Transforming Tomorrow: Leadership for a Sustainable Future

Proceedings of the 13th ABIS Annual Colloquium
Abstracts of Presentations during the Research and Knowledge Sessions

The University of Cambridge
10-11 December 2014

ABIS - The Academy of Business in Society
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Introduction

The ABIS Annual Colloquium is one of the key events in the international sustainable business calendar, and offers a unique interface between the business and academic worlds. It always sought to stimulate debate and deepen insight on the future knowledge, capability and talent priorities which must be developed through close partnership and collaboration.

Building on the success of previous ABIS Colloquia, the theme of the 2014 conference focused on “Transforming Tomorrow: Leadership for a Sustainable Future”. Participants delved into the vital challenges faced by companies in leading change in their wider context. They explored the innovations being developed to transform systems, organisations and individuals in line with global sustainability imperatives. Last but by no means least, our conference investigated the current readiness of business schools to meet the rapidly evolving corporate agenda, and pathways to increase their relevance and impact in the years to come.

Given its objective of shaping a new knowledge development, talent and learning agenda in this vital area, the Colloquium attracted contributions of the highest quality from senior figures in global business practitioners.

The 2014 Colloquium was another milestone in the history of ABIS, which - with the invaluable support of its influential membership - remains committed to the collective pursuit of excellence in delivering a sustainable tomorrow for business in society.
About the Colloquium

Very few international platforms have a mission to transform leadership and management development around global sustainability and business in society agendas. ABIS is unique in its **bridging between the corporate and academic worlds**. It convenes deep, reflective debate across traditional boundaries about the future sustainability-linked skills, knowledge and competences of universal relevance to business, then seeks to leverage and catalyse change in business schools worldwide.

Clearly, at the **corporate level**, the responsibility lies between executives overseeing the embedding of sustainability in strategic planning and resourcing and those responsible for building the human and talent capabilities to reach strategic goals. On the **education and training** side, business schools and universities play an increasingly vital role in supporting new corporate reality.

One of the critical issues that companies face is to ensure that their future leaders will possess the competencies and skills to guarantee the organisation’s future viability in a turbulent business context. Hence, sustainability needs to be deeply integrated into corporate HR/L&D frameworks as well as mainstream business school programmes and executive education.

Against this backdrop, the **ABIS Annual Colloquium strived to convene challenging dialogue**

- to understand how companies can positively influence the systems in which they operate, and
- to bridge internal capability gaps and partner with business schools to develop the sustainability leaders of tomorrow who are central to the transformation of organisations and society.

The **ABIS Annual Colloquium** is an **invaluable platform for an organisation’s key management and business school faculty** to identify and explore future opportunities as well as confront the challenges of transforming business schools to be future leading champions of sustainable enterprise.
Challenge of Leading Change

The spotlight of the 2014 Colloquium was on new insights and approaches to leadership and organisational development which are required to accelerate progress towards a more sustainable future. Profound systemic change will be needed, inspired and delivered by individuals who understand and can navigate the complex opportunities and challenges inherent in this change.

The central question in this context was: who and what will advance the development of such leaders and change processes?

The programme featured a diverse fora for participants to engage with the issue of transformative leadership. It offered over 40 presentations of the latest thinking in research and innovation, two professionally run capacity building workshops and numerous opportunities to interact with speakers and panelists on specific themes, each one connected to two common threads: the need for systemic transformation, and the urgency for collective short-term action by organisations and individuals, based on long-term vision and commitment to achieving this transformation.

On the first day of the Colloquium, the sessions focused on the growing imperative for transformational business leadership in systems including national and international policy frameworks, global supply chain and finance and accounting. On the next day, participants engaged in discussions on the organisational and individual level where themes such as circular economy, purpose-driven leadership, strategy and disruptive innovation are likely to dominate the international discourse in the coming years.

Central Questions

1) What can we learn from corporate sustainability pioneers who have embarked on long-term systemic transformation processes in and with their organisations?

2) What needs to change in the current environment for the leaders of sustainability-driven transformation to develop and emerge?

3) How can such transformational leadership be facilitated and strengthened, across industries and between private, public and civic sectors, in pursuit of long-term change?

4) How can business schools enhance their support for businesses, to enable them to deliver on such a long-term transformative agenda?
Overview of the programme

Venue: Churchill College and Møller Centre, University of Cambridge, UK
Time and Date: 9:00 GMT, 10 December 2014 – 17:00 GMT, 11 December 2014

Tuesday, 9 December
19.00 Welcome reception for all delegates

DAY ONE: Wednesday, 10 December

08.00 Registration opens

09.00 Initial welcome to the 2014 Annual Colloquium
Joris Lenssen, Managing Director, The Academy of Business in Society (ABIS)

09.15 Research and Knowledge Sessions:
Parallel sessions by theme to showcase latest papers, research insights and in-depth exploration of leading edge corporate case studies and leadership frameworks.

12.00 Lunch

13.00 Official Welcome to the Colloquium
Professor Gilbert Lenssen, President, The Academy of Business in Society (ABIS)
Polly Courtice, Director, Cambridge Institute for Sustainability Leadership (CISL)

13.15 Opening Keynote: Transformative Leadership for a Sustainable Future
Having recently interviewed 100s of leaders to write the ‘The Breakthrough Challenge’, John will explain why change–as–usual strategies are not enough to move business from Breakdown to Breakthrough. He will explore how business leaders are redefining the bottom line – connecting today’s profits to the lasting wellbeing of people and planet.
Keynote speaker: John Elkington, Executive Chairman, Volans and founding advisor to The B Team

14.00 Panel Session: Transformative Leadership for a Sustainable Future – the challenge for business
Richard Batley, HR and Sustainability Head, Saint-Gobain
Doug Baillie, Chief HR Officer, Unilever
Tim Stevens, Vice President, Global HR Partners, IBM
Moderator: Michael Skapinker, Assistant Editor, Financial Times

15.00 Refreshments

15.15 The Challenges of Leading Systemic Transformation
Focus: To explore in depth, where and how systemic change is required, and the major challenges and opportunities facing business in taking leadership within these systems.

Delegates will have the choice to attend two out of four parallel sessions.

- National and International Policy Frameworks
  Jack Frost, Director, Johnson Matthey
  Tom Dodd, Policy Officer, EU Bioeconomy Strategy, DG Research and Innovation, European Commission
  Moderator: Nicolette Bartlett, leads development of the Corporate Leadership Network for Climate Action, CISL (TBC)

- Supply Chains (Land, food and water)
  Martin Roberts, Director, University of Cambridge Natural Capital Leaders Platform
  Moderator: Theo Hacking, CISL

- Finance and Accounting
  Dr Rodney Irwin, WBCSD
  Richard Burrett, Partner Earth Capital Partners LLP

- Emerging and Developing Economies
  Frank Welvaert, CSR Director EMEA, Johnson & Johnson
  Moderator: Mollie Painter Morland, ABIS and Nottingham Trent University

17.00 Closing Keynote: How Can We Make Transformative Leadership a Reality?
Peter Lacy, Managing Director, Strategy and Sustainability Practice Asia Pacific, Accenture

17.45 ABIS Annual General Assembly

19.00 Free time

20.00 Gala Dinner
Guest speaker: Dr David Pencheon, Director, UK National Health Service Sustainable Development Unit
DAY TWO: Thursday, 11 December

8.45  Research and Knowledge Sessions continued from Day One:
      Showcase of latest papers and research insights and exploration of leading corporate case studies and leadership frameworks

10:00 Reflections on Responsible Leadership
      Interview with Sir Mark Moody Stuart, Board (Vice Chairman), United Nations Global Compact and Dr Jane Griffiths, Company Group Chairman, Janssen Europe, Middle East and Africa

11.00 Break

11.30 Leadership and Organisations: How Do We Enable Transformation for a Sustainable Future?
      Focus: to explore different models of innovation and approaches that businesses have taken to demonstrate leadership and transform from ‘business as usual’ to ‘sustainable business’ and the implications of this for leadership education

Session A – Four parallel workshops
Delegates will have the opportunity to attend two out of the four.

- Circular Economy
  Ian Ellison, Sustainability Manager, Jaguar Landrover
  Jules Hayward, Ellen MacArthur Foundation
  Moderator: Malcom McIntosh, Founding Director and Professor, Asia Pacific Centre for Sustainable Enterprise, Griffith University

- Disruptive Innovation
  Dr Nancy Bocken, Lead researcher sustainable business development, Institute for Manufacturing, University of Cambridge
  Jeremy Basset, Global Marketing Strategy Director, Unilever
  Moderator: TBC

- Embedding Sustainability into Strategy and Decisions
  Mike Barry, Director of Sustainable Business (Plan A), Marks & Spencer
  Abby Ghobadian, Henley Business School
  Moderator: Mike Pierce, Deputy Director, CISL

- Purpose-driven, Values-based Leadership
  Geoff McDonald, Director, Bridge Partnership
  David Grayson, CBE, Director of Doughty Centre for Corporate Responsibility, Cranfield School of Management
  Moderator: Polly Courtice, Director, CISL

12.30 Lunch

13.30 Leadership and Organisations: How Do We Enable Transformation for a Sustainable Future?
      Session B – Continuation of workshops.

14.30 Refreshments

15:30 Transforming Today for a More Sustainable Tomorrow
      Business school perspectives and the implications for global leadership development
      Alfons Sauquet, Global Dean, ESADE Business School, Spain
      CB Bhattacharyya, Dean of International Relations, ESMT Berlin, Germany
      Xiang Bing, Dean, Chuan Keung Graduate School of Business, China
      George Njenga, Dean, Strathmore Business School, Kenya
      Moderator: Della Bradshaw, Business Education Editor, Financial Times

16:30 Closing Keynote: Responsible Leadership for a Sustainable Future
      Speaker: Polly Courtice, Director, CISL

16:50 Final remarks

17.00 Conference close
Summary of Proceedings

As presented in the Research and Knowledge Sessions

on 10 & 11 December 2014
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What is the role of African business leaders in the sustainable development of Africa? Sustainable development refers to a process of change where human needs and environmental limits are placed above profit, presenting economic and social benefits to people, as well as the sustainable utilisation of resources. There is a widespread rise of interest in, and support for, the concept of sustainable development, marking a potential and important shift in understanding relationships of humanity with nature and between people. Achieved through a process of bringing together environmental and socio-economic questions, the definition of sustainable development was most famously expressed in the Brundtland Report’s as meeting ‘the needs of the present without compromising the ability of future generations to meet their needs’ (World Commission on Environment and Development, 1987: 43; Springett, 2013).

African countries are experiencing rapid social change, and leadership is faced with competing objectives, in this case, economic growth, productivity, management of labour and knowledge. This presents a challenge of how economic, societal and environmental needs can be balanced. Africapitalism is founded on the premise that the private sector can do good and do well in Africa. “Africapitalism is an economic philosophy: that the African private sector has the power to transform the continent through long-term investments, creating both economic prosperity and social wealth” (Elumelu, 2014). In other words, businesses can be profitable whilst simultaneously creating and or enhancing social wealth amongst Africans. This view automatically introduces multiple objectives to the purpose of the firm, which is often and largely expressed as the sole pursuit of profit. As much as the pursuit of profit is a worthy goal, it has been argued that focusing solely on profit might introduce some managerial biases against the broader role of business in society (Amaeshi, 2013).

Contemporary management education assumes a strong institutional context where governments, markets, and the civil society are robust and effective. In that context, the business of business is business, and the sole focus on business priorities becomes a way to enhance competitiveness with less distraction. In that regard, the pursuit of multiple objectives could become ineffective and dangerous to the long-term survival of the firm. Unfortunately, this assumption is theoretically plausible but unrealistic. This is because business is part of society, and what happens in business can impact on society either negatively or positively. Conversely, society can also impact on business. The growing
inequality created by contemporary capitalism is a classic example of the negative impact of firms and markets on society. The negative impacts of business on society are magnified in contexts with weak governments and civil societies (Friedman, 1962; Scherer & Palazzo, 2011; Sassen, 1999; Stiglitz, 2002).

African countries are characterized by a weak institutional context, where governments, markets and civil society are not as robust as in the West. This introduces the consideration of firms in the sustainable development of Africa. Business leaders have a role to play in the widening of the focus of organizations from economic growth alone towards goals that also aim to provide long-term benefits for customers, stakeholders and the society. Understanding the role of business leaders in the sustainable development of Africa presents a unique opportunity to explore the complex networks, and the variety of institutional and cultural contexts that affect leadership behaviour, as leadership is an adaptive, reiterating relationship with the internal and dynamic external environment (Hailey, 1998; Hunt, 2004; 27; Yukl, 2010; Rainey, 2006).

Leaders are in the position to effect change. However, the business decisions they make are rooted in their “inner values, world views and culture” (Horlings, I. & Padt, F. 2013); and as such, influenced by their personal values and ethics. Therefore, it is important to understand the local and contextual influences on leadership behaviour, and gain insight into how (if they do) leaders adapt behaviour to tackle the challenges of sustainable business in a culture-bound and value-laden premise (Sveen, 2013).

The requirement to lead for sustainable development presents some questions. Are leaders able to adapt to the rapidly changing environment? To what extent are they aware of the social, political and environmental impacts of their decisions as they seek to make economically viable business decisions? How do they undertake the delicate act of balancing the contradictory demands of different stakeholders? How do they engage with others and navigate institutional obstacles media and political pressures? Finally, what strategies are applied to ensure business development in Africa? (Horlings, I. & Padt, F., 2013)

Sustainability research has not effectively tackled the role of business leaders in the sustainable development of Africa. Yet, the private sector may be an important element of sustainable development in Africa, given the weak institutions present on the continent. The Africapitalism project is a qualitative research project that identifies and examines the role of the private sector in the sustainable development of Africa. A key difference between Africapitalism and the other movements is its focus on Africa. In other words, geography matters to the Africapitalism agenda.
Through the study of business leaders in medium to large organizations and policy makers in four African countries, Nigeria, Kenya, South Africa and Cote D’Ivoire, the Africapitalism project aims to develop the intellectual foundations of the Africapitalism economic philosophy.

Sharing insights gathered from case studies collected from institutional and organizational actors (business leaders and policy makers) in Africa, the project aims to understand the roles that these actors can play to shape the business environment in Africa, and how this can contribute to the sustainable development of Africa. The case studies from the four countries present opportunity for comparative analyses, within country, and between countries, offering deep insights into the external environment, the networks and relationships that can influence sustainable business practices and sustainable development. In this way, the project also contributes to knowledge that is of “practical and societal relevance” to sustainability research, an area under-represented in the literature (Dylick & Muff, 2013:3).

Preliminary findings from the pilot studies include the fact that African business leaders agree that there is a need for change but do not feel that they are able, as individual organizations to make the change required. It appears that they would be willing to collaborate, if the initiative to champion a cause for the benefit of society was started by another leader. Another finding from the pilot studies was the fact that businesses do not view themselves as the solvers of public problems but would be willing to do so, if incentives such as tax rebates were provided by the government, towards the solution of public problems. There appears to be the recognition that a new and different form of leadership is required in Africa, which a respondent succinctly articulated as “leadership on another level”.

The paper presents some findings and insights from preliminary results of the data collection from the exploratory Africapitalism research project, as a way to contribute to a conversation on business leadership for sustainable development in Africa.

References


Abstract

In this paper I would like to highlight the particularity, from the viewpoint of economic ethics, of the business model innovations called ‘product-service systems’ or also ‘functional economy’. In such a system, a company sells a service (e.g. lighting) rather than a product (bulbs that illuminate). A common criticism against CSR policies of corporations or also against ethical business is that CSR policies are only incremental improvements that limit to some extent the negative social and environmental externalities of business. However, the efforts that are made by responsible business leaders seem almost futile against the enormous challenges of population growth, scarce resources and climate change. One may wonder whether capitalism is an appropriate system if society wants to deal with these challenges. Radical thinkers argue that negative growth (or ‘degrowth’) is unavoidable. This rhetoric is unpopular though among business people and seems at odds with the market economy. And yet, some product-service systems, in a much more radical way than the traditional ‘creative destruction’ exerted by the market economy, combine profitability with negative impact on the overall creation of value. In the paper, I will spell out the particularities of these radical innovations (in terms of their ethical underpinnings like e.g. property rights and their business model) against the more standard ‘best practices’ of CSR.
Abstract

Corporate social responsibility (CSR) was shown to have the diverse effects on both individual and organizational level outcomes (Berger, Cunningham & Drumwright, 2006; Margolish & Walsh, 2003; McShane & Cunningham 2012; Servaes & Tamayo; Turban & Greening, 1997). It is important in providing legitimization for organizations (Lapeyre, 2013), in stakeholder management (Du, Bhattacharya & Sen, 2010) and in building corporate identity (Bravo, Matute & Pina, 2012).

Extant research on the effects of CSR involvement and communication seems to be focusing on specific CSR initiatives (Groza et al, 2011, Perez, 2009, Kim et al 2010), but relatively little is known about the impact of abstract CSR information on attitudinal outcomes and identity perceptions.

The presented empirical paper looks into the behavioral outcomes of corporate social responsibility. It investigates both abstract constructs, related to CSR identity and concrete CSR initiatives and looks into:

- the relation of abstract CSR messages as opposed to concrete initiatives to purchase behavior,
- the mediation of CSR perceptions and attitudes towards the company on the relation between CSR and purchase intent,
- the mediating role of attributions and attitudes towards the company on the relation between CSR message, identity perceptions and purchase behavior.

Conceptually, the paper sources from social identity theory (Glavas & Godvin, 2013; Jones & Volpe, 2011; Tajfel & Turner, 1979) and the relevant corporate identity construct (Whetten, 2006) defined as “shared beliefs” that distinguish an organisation from other organisations (Albert and Whetten, 1985). Additional background is provided by the attributions theory, specifically the research on the role of attributions in influencing consumers’ behavioral intentions and attitudes (Ellen et al., 2006, Vlachos et al., 2009, Walker et al., 2010, Groza et al., 2011).

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1 The project was financed by The National Science Centre, Poland, decision no DEC- 2012/05/B/HS4/02505
The paper presents the results of the experiment with in-between subjects design, run in the major university in Poland. The convenience sample included 480 participants, mostly undergraduate students of business studies, randomly assigned to the experimental conditions.

