the ambition it holds for itself and with reference to other standards), and in those it sees as competent to set and interpret them. This has a certain paternalistic, hegemonic tone to it, while at the same time having the advantage of establishing some ground that may become common.

## Balance 2: participation and consultation

The emphasis of AA1000 on relating closely and immediately with stakeholders not only supports a greater interest in emergence and the creative potential of formal accountability processes, but also allows an organisation to demonstrate to itself what it could do more of without necessary recourse to such structure and formality. It places stress on devolved responsibility for stakeholder relations, distributed leadership and encourages by example a greater interest in "bringing more of the outside in". At the heart of this more expansive, open and involving way of organising is the principle of Inclusivity – described as the "foundation principle". This is the participation of stakeholders in developing an accountable and strategic response to sustainability, and is therefore much more

than a stakeholder engagement process as usually understood. It is the commitment to be accountable to those on whom the organisation has an impact and who have an impact on it, but more than that, to enable their participation in identifying issues and finding responses. It is about collaborating at all levels, including governance, to achieve better outcomes. There is no attempt to describe what "better" means of course – that is taken to be too organisation- and situation-specific to be identified even in broad terms. Being inclusive from this perspective is a participative process that aims for a broad, comprehensive and balanced involvement in strategy-making, planning and action.

Corporate accountability when based on stakeholder engagement as AA1000 promotes then is a commitment to a process of reciprocal learning. At its best it is learning together with others without any particular outcome in mind, and being open to and interested in difference, and anything that might come from that. This open-minded, exploratory attitude is not something that can be controlled or contained of course and often prompts some genuine soul-searching around vision, purpose and organisational values (see Faruk 2002 for examples).

The GRI presents a quite different emphasis. It says that for some decisions, such as in deciding report scope, the reasonable expectations and interests of a wide range of stakeholders will need to be acknowledged and considered. This is indicative of the way in which the GRI sees the proper involvement of stakeholders in a process of change. Clearly, an "acknowledgement" of stakeholder interests and "reasonable expectations" rather than encouraging their active participation is a fundamental difference between the GRI and AA1000. The GRI goes on to say:

**"Stakeholder engagement processes can serve as tools for understanding the reasonable expectations and interests of stakeholders. Organizations typically initiate different types of stakeholder engagement as part of their regular activities, which can provide useful inputs for decisions on reporting."**

Global Reporting Initiative, 2006



So while the relational is not entirely absent from the accountability process, it is largely diminished to consultation and prospecting for useful information. It is a more remote, stand-offish, even transactional stance. It is consultative rather than participative, carrying with it the implication that it is from the leadership of an organisation that change will and should originate. Responsibility is properly held by an elite to this way of thinking and it will set the direction, communicate it, and others will understand, be motivated and follow their lead, and the desired change will surely follow. The AA1000 approach is more consistent with a rather different perspective. It is change as uncontrollable and unpredictable in many respects, as creative and messy involving a dynamic correspondence between leadership and internal and external stakeholders, between the familiar and unfamiliar, between that which is settled and that which is made available to challenge. The GRI is indicative of an idea of change as mechanistic and driven from the top down; AA1000 is indicative of change as unfolding and emanating from vibrant relationships extending from the centre of an organisation to its distant and indistinct edges.

### Balance 3: specificity and generality

The concept of materiality (or more simply, relevance) has played an important role in the development of organisational accountability and sustainability. For some, the issues that rest under the umbrella of corporate sustainability smack of philanthropy and indulgent largesse, and are best kept away from the business of business in case they distract from core purpose. For many who have challenged this idea, an interest in materiality has been about demonstrating a link between sustainability and long-term business value. That interest is prominent in both AA1000 and the GRI, and both recognise materiality as coming out of a wider-ranging consideration of commercial, environmental and socio-economic context. It is the way context is introduced which offers a clear point of difference between the two, influencing both that which is considered and the process by which the material is distilled from the comprehensive.