The paper contributes to the existing research on CSR and its behavioral outcomes and demonstrates that behavioral effects can be induced by concrete CSR initiatives as well as by the abstract CSR messages, focusing on organizational stance towards CSR based on values, affective attachment or even instrumental application of CSR policies.

**Selected References**


Abstract

Over the past few decades, sustainability issues have become increasingly prominent in business and political agendas. Related to German innovation policies, industry engagement in new collaborative platforms and clusters involving industry, university and government will target system-level challenges such as CO2 reduction and the shift from industrial mass production to personalized models. The role of industry becomes more prominent and policy makers seek entrepreneurial wisdom to channel innovation in these fields and to provide feasible business models based on new paradigms.

In this context, the German government has developed two central projects: Industrie 4.0 and the German Energiewende. Both projects will involve virtual organizations such as platform organizations and Living Labs, aiming at a shift of paradigm and the creation of new socio-economic systems to address fundamental societal challenges. In the systemic transformation, government initiatives remain relevant in terms of policy direction and regulative actions, although federal budgets have declined. Ideally, policies flank strategy implementation and provide the environment in which new business models and a critical mass of related actors can thrive.

In these projects, leadership will take on new forms: In general, strategies of transition generate various strategic options and encounter conflicts of interests that are difficult to manage in networking relationships. A range of questions become more and more pressing, such as how has the knowledge regarding the respective competences of systems players? Who manages information gathering, participation and contribution of network members – or their exclusion? Who defines the common mission and who will take the lead in organizing the decision making process and strategy implementation in eye-level relationshhips? The old concept of leadership and appraisal of individual behaviour will not hold in these virtual organisations.

What would be needed is efficient and effective cluster management aiming at good governance, open dialogue and transparency in the strategy implementation process? Managing the consensus space appears to be a crucial process in networking structures related to transformation of systems. Good governance in systems must allow for trial and error and management has to cope with a great deal of complexity in a dialogue based process. Major questions to be addressed include:

What is the fastest and most effective way to reorganize our socio-economic systems in order to successfully manage, lead and govern the implementation of Energy and Industry Solutions?
How to achieve rapid consensus and mitigation of diverging interests as well as commitment for implementation of specific strategies and organizational changes?

Based on theoretical foundations in cybernetics our objectives are to provide the backbone process and tools that facilitate the realization of German Energiewende and provide models for Industrie 4.0. The tools employed will safeguard

- The development of a shared vision for the future of the emerging industry alongside the new business model.
- Consensus building for the implementation of the shared vision.
- Consensus building for the governance model (leadership, collaboration, compliance, intervention and decision-making).
- The building and management of living labs, ecosystems, triple helix constellations, interdisciplinary consortia.
- The bottom up approach – full participation – for the strategic and organizational development of clusters AND networking members, such as universities, Public Research Organizations, SME, government agencies and corporate global players.
- The use of complexity and transforming it into specific innovative, competitive and sustainable solutions.

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Stephanie Giamporcaro  
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Investing for Impact: reaching the tipping point in Africa?

Abstract

A wide range of surveys and studies are available in the Western World released by public and private Western institutions that measure the size of sustainable, responsible and impact investment market and qualify the trends within these growing innovative investment markets. But what about Africa? Are these innovative finance trends embraced on the continent?

In order to answer in an academically rigorous but also contextualised way, the Director of the GSB Bertha Centre for Social innovation and Entrepreneurship Dr Francois Bonnici and Dr Stephanie Giamporcaro, Research Director at the School designed the concept of the Africa Investing for Impact Barometer. This annual study (second edition just released) published by the UCT GSB Bertha Centre strives to objectively depict the spectrum of investors in Africa that seek to combine financial returns and positive impact on society and the environment.

For the purpose of the study, the definition of “investing for impact” (IFI) strategies includes impact, responsible, Shari’ah compliant, green and socially responsible investing strategies. In a four-page snapshot document, the Barometer provides a series of lenses through which to view the fast-growing but still nascent IFI market in South Africa and Nigeria. The study is based on website consultations, fund fact sheets and industry association reports. The Barometer surveyed 1 286 funds in total – 951 listed funds and 214 private equity funds or holdings – in South Africa, as well as 63 listed funds and 59 private equity funds or holdings in Nigeria.

In a space characterised by many overlapping concepts and terminology that is easily misunderstood, our research initiative is designed to root labels and ideas in reality. For instance, the study has revealed the following about Investing for Impact terminology: Responsible Investing is the predominant term used across the board in South Africa – within listed funds (R457 billion under management) and the private equity industry (R104 billion under management). The term Impact Investing is mainly used in South Africa’s private equity space (R29 billion under management). In Nigeria, the term Impact investing has a notably larger footprint through its use in private equity funds.

Regarding South Africa, the research was able to establish that 41% of the money managed by South African asset managers and private equity players was described as being committed to Investing for Impact, representing R717bn. Equally, in South Africa and
Nigeria, the private equity space is leading the IFI industry with the larger proportion of IFI strategies found among private equity players.

The research also investigated the intention of investors to communicate their IFI involvement. The question is, are they communicating clearly and broadly enough? The majority of South African investors – 82% of private equity firms and 60% of asset managers – have a dedicated section on their website for their IFI activities. It was found however, that more details could and should be given on the practical implementation of IFI policies in South Africa. The same situation was also observed among Nigerian investors. Most of the financial institutions surveyed do not display much – if any – detail on how they include impact criteria in their investment strategies. Investors’ commitment to local and international disclosure and reporting codes and principles are also useful for getting a better understanding of the IFI industry. The UN-supported Principles for Responsible Investment (PRI) is the leading association for IFI players in South Africa, followed by the local CRISA (Code for Responsible Investment in South Africa). PRI and CRISA signatories commit to disclose and report on their IFI practices. However, the Barometer reveals that the level of disclosure and reporting varies widely from one investor to another.

The IFI space represents a rising and significant part of the South African and Nigerian investment industry as it does in other parts of the world. This momentum needs to be acknowledged. However a growing transparency of investment strategies and portfolios needs to be achieved. Advanced and refined metrics need to be developed in order to assess how these practices positively impact society and the environment at large. As the IFI markets become more sophisticated, academic institutions need to grow their measurement capacities and to further understand how IFI can positively impact the environment and society.
Abstract

Transformative leaders need knowledge which provides them with convictions that transform their individual behaviour and their approach to business. More and more business schools are incorporating sustainability into their curricula (Christensen, Peirce, Hartman, Hoffman & Carrier, 2007; Sroufe & Ramos, 2011; Stubbs & Cocklin, 2008); however more often than not sustainability becomes just another strategy for maximising profits (Amaeshi, 2014). This is because sustainability is taught within the traditional neo-classical paradigm thereby eliminating any potentially transformative discussions, ideas, or ideals. Obviously the business academics themselves need to be transformed if any progress is to be made towards incorporating courses which have the potential to change the mind-sets of business students to realise that business cannot be anything but sustainable. This paper describes an undergraduate sustainability course for business students which has transformative potential. Anecdotal evidence indicates that not a small number of students became firmly convinced of the need for business and individuals to adapt to the requirements of strong sustainability.

The readings, videos, class content, class exercises and assessments were carefully designed to help students come to their own conclusion about the link between the current state of the planet, business, the neo-classical paradigm and ultimately their own habits such as spending patterns and other use of resources. They convinced themselves of the need to take the path of strong sustainability; that sustainability is about being ethical. This made it possible and appropriate to base some parts of the course and assessment on virtue ethics theory facilitating the development of virtues for a sustainable life. A virtue ethics framework provided guidance and legitimacy to the course tasks and explanations about how to change their personal habits to align with students’ convictions around the need to be sustainable. In addition they were introduced to sustainability frameworks, strategies and tools which gave them concrete ways to implement their newly discovered knowledge about the right thing to do.

As is well known, there is much confusion around terminology and so sustainability and sustainability development mean very different things to different people (Ehrenfeld & Hoffman, 2013; Engelman, 2013; Hopwood, Mellor & O’Brien, 2005). It is important to expose the underlying assumptions of the differing world views which help students to understand why competing views exist (Stubbs & Cocklin, 2008). When this analysis is carried out in light of the undeniable facts about the state of the planet and its future prospects if business continues as usual students are able to recognise the importance of
systems thinking and comprehend the real impediments to sustainable business and a sustainable world such as consumerism and manufactured demand (Meadows, 2008; Rockström et al., 2009). Students are able to accept that business and the economy need to be used as a means to achieve social and environmental goals (Ehrenfeld & Hoffman, 2013; Raworth, 2013; Robert & Anderson, 2002; Stead & Stead, 1994).

Concurrently with the above knowledge journey students are required to reflect on what these new insights imply for their personal and professional life. If societies need to work to replenish renewables, reduce their dependence on non-renewables and seek renewable alternatives, and reduce waste and pollution what does it mean for the individual members of society at the personal and professional level? Six reflective assessments are administered throughout the course to help students face the consequences of this paradigm shift in their private space. Students become aware that they are contributing to the problem by indiscriminate spending, wasting precious resources and not thinking about recycling. They develop a sense of responsibility for future generations (especially their own children) and those of the present generation who can’t afford to live a dignified existence.

The content of the course enables students to equate sustainability with ethics and that it requires a change in mind-set and behaviour. To help reinforce, guide and provide rationale for such behaviour change, some aspects of the course content and assessments are based on virtue ethics theory. Change in the sustainability context requires the development of good habits of thinking and acting for the common good which closely resemble the notion of virtue. Virtue explains how individual decisions can take into account ‘the other’ and therefore the common good (Solomon, 2004). In fact a virtue ethics framework nicely complements the strong approach to sustainability. The latter represents a return to more of a focus on society as opposed to the exclusive focus on the individual found in the neo-classical paradigm (Balakrishnan, Duvall & Primeaux, 2003). The balancing of the relationship between the environment, society and the economy promoted by the sustainability (strong) movement is not dissimilar to a virtue ethics understanding of individual-societal relations; a state of flourishing for each member of the society and the society as a whole (Solomon, 2004).

Moreover much has been written about the importance of the virtues and character for the development of excellent leaders (Bragues, 2008; Ciulla, 2004; Flynn, 2008; Havard, 2007; Mele, 2009; Sison, 2003; Whetstone, 2005). Havard (2007) argues leadership is character and discusses the importance of the virtues of magnanimity, humility, self-control, justice and practical wisdom for growing leadership. In the course the topic of sustainable leadership is presented as character-based leadership while sustainability and virtue theory are married practically through the reflections. If someone is serious about sustainability they need to be ready to sacrifice themselves for something greater than themselves. The virtue of magnanimity characterises a person who strives for noble and great goals (Havard, 2007; Mele, 2009). In the first reflection students are asked to carry out a series of selfless acts and
to reflect on this experience in light of class content, class discussions and readings. The other two reflections include a courage component where students are asked to convince nor defend such things as climate change and buying fair trade; course material helps students make the connection between justice and fair trade and climate change and magnanimity respectively. One of these reflections explores the power of advertising and marketing, helping students to reflect on the importance of individual self-control for sustainability. The other reflection on climate change asks students to be real and to recognise the rationalising that can happen around this issue. It challenges them to align their behaviour with their knowledge and to commit to an ideal that goes beyond themselves.

**References**


Abstract

Introduction
Management research is increasingly interested in the social and environmental responsibilities of business – often referred to as corporate social responsibility (CSR) (Carroll & Shabana, 2010; Maon, Lindgreen, & Swaen, 2010). CSR is often considered a leadership challenge (IBLF & SustainAbility, 2001; Pless, 2007; Quinn & Baltes, 2007) or, at least, leadership is a key enabler for the integration of CSR in business organisations (Basu & Palazzo, 2008; Epstein, 2008, pp. 49f). This regards CEO commitment (Epstein, 2008; Waldman, Siegel, & Javidan, 2006), top-management commitment (Jones, 1995; Logsdon & Yuthas, 1997), and executives on a broader level (Kemp, Stark, & Tantram, 2004).

One potential approach to investigate CSR integration into organisations is to study individual leaders and how they contribute to that goal. More than 100 years of leadership research produced a sheer multitudinous amount of literature (for a review see, e.g., Lowe & Gardner, 2000; Yukl, 1989). In a previous attempt to structure leadership research, Freeman et al. (2006) conclude that five core themes (in the sense of a “canonical model”) are common amongst most literature. These include (1) the leader with his or her traits and characteristics, (2) the followers, (3) the outcomes of leadership, (4) the processes and skills used by leaders, and (5) the situation or context in which leadership occurs. Traditional leadership theories are mostly amoral or “ethical neutral” in nature (Freeman et al., 2006, p. 161)(Treviño, Hartmann, & Brown, 2000), this is, they do not see a place for ethics in managerial roles (Thomas, Schermerhorn, & Dienhart, 2004; Treviño, Brown, & Hartmann, 2003); still, this is not to be mixed up with immoral leadership (Treviño et al., 2000). In contrast to amoral theories, moral leadership theories explicitly think about “the rightness of the processes, leaders, outcomes, followers, and situation” (Freeman et al., 2006). Various research streams of moral leadership have developed, of which the most important are ethical leadership, servant leadership, and responsible leadership. Other scholars advanced traditionally amoral leadership concepts towards moral ones, as the concepts of authentic transformational leadership, ethical charismatic leadership, and strategic leadership of ethical behaviour represent.

From leadership to leadership context
While individual leaders are important players in a concerted approach to integrate CSR into business organisations, leadership research too often focuses on the individual (Huff & Möslin, 2004). As the canonical model of leadership research (Freeman et al., 2006) already
indicated, leadership is also dependent on the situation or context in which it takes place (Sayles, 1999; Yukl, 1989, p. 261) which can be referred to as the context of leadership. Some researchers argue that the context can even serve as substitute for leadership (Kerr & Jermier, 1978). Substitutes tend to “negate the leader’s ability to either improve or impair subordinate satisfaction and performance” (Kerr & Jermier, 1978) and, hence, make “relationship and/or task-oriented leadership not only impossible but also unnecessary” (ibid.). One important group of substitutes covers the characteristics of the organisation like, for example, formalisation, rules and procedures, rewards, and organisational structures (ibid.: 378) or, simply, “formal systems” (Tenbrunsel, Smith-Crowe, & Umphress, 2003; Treviño, 1990). Against this background, Huff and Mösllein recognise that, especially in large-scale enterprises, “the ‘art of leadership’ is most often subject to relatively rigid management processes [and] takes place in an institutional context” (Huff & Mösllein, 2004, p. 254) which they also refer to as “managing leaders” (ibid.: 252). Researchers stress the need to focus more strongly on the context itself, the process of how leaders establish this context, and the interactions between various elements of it (Kerr & Jermier, 1997; Lowe & Gardner, 2000). Accordingly, this stream of research focused more “constraining qualities of structure are strongly accentuated” (Giddens, 1986 [1984], p. 2).

It is the aim of this paper to explore further the role of leadership context for CSR. Particularly in the context of today’s environmental and social sustainability challenges, leaders are change agents. Responsible leaders are the drivers of organisational change for CSR (Doppelt, 2003; Dunphy, Griffiths, & Benn, 2003/2007). As change agents they are “responsible to initiate/or support change towards a value-conscious and sustainable business in a stakeholder society” (Maak & Pless, 2006, p. 112). They are also architects with the aim of building an integrity culture, which is achieved by institutionalizing stakeholder dialogue, adapting management systems, processes, as well as HR performance management and appraisal systems (ibid: 111). Such integrity systems have also been referred to as ethical infrastructure which covers three embedded levels of analysis (Tenbrunsel et al., 2003): organizational culture/climate, informal systems and formal systems. The approaches of climate, culture and systems all take a somewhat different approach: whereas climate and culture refers more strongly to the informal and “implicit perceptions of organizational members” regarding sustainability, formal systems consists of tangible objects and events “pertaining to ethics” [CSR], such as codes of ethics” (Tenbrunsel et al., 2003, p. 296). The focus here is on formal systems, which is also the domain of research in responsible leadership systems (Hansen, 2010).

**Responsible Leadership System at Pharma LTD.**

I conducted the case study at “Pharma Ltd.” (the real name of the company is omitted due to anonymity), a local subsidiary of a German multinational corporation from the chemical and pharmaceutical industry. Pharma Ltd. is a sales and marketing organization selling to the local Thai market.
The subsidiary displays a number of characteristics which make it particularly interesting for descriptive case study research. For example the company has a track in corporate social responsibility of about eight years. It publishes an own CSR report since four consecutive years. It works in partnership with Raks Thai Foundation, a local NGO, to offer several citizenship programs. Overall, Pharma Ltd. took a leadership role in CSR in the global group. Furthermore it is a role model in local Thai business which is illustrated by participation in national business initiatives as well as governmental programs.

Data collection for the case study was intensive and comprised four data sets: (1) Introductory, semi-formal telephone interviews with the general management and (2) semi-structured on-site narrative interviews with top-management of the company during a five day period in Thailand, (3) collection and analysis of public documents in the area of general corporate data, CSR and leadership. This included analysis of the corporate website, CSR reports, corporate magazines, codes of conduct and other explicitly formulated and publicly available knowledge, and (4) internal documents like presentations and former conducted studies in the field.

The interviews were conducted with the general manager, the CSR Manager, the HR manager and with the HRD manager. Each interview had a duration of about two hours. Two of the 4 interviews were recorded. During the remaining two interviews, detailed notes were taken as the situation did not allow for recording. This was the case as local Thai managers were not used to interviews and their cultural background includes timidity. Based on the interview results I developed a basic category system relating to the responsible leadership framework in order to relate the statements from different interviewees (Mayring, 1990/2002).

Results
Based on the case study I derive four relevant clusters of leadership instruments, i.e. “leadership as an interactive process” (e.g. CSR reports, communication and goals), “performance measurement” (e.g. KPIs, and balanced scorecard), “deployment” (e.g. incentive systems) and “selection of leaders and leadership development” (e.g. service learning for the management team) as well as three context factors of strategy, culture and structure. The case study approach gives insight into how even subsidiaries of a large multinational can make use of leadership instruments in order to drive CSR into the organizational culture.

Key words: Responsible Leadership, leadership systems, Organizational-oriented Leadership, Corporate culture, CSR, corporate sustainability, management tools, management innovation
References


Abstract

It is increasingly recognized that ethics is crucial to organizations’ sustainable and successful performance (e.g. Nash 1990; Carroll, 1991; Paine 1997; Crane and Matten, 2007; Huhtala et al. 2011; Riivari et al. 2012; Thiel at al. 2012). Especially the role of the managers and supervisors in setting the example of ethical behaviour is highlighted (see e.g. Kaptein 1998; 2011; Trevino et al. 2000; 2003; Zoghbi-Manrique-de-Lara and Suárez-Acosta, 2014). However, in their work managers encounter various ethical problems which can be ambiguous, ill-defined, rapidly unfolding, novel and complex as well as lacking a single solution path (Treviño, 1986; McNeil and Pedigo, 2001; Deat et al. 2010; Selart and Johansen, 2011; Thiel et al. 2012). Managers also face time scarcity and multiple expectations from organization members and other stakeholders which in turn increases the possibility to face complex ethical problems (Dukerich et al. 2000). Moreover, in managerial work there is seldom time or possibility for a careful or detailed analysis of a best solution or alternative (Dukerich et al. 2000; Mumford et al. 2000).

The starting point of this study is that ethical problems such as those facing managers are an inseparable part of the current organisational life, and it is necessary for effective and successful leadership that the problems are acknowledged and solved. In this study we investigate empirically what kind of ethical problems middle managers experience in their leadership. We show that the ethical problems they face are connected to the organisational environment, and in particular we are interested in the consequences middle managers’ ethical problems can have for the organisations.

This research was carried out in the organisational context of higher education. Higher education organisations have recently been facing profound changes owing, for instance, to external economic circumstances. This has also affected the leadership of the institutions (Ylijoki and Välimaa 2008; Folch and Ion 2009; Middlehurst 2010). Organisations or institutions in higher education have – to some extent - started to absorb and favour more competitive practices and corporate values and norms (Tuunainen and Knuuttila 2000), which might be a source of ethical problems of various kinds to managers. For instance, de Zilwa (2007) found that managers in higher education, when implementing initiatives for change in their organisations, faced resistance from the staff stemming from their fear of the unknown, loss of control and autonomy, or reluctance to alter the status quo. Moreover Marshall (2012) showed that especially middle managers have been put into positions of
leadership, without having been given any proper training for the upcoming challenges.

Prior research into ethical problems in management shows that typical ethical problems are not always strategically significant issues, but rather will be day-to-day problems linked to staff and their well-being (Waters et al. 1986; Dukerich et al 2000; Feldt et al. 2012). Power and Lundsten (2005) found in their research that the ethical problems faced by managers are often related to personal, intrapersonal or relationship issues inside the working community (a lack of courage, the poor management of conflicts, subordinates not taking responsibility for their work, etc.). Earlier research has also focused on the stress and anxiety that managers suffer as a result of ethical problems (Dukerich et al. 2000; Feldt et al. 2012). In their study, Dean et al. (2010) found that the three major categories of ethical problems faced by middle managers were the perception that they were being pressured, bending the rules, and situations in which it was unclear what was the right thing to do. In addition, Alam (1999) found that pressures from the top level of the organisation contribute to the compromising of middle managers’ individual ethical values.

The rationale of the study is threefold. Firstly, the investigation of higher education middle managers is important from an ethical perspective, since they are caught between, on the one hand, competing imperatives of institutional dynamics and institutional structures and, on the other, responsibility for the well-being of their staff and students (Marshall 2012; Preston and Price 2012). Secondly, in spite of the big changes and demands for new approaches in leadership in organisations in the higher education sector (see e.g. Clegg and McAuley 2005; Middlehurst 2010), there is a lack of empirical research into ethical problems, especially from the middle management point of view. Thirdly, the study contributes to the model of ethical problems developed by Geva (2006). Since this model is theoretical in nature and to our knowledge has not been investigated empirically, we investigate its applicability by making an empirical study among middle managers in higher education.

To paint a rich and versatile picture of middle managers’ experiences of the topic, a qualitative approach was considered appropriate for this research (Aspers 2009). In this study, the data was collected from four universities of applied sciences by using the critical incident technique (CIT), which allows respondents’ rich self-recollections of incidents to emerge (Gremler 2004). The CIT is a systematic, retrospective and flexible qualitative research method (Flanagan 1954; Gremler 2004; Butterfield et al. 2005; Silén et al. 2012). All of the institutions that took part in this study are multi-disciplinary, with between 4000 and 8000 students. The purposive, discretionary sample of altogether 20 middle managers consisted of 4 men and 16 women, with ages ranging between 35 and 58 years, the average age being 50.

Consistent with prior research on the topic (e.g. Waters et al. 1986; Bird and Waters 1989; Dukerich et al 2000; Power and Lundsten 2005; Dean et al. 2010; Feldt et al. 2012), the middle managers’ ethical problems were found to be mostly day-to-day problems which, despite their seemingly modest effects, had in some cases serious and long-term
organisation-level consequences. In this study we show that there are ethical problems related to self-interested behaviour, avoiding/neglecting responsibilities, hidden agendas, gaps between targets and resources, and relationship problems among staff members, as well as questionable behaviour on the part of trade union representatives.

Moreover, we show that the ethical problems are common, very context dependent, intertwined and need to be set against a long history of unresolved background issues in the institutions. In addition, our results indicate that not talking about problems easily becomes a pattern, and this causes a vicious circle of increasing ethical problems and poorer organisational performance, for instance poorer teaching. Disregarding or attempting to silence ethical issues seem to be dominant tendencies, with the result that finding solutions to the problems is difficult. At the organisational level, unresolved ethical problems can pose a threat to innovativeness, work well-being, organisational reputation and finally the achieving of organisational objectives.

Our study is also consistent with prior studies of the complex role of the academic middle manager, situated somewhat uncomfortably between organisational objectives and the well-being of staff and students (see e.g. Hellawell and Hancock 2001; Clegg and McAuley 2005; Marshall 2012). Our findings suggest that higher education middle managers often stand in the crossfire of ethical problems, and the whole organisation and its success from an ethical point of view can depend on their brave and appropriate behaviour or, alternatively, their inability to solve the problems. However, without the active support of the organisation and congruent behaviour from both top management and staff, nothing can be achieved. Finally, our conclusion is that the organisational environment is a significant factor in ethical issues in higher education organisations and in middle managers’ ability or willingness to solve the problems that arise.

Key words: middle manager, ethical problem, higher education, universities of applied sciences, critical incident, qualitative research
Abstract

Introduction
This paper is in three sections. The first gives a brief overview of the context in Egypt as a society in transition from my point of view; the second describes the process of building the coalition which has been an action research inquiry for me; and the third describes the project, what we hope to achieve by it and where it stands today.

1. Context

The role of women in public life in Egypt has ebbed and flowed with the political and social turmoil of the Arab Spring since January 2011. Currently, in my view, the public discourse is heroic and masculinized, with the military poised as a role model for efficiency and patriotism. Whether the public discourse is dominated by religious or military references, women are challenged in public life. Developing a program that supports the increase of women’s representation on corporate boards may help create a space for women to stand on their economic power. One of the challenges of course is addressing the practice of ‘gender switching’ that female professionals may engage in to have successful careers and that has no equivalent for males.

2. Building the coalition

The ‘mature women’s network’
This consortium was built as a result of personal contacts among a group of five successful professional women whose interests converged and whose positional power in their respective organizations allowed them to leverage resources to make it happen. When we started coming together for this project I noticed that our interactions were more relational than transactional, we made an effort to connect in a way that built trust among ourselves, each one of us was explicit in how she and her organization could add value to the project. We also negotiated roles, power dynamics and set some boundaries.
The consortium
This consortium is currently made up of the following organizations:

Implementing Agencies:
- Egyptian Corporate Responsibility Center – a UNDP project with the industrial modernization council, ECRC
- School of Business, the American University in Cairo, AUC

Members of the Consortium:
- Women and Memory Forum, WMF
- Women in Business Committee, the American Chamber of Commerce in Egypt, WIB
- OECD-MENA Women's Business Forum, WBF

Partners:
- International Finance Corporation, IFC
- United Nations Development Program, UNDP

Since the project started, and as with inquiry, it pre-occupied me, so it would come up in conversations with friends, colleagues, at conferences, in meetings. From those conversations I found new contacts, tested some ideas, and learned from experiences. In addition, it became known that this was an area I was interested in and working on, so more contacts and issues converged.

Internal organizational boundaries
Interestingly I experienced boundary issues and resistance/indifference within my own organization more than in forming the external coalition. The school of business has a program called the women’s entrepreneurship and leadership program, WEL, and also has an executive education division. AUC has a center for gender and women’s studies. I am conscious of the fluid nature of some of the activities of the institutional development division I head, which seems to fit a unit that is involved in innovation and incubation of new initiatives, some of which fail and others succeed, thereby becoming mainstreamed and institutionalized within the school. This positioning puts us at the periphery of the organization to stretch boundary limits and connect across boundaries with others, which may not be the case for other units at AUC that are focused internally on accomplishing their tasks. I was met with what I interpreted as indifference from the WEL program and executive education, and rejection by the gender and women’s studies center. This was revealing of interesting organizational issues. Once I started addressing people in their formal capacities, their institutional boundaries took center stage, and were an obstacle to collaboration. The more pronounced barrier was across disciplines with the gender and women’s studies center and their somewhat negative perception, in my view, of business education, and in turn openness to collaboration.
3. The project

Mission statement:

To improve the gender balance of corporate boards in Egypt and the MENA region by sensitizing male board members to gender issues, qualifying women from different corporate sectors and outside the corporate mainstream to be appointed to corporate boards, and advocating for policy and legislative changes that institutionalize gender diversity on corporate boards.

In addition to the IFC corporate governance training and certification, a leadership component was added that would enable women to develop their identity as leaders and be part of a support network. The necessary complementary activity in this project is the sensitization of boards to gender and diversity issues and the development of a network of coaches who could work with the entire board as women become directors to help the board deal with issues that may come up.

The system level change that is related to legislation also has its own set of sensitivities related to local and international actors. International organizations such as OECD, IFC and UNDP have access to government officials and can support and advise on policy changes. Local buy in for policy changes to be implemented requires the involvement of national women’s groups, religious organizations, and local business associations. Therefore a separate working group that would engage such actors will be formed.

In July 2014, a memorandum of understanding was signed between AUC and ECRC, letters of commitment signed with WBF, WIB, and negotiations are continuing with IFC. The training is expected in November 2014 for 20 women. Seed funding will be provided by ECRC, in kind contributions by IFC and AUC, and nominal fees from training participants.

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Can disruptive companies from emerging countries be the catalyst of a new wave of Sustainability?

Abstract

The current sustainability framework is embodied into western MNC practices. An exhaustive performance benchmark will agree emerging countries companies have had in the last decade good results in terms of economic and social value creation (less in the environmental criterion). Nevertheless, emerging countries companies are infra represented in all sustainability rankings. Therefore, this paper seeks to question 1/ until what extent the current sustainability framework fits the reality and 2/to check out until what extent disruptive companies from emerging countries can provide some margins of manoeuvre to the current sustainability framework.

A new sustainability framework can be developed taking into consideration market and institution failures within the specificities of the national context to reformulate a new sustainable framework avoiding the pitfalls of “one size fits all” and providing more insights in terms of value creation.

**Key words:** Sustainability, BRIC, Emerging Countries, Value Creation, Disruptive Companies
Social entrepreneurship is a concept that has gained popularity around the world, as it has been seen as a promising new approach for addressing social needs by using traditional business logic and market-oriented models. There are more and more examples of organisations financing the achievement of social goals with entrepreneurial activities. Their dual character is often highlighted, meaning that the social and economic dimension are both equally important (Zahra et al., 2009), and that additionally to the financial outcomes, the social impact should be carefully measured (Cukier et al., 2011: 14). The business model is at least as important to social enterprises as it is to traditional businesses. Hence, we see that the business models of social enterprises, e.g. the ‘social business models’, also need specific attention from researchers. Zahra et al. (2009: 527) have stated that “sustaining social ventures often requires a strong entrepreneurial orientation that is grounded in the use of business models”. It was also emphasised that managers of social enterprises often lack business model development competence.

For the traditional for-profit companies, which according to the neoclassical economic theory strive to maximise their profits, the sustainability aspects (environmental and social) are just side concerns, which are usually addressed to the extent that they affect profitability. However, the new, sustainability orientated enterprises need a different model, which according to Stubbs & Cocklin (2008: 103) is “a model where sustainability concepts shape the driving force of the firm and its decision making”. Hence, it has become apparent that there is a need for specific research because social enterprises (both local and international) are sufficiently different from traditional private businesses; their financial sustenance and mission achievement are less likely to be as congruent as they are in business or government (Young et al., 2010).

Social enterprises have a dual nature and therefore it is apparent that their business model should also combine social and economic goals. Osterwalder & Pigneur (2011: 61) have suggested that, “rather than conflicting, the two purposes can mutually reinforce each other”. Since many of the social enterprises have vulnerable target groups, they need to be careful in engaging risky business activities. At the same time, without the risk it can be quite hard for them to earn enough money to support their social mission. Therefore, for achieving the social goals, the ability of the leader of the social enterprise to choose and develop a suitable and sustainable business model can be a crucial issue. It has been noted that the existing management theories may be too simplistic and static to fully explain the complexity (Smith & Lewis, 2011) of social business models, and that one or even more new
sustainability management theories are needed (Starik & Kanashiro, 2013).

When starting to address the subject, we were inspired by the entrepreneurs who have built and are managing their organisations on a daily basis, in order to provide some kind of value to the wider society. We observed several of them struggling to find the right business model, which would ensure sufficient income for fulfilling their social mission. The literature review revealed an extensive, however not finite, discussion on the terminology around social entrepreneurship, but the strategic choices and actual management practices of social enterprises were quite rare. As behind every enterprise, i.e. every business model, is an entrepreneur, we sense a great need to advance the understanding of the business model concept by studying the factors that affect the choice of a business model, and as argued above, investigating social entrepreneurship as a separate area.

A social enterprise's business model could be the result of a myriad of external factors, it could be strongly influenced by the particular social entrepreneur's competences and background, or it could be seen as a completely random outcome. The list of possible influencing factors, together with their interdependencies, requires a systemic perspective. In this study we investigate whether and how external socioeconomic conditions and the entrepreneur's personal characteristics may have influenced the choice of social business model.

For studying the possible criteria for business model selection and its influencing factors, we build on earlier works on typologies of social enterprises and social entrepreneurs, and analyse a set of 51 social enterprises in Estonia with Eisenhardt's (1989) within-case and cross-case method. In particular, Janelle Kerlin's (2013) typology of social enterprises based on the country's macroeconomic conditions (economic stage and type of civil society) is combined with the firm-specific operational models of Kim Alter (2006; 2008). The discussion is enriched by the Shrivastava & Kennell's (2013) discourse on the firm's rootedness in place, and the importance of internal organisational capabilities (structural characteristics) and socioeconomic framework (cultural characteristics), as indicated by Stubbs & Cocklin (2008). The typology of social entrepreneurs is based on the findings of Zahra et al. (2009), and for describing the different outcomes, we use the widely employed business model description tool (canvas), developed by Osterwalder & Pigneur (2010).

Summarising, the aim of the study is to advance the understanding of business models for sustainability by investigating the role of external and internal factors that may influence a particular social entrepreneur in choosing the business model. Based on earlier literature on the business models, as well as on the typologies of social enterprises and social entrepreneurs, we question whether there are certain combinations that match, and most likely succeed, better than others. For this, the secondary data about political and socioeconomic factors has been combined with organisation-specific characteristics and insights from the semi-structured interviews with 51 social entrepreneurs in Estonia.
We have observed that some social entrepreneurs tend to tackle more local issues, others – the more visionary ones – dare to address the global grand challenges, and there are several who could be placed somewhere in-between. Zahra et al. (2009) have emphasised the need for distinct managerial styles and competencies for pursuing different variations of social business models, and have identified three major types of social entrepreneurs – social bricoleurs, social constructionists and social engineers. Among other things, they differ by the way they recognise social needs and opportunities, how they measure their social impact, and how they acquire and manage their resources (Zahra et al., 2009). Social bricoleurs may operate very informal ventures, social constructionists are needed for scaling up and operating larger, more complex organisations, and social engineers stand out with their visionary and charismatic leadership style. The social engineers are usually those who are capable of lobbying for a pro-sustainability socioeconomic system change (e.g. in taxation), and hence can change the framework conditions for other social enterprises as well.

The results indicate that although there is a great variety among the cases, the country-specific framework conditions, as well as the leader’s competence may determine to a large extent the chosen social business model. The analysis also revealed that it is quite common for the social enterprises to employ several business models simultaneously, especially when creating employment opportunities or offering social services which do not bring in enough revenue to be self-sustainable. Further, it came out that there is a strong preference towards mission-related models compared to the so called trading arms, which would potentially bring in more revenue, but would not directly help to achieve the social goal, and that the social enterprises are more likely willing to face financial risks than the possibility of mission drift.

Comparing our findings with previous studies about the US and other countries, we also found support for the influence of external factors, namely the political and socioeconomic framework conditions, and most importantly tax regulations. The study also revealed that the internationally unified understanding and treating of social enterprises could make these organisations and the ‘best practices’ of their business models easier to transfer and upscale, hence contributing to achieving sustainability around the world. Currently it seems to be far easier and less competence-demanding to internationalize with a traditional for-profit firm. As public services are being increasingly outsourced and often form social enterprises, we also suggest considering creating an option for a separate type of legal entity. That would also encourage people with entrepreneurial mindset and good ideas but less business management competence to start a social enterprise. A clarification in the legal conditions (especially taxation), would allow focusing more on the social aim also for the more experienced entrepreneurs, instead of manipulating with several legal entities.
References


Abstract

This paper will offer insights and learning that shed light on these questions, drawing on the experience of 24 years of The Prince’s Seeing is Believing programme.

Business in the Community (BITC) is HRH The Prince of Wales’ charity for championing responsible business. Over the past 24 years it has developed The Prince’s Seeing is Believing programme, to harness the power of experiential learning to encourage more responsible business leadership. Instigated and supported by HRH The Prince of Wales, over 1,100 visits have taken place across the UK, involving over 8,000 business leaders in learning first-hand about issues such as alcoholism, homelessness, ex-offenders, youth unemployment and the low carbon economy. Following each visit, the leaders reflect together on how they can collectively help to address these challenges in ways that are good for the business and wider society at the same time, collaborate together over a period of time to develop these ideas, and report back to the Prince on their progress.