In AA1000 a material issue is defined as one that will influence the decisions, actions and performance of an organisation or its stakeholders. To make good decisions and take well-informed action, organisations are encouraged to establish a stakeholder process to develop a comprehensive understanding of their sustainability context and what their

material issues are, who they are material to and why. This of course includes using information other than financial data, such as information on impact on stakeholders over the short, medium and long-term.

The GRI on the other hand places stress on benchmarking and assessing sustainability performance with respect to laws, codes, performance standards and voluntary initiatives, and comparing performance over time and between organisations. So while the focus is clearly on the production of a report, the GRI does require information on performance is placed in a context that may or may not be well represented through stakeholder engagement. This strong interest in introducing information beyond a stakeholder engagement process comes from a more unequivocal recognition of the importance of scale and time horizon, and a consequent greater reliance on hard and soft law, and comparative performance in describing context.

**“The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions, developments, and trends at the local, regional, or global level. Reporting only on trends in individual performance (or the efficiency of the organization) will fail to respond to this underlying question. Reports should therefore seek to present performance in relation to broader concepts of sustainability. This will involve discussing the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sectoral, local, regional, or global level. This includes reporting on activities that produce minimal short-term impact, but which have a significant and reasonably foreseeable cumulative effect that may become unavoidable or irreversible in the longer term (e.g. bio-accumulative or persistent pollutants).”**

Global Reporting Initiative, 2006

It is worth recognising that this difference, while far from unimportant, is one of emphasis. So while there is a greater interest in making explicit environmental and socio-economic context across geography and time in the GRI, it does also say that failure to identify and engage with stakeholders is likely to result in reports that are not suitable, and therefore not fully credible. It goes on to say that systematic stakeholder engagement enhances stakeholder receptivity and the usefulness of reports. This limited role for stakeholders and in relating with them is once again unfortunate for those who see the substance, colour and nuance of stakeholder relations as the stuff of organisational sustainability and the essence of how organisations evolve. Nevertheless, the considered incorporating of reliable sources of information that address vital matters that may not surface in formal stakeholder engagement is of enormous value, and few things are more galvanising to managers than peer-to-peer comparison of performance.

AA1000 also recognises the value of explicit, wide-ranging contextual information but to enliven and inform stakeholder engagement. In practice the GRI promotes a reliance on information that refers to the general, broad sweep of the world as others interpret it much

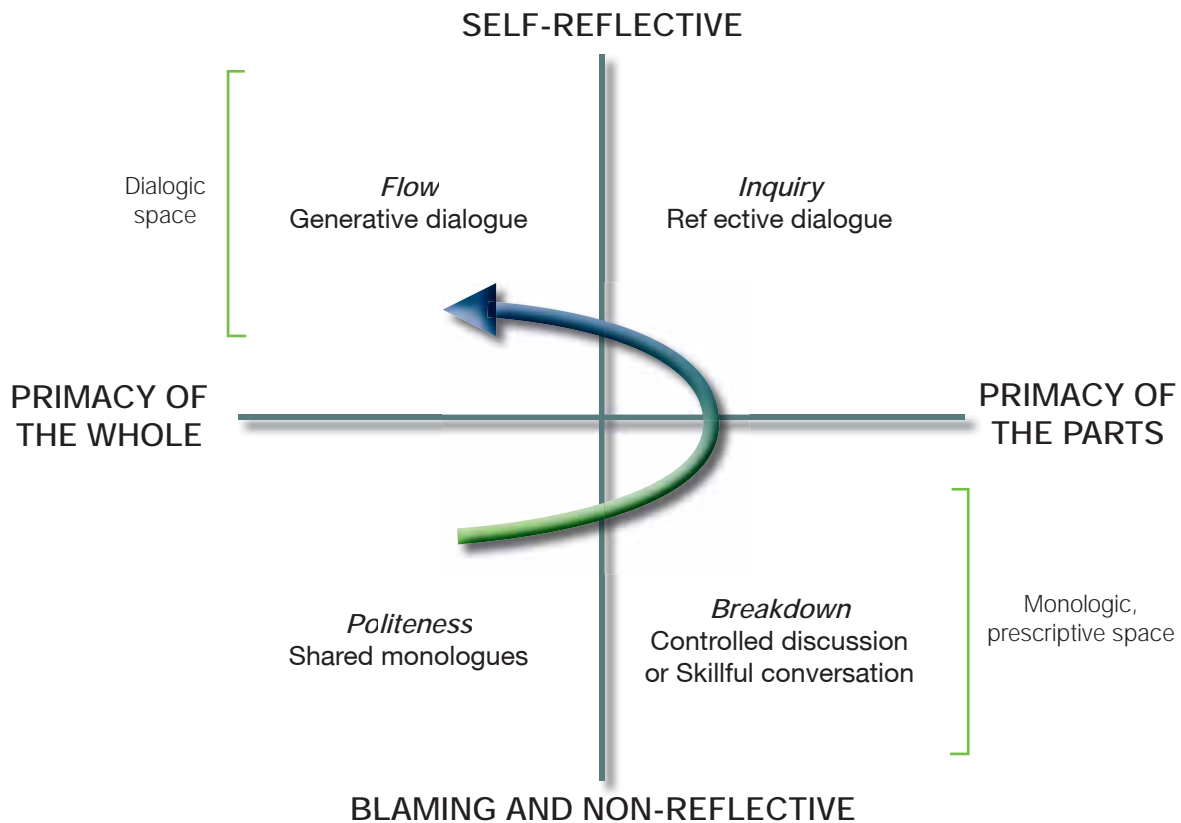
more than AA1000 which promotes a narrower, more specific world view as an organisation and its stakeholders choose to interpret it. This is less a philosophical or principled difference, more a matter of emphasis, but one that can have a profound effect. It is a real difference in practice but the two orientations are by no means irreconcilable. The involving of stakeholders able to intelligently represent an expansive view and introduce substantiating evidence in stakeholder engagement processes, while still unusual, can offer the advantages of both approaches.