Business in the Community partnered with Ashridge Business School, with the support of Friends Life, to conduct research to understand what kinds of impacts the Prince’s Seeing is Believing programme has had, and how it has achieved this. To investigate, a team of researchers spoke with a series of current and former chief executives who had been both participants and leaders of Seeing is Believing groups. Researchers explored the conditions that had led to these business leaders coming to champion action towards meeting social and environmental challenges: how had their thinking about the role of business in society evolved over the course of their career? How had this influenced how they had played their role as chief executive? What experiences had shaped their thinking along the way? What kind of role had the experience of participating in The Prince’s Seeing is Believing played, if any?

Interviewees included: Andrew Wyllie of Costain, Angus Russell of Shire Pharmaceuticals, Duncan Tait of Fujitsu, John Varley of Barclays, Ken McMeiken of Brakes and Greggs, Martin Baggs of Thames Water, Mike Wareing of KPMG, Rob Devey of HBOS and The Prudential, and Stephen Howard of Cookson Group and Business in the Community.

The experience and perceptions of this group of current and former chief executives would suggest that a constellation of different kinds of experiences are valuable in shaping the kind of thinking and acting that constitutes sustainability-driven transformational
leadership. Four key common elements stood out in the life stories of the business leaders we spoke with:

- First-hand experiences of pressing social challenges, relationships with people experiencing them, and people and organisations working effectively to help address them.
- Early career experience in organisations with a strongly-held culture and values of responsible and sustainable business.
- Exposure to senior leaders with a passion for this kind of business leadership who act as role-models or mentors.
- Support to reflect on and make sense of these kinds of experiences and how to act on them in business leadership roles.

The Prince’s Seeing is Believing Programme was integral to the journey of each of the business leaders we spoke with. The programme acted as a powerful stimulus, combining all of these elements described above. The impact of the programme was not as a silver bullet that single-handedly had a transformative impact on individuals. Rather, it acted as a catalyst, to combine with and amplify other experiences spread across a career and lifetime, to encourage participants to prioritise thinking and action towards more sustainable and socially-responsible action on key issues. It provided a structured opportunity – through experiential learning – to have many of the same kinds of experiences that the interviewees talked about being so influential in other parts of their lives.

In particular, key aspects of the Seeing is Believe experience that were noted by interviewees to be particularly impactful were:

- The chance to develop relationships with people experiencing some of the most pressing contemporary challenges, and also with people working to help address these challenges, as well as other inspirational activists, thinkers and role models that helped challenge their thinking.
- Support to reflect on and make sense of these kinds of experiences and how to act on them in business leadership roles. This support is provided for the most part by the group leader through the way they facilitate the visit and post-visit work.
- Helping to put action to address these issues at the top of the action list and keeping it there. Participants noted four specific ways in which the structure of the Seeing is Believing programme helped here:
  - First: the reputation and credibility of the CEO acting as group leader was considered a critical motivating factor for persuading participants to make the time to participate in the first place.
  - Second: the impact of the first hand experiences creates an emotional connection with the issues that helped business leaders move from intellectually grasping the idea of doing something to actually feeling strongly motivated to put it at the top of their priority list.
Third: the role of the group leader in challenging the other business leaders in the group to make commitments as a group to act, and then subsequently keeping participants connected with each other and supporting them and holding them to account to act on their experiences and commitments.

Fourth: The need to make a formal report back to HRH The Prince of Wales on the action taken as a result of the Seeing is Believing visit provided a further useful accountability mechanism that helped business leaders prioritise making the time to act amidst multiple competing demands.

These findings suggest a number of steps that organisations can take to enhance the chances of more leaders of sustainability-driven transformation developing and emerging.

Firstly, organisations should deliberately encourage, value and seek in recruitment, career development planning and succession planning people who’ve had these kinds of experiences. They need to value experiences like volunteering, secondments to voluntary organisations and participating in Seeing is Believing groups, not because they are ‘nice-to-haves’ that demonstrate a rounded individual, but because of the crucial contribution they make to developing a worldview, relational ability and an organisational culture that is more valuable than it used to be.

Secondly, organisations should embed these kinds of experiences that are core to the design of Seeing is Believing into their organisation’s leadership development activities, whether by expanding the use they make of BITC’s Seeing is Believing visits and connecting them more systematically to their wider portfolio of leadership development work, or by directly embedding these kinds of experiences into their own graduate, high potential and senior leadership development activities.
Structured Abstract

Purpose
This paper explores the extent of site-specific and geographic segmental social, environmental and ethical reporting by mining companies operating in Ghana. We aim to: (i) establish a picture of corporate transparency relating to geographic segmentation of social, environmental and ethical reporting which is specific to operating sites and country of operation, and; (ii) gauge the impact of the introduction of integrated reporting on site-specific social, environmental and ethical reporting.

Methodology/Approach
We conducted an interpretive content analysis of the annual/integrated reports of mining companies for the years 2009, 2010 and 2011 in order to extract site-specific social, environmental and ethical information relating to the companies’ mining operations in Ghana.

Findings and Implications
We found that site-specific social, environmental and ethical reporting is extremely patchy and inconsistent between the companies’ reports studied. We also found that there was no information relating to certain sites, which were in operation, according to the Ghana Minerals Commission. This could simply be because operations were not in progress. Alternatively it could be that decisions are made concerning which site-specific information is reported according to a certain benchmark. One policy implication arising from this research is that IFRS should require geographic segmental reporting of material social, environmental and ethical information in order to bring IFRS into line with global developments in integrated reporting.

Originality
Although there is a wealth of sustainability reporting research and an emergent literature on integrated reporting, there is currently no academic research exploring site-specific social, environmental and ethical reporting

Key words: International Financial Reporting Standards (IFRS); geographic segmental reporting; integrated reporting; site-specific social, environmental and ethical reporting; sustainability reporting.
Abstract

This paper examines the Polish experience of transformation from a social contract perspective. Taking an interdisciplinary approach, it delineates and critiques a cultural portrait of modern Poland, focusing on the role of Polish citizens as employees and consumers in relation to business institutions and identifying, more specifically, a part-extant and part-hypothetical social contract. This social contract is reflective of the relationship between business and society in pre- and post-transformational Poland. The essential argument we make is that the social contract envisaged under Solidarity is far from being realized today, not least in regard to the foreign owned companies that dominate the Polish business landscape. Support for this argument comes from two case studies as well as various statistical data examined relative to the social contract we describe.

The paper’s main contribution is to apply a social contract perspective to develop insights on business in Poland following substantial transformation. While the focus is on Poland, our findings are relevant to other countries in the Central Eastern European region and potentially more broadly. Its primary theoretical contribution is to illustrate the cultural specificity of the social contract—identifying the most significant factors (i.e., historical, economic, political, social) shaping a business and society relationship. The paper is clearly well aligned with the ABIS conference themes of transformation and leadership, highlighting potential challenges of transformation and the role of charismatic leadership.

Social contract theory has its origins in the social upheavals of seventeenth and eighteenth century Europe. The decline of feudalism and the rejection of the divine right of kings as a basis for obedience to the state, gave rise to a search for a political philosophy legitimizing state authority. The establishment of society on the basis of a social contract was an attempt to determine the rights and responsibilities of all participants, where each is treated as an intrinsic part of the whole. Principles of community life that are clear and understandable for all provide citizens with a common ground, helping to set basic obligations toward others.
In our paper, we combine the philosophical-ethical concept of the social contract between citizens (cf. Hobbes, Locke, Rousseau, Gramsci, Rawls) with the postulates and expectations of Polish workers and consumers with regard to companies in Poland. Thus we advance a normative model of the business & society relationship consistent with the work of Thomas Donaldson (1982; also see Donaldson and Dunfee 1999), a leading proponent of social contract theory applied to business ethics. His social contract for business (SCB) is founded on consent, i.e. that corporations exist only through the cooperation and commitment of society. This suggests an implied agreement between the corporation and society: “If General Motors holds society responsible for providing the condition of its existence, then for what does society hold General Motors responsible? What are the terms of the social contract?” (Donaldson 1982: 42). The simplest form of the contract is to specify what business needs from society and what, in turn, are its obligations to society. Donaldson suggests two principal classes of people would stand to benefit or be harmed by the introduction of organizations: consumers and employees. The performance of the organization can thereby be assessed by a measure of how well it fulfills this social contract.

For the analysis of our putative Polish social contract, we draw on the famous 21 workers’ demands that led to creation of the Solidarity movement in 1980, later joined by ten million Polish citizens, one-third of the population (these demands were added to the UNESCO Memory of the World Register in 2003). The demands and Solidarity are treated as a picture of the birth of civil society in modern Poland, which gave rise to the political, economic, and social transformation in the country. The particularity of the social contract in Central Eastern Europe lies in the fact that society started a social resistance movement against an imposed and oppressive authority – the Central Party - which controlled all the important political, economic, and social affairs in the country, including most large companies. In theory, the Party had a duty to protect the peoples’ rights; but in reality it abused its power and held privileges solely for its members.

Solidarity was a bottom-up social movement based on three overriding values (the ‘trio’): justice, dignity and freedom. The fight for dignity by the Solidarity members was related to the concept of brotherhood – it was a defense of the helpless (Staniszkis, 1984). The movement constructed a society in opposition to the authorities and the state. Not only did it mobilize considerable resources in a relatively sparse environment, but it was also unprecedented among social movements in its scope and progress toward constructing a civil society in a Soviet-type system (Kennedy, 2008). The agreement on the 21 demands between the Central Party and the workers with their advisors, as well as the later creation of Solidarity movement, was in effect an agreement between the “sovereign” and the “awakened citizens” on the terms defining the direction of political, economic and social reconstruction of Poland. However, ultimately, a radical change of the system was only put into effect in 1989 after (semi-free) elections.

The design and a legislative adoption of the neoliberal “Shock Therapy” (written by Jeffrey Sachs and adopted by the Polish government in December 1989), took 111 days. It was an
economic experiment in a rapid transition from a centrally planned economy into a capitalist market economy. However, the Polish people were not consulted on the plan. As Kowalik (2011) observes:

“The Polish authorities sold off many enterprises as if they were unaware that many hostile takeovers by foreign capital were designed to eliminate domestic firms from the market. Many firms were shut down, and other companies’ activity was drastically reduced to benefit foreign importers. This was one of the main reasons for the premature deindustrialisation of the Polish economy, increased unemployment and a permanent foreign trade deficit with the accompanying debt growth.”

In fact, after the transformation, Poland was forced to buy goods that previously were produced in the country. As Kowalik (2011) points out: “one of the largest worker’s movement that twentieth-century Europe had ever experienced, provided Poland with an unprecedented and unrealized chance to create a modern and just society”. Today, the competitive advantage of Poland is based largely on low labour costs with high workforce productivity. Foreign firms subcontracting production, with know-how brought in mostly from abroad. This does not bode well for the future. As Oxford Economics Report (2014) notes: “Although growth in Poland in recent years has largely been driven by the adoption of foreign technologies, this channel is likely to be exhausted as Poland develops, meaning further growth must come from Polish innovation and technological progress.”

Key statistics in a socio-economic picture of modern Poland include the following:

- Poland has some of the lowest labour costs in Europe (Eurostat, 2013);
- almost 13 000 000 (1/3 of the population) of Polish population lives at the poverty line (one out of three people in Poland struggles to make ends meet) (Anti-Poverty Network, Social Watch Report, 2013); 12,8% of Polish population lives below the statutory line of poverty (Central Statistical Office of Poland Report, 2013);
- most of the citizens in Poland are disappointed by the post-Transformation reality, about 88% of the population doesn’t trust other people (Czapiński, 2014).

We argue that after 25 years of political, economic, and social transformation in Poland, the social contract hasn’t been fulfilled. Indeed, the implementation of a neoliberal “Shock Therapy” model of economy in an initially developing democratic society, could be viewed as being in opposition to the social contract and the core values that people agreed on (justice, dignity and freedom).

To illustrate the current challenges occurring between business and society in Poland, we provide two recent case studies:

1). a company and its employees: Tesco – the first workers’ strike in supermarkets in Poland were trying to improve their very bad working conditions (Tychy, 2008). The struggle of Tesco Poland’s worker’s began in February 2008 with a two-hour strike at the hypermarket in Tychy in southern Poland. This was the first ever strike in a large surface retailer in Poland.
since 1989. The strike was planned by the “August 80” trade union and was perfectly legal under national regulations about resolving collective disputes in the workplace. Trade unions formed by Tesco's employees addressed their demands to the company’s board of directors on matters of wage increase, increased employment, and improvement of working conditions. Today, 6 years after that memorable first strike in Tesco, the trade unions are still fighting for better working conditions, but no-one else has organised such a strike as they did in Tychy in 2008.

2). a company and its consumers: Bre Bank (Mbank) – the first group protest of clients and debtors in Poland who created a social movement and filed a collective lawsuit in a court with a bank („Snookered by mBank”, 2010). The issue which caused friction was the change in mortgage rates, which mBank provided its customers in a foreign currency – the Swiss franc. The class action against the bank on behalf of the customers was filed by the Municipal Consumers Advocate in Warsaw. It accused the bank of wrongfully undertaking the mortgage agreements valorized by the strength of the Swiss currency. After five years of struggle which started in 2009, the class action was finally won in the biggest consumer protest campaign against a financial institution in the history of the Republic of Poland. The protesting mBank clients named their group “Impaled by mBank”; they started by organizing themselves through the internet and by planning informative events in the cities. The fight against the Bank was won by 1247 loan-takers, and they had previously rejected several settlement proposals by the Bank. The scale of the claims against mBank on account of the increased mortgage rates is estimated at 120 million Polish zlotys. In 2014, a court of appeal rejected mBank’s appeal and upheld the judgment, which affirmed that the “Impaled by mBank” had indeed been swindled (the number of those “impaled” by mBank is estimated at 12 thousand clients, their mortgage rates were increased as a result of illegal clauses which were included in the agreements).

In conclusion, we identify the universal dilemmas and challenges in the process of transformation – to what extent was Poland a “Ring of Gyges” (Plato, 2002) for the corporations that maximized their profits through local operations? We also investigate the components of a transforming leadership in which leaders construct cultures that foster effective management of change and empower their follower (Burns, 2003). In Burns’ model, dialogue emerges out of conflicts in which both leaders and followers move towards agreement about shared values, and in this process they elevate each other’s moral values (Ciulla, 2013). The implementation of the “Shock Therapy” radically transformed Poland socially and economically, but was it truly a transforming leadership without social dialogue and broader consultations on the direction of the process which had been agreed upon? Unfortunately Poland’s new leaders decided to break away from the old communist system and its heritage to such a degree, that they broke off from the foundations of Solidarity and their own social roots in the process.
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Understanding the facilitation of sustainability driven innovation in multi-actor platforms through an empirical study

Abstract

Recent decades have seen increased discussions, publications and policy responses inspired by the subject of environmental issues and thereafter the social implications arising from development, which began with the Club of Rome Report (Meadows et al., 1972) and the 1972 Stockholm Conference on Environment and Development. Bocken et al. (2014) believe that “a holistic approach is required to tackle the challenges of a sustainable future: responses to environmental changes will necessarily need to be in parallel with economic and social change”. Thereby it has been acknowledged that business organisations have a significant role to play in the sustainable development process: they are responsible for most of the products and services that the society consumes, and therefore also for the impact of their daily consumption globally (EC, 2001; IPCC, 2007; Lye, 2014). However, as Berkhout (2014) suggests, industrial organisations are increasingly aware of the role they have, and many have started to act in response to that: “business has become not only more aware of the social and environmental impacts of its activities, directly or indirectly, but also much more active – internally and externally – in seeking to manage them” (Berkhout, 2014).

The involvement of a number of stakeholders in the process of developing solutions for sustainable development is believed to be necessary as sustainable development as a whole requires “an understanding of the complex interplay of environmental, economic and social processes at different scales, from local to global” (Kardos, 2012). This is related to the understanding that sustainable development can be seen as a set of problems, or ‘meta-problems’, which can be both local or global at scale (Trist, 1983; Rittel and Webber, 1973; Roome, 2001). The multi-stakeholder approach that is believed to be necessary to attempt solving these complex problem sets is named as sustainability driven innovation in multi-actor platforms in this study. As these platforms are believed to have the capacity for successful sustainable development processes, they are also likely to be key in facilitating sustainable development at the larger scale (Carley and Christie, 2001).

Indeed, also Clarke and Roome (1995) have suggested that “successful responses to meta-problems in general, and environmental concerns, in particular, require collaborative organisational forms” (Clarke and Roome, 1995). Gray and Stites (2012) further summarise the importance of such collaborative approaches by saying: “While no final evaluation is possible of the long-term impacts of multi-sector partnerships on the environment, the resounding conclusion of the majority of studies we reviewed was that partnerships provide the best chance of bringing the necessary resources, technology and commitment to ensuring a
sustainable future for the planet.” This conclusion can be extended to multi-actor platforms, which are therefore currently seen as the best way to deal with such complex and multi-level problems that the world is facing today (Austin, 2000; Pinkse and Kolk, 2012; Selsky and Parker, 2005).

When defining the term multi-actor platform (MAP), it is helpful to follow Ansell and Gash (2007): while cooperation in networks may be informal and remain largely implicit (e.g. unacknowledged, unstated, nondesigned), collaborations in multi-actor platforms imply explicit and formal strategies to incorporate stakeholders into multilateral and consensus-oriented decision-making processes (following Ansell and Gash, 2007). Furthermore, unlike public-private partnerships, where collective decision-making is not common, the institutionalisation of a collective decision-making process is central to multi-actor platforms (following Ansell and Gash, 2007). Additionally, Blockson (2003) suggests that these platforms could be seen as “alternative collaborative structures, when formal collaborations may not [otherwise] occur”.