**Balance 4: dialogue and prescription**

In the world of organisational accountability, the essential role of engaging stakeholders is derived from the wider intellectual tradition of stakeholderism (e.g. Mitchell, Agle and Wood 1997; Freeman 1984). But terms such as “stakeholder dialogue” and “stakeholder consultation” are used loosely and often interchangeably. They should not be. Working from a dialogic orientation is precisely about moving beyond the consultative, beyond the trading of positions and the exchange of information, to explore complex issues, creatively reflect and find ways to act that reference all interests in the room (see Figure 2).

Figure 2. From monologues to dialogue

Adapted from Scharmer in Isaacs 1999



This may not be described in terms in AA1000, but the principle of Responsiveness is absolutely central to the approach it advocates. Responsiveness is described as how an organisation demonstrates it responds to stakeholders and is accountable to them. This may include establishing policies, objectives and targets, in its governance structure, management systems and processes, action plans, measurement and monitoring of performance or assurance. An organisation's responses may not agree with the views of all stakeholders, how could they, but they participate in developing them. It is in the impulse in AA1000 to be reciprocal where the invitation for dialogue at its most aspirational lies. It means regarding relationships and the quality of relating as the context within which all else sits, being interested in difference, and being prepared to offer up one's own interests and assumptions for examination as part of a process to explore positions and dilemmas (see Bohm and Lee 2003; Isaacs 1999; Bohm 1996 for more).

And there is evidence to support the contention that the quality of stakeholder accountability advocated by AA1000 not only encourages a more systematic approach to stakeholder engagement, but also introduces a dialogic orientation to these exchanges. A number of companies report the conversations they have held with stakeholders becoming more wide-ranging and concerned with the relationship having adopted these or similar principles, rather than focusing on specific business initiatives, grievances, problems and conflict resolution, as they had in the past (Faruk, forthcoming).

In stark contrast, the GRI is far more prescriptive, requiring of a reporting organisation such things as disclosures on strategy and profile, disclosures on management approach, and disclosures on performance (in the main, indicators designed to elicit comparable information on economic, environmental and social performance). There seems to be an awful lot of disclosure in the offing, but not so much interest in how best to use this information, or much concern about whether the imagined audiences will indeed find it useful.