Kilelu et al. (2013), who used the term multi-actor platform in the context of agricultural systems innovation, suggest that the main implication of their study for theory is that the “co-evolving nature of innovation processes requires a conceptualisation of platforms as dynamic and distributed” rather than static forms of organising. As a result, Kilelu et al. (2013) suggest that “supporting innovation platforms as mechanisms for enhancing innovation requires platform funding, planning and governance mechanisms that allow for continual adaptation to emerging issues.” This seems particularly valid as Lawrence et al. (2014), too, suggest that “transformation through social innovation is likely to occur as an iterative process, with both intended and unintended consequences, rather than some kind of hyper-successful implementation of an intended strategy”.

Corsaro et al. (2012) have suggested further challenges for the management of these innovation platforms, which relate to the diversity of the actors and their values, expectations, goals, languages, understandings, cultures and practices. Similarly, Selsky and Parker (2010) suggest that further challenges for the management of MAPs could arise from the different motivations of the participants, which are suggested to extend three levels: the micro, meso and the macro levels. Thus, one should not only should investigate the variation in motivations of the different participants, but also how the different dimensions of the goals (personal, organisational and societal) influence the innovation process in MAPs, and how can all three levels be achieved at once?

To conclude, managing innovation in multi-actor platforms requires particular skills and practices due to the dynamic and often unpredictable nature of the process. Thus, this research is concerned with the sustainability driven innovation processes in MAPs, particularly from the perspective of the challenges that this form of collaborating will pose for the platform managers or facilitators and what procedures they will follow to manage these challenges successfully.
The research will be carried out in the form of case study based ethnography in an organisation that is a facilitator of MAPs for sustainability driven innovation, and will involve studying a minimum of three case studies. The data collection and analysis process will last approximately 15 months (starting January 2015), and will be guided by the Grounded Theory (Glaser and Strauss, 1967) analytical framework. The specific methods for the data collection will include semi-structured interviews with the platform facilitators as well as participants, informal interviews, participant observation and document analysis. The different forms of data will be analysed separately and triangulated.

The specific research questions are:

1. How does the MAP facilitator organisation identify the emerging themes, and how does it decide which themes to follow and to facilitate a platform around?

This first phase of the platform innovation process is suggested to potentially be the most challenging one, especially as the nature of wicked problems means that determining a common definition of the problem is difficult (Blockson, 2003; EC, 2001; Gray, 1989; Hood et al., 1993; Rittel, 1973).

2. How does the MAP facilitator judge the appropriate level of control that the innovation process in a given platform requires? What are the mechanisms through which control is exerted? Does the facilitation process of the MAP change during significant or critical moments in the platform innovation process?

As the innovation processes in general, but particularly so in multi-actor platforms, are believed to be very dynamic and in constant evolution (Hall and Clark, 2010; Kilelu et al., 2013; Leeuwis and Aarts, 2011; Seitanidi and Crane, 2008), the question of how to manage these processes efficiently arises. Namely, due to the dynamic character of the process, it is not possible for the process to follow a predetermined structure. However, it is in the interest of both the platform facilitator as well as the platform participants, that the innovation process is successful in delivering outcomes. The question then arises, how does the platform facilitator determine a balance between applying formal and fixed outlines for the innovation process versus managing the platform in a flexible way and letting it evolve in a dynamic fashion? A further question will investigate whether the way in which the platform facilitator manages the platform’s innovation process changes at different phases of the innovation process, and if so, when and how?

3. How are the ideas generated in the MAPs transferred into practice, and with what implications?

Finally, once the platform participants have developed a solution for the issue on the conceptual level, the next question is whether and how these ideas get implemented in practice. This is a key step, as this is the phase that has the capacity to induce change in
society. Lawrence et al. (2014) suggest that: “social innovations require changing how societies think (Mulgan et al., 2007a, p.22) about social problems in ways that may require a ‘significant, creative and sustainable shift’ (Nilsson, 2003, p.3). Success occurs when the new ideas become a ‘changed common sense’ made possible by ‘a series of reinterpretations by practitioners, beneficiaries, funder and the wider public (Mulgan et al. 2007b, pp.22-23)’. But how do the ideas generated in the MAPs become ‘changed common sense’?

References


Abstract

The textile industry is heavily scrutinised for its sustainability policies, strategies and at times its actual foundation. It is seriously interwoven with environmental, governance and social issues. However, social issues pertaining to wages and child labour have taken the forefront of the agenda, whilst environmental ones have for long largely been left out of the general media discourse. There is growing concern about environmental aspects of textiles, as clothing alone accounts for two to ten percent of life-cycle environmental impacts.

For the textile industry with its numerous chemical practices and water draining processes, water and chemical sludge are one of the major environmental problems in the world. This is especially true in India, the world’s third largest textile industry, accounting for three percent of India’s GDP. Toxic dyes emanating from textile plants have polluted both ground water and rivers, rendering the water fit for neither human consumption nor farmland irrigation. Simultaneously, millions of the Indian population lack access to clean water. With population growth, water resources will continue to be pressured.

In order to come to terms with these important issues, the partnership Stockholm Textile Water Initiative was founded in 2010 at the initiative of the clothing company Indiska and Stockholm International Water Institute (SIWI) and thereafter a multitude of actors within the Swedish textile industry were asked to join in.

The main focus in this paper is how and why partnerships aimed at solving sustainability related issues work – it is thus of prime interest to investigate the route an alleged successful partnership has proceeded in order to decipher the route to sustainability. The research questions thus become: how and why do companies collaborate for sustainability?

In order to gather and gain perspectives from as many organisations as possible involved in the STWI partnership a single case study approach was used. The fields of sustainability and partnership research are still under development and thus the use of qualitative methods are apt for enhancing understanding and answer questions of how and why (Yin, 2009). The case study approach also ensured information collection from as many of those involved in the partnership as possible.

The fieldwork for this study was carried out during the summer of 2014. Fourteen organisations were involved (fourteen businesses and the secretary of STWI). Interviews
were mainly conducted with senior sustainability managers of the corporations. It is of note that the managers interviewed are directly responsible for the collaboration and due to the dynamic nature of the partnership are directly involved in the interaction within the partnership.

A holistic view of the partnership was sought and enabled through this type of case study approach. It is justified in this context, considering the limited research available on collaborations of this kind and the complexity of goals apparent in partnerships.

“Real life” collaborations (Parkhe 1993) are thereby studied and contribute to a deeper and more thorough examination of partnerships. Also, following Yin (2009), the preferred research approach for a complex phenomenon is an inductive approach. In order to gain an in-depth understanding, it is important to depart without any preconceived notions of good or bad and thus collection of empirical data will be done first. The theories to explain the data should be found thereafter.

Thus, this paper examines a sustainability partnership within the textile industry in Sweden, using the lenses of legitimacy theory as well as those of social and symbolic capital theory. The use of a case study method is aimed at generating insights from a collaboration regarding how and why cross-sector partnerships can be successful in implementing sustainable solutions along the value chain. Furthermore, the case may also contribute to the understanding of what conditions are needed for the long-term sustainability and success of sustainability-aimed partnerships.

STWI was and is aimed as a forum for challenging water issues in the textile industry. It has gone through two phases and is in the process of entering the third. The first phase consisted of establishing independent guidelines for water usage for mainly water usage but also related outcomes such as sludge and chemical usage. The second phase was dedicated to implementation of said guidelines and has just come into fruition. Parallel to this phase, through the means of a public-private partnership between Indiska, Lindex and Kappahl, the Swedish development agency SIDA and SIWI, a project SWAR (Sustainable Water Resources Management for Textile Industries in India) has been established in order to better test the conditions and pre-requisites for scaling up the operation. Phase three is also partially financed by SIDA and will entail a larger application of guidelines and intense work with an increased number of suppliers in order to ameliorate conditions on the ground level.

According to the interviewees, the most important elements in the success of STWI are partnership selection, establishment of trust (thereby allowing transparency, openness and confidentiality), Do-It-Yourself method as well as the structure of the network. Even though, the partnering companies are of varying size and type, the values and views on CSR or sustainability are similar; this is also seen as key to the smooth functioning and success of the partnership.
The reasons for entering the partnership are related to isomorphic legitimacy (Powell & DiMaggio, 1983), following the sentiment “everybody else in the Swedish textile industry so we must join too”, a strong sense of urgency and awareness of the seriousness of these issues and thus the legitimacy to operate in society, as well as to gain access to skills and resources through the fountain of knowledge available in this confidential network. All actors are considered equal, regardless of size, in this network and thus through the access to this network, symbolic and social capital can be acquired. (Bourdieu, 1986). This paper aims at contributing to understand the inner mechanics of cross-sector partnerships and provides evidence of the importance of legitimacy as well as of symbolic and social capital in the establishment and overarching success of partnerships.

References

Articles


Books

Extended Abstract

Introduction
We have conducted a comprehensive, systematic review of all empirical leadership and sustainability studies to date and present a detailed assessment of the existing scientific research in this domain. Most importantly, we put forth an integrative model encapsulating current knowledge regarding the relationship between leadership and sustainability and suggest essential directions for further research.

The importance of this research rests in the immediacy of the issues. Bill McDonough, a pioneer in environmental design, is accredited with the following analogy: If someone is driving a car that is speeding down a highway heading south, simply putting on the brakes will not cause the car to change course and head north (Senge, Smith et al., 2008). And yet, this is exactly the situation we are currently facing; while the leaders of some business organizations have begun to take important steps towards reducing the impact of their activities on the planet, on the whole, executives continue to blindly steer their organizations into the new era of resource scarcity (Slawinski, Pinske, Busch & Banerjee, forthcoming). Why is this? And what can we learn from those few leaders that are at least attempting to reverse course?

With a global population that is forecast to exceed nine billion people by 2050 (UN 2010), significant pressure is being exerted on the natural environment. We are already using 50 per cent more resources than the Earth can provide (WWF 2012). Changing demographic trends mean we are experiencing a consumption time bomb: from 2010 to 2025, there will be 1.8 billion additional middle-class consumers, a 24 per cent increase in global caloric consumption, a 47 per cent increase in packaging and a 41 per cent increase in end-of-life materials (Ellen MacArthur Foundation 2012). We’re going to run out of coal, oil and gas in the next 35-40 years, important minerals such as titanium in 30-40 years, silver in just 16 years, indium (needed for touchscreens and solar panels) in 11 years, and some estimates put us running out of antimony (needed for certain drugs and batteries) in as little as 8 years.

Add climate change to resource scarcity and we have the perfect storm. It is expected that we will exceed the ‘safe’ limit of two degrees of global warming above pre-industrial average temperatures within the next two decades (Olivier, Peters and Janssens-Maenhout 2012). After this, we are going to start to see issues with basic human needs such as food
and water. Over 1 billion people already live in countries and regions where there is insufficient water to meet food and other material needs. By 2025, this number will grow to 1.8 Billion, with two thirds of the world’s population living in water-stressed regions. If we continue with ‘business as usual’ without changing the trends for land use, land productivity, energy use, population growth, diet and climate change, we will require the resources of 2.9 planets to survive in 2050 (WWF 2012). In addition to these sobering facts, recent research shows that businesses have been slow to tackle sustainability issues and are, on the whole, nowhere near having fully incorporated sustainability into their strategy and operations (Mazutis, 2013). The question then becomes what type of leadership is needed to reverse these trends? What do we know already about the relationship between leadership and sustainability? What questions still remain unanswered?

**Project Overview**
A complete understanding of the impact of strategic leadership on corporate sustainability processes and outcomes remains elusive despite a significant and growing body of research on the topic. Numerous sources examine how an individual’s personality, character and experiences can shape organizational outcomes (Finkelstein et al., 2009), and it is now generally acknowledged that participating in corporate sustainability initiatives appears to be at least marginally financially beneficial (van Beurden and Gossling, 2008; Orlitzky et al., 2003). Yet there remains a gap in the literature related to precisely how leadership has impacted and could impact corporate sustainability. In an attempt to provide clarity on this issue we have engaged in a comprehensive meta-synthesis of the empirical evidence on leadership and sustainability. Based on these findings we will provide a conceptual framework and an evidence-based theoretical model.

**Approach**
We have conducted a comprehensive and analytical review of the empirical research on leadership and sustainability using a combination of both systematic and narrative review processes. A systematic review of the literature was conducted following the process outlined by Tranfield, Denyer & Smart (2003). Our objective was to capture all of the empirical evidence relating leadership and sustainability in order to answer the fundamental question: “What do we know about how corporate leadership (IV) impacts sustainability (DV)?” Our search focused on empirical evidence, both quantitative and qualitative. We followed Bapuji and Crossan (2004) in selecting the ISI Web of Knowledge’s Social Sciences Citation Index (Web of Science) database to conduct our systematic review given that it is the only database that currently contains yearly citation counts for each article and its list of peer-reviewed journals in the social sciences has been shown to be the most comprehensive (Pittaway et al., 2004).

In accordance with the first step of Tranfield et al.’s (2003) suggested systematic review process, in order to identify the relevant key words and search terms for the review, we examined various alternatives and looked to previous studies. We decided to keep the search terms intentionally broad in order to capture all of the various conceptualizations of
both sustainability and leadership. Specifically, for sustainability, our search term was sustainab* (to capture sustainability, sustainable, etc.). This search yielded 33,151 results. We also added searches for related concepts – including CSR, Corporate Social Performance (CSP), “triple bottom line” (TBL), corporate citizenship, shared value, societal benefit, stakeholder*, social and environmental, corporate sustainab* thus broadening the initial search pool to 152,517 articles. Studies focusing on leadership and corporate philanthropy were purposely not included in this review. Similarly, studies that focused on leadership and ethical decision making (EDM) in general were also not included unless specifically related to EDM and environmental or social sustainability. With regards to the independent variable, the search terms for “leadership” were also kept broad and included derivatives of the term as well as “top management team”, TMT, CEO, “Chief Executive Officer,” “senior manag* or “senior executive”. This search yielded 70,365 results. When the sustainability and leadership results were combined, these search terms yielded 3,785 papers that included both leadership and sustainability in their subject terms (title, abstract and key words).

Following Newbert (2007) and David & Han (2004), we then used seven ‘methodological’ key words to further limit the search to only empirical studies: data or empirical or test* or statistic* or finding* or result* or evidence. This narrowed the final scope of the articles to 2,413 papers published on leadership and sustainability. This list was then further narrowed, using the subject category selection, to the top five publication categories: business, management, industrial engineering, economics and applied psychology yielding 864 papers. A final qualitative filter pertaining to article quality (cited at least once) netted a final article set of 680 papers which served as the master list for further analysis.

The second step of the systematic review consisted of compiling the consideration set of articles for synthesis. The article titles, abstracts and key words were then reviewed in order to ensure that we had in fact captured only empirical papers that dealt with leadership and sustainability at some level (individual, group or organization). In those instances where it was not obvious from the abstract alone if some aspect of leadership and sustainability was captured in the study, full articles were reviewed. At this stage we eliminated numerous articles that might have used similar terms, but were not in fact related to our research question (e.g. several articles focused on sustainable performance rather than corporate sustainability or on market leaders rather than leaders of organizations). During this phase 652 articles were removed from the list, leaving 28 empirical papers that actually met with the intended search criteria.

This systematic review of the field was then complemented with a narrative review that built upon previous research. We reviewed articles considered representative of the impact of leadership on sustainability. Any citations within these articles that pertained to empirical studies of leadership and sustainability were then further consulted. In addition, key management publications that focus on leadership (e.g., Leadership Quarterly) and empirical research specifically (e.g., Academy of Management Journal, Strategic Management Journal, Administrative Sciences Quarterly) were searched for articles.
containing the terms “leadership”, “CEO”, “TMT”, “Strategic Leadership” and “sustainability”. In addition, to mitigate the effect of recency of citation count (a substantive filter), we manually reviewed the last two years of key publications (e.g. Journal of Business Ethics) to ensure that we fully captured all empirical studies published to date. In an iterative fashion, any further citations within these papers that mentioned empirical results for tests of leadership effects on sustainability were read until a satisfactory level of saturation was achieved (i.e., the same citations appeared over and over again). This process has resulted in 50 additional articles that deal with leadership and sustainability at various levels of analysis and various operationalizations of both the IV and the DV.

It is important to note that neither the narrative nor the systematic data set was complete in and of itself. To address this issue, we used articles uncovered in both reviews – narrative and systematic – to synthesize our findings. The methodology for this review was therefore a combination of both methods, yet likely increased not only the breadth, but also the depth of our analysis. The overall process has thus netted a total of 78 empirical articles on leadership and sustainability, which we consider to be a comprehensive state of scientific research in this domain today (see Table 1 in the Appendix for a summary of our article filtering process).

Building on this synthesis of this empirical evidence, we have created a conceptual framework and an evidence-based theoretical model of the relationship between strategic leadership and corporate sustainability. To do this we first classified the empirical studies resulting from our systematic and narrative review into the following components of the leadership and sustainability relationship:

Direct Effects:
- The effect of leadership characteristics such as demographics, values, styles, skills, and behaviours on sustainable outcomes (e.g. Manner, 2010; Slater & Dixon-Fowler, 2009, 2010; Thomas & Simerly, 1994); The Design and implementation of sustainability initiatives: How leaders design and implement sustainability initiatives (e.g., Brown, 2012); how managerial decision making processes and sensemaking affect development initiatives than produce individuals who promote CSR and sustainability (e.g., Pless, N. M., Maak, T., & Stahl, G. K., 2012).

Indirect Effects:
- Conceptualizing corporate sustainability: How leaders understand and differentiate the various concepts pertaining to corporate governance, corporate social responsibility (CSR), stakeholder management and business ethics (e.g., Fassin, Y., & Van Rossem, A. 2009; Agle, Mitchell & Sonnenfeld, 1999; Tetlock, 2000); how a commitment to sustainability emerges at the organizational, functional, and individual levels within organizations (e.g., Stoughton, A. M., & Ludema, J., 2012).
- Leadership influence: How senior leaders influence decisions around CSR (e.g. Chin, Hambrick & Treviño 2013) as well as can influence employees' pro-sustainability
behaviors (e.g., Robertson, J. L., & Barling, J., 2013; Waldman, Siegel & Javidan, 2006); how and why individuals within organizations will support sustainability initiatives (e.g., Boddy, Ladyshewsky & Gavin, 2010; Parboteeah, K. P., Addae, H. M., & Cullen, J. B., 2012); and how leaders develop an organizational culture that encourages individuals in the organization to embrace sustainability (e.g., Chen 2011; Eccles et al 2012).