Although there is some flexibility, such as in differentiating between core and additional indicators, the GRI does assume itself to be generally applicable and assumes the detail of what it describes to be relevant to most organisations. It is the GRI's prescription of one generally accepted and detailed standard,

and with it the advantages of comparability and the disadvantages of missing the nuance of stakeholder relations, that perhaps best sums up the difference between the two standards – indeed, the two ways of thinking about organisations, change and sustainability.

It is worth stressing that AA1000 does not disregard the role of performance indicators. They are recognised as allowing stakeholders to come to a judgement about an organisation and act accordingly. At their best, indicators summarise a lot of complex information in a simple, lucid and useful way, and are critical to communicating progress over time, focusing minds, stimulating action and keeping environmental and social issues high in the organisational consciousness. Rather the point of departure between the two standards is that the GRI in effect suggests that organisations can trust the process it instituted and its relevance to all, while AA1000 sees the value in organisational accountability residing in the process that each organisation must develop for itself, however difficult and occasionally exasperating it may be.

### A final thought

In the introduction to this piece, it was said that contrasting AA1000 with the GRI was to be a device to explore social accountability, sustainability and ideas around organisational change. So this is not an invitation to align ourselves with one or other of these standards, but rather to look at the dynamic relationship between norms, prescription and formal authority on the one hand, and emergence, participation and dialogue on the other at a time when organisations will be challenged to move beyond incremental change to something transformative.

Sustainability is full of dilemmas, and the suggestion here is that anyone interested in making a contribution proportionate to the scale of the challenge will want to consider carefully how in practice change comes about when dealing with inherently complex issues. It would be deceptively easy to think just in terms of performance and risk management systems, reporting frameworks and all those other artefacts of organisational life that continue to dominate the language of organisational change. But equally, it would be inappropriate and impractical to ignore them. Starting with what others have learnt, codified and posited as generally applicable does not seem an unreasonable place to start, not least as an introduction to something more exploratory,

experimental and ambitious. It is when this becomes the full extent of an organisation's ambition that the potential for change beyond the commonsense and incremental is undermined. A rules-based approach is sufficiently reassuring to be a first step towards something more relational, as long as it is understood that organisational sustainability cannot begin and end with compliance, even with shiny best practice. Starting with the tangible and settled provides a safe foundation to work with uncertainty and complexity rather than being limited to merely describing it.

Sustainability is a deeply relational practice and a committed interest means there can be no delegating to others, to another time, to another place – or for that matter to an arms-length, expert-led, transactional process. We intuitively recognise a conscientious corporate citizen when we meet it openly struggling with the same balance between rights and collective responsibility that is so familiar to us as individuals. The more organisations that pay attention to relating well, the more often these meetings will happen.

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## An invitation

Many are disappointed by the disconnect between social accountability processes such as sustainability reporting and stakeholder engagement, and strategy development, innovation and culture change. To join us and learn more about how to make those links strong and value-adding, contact Nicolas Ceasar at: [nicolas.ceasar@ashridge.org.uk](mailto:nicolas.ceasar@ashridge.org.uk)

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## Appendix: overview of the GRI and AA1000

GRI	AA1000
<p><b>Overview</b></p> <p>The Global Reporting Initiative's mission is to provide a trusted and credible framework for sustainability reporting that can be used by organisations of any size, sector or location.</p> <p>Sustainability reporting is described as the practice of measuring, disclosing and being accountable to internal and external stakeholders for organisational performance towards the goal of sustainable development.</p> <p>Transparency about economic, environmental and social impacts is seen as a fundamental component in effective stakeholder relations, investment decisions, and other market relations. To support this expectation, and to communicate clearly and openly about sustainability, the GRI seeks to offer a globally shared framework of concepts, consistent language and metrics.</p>	<p><b>Overview</b></p> <p>The AccountAbility Principles provide organisations with an internationally accepted, freely available set of principles to frame and structure the way they understand, govern, administer, implement, evaluate and communicate their accountability.</p> <p>They are primarily intended for use by organisations developing an accountable and strategic approach to sustainability. They are promoted as helping organisations to understand, manage and improve their sustainability performance.</p>





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