Moderating Effects:
• Managerial discretion, contextual and governance issues: How institutional structures constrain managerial discretion around corporate social responses (e.g. Greening & Gray, 1994); how governance factors such as top management equity (Johnson & Greening, 1999) or other CEO pay structures affect corporate social performance (Benson & Davidson, 2010; Deckop, Merriman & Gupta, 2006; Fong, 2010; McGuire, Dow, & Arghely, 2003).

These components provide the basis for our framework and model that aims to describe the complex relationship between leadership and sustainability.

Implications for theory, future research and practice
With the aim of reaching a meta-synthesis of existing evidence, our review and model has implications for theory, future research and practice. As part of the review, we highlight both theoretical and empirical gaps and suggest avenues for future research. Most importantly, the review provides a comprehensive model of the current state of empirical evidence of the important relationship between leadership and sustainability that will allow for a more thorough exploration of what remains to be known.

What makes the resource scarcity and climate change statistics cited in the introduction so alarming is that sustainability is no longer something that needs to be addressed ‘sometime in the future’. Rather, we will hit the resource wall now, within our lifetime and certainly within the lifetime of our children. These scenarios, even if they’re off by a couple of years, or even a decade, mean that we are entering a world where we can no longer operate on the paradigm of abundance, but rather must shift our thinking to one of scarcity, requiring that business leaders adopt a different kind of mindset. Business no longer can view themselves as operating in a linear take-make-waste business model but will have to shift their thinking to a circular, borrow-use-return, full systems perspective in order to survive the impending resource crunch and associated global trends. It behoves us to explore what we know about leadership and sustainability today, so that we may help executives and organizations to be better equipped to lead tomorrow.
References


Slater, D. J., & Dixon-Fowler, H. R. (2010). The future of the planet in the hands of MBAs: An examination of CEO


## Appendix

Table 1: Summary of Selection Filters for the Systematic Review

<table>
<thead>
<tr>
<th>Filter</th>
<th>#</th>
<th>Description</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substantive</td>
<td>1</td>
<td><strong>TOPIC:</strong> (leader* or &quot;top manag**&quot; or &quot;top manag* team&quot; or TMT or CEO or &quot;chief executive officer&quot; or &quot;senior executive**&quot; or &quot;senior manag**&quot;)</td>
<td>70,365</td>
</tr>
<tr>
<td>Substantive</td>
<td>2</td>
<td><strong>TOPIC:</strong> (sustainab* or CSP or &quot;corporate social performance&quot; or CSR or &quot;corporate social respons**&quot; or TBL or &quot;triple bottom line&quot; or &quot;corporate citizenship&quot; or &quot;shared value&quot; or &quot;societal benefit&quot; or environmental)</td>
<td>152,517</td>
</tr>
<tr>
<td>Substantive</td>
<td>3</td>
<td>#2 AND #1</td>
<td>3,785</td>
</tr>
<tr>
<td>Methodological</td>
<td>4</td>
<td><strong>TOPIC:</strong> (data or empirical or test* or statistic* or finding* or result* or evidence)</td>
<td>&gt;100,000</td>
</tr>
<tr>
<td>Substantive</td>
<td>5</td>
<td>#4 AND #3</td>
<td>2,413</td>
</tr>
<tr>
<td>Substantive</td>
<td>6</td>
<td><strong>RESEARCH AREAS:</strong> (Business economics or behavioural sciences or psychology AND DOCUMENT TYPES: (Article) AND LANGUAGES: (English)</td>
<td>&gt;100,000</td>
</tr>
<tr>
<td>Substantive</td>
<td>7</td>
<td>#6 AND #5</td>
<td>864</td>
</tr>
<tr>
<td>Substantive</td>
<td></td>
<td>At least 1 citation</td>
<td>680</td>
</tr>
<tr>
<td>Substantive &amp; Methodological</td>
<td>8</td>
<td>Abstracts reviewed to ensure fit with search criteria (an empirical test of some element of leadership and sustainability)</td>
<td>28</td>
</tr>
<tr>
<td>Substantive</td>
<td>9</td>
<td>Articles discovered during narrative review</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>78</strong></td>
</tr>
</tbody>
</table>

Note that the selection filters used herein are based on and/or adapted from those developed and used by David and Han (2004) in their review of the TCE literature and from Newbert (2007) in his review of the RBV literature as published in SMJ.

Retrieved from ISI Web of Knowledge’s Social Sciences Citation Index database on 7 July 2014.
Abstract

This paper is part of a larger study on boardroom leadership in the context of discontinuous change (DC) using 18 semi-structured, in-depth interviews with UK executive and non-executive board members across 14 sectors.

The study aim is to understand the nature of discontinuous change that UK board members are faced with and the types of leadership that could be involved in those. Preliminary results suggest that four types of DC affect board directors in UK companies, each of which corresponds to a distinct leadership style: i) relational discontinuity (facilitative leadership); ii) hostile discontinuity (disruptive leadership); iii) transformational leadership (transactional leadership); and iv) industry discontinuity (entrepreneurial leadership). Preliminary results also suggest that leadership is not always from the CEO and its executive team as most research assumes but, in some types of discontinuities, the Chairman and even external advisors may assume decisive leadership.

Key words: Discontinuous Change; Leadership; Boardroom.
Abstract

The role of business in society has interested scholars long before corporate social responsibility became a distinct field of study (Bowen, 2013; Carroll, 1979; Dodd, 1932). The role of business in society is now located in the twin debate of corporate social responsibility and sustainable development. It is common parlance that corporates have to be socially responsible to ensure their sustainability. Business schools have a played a role in making the link between corporate responsibility and the higher order value of sustainable development.

Business schools have responded to the evolving debate about the role of business in society by incorporating aspects of social responsibility into their curriculum (Gardiner & Lacy, 2005). According to Gardiner & Lacy (2005) most business schools have specifically added a course on business ethics as a minimum into their curriculum. A few business schools have encouraged their academic staff to incorporate some aspect of corporate social responsibility into their core course materials. The incorporation of social responsibility into the curricula of business schools has been given added impetus owing to the requirements of standards bodies like AACSB and AMBA (Gardiner & Lacy, 2005; Schwartz, Kassem & Ludwig, 1991; Gentile & Samuelson, 2005).

Some business schools have gone as far to become signatories to standards like the United Nations Principles of Responsible Education and Management (UNPREM). The UNPREM outlines six principles aimed at the purpose of business education, values that are entrenched in business school graduates, methods that foster responsible leadership, encourage CSR research, developing and nurturing CSR partnership, and contribute to the ongoing dialogue on the role of business in society (Moratis, 2014).

While UNPREM is aimed at assisting educational institutions with incorporating corporate social responsibility into their curriculum it provides little guidance on how this mammoth task can achieved (Moratis, 2014). As a complement to UNPREM it is proposed that ISO 26000 guidelines have been found to be a useful tool. The ISO 26000 guidelines provide detailed and helpful definitions, principles, and framework for gradually implementing corporate socially responsibility into an organisation (Moratis, 2014). While generic, if ISO 26000 operating alongside UNPREM could provide a path towards a meaningful incorporation of corporate sustainability into the business school curriculum.
Despite the growing interest in social responsibility both among practitioners and scholars, corporate scandals continue unabated, many crafted and perpetrated by the products of business schools that espouse responsible corporate citizenship (Gentile & Samuelson, 2005; Ghoshal, 2005). Given that commitment to corporate social responsibility by business schools does not seem to have the desired effect on their resultant products, there is an urgent need to explore other factors that could contribute to the inculcation of responsible leadership by business schools. A possible area of interest is to focus on the business scholar, as opposed to the business school.

The business scholar is responsible for researching, teaching, and consulting on this latest and leading business ideas that could lead to responsible leadership, and thus corporate social responsibility (Ghoshal, 2005). As a researcher, the business scholar has largely been influenced by theories that have recently been argued to be harmful to practice (Bennis & O’Toole, 2005; Ghoshal, 2005; Hambrick, 2005; Mintzberg, 2005). As a teacher, the business scholar typically follows the case method and relies on cases that emphasises competition over responsibility. As a consultant, the business scholar further espouses the various same theories that counter corporate responsibility.

Using the Gordon Institute for Business Science (GIBS) of the University of Pretoria as a case study, this paper explores how business scholars develop and deliver their courses in a manner that either positively or negatively contributes to the advancement of corporate social responsibility. This paper also explores how business scholars apply their theories and research in practitioner assignments that contributes or detracts from corporate social responsibility. This paper assess the business scholar using the UNPRME and ISO 26000 as tools to establish the extent to which corporate sustainability principles and frameworks are explicitly and implicitly incorporated in a typical MBA course (Moratis, 2014).

An initial analysis shows that scholars at GIBS are already incorporating CSR/sustainability in most of its core modules, especially through the teaching cases that faculty are using. For example, the course on Entrepreneurship uses Zipcar as a case to explore refining the business model and understanding the customer, Trevor Field and the Play Pumps of Africa as a case to illustrate making money from social causes and Husk Power Systems as a case in scaling-up a start-ups. In other instances, courses are already themed around CSR/sustainability issues, such as the Ethics & Sustainability course and General Management in Dynamic Markets course. The latter, for example, examines doing business at the bottom of the pyramid (BOP), frugal engineering, microinsurance for poor farmers, inclusive markets (case: SABMiller), business and development (case: TetraPak) and circular economy (case: Brazil’s waste industry).

The table below shows a subjective scoring of existing and potential integration of CSR/sustainability into the curriculum, where 0/10 = no integration and 10/10 = total integration.
This paper concludes that to overcome some of the limitations of current initiatives to incorporate corporate social responsibility by business schools, there is need for business schools to move beyond their instrumental and towards a normative approach (Donaldson & Preston, 1995) with a view to enabling business scholars to incorporating corporate social responsibility as natural aspect of their research, pedagogy, and practitioner work.

<table>
<thead>
<tr>
<th>Course (code)</th>
<th>Current sustainability integration</th>
<th>Potential sustainability integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analytical Tools and Techniques</td>
<td>0/10</td>
<td>1/10</td>
</tr>
<tr>
<td>Business Finance (GIE 813) &amp; Corporate Finance</td>
<td>0/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>0/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>3/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Ethics and Sustainability</td>
<td>7/10</td>
<td>10/10</td>
</tr>
<tr>
<td>Financial Accounting</td>
<td>0/10</td>
<td>4/10</td>
</tr>
<tr>
<td>General Management in Dynamic Markets</td>
<td>4/10</td>
<td>6/10</td>
</tr>
<tr>
<td>Human Resource Strategy</td>
<td>0/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Human Behaviour and Performance in SA</td>
<td>1/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Information and Knowledge Management</td>
<td>4/10</td>
<td>6/10</td>
</tr>
<tr>
<td>Leadership</td>
<td>0/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Macroeconomics: National Competitiveness</td>
<td>4/10</td>
<td>6/10</td>
</tr>
<tr>
<td>Management Accounting</td>
<td>0/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Marketing</td>
<td>2/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Operations Management</td>
<td>1/10</td>
<td>5/10</td>
</tr>
<tr>
<td>Organisational Development and Transformation</td>
<td>0/10</td>
<td>3/10</td>
</tr>
<tr>
<td>Research Methodology</td>
<td>4/10</td>
<td>5/10</td>
</tr>
<tr>
<td>Strategy</td>
<td>2/10</td>
<td>4/10</td>
</tr>
<tr>
<td>Venture Strategy Business Simulation</td>
<td>0/10</td>
<td>1/10</td>
</tr>
</tbody>
</table>

Note: This analysis is still subject to verification and is not for public sharing yet.
References


Abstract

The paper is devoted to analysis of responsible leadership development in Russian companies which is reflected in specific managerial practices. The research has been conducted as a part of national research project held by SPbU GSOM “Report on Social Investments in Russia” prepared in co-operation with the Russian Managers Association [Report, 2014]. The project has been conducted by the PwC Center for CSR at SPbU GSOM in 2012-2014 and covered 60 Russian companies which are acknowledged as national leaders in CSR. Research methodology included vast questionnaires on social investments, interviews with some respondents and analysis of the documents presented by the companies as well as mass media materials.

Russian companies which position themselves as responsible society members have already passed the stage of unsystematic and barely controlled social investments. They have been working on their managerial practices, business processes and routines in order to strengthen responsible leadership within the organization, communicate it among the stakeholders and share their responsible leadership vision with the followers. Main trends in organizational development aimed at responsible leadership of Russian companies can be summarized in the following conclusions.

1. 95% of responding companies use ethical principles as a base of their activities. 81.7% of them formulate specific ethical principles closely connected to their business area and concrete stakeholders. The principles are not hanged in the open space and are usually reflected in a series of documents like ethical codes, job instructions, company policies and procedures etc. Traditional leaders in this respect are extracting companies 92.3% of which have a well-established ethical code and collateral documents. Manufacturing companies are closely behind with 86.7%. Service companies are less eager to state their ethical codes (74.2%); moreover, all responding companies that do not use ethical codes belong to service industries as well (9.7%).

2. There are companies that create specific departments in their organizational structure in order to ensure effective responsible leadership development. There can be named: department for ecology and environment safety (20.3%); department for corporate social responsibility (18.6%); department for social development (11.9%); corporate philanthropy funds (8.5%) and functional groups created for specific social
projects (8.5%). At the same time much more companies continue to use resources of public relations department (52.5%) and HR department (47.5%) in managing their corporate social performance. High engagement of PR department is a sign that some companies still associate their CSR mainly with the philanthropy programs, whereas HR departments are generally managing social investments in employee welfare. 32.2% of the respondents develop responsible leadership practices in all functional departments each of which has its social responsibilities and is due to report on ethical and social matters.

3. 37.3% of responding Russian companies organize systematic employee training on CRS and business ethics matters. 15.3% of the companies use such training only for the employees who work in departments associated with social investments. About 12% of respondents plan to benchmark responsible leadership training and organize such programs for their employees in nearest future. The CSR trainings are sometimes organized with the help of business schools specialists though this practice is still only evolving.

4. Major part of the companies make solid attempts to monitor their social investments and assess the effects that are generated due to responsible leadership practices. 72.9% of the respondents state that they developed some evaluation systems and 10.2% plan to do that in future. It is important to notice that more that 80% of these companies do not only evaluate short-term effects but monitor mid-term and long-term effects of their social performance. This is a sign of profound planning of social investments and an attempt to make them strategically driven rather than purely reactive. While evaluating their corporate social performance quarter of the respondents use their own indicators, 13.2% use the legislative norms as a reference point and 26.4% rely on international reporting standards as a source of indicators.

5. There is a growing number of companies that use ISO 26000 as a guide on the way to successful responsible leadership. About 17% of respondents regularly use ISO 26000 while planning, monitoring and evaluating their activities. Growing popularity of this standard is explained by the fact that it comprehensively describes corporate social performance system including major concepts, principles, practices, relationships with stakeholders, the ways of information gathering and effects evaluation. Versatility of ISO 26000 makes it easier for the companies to develop and systematize its practices.

6. Most of the companies disclose the information about their social investments to the public and encourage their fellows to implement responsible leadership practices that proved to be successful. 26.7% of the respondents include this information into annual financial reports and almost a half (48.3%) prepare detached non-financial reports. This is a sign of major involvement of the companies into solving social issues and a high level of systematization of their CSR activities. The survey showed that non-financial reports of the companies were initially simple, full of pictures and emotions
rather than useful information. But with each year non-financial reports became more profound, detailed, systematic and comprehensive for the stakeholders. Some of respondents' financial reports eventually became a benchmark in the field and are used as an example by other companies as well as business schools. Just 11.7% of the respondents don't disclose any information about CSR and don't even plan to do that in nearest future.

About 80% of the companies regularly present their non-financial reports to external stakeholders most influential of which are considered to be consumers, investors and business partners. 63.3% of the respondents present the information about corporate social performance to their shareholders. It is important to notice that orientation only on external stakeholders restrains the development of responsible leadership practices as it doesn't allow to fully implement CSR into corporate strategy. Top-managers who discuss CSR plans and results with their shareholders realize an opportunity to create a shared value for the company, its stakeholders and society in whole. We should notice a fact that only 26.5% of the respondents use their non-financial reports in order to correct the direction and volume of social investments for the next period. On the contrary it is good to mention that 41% of the companies prepare special versions of non-financial reports for solely internal usage and 3.4% - plan to do that in nearest future.

Due to some methodological limitations of the research and limited number of Russian companies participating it is not correct to interpret given results as national trends but they give a good picture of how Russian companies facilitate their responsible leadership practices. And the conclusions presented in this paper may serve as hypotheses for further research in this field.

**Key words:** Responsible leadership, corporate social performance

**References**


Extended Abstract

Corporate Social Responsibility (CSR) is attracting increasingly scholarly interest among researchers who study within multinational enterprises (MNEs), as long as many MNEs operating in emerging economies have started to emphasize CSR in their business strategies (Bartlett et al., 2007; Rodriguez et al., 2006). Within CSR literature, there are a lot of studies which underline how the literature on MNEs and CSR is still at early stage (Campbell et al., 2012; Tan and Wang, 2011; Kolk and Van Tulder, 2010).

Very few studies have investigated the impact of internationalization strategies on CSR activities (Bondy and Starkey, 2014) and very little attention has been paid to the CSR dualities that MNEs face in host countries (Peng and Pleggenkuhle-Miles, 2009). In addition, Chapple and Moon (2007) suggested that there is little knowledge in relation to the management of CSR in MNEs, but also a lack of empirical evidence within international management literature (Bondy and Starkey, 2014; Park, Chidlow and Choi, 2014).

In the literature on the relationship between MNEs’ subsidiaries and CSR, a relevant contribution comes from institutional theory, through the concept of the institutional isomorphism (DiMaggio and Powell, 1983). Among institutional literature, the notion of legitimacy has taken systematic attention (Jamali, 2010). The concept of legitimacy emphasizes that firms, in order to survive, need to comply with the rules and belief systems of the local stakeholder environment in which they operate (Hillman and Wan, 2005). The pursuit of legitimacy and the management of CSR strategies by MNE’s subsidiaries operating in different geographical areas arise from two perspective: internal and external. While external legitimacy need arises from the requirement to gain approval from a local legitimating actors, internal legitimacy need is likely to result from the necessity to show the alignment with organizational values, policies and practices institutionalized within the MNE (Kostova & Zaheer, 1999). In addition, MNE’s subsidiaries not only have difficulties in balancing external and internal legitimacy, but also face a unique challenge in determining what exactly constitutes the source of their internal legitimacy. Only recently, scholars have begun to investigate MNEs’ subsidiaries CSR strategies in light of their legitimacy in different environments (Yang and Rivers, 2009; Gifford and Kestler, 2008).

Since it is vital for the MNE to achieve legitimacy in all its environment in order to survive in its long-term viability (Meyer and Rowan, 1977), MNEs will experience the pressure to adapt their practices to the local institutional context in order to gain legitimacy (Kostova et al., 2008). Due to the nature of the MNEs, recent studies on single subsidiaries extended the traditional concept of institutional pressures, stemming from the unique consideration of
local context in which the subsidiary is operating (the external pressures), by considering also the pressures which derive on subsidiary from the parent firm (the internal pressures) (Aguilera-Caracuel et al., 2012; Bondy et al., 2012; Kostova & Roth, 2002). According to this new stream of research, subsidiaries must face an ‘institutional duality’, which refers to the specific necessity to simultaneously deal with these two sets (internal and external) of institutional pressures (Kostova & Roth, 2002; Kostova & Zaheer, 1999). Even if institutional duality is a promising field of study, until now it has been applied and discussed only relating to political strategies and it has never been applied to study other subsidiaries’ policies (Hillman & Wan, 2005). Both internal and external level of institutional pressures should be used as complementary approach to study the relationship between the parent firm in the home country and its subsidiaries in host countries related to CSR strategies (Fransen, 2013; Kostova et al. 2008).

In addition, the institutional dissimilarity between home and host country represent a challenge for MNEs, when they seek legitimacy within the local institutional context (Xu and Shenkar, 2002), but they may also reduce the MNE’s effectiveness in controlling foreign operations into foreign subsidiaries (Kostova, 1999; Kostova and Zaheer, 1999). In this sense, MNEs manage subsidiaries operating in different geographical areas being sensitive and responsive to different of institutional contexts and allowing their subsidiaries to operate with different level of autonomy (Arthaud-Day, 2005; Bartlett & Ghoshal, 1989). Hence, MNEs could leave to their substantial a low or high level of autonomy in formulating their own CSR strategies (Hah & Freeman, 2014).

Adopting institutional theory (DiMaggio & Powell, 1983), this study aims at developing a novel conceptual framework which explain the way in which both internal and external institutional pressures impact on subsidiary’s CSR strategy. Further, we also address that subsidiary’s perceived autonomy and the internal and external degree of legitimacy also impose a moderating effect on the relationship between institutional pressures coming from the headquarter and the subsidiary CSR strategy.
Conceptual framework

References


Abstract

1. Introduction
The challenges of sustainable development – climate change, biodiversity, poverty eradication, to name but few – are of such magnitude that they can only be addressed through a systemic transformation of our economic activity, as both academic authors (Bansal, 2002; Starik & Rands, 1995) and public policy bodies (European Commission, 2011; OECD, 2012) recognise. The magnitude of these challenges has led to an emphasis on the role of leaders who have the values, vision and skills to steer their organisations through the complex adaptation processes (Egri & Herman, 2000). In particular, it is the ability of leaders to solve complex problems through complex cognition (Hahn, Preuss, Pinkse, & Figge, 2014; Metcalf & Benn, 2013) that has attracted interest in corporate sustainability. However, leadership and complex cognition do not exist only at the top of the organisation. On the contrary, alternatives to traditional top-down, centralized views of leadership have been proposed, such as distributed or shared leadership (Pearce & Manz, 2011). We bring these two emerging themes in the corporate sustainability literature together to enquire what cognitive processes enable or hamper middle managers – and more specifically supply chain managers – in addressing sustainability challenges in their supply chains.

2. Leadership in Corporate Sustainability
It is today largely recognised that progress in corporate sustainability requires the active attention from corporate leaders, because “it is the individuals within firms who actually create, implement, sustain, or avoid such policies and actions” (Jones Christensen, Mackey, & Whetten, 2014, p. 165). Jones Christensen, Mackey and Whetten (2014) synthesise work on the role of leaders in implementing socially responsible behaviour into three categories, work relating to the characteristics of the individual leader, work on shared or distributed leadership and work on the processes at play.

With regard to leader characteristics, Egri and Herman (2000) show that leaders of non-profit environmental organizations and for-profit companies offering environmental products and services differ in terms of their approaches to sustainability. Not least leaders of non-profits have a stronger eco-centric values orientation than those in other types of organisations (see also Waldman, de Luque, Washburn, & House, 2006). Similarly, Angus-Leppan, Metcalf and Benn (2010) show that different leadership styles lead to companies adopting different CSR strategies. With regard to shared leadership, Pearce and Manz (2011) suggest that shared leadership can provide the checks and balances that are needed to...
counter socially irresponsible behaviour of companies and their leaders. By contrast, this paper seeks to make a contribution to the third research stream on leadership processes, in particular by focusing on cognitive processes.

3. Managerial Cognition and Sustainability

The management literature has increasingly paid attention to cognitive processes to examine how managers make sense of ambiguous signals stemming from their organisational contexts (Hodgkinson & Healey, 2008; Kaplan, 2011). Likewise, the literature on corporate sustainability and related fields has emphasised the importance of cognitive processes (Andersson & Bateman, 2000; Maon, Lindgreen, & Swaen, 2008; Sharma, 2000). For example, Basu and Palazzo (2008, p. 124) point out that “decisions regarding CSR activities are made by managers and stem from their mental models regarding their sense of who they are in their world.” Hahn, Preuss, Pinkse and Figge (2014) contrast two ideal case cognitive frames managers bring to dealing with corporate sustainability: managers with a business case frame focus on those environmental and social aspects that align with economic objectives and thus interpret sustainability issues univalently as either positive or negative for their business, while managers with a paradoxical frame develop more ambivalent interpretations of sustainability issues but remain aware of multiple and conflicting economic, environmental, and social aspects of an issue.

4. Cognition, Supply Chain Management and Corporate Sustainability

Over recent years, a small but dynamic body of literature has addressed sustainability challenges in corporate supply chains (Seuring & Müller, 2008). For example, Andersen & Skjoett-Larsen (2009) discuss how home furnishings company IKEA manages CSR practices at its suppliers through a range of tools, from regular auditing of supplier performance through training of key supplier personnel to offering incentives in the form of long-term contracts. Recognising the limitations of the traditional compliance-based model of sustainability in supply chains, Lund-Thomsen and Lindgreen (2014) make a case for a more cooperative model of managing social and environmental challenges in international supply chains, where, on the basis of long-term, trust-based relationships and close collaboration, buyers might invest in capacity development for both local supplier managers and their workers.

However, a cognitive perspective is rare in the literature on sustainability in international supply chains. Wu and Pagel (2011) discuss how managers deal with the tension between short-term economic pressures and longer-term environmental and social criteria when making supply chain decisions under conditions of uncertainty. They found that managers in some of the exemplary companies they studied do indeed make short-term concessions to business needs in support of sustainability goals. However, how and under what conditions managers make such decisions is less well understood.

Hence we are going to apply the work by Hahn and colleagues (2014) on cognitive framing perspectives on corporate sustainability. Extending their discussion to supply chain
management, we discuss antecedents and consequences of managers having a business case or a paradoxical cognitive frame. For example, following Campbell (2007) companies pay more attention to sustainability under institutional conditions such as strong state regulation, collective industrial self-regulation or institutionalised stakeholder dialogue. Hence we would expect supply chain managers who work in more regulated industries to be more likely to apply paradoxical thinking to corporate sustainability and then to be able to consider a wide range of social and environmental implications of their buying decisions.

References


Abstract

Scholars increasingly recognise that business contributions to sustainable development are founded in new business models. However most research in this field remains conceptual and offers a rather static view of a complex and dynamic reality. This article contributes to understanding how new business models for sustainability are fashioned through the interactions between individuals and groups inside and outside companies. Based on two case studies, our findings show that three elements contributed to the path of transformation towards business models for sustainability: building networks and collaborative practices for learning and action around a new vision, the deployment of new concepts drawn from outside the company, and elaborating an implementation structure within a reconfigured network. Our findings reveal the complexity of the process which went through four sub-processes: identifying, translating, embedding, and sharing. Our results also highlight the importance of considering value destruction as well as new ways to create and capture value.

Key words: Business models for sustainability, Multiple case studies, Transformation processes
Abstract

Purpose:
Values are an important factor with regard to human behaviour and human interaction. They are stable and provide orientation as well as legitimation for individual actions. Especially within organizations and their daily business routines, values do have a positive impact on the motivation and as a consequence thereof, the engagement of employees and managers. This is especially obvious if the employees’ personal value structures happen to be in accordance with the corporate values.

When people come together in organizations, those value structures meet in everyday situations and processes. Organizations are able to refer their “behaviour”, their corporate identity and their role in the economic life and within the society to selected basic values. If one talks about values and organizations, the term “responsibility” – as a specific value – is often the focus of attention. Not only when organizations obviously do not comply with their inherent responsibility is there a need for an organizational reflection process regarding essential questions such as: What mission do we have? - What is our vision? - How do we want to achieve our aims?

Those processes often lead to the development of a written vision of the organization, which also has the function of informing external stakeholders about the internal “ideas” of the organization.

Coming back to the aspect of Business Ethics and “corporate social responsibility” (CSR), one can find a huge variety of theories, concepts, methods and instruments (e.g. Schwartz 2011, Crane & Matten 2010, Schwartz & Carroll 2003, Carroll 1991, Carroll 1979), which superficially aim to help an organization comply with their social responsibility, but are also subject to a implicit or explicit “marketing aspect” with regard to “doing good and making it known”. If “published responsibility” does not go along with internal reflection processes and an internalized orientation on basic values, organizations fail to comply with their inherent responsibility and are subject to a commercial discourse on values and their role in the overall society (comp. the term of “green washing”).

Leaving aside those latest developments, one can at least recognize a rising awareness towards these aspects, especially when potential employees and future leaders have to decide on whether they would like to work for an organization and to identify with its goals.
With focus on the group of potential future leaders, several studies confirm a specific awareness and a rising sensitivity with regard to the aspects mentioned above.

The academic education of future leaders pays attention to these developments by incorporating them in the theoretical framework of “Business Ethics” and aspects of “Organizational Behaviour”.

It can be concluded, that the value-oriented education of future leaders is an aspect of the “organizational social responsibility” of academic institutions and it is thus essential to increase the awareness for its importance. In July 2007 the Principles for Responsibility Management Education (PRME) were launched at the UN Global Compact Leaders Summit in presence of UN Secretary-General Ban Ki Moon in Geneva, Switzerland. The mission of the PRME is “to inspire and champion responsible management education, research and thought leadership globally” (PMRE 2013). The idea was to develop a principle-based global engagement platform for academic institutions (e.g. Business Schools, Universities, Universities of Applied Sciences), who incorporate this voluntary set of principles in their culture, but not as a certification or verification standard similar to the United Nation Global Compact.

The mentioned development and rising implementation of the underlying “Principles of Responsible Management Education” (PRME) is only one international initiative that should be mentioned at this point.

Following these arguments, the research project focuses on the following question:

- How does the general understanding of values and “Corporate Social Responsibility” and their specific role in the academic education of future leaders translate into the attitudes and concepts of business schools and the involved academic staff from Germany, Canada and the US?

**Design/methodology/approach:**

The selection of countries is made with regard to a partially divergent understanding of CSR, its general social-cultural reflection and the specific model of teaching in academic environments. As future leaders will have to deal with CSR-related issues and their ethical reflection and communication on a daily basis, it is important that academic institutions do follow their inherent responsibility of qualifying them in this respect.

As there has been a lot of research be done with focus on the implementation of Business Ethics and CSR within Business Schools-curricula (macro-level) in the last decades (e.g. Hoffman & Moore (1982); Christensen, Peirce, Hartman, Hoffman, Carrier (2007), Dunfee & Robertson (1988); Matten & Moon (2004); Cornelius, Wallace & Tassabehji (2007); The MGSM – PRME MBA Global Student Survey (2012)), only a few research focused on the micro-level, e.g. how these courses and approaches are held by the individual academic staff. Rasche,
Gilbert & Schedel (2013) thus stated in the latest AOM, that the “... microperspective on ethics education is long overdue ...”.

In order to follow this mentioned research gap and to combine the research on the organizational macro-level with important aspects of the individual micro-level, the author derived fourteen face-to-face interviews with experts in the field of CSR- and Business Ethics-Education (e.g. Mark Schwartz, Tony Buono, Mike Hoffman, Lynn Paine, Chris MacDonald, Dirk Matten etc.) in the US and Canada as well as Thomas Beschorner, Guido Palazzo, Andreas Rasche, Andreas Suchanek in Germany, Denmark and Switzerland, while visiting the respected Business Schools and Universities.

The guided interviews (see detailed page 4) focused on two areas: the personal attitudes and understandings of the academic staff as well as on organizational aspects, such as didactics, theory and instruments (see figure 1). The research approach furthermore includes the analysis of existing mission statements and the curricula of the visited Business Schools.

![Figure 1: Research focus](image)

**Findings**

While focusing on leading Business Schools, the descriptive, empirical research tries to derive important factors of how academic education try provide todays business students with an appropriate ethical mind-set and CSR-understanding. It furthermore includes a focus on the individual academic staff, who is responsible for this education, as well as on the “Principles of Responsible Management Education” and how they are implemented.

**Research limitations/implications**

To conclude further and possibly universal factors of how PRME and its underlying considerations can be implemented in academic education, further research - esp. with focus on social-cultural aspects - is required.
Abstract

1. Introduction
The current debate about the role of business in society is taking an increasingly optimistic turn praising the “tremendous potential” to “transform” society through public-private partnerships (UN Global Compact, 2011) and promoting the opportunity to “create shared value” and “reinvent capitalism and unleash a wave of innovation and growth” by putting societal concerns at the core of business strategies (Porter and Kramer, 2011). But what happens in practice when companies join forces with not-for-profit organisations aiming at creating transformational change and shared value? How is collective action negotiated and defined to eventually be considered worth investing and engaging in for all parties? And what can be learnt from a study of practice about the conditions for managing sustainability collaboration successfully? These are the overall research questions that this industrial PhD project is addressing.

I have a background as a corporate sustainability practitioner and the research is spurred by an increasing personal frustration that many studies of corporate sustainability, and the popular debate that flows from it, has a tendency to overlook or simplify what this type of work entails in practice. As pointed out by among other Ählström and Egels Zandén (2008) and Boons & Lüdeke-Freund (2013), the challenges of making corporate sustainability activities in practice are rarely examined in academic literature. Further, it seems to be a widespread belief that companies will invest in sustainability action if there is a clear cut business case for doing so – if the activity creates value. But the ‘business case’ and ‘value’ is largely defined in ostensive terms (Latour, 1987) in studies of corporate sustainability. The struggle and the work that goes into constructing the business case and establishing what is valuable and worth having or doing tends to be black-boxed. For example, according to Porter and Kramer value is quite simply “benefits relative to costs” as opposed to profit defined as “revenue minus costs” (Porter and Kramer, 2011, p. 6). Value creation stands at the core of the Creating Shared Value idea, but the idea, I argue, takes “economic value”, “social value”, “benefits” and “costs” for granted and it does not question how these terms become qualified and defined in practice.

Against this backdrop, the research purpose is to provide an enhanced understanding of the dynamics of collective action on sustainability as it plays out in practice. I hope to contribute to an informed debate about the potential and challenges of sustainability collaboration and the increasing involvement of business in social change. Finally, I aim to
provide a response to how corporate sustainability collaboration can be managed.

2. The study: Observing a sustainability leader in action
The PhD project is an industrial PhD project funded by the case company and the national Ministry of Science. The research project runs from 2013 to 2016. The case company is widely recognised as a sustainability leader and consistently positioned in the top of Dow Jones Sustainability Index and other leading sustainability rankings. The company’s sustainability work is focused on global health and climate change.

The research project is designed as an ethnographic field study of the company’s engagement in sustainability partnerships and other types of collective action. The research is divided into two parts:

1. Real time, longitudinal observation of two partnerships in the making. One partnership is about development of a green energy solution in a local community. The other concerns the establishment of a public-private partnership on sustainable community development.

2. A supplementary study of partnerships on global health. This study is based on qualitative interviews with the company’s partnership managers and their counterparts in partner organisations. The interviews focus on unveiling how multi-stakeholder partnerships are made and managed in practice.

3. Preliminary observations
What have I observed so far? And how is this relevant for the sustainability leadership debate?

Some preliminary observations are:

Sustainability is a moving target
“Sustainability is a moving target” is a standard comment in the company’s corporate sustainability team. Most of the partnerships and collaboration projects studied start out with strong, ambitious change visions that are continuously redefined during the collaboration process. One example is the ‘green’ energy partnership process which was launched with an ambition to develop a 100% fossil free energy solution for local households and industries. As more details, assessments and price calculations are brought to the table, however, the definition of ‘green’ becomes increasingly diverse and contested and project partners are now talking about a ‘greenness’ factor as one among more priorities. To date, the negotiation has been going on for three years and countless calculations and estimates of costs and prices have been discussed, but the project remains undecided.
Existing value metrics and calculation methods fail to capture all that counts

The preliminary analysis of the green energy partnership also draws attention to the condition that neither ‘costs’, nor ‘benefits’, neither ‘business value’ nor ‘social value’ are well-defined qualities a priori and that what is beneficial is also costly – and vice versa. Furthermore, the well-known quote attributed to Albert Einstein: “Not everything that can be counted counts, and not everything that counts can be counted” is spot on in this case. Roughly speaking, it seems to be mostly the costs that are included in calculations, not the potential benefit and the social value: What is the value of finding a shared energy solution for households and industries as opposed to a series of individual solutions? What is the value of contributing to a future free of fossil fuels? What is the value of supporting new technology that may be scaled and create value way beyond the local partnership? Such questions are currently hard to measure and seem to loose out to economic calculations of investment costs, operation and maintenance costs, price sensitivity analyses etc.

Partnership managers fight on both internal and external grounds and are armed with perseverance, pragmatism, understanding of organisational politics - and loads of respect. The interviews with partnership managers indicate that juggling the often conflicting expectations to collective action on sustainability takes a special type of people who are persistent and pragmatic, who understand organisational politics – and who have unique interpersonal skills. Expectations to partnerships may conflict both internally between business units, between the company and its partners and between the partnership manager as a person and the partnership manager as a company representative. Pushing the partnership in question as far towards an equal relationship as possible and as far towards transformation as possible on the transaction-transformation continuum is a key priority for many partnership managers who are typically personally committed to the idea of transformational partnerships and strong believers in partnership synergies.

So, how is this relevant to the discussion about sustainability leadership? A few reflections:

First of all, my observations show that even for a proclaimed corporate sustainability leader, sustainability leadership entails a lot of hard work and compromise. Further, my observations indicate that, at least in this particular company, sustainability leadership is as much about perseverance and pragmatism as it is about vision and courage. Visions are not without importance, but it is the perseverance and the partnership managers’ ability to juggle conflicting demands and priorities that seem to move the company and its collaboration partners forward. Hence, recruiting and developing the right people to manage transformational partnerships is a key priority. Another focus area that may help partnership managers build more convincing cases for transformational partnerships is development of new metrics and calculation methods that factor in the value of contributing to social change. Finally, the study points to the importance of carefully considering whether collective action is the optimal way to address a particular sustainability challenge, and, if so, carefully considering who you partner with. Certainly, in the green energy partnership it is questionable whether collective action and the current
partner set-up was the better approach to greening the community’s energy supply.

References


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Sustainability Leadership: Mindsets of leaders driving shared value creation in organizations

Abstract

This contribution will present research-based work in progress on the type of leadership necessary for shared value creation related to organisation internal leadership and the societal leadership of organisations. In particular, the research seeks to improve the understanding of the leadership mindsets development in the process of business transformation as organization move to higher levels of sustainability and shared value creation. It will thus broaden the scope of transformational leadership theory, while making it relevant for understanding the leadership dimension of sustainable business transformation.

Organizations move from stage to stage in the process sustainable transformation driven by a number of internal and external factors. A key factor is played by the mindsets and attitudes of the top leadership of the organization (Mirvis 2010, Zoeteman 2012; Meyer and De Wit, 2010). However, this factor has not yet been thoroughly studied. While corporate leadership has been subject to extensive research over the last decades, its scope has not extended into issues of sustainability. Leadership was generally seen from the perspective of the organization and its primary stakeholders, especially its employees and investors. The organizational leadership literature – that introduced such types as ‘authentic’, ‘charismatic’, or ‘servant’ leadership – focused primarily on internal change processes without much reference to the actual outcome of the process in terms of value creation or performance (cf. Correia de Sousa, 2014). Parallel to this, research on environmental leadership has emerged, but this has generally focused on social activist NGO and government leadership. In spite of an increasing amount of anecdotes on/from sustainability driven CEOs (Nidomolu et al 2012, Zoeteman 2012), there has been little research on how company leadership can lead companies to become high performing sustainable organizations that create (shared) social, economic and ecological value (van Tulder et al, 2014).

The research work in progress, then, aims to create a thorough understanding of ‘sustainability leadership’, focused on ‘sustainability mindsets’. Sustainability mindsets express the dynamic interplay between companies’ leadership and their context - the drivers, conditions, events, and stakeholder expectations that influence and shape the sustainability journey. Sustainability progress develops in gradual step-by-step stages when the leadership mindset broadens in scale and scope as conditions change and capabilities are built in response to these changes.
Transition stages
The literature acknowledges that there are distinct patterns of activity at different stages when companies develop towards more extended levels of sustainability. Typically, these activities become more complex and require more sophisticated management practices and capacities/capabilities (Mirvis and Googins 2006). Van Tulder et al (2014) provide the most recent insights in this. They identify a large number (more than 70) internal and external “tipping points” which present an equally large number of decision-making points for (or acts of) leadership and for developing the appropriate metrics.

According to this research the first (inactive) stage limits itself to adding sustainability to business as usual, the time horizon is short to medium and sustainability is a direct motivation for concrete, quantifiable financial profit. The second (reactive) stage centers on risk avoidance. Companies implement sustainability in their company to abide to national and international rules and regulations, such as (sector) codes of conducts and ISO norms. In this way companies feel protected from external critiques. The third (active) stage moves a step further and internalizes external expectations on sustainability and CSR into the companies’ activities. Companies recognize they have to respond to social and environmental concerns and provide an answer through their corporate strategy. Sustainability becomes part of the long-term strategy. The last (pro-active) stage describes companies that have integrated sustainability in their strategy and move beyond the company itself but look at creating positive impacts for society as a whole. Companies often work together with different partners in this stage to establish this impact.

These organizational stages also align with stages in awareness and activity along which the business transforms itself towards higher degrees of sustainable performance. The stages differentiate degrees of mindset capacity of the leadership. Mindsets expand in terms of motivation (from extrinsic to intrinsic) and scope (from a limited sense of accountability to a growing sense of responsibility). Along with this mindset expansion, shifts occur from the short term to long term, from single to multiple stakeholders, from orientation to the organization to orientation to the value chain, from business profits only to creating sustainable (shared) value (economic, social and ecological value).

We expect that, without these leader mindsets or basic motivations, companies get stuck in a particular transition stage, missing the opportunities that a next stage can bring. So, in order for organizational leadership to succeed in sustainable transformation, it is important to understand what mindsets are needed, and at what stage.

Building on transformation leadership
Among the many leadership theories that have emerged (from the great man/traits theory, skills theory, behavioral theories, to situational, charismatic/transformational and self-leadership), the field of transformational leadership seems best suited for application to sustainable transformation of organizations (Burns 1978, Bass 1985, Conger & Kunango 1995). While transformational leadership is directed at leaders and followers creating the
resources to serve the unmet needs of people, sustainable business transformation is a process of serving unmet needs of (present and future) stakeholders, including society and ecosystems. Transformational leaders focus themselves and all stakeholders on transcending short-term self-interest and moving into long term, shared personal and organizational goals, including those of stakeholders. As such, transformational leadership ties to the concept of enlightened self-interest that appears to drive leading sustainability companies in serving long term multi-stakeholder interests (Googins, Mirvis, & Rochlin 2007, WBCSD 2012). In other words, both transformational leadership and sustainable business transformation are aimed at creating a shared value framework serving the needs of all parties in a particular value chain.

The leadership literature in general has considered transformational leadership as a suitable intellectual basis to explain how personal characteristics and styles can lead to organizational change toward sustainability – but other terms such as ‘(shared) servant leadership’, ‘ethical leadership’, ‘visionary leadership’, and ‘connected leadership’ have emerged as well in the context of sustainability. The leadership literature looks for more appropriate terminology to link these emerging concepts with the actual change processes in organizations (Van Knippenberg et al, 2013). The link with mindsets and motivations in the concrete area of value creation and sustainability thus provides an interesting angle and might necessitate a reclassification of existing leadership characteristics.

The research project takes as starting point research that has been conducted in the field of defining sustainable leadership (Tideman et al 2013). This research indicates that the mindsets and attitudes that are active in and responsible for sustainable transformation can be categorized in 6 distinct mindsets of leadership, defined as the 6C model: Context awareness; Consciousness (self-awareness); Centeredness; Connectedness; Creativity; Collectiveness. While this conceptual model builds on transformational leadership, it also draws upon various psychological motivation theories, most specifically Self-Determination Theory (Ryan & Decci 2000), and Developmental Theory (Piaget 1973, Kegan 1994, Beck & Cowan 1996, Wilber 1997, Cook-Greuter 1999, Torbert 2004.), which are increasingly applied to understanding sustainable transformation (Wahl and Baxter 2008, Zoeteman 2001, 2012). It has also taken inspiration from recent findings in the emerging field of social neuro-science (Siegel 2009, Davidson 2012).

This research will not only help to advance the theory of transformational leadership and sustainable business transformation, but also - by determining which specific leadership styles (driven by particular mindsets and attitudes) are responsible for which stage of the sustainable transformation of companies - it will also present a considerable contribution also the practice of leadership for sustainability and shared value creation.
Increasing Ethical Decision Making in the Workplace through Intuition-Development

Abstract

The call for sustainability-driven leadership in many of today’s organizations is a call for ethical decision making: in uncertain times, choosing freely to act in such a way so that no harm is caused to another individual, nor any widely accepted moral norms in society are violated (Jones, 1991; Moore, Detert, Treviño, Baker & Mayer, 2012), and that - by consequence - trust with employees, customers and other stakeholders is maintained or restored.

The question is how to get more of this ethicality in organizations?

Research examining ethical decision making (EDM) has grown dramatically over the last two decades (Craft, 2013; O’Fallon & Butterfield, 2005 for overviews). Despite an increase in dual process theories of reasoning and decision making, comprising a rational and an experiential / intuitive system (Epstein, 1990) for information processing (Evans, 2008 for a review), the literature on EDM at work has been dominated by rationalist models. As a consequence, most implications for practice have a rationalist approach and focus e.g. on instituting ethics programs and ethics codes, installing moral decision-making processes and training employees to improve their moral reasoning capacity. Although there is growing practitioner interest in how managers develop intuitions at work (Klein, 2002) and researchers have called for fresh perspectives on EDM in organizations (Dane & Pratt, 2007), practical implications on increasing ethicality in the workplace through the use of intuitions, have been scarce (for exceptions: see Klein, 2002; Sonenshein, 2007). This paper wants to address this lacuna, by proposing two practices to develop EDM via intuitive processes.

While following Dane and Pratt's (2007) widely accepted definition of intuitions as “affectively charged judgments that arise through rapid, nonconscious and holistic associations” (p.40), one might wonder if we actually want those uncontrolled judgments to play a role in EDM. Our answer to this question would be positive for four reasons.

First, given that intuition is pervasive, automatic and involuntary (Sadler-Smith & Shefy, 2007), ignoring it would not be a wise thing to do. People have limited cognitive resources, and a form of intuitive processing called heuristic processing (e.g. the “I agree with people I

5 As Gunia, L. Wang, Huang, J. Wang & Murnighan (2012) we use the term “moral” categorically, to describe a particular type of decision, i.e., one concerning values. We use the term “ethical” evaluatively, as opposed to “unethical”, to describe decisions that are normatively appropriate.
like” heuristic) generally guides our everyday judgment (Haidt, 2001). Awareness of these mental shortcuts is preferable over their covert influence. Second, bringing in the intuitive system provides the decision maker with extra information. Indeed, building on neurophysiological research, being attuned to bodily senses (e.g. gut feeling, heavy heart) can make for sounder personal decision making, directing attention upon undesirable outcomes that certain actions may cause (Damasio, 1999). A third reason why we want to include intuitions in our EDM-process is its speed. The vast majority of researchers view intuition as quite fast, especially when compared with the use of rational decision-making processes (Dane & Pratt, 2007). Facing a moral dilemma, one does not always have the time to engage in deliberate reasoning. Finally, researchers have argued that where well-defined, intellective problems benefit from an analytical strategy, ill-defined problems do not (Claxton, 1998; Hayashi, 2001). Intuitive judgments are said to become more effective relative to rational analysis as a problem becomes increasingly unstructured (Dane & Pratt, 2007), because they enable individuals to develop an understanding of the structure of a complex system (Shapiro & Spence, 1997). Considering the nature of moral issues and dilemma’s – often inherently unstructured and lacking clear decision-rules – in today’s world, neglecting the value of our intuitive system, would limit our EDM.

While trying to make ethical decisions at the workplace, both intuition and rationality have their value and limits, and ideally those “apparent opposites could be combined into a third, more hybrid powerful style that incorporates the best of both” (Pondy, 1983). In the next section, we focus on developing this moral intuition.

First, we believe the literature of emotion-focused research in psycho-therapy is relevant to moral intuition research, since intuitions are by definition affect-laden. Affect and emotions can trigger intuitive judgments (Dane & Pratt, 2007), e.g. a positive mood increases an intuitive approach at the expense of a rational approach (see Weiss & Cropanzano, 1996, for a review). Moreover, both emotions and intuitive judgments arise through highly similar neurological pathways (Dane & Pratt, 2007). Finally, since we aim to develop intuition, the development-oriented character of psychotherapy supports our borrowing. From this field, we suggest that when tapping in to the benefits of intuitive processing for making an ethical decision, awareness is the most fundamental principle. Once people take in what is presenting itself on a nonconscious level, they reconnect to the underlying values that are being signaled by intuition and are motivated to bring them in to consideration (Greenberg, 2012). Sadler-Smith and Shefy (2007) put this developing intuitive awareness in practice in management education: “whether one can become “more intuitive” is a moot point, but it is certainly possible to become better informed and more aware of intuition” (p. 186). They designed a program to enable participants to become more knowledgeable about their intuitive processes and more skilled in understanding and applying their intuitions. Among the techniques used, participants ranked an exercise in awareness through drawing, one in spontaneous writing and a sitting meditation exercise as most utile to developing intuitive awareness and having the most impact in the workplace. Due to space limitations the reasons why these techniques work are not provided here.
Secondly, although Sadler-Smith and Shefy (2007) doubt if one can become “more intuitive”, we believe our intuitive capacity to make ethical decisions can be developed, more specifically we believe this is possible through social influence. Ever since Plato wrote his ‘Dialogues’, philosophers have recognized the social setting as the natural context for people to challenge each other’s arguments and trigger new intuitions in one another (Haidt, 2001).

We are particularly interested in the influence of ethical role models in developing intuitions; people we value for their moral sensitivity and ethical decision making, in other words: “experts in EDM”. A growing body of research suggests that experts can make highly accurate intuitive decisions, possibly by invoking a “pattern matching” process whereby environmental stimuli evoke previously acquired and stored schemas (Dane & Pratt, 2007). Thus, acquiring an ethical role model’s intuitive schemas would be the first step to more ethicality. But how does one acquire these schemas; i.e. this knowledge about a concept or stimulus, including its attributes and the relationships among them? Dane & Pratt (2007) suggest that expert schemas develop through implicit learning, the process by which one acquires knowledge about the structure or pattern underlying a complex stimulus environment, outside of one’s conscious awareness. Combining with insights from social learning theory (Bandura, 1986) which states that people learn much of what they know not through direct experience, but by observing the behavior of others, role modelling an “ethical expert” could be a powerful learning tool (Weaver, Treviño & Agle, 2005).

Applied to organizational life, assigning employees to ethical role models in order to acquire their ethical expert schemas is not a realistic thing to do. Besides the difficulties of organizing this learning, it is very hard to identify ethical role models - not in the least because most are reluctant to identify themselves as such (Weaver et al., 2005). Moreover, not many organizations are blessed with numerous ethical experts. When leaving the organizational premises though, employees could engage in community projects or spend time with volunteers in a corporate responsibility program (see e.g. Mirvis, 2008). Working side by side with people we value for their moral sensitivity and EDM on a project-base might be a realistic alternative to in-company ethical role modelling.

In this contribution, we started from the assumption that in EDM, both rational and intuitive processes have an important role to play. Encountering a void in EDM-literature concerning the use of intuitive processes, we proposed two practical approaches which aim to tap into their unexplored benefits. Hence, the future challenge is threefold: develop perspectives and techniques which make full use of the potential of both systems, test their effectiveness in increasing ethicality in the long-term and explore ways to intertwine both systems for optimal EDM. However, since today’s organizational life presents us with moral issues, more complex and less structured than ever, we believe that focusing on the intuitive system will contribute most to the creation of organizations where making the ethical decision is the natural thing to do.
References


Abstract

In the 20th century macro-economic changes were seen as the influential factor on the micro level and ultimately the individual level, external forces describing to us how to behave and live, economy was based on a model marked by a top-down approach. The focus of the economy itself was hence external, industrial production was meant to offer us better housing, enough food, ease of transport, more commodities, all to make our lives easier, working on the external to make the internal better. We clearly can see that our thinking was marked by a world vision created by Newton, only what we can see and separate is real.

But as we know from the innovation S-curve, every S-curve at one point tilts over into another where fundamental growth and evolution happen. With the 21st century kick-starting a new millennium, a profound change has taken place slowly shifting the power balance. Globalizational forces created a world with novel characteristics, making it clear that the macro environment is the sum of individuals and hence the sum of their inner power. People do no longer want forces from above only to dictate the ways of living, especially if they do not contribute to a better internal state. Instead, they want to back-up the creations being made, together moving forward, collaboration has become key. In the West people have gained a high level of external quality of living, and so people are ready for the next level, adding to the external power gained, internal power which translates into well-being at all levels. At this level, wellbeing partners with welfare in a closed circle.

For this reason we are to work with a completely different model if we want to be successfully sustainable. It requires a universal model, one that starts from the individual level -knowing yourself, up to the micro level creating the macro level –knowing the world, and making it go round. Circular economy on a personal level. If we can reinvent ourselves, our inner world, we can rethink and reinvent the outer too. These principles are based on eastern and indigenous teachings, ways of thinking we are not used to in the West, or in the global economy, which is based upon Western principles. Hence there is a need to uplift our thinking from Western thinking into whole-brain thinking, sustainable thinking which is simply put, combining Western and Eastern human advancements, the sum of their intelligence is bigger than its parts.

Research has been initiated on how to learn to think holistically and how to teach all these new aspects that come into play in a changing world. In line with the UNECE statement
(UNECE - United Nations Economics Commission for Europe), the CSCT conceptual framework for Education for Sustainable Development (CSCT - Curriculum, Sustainable development, Competences, Teacher training) strongly emphasizes the inter-, trans- and multidisciplinary approach necessary in order to solve old and new problems. It takes into account scientific, economic, social, political, cultural and ethical aspects of sustainable development. This means that people will have to co-operate and co-create with other functional areas than their own and with other cultures than their own in order to come up with fitting solutions of a global scale. We will all live in the world of innovators.

The system is developed by a consortium of 13 colleges and universities of 9 European countries and is in practice since 2007 in their teacher trainings. It builds on 5 pillars, knowledge systems, systems thinking, emotions and feelings, values and action, to which we have added a 6th pillar, intuition and creativity. We take their wonderful work one step further. Their framework is about didactical competences to implement Education for Sustainable Development in primary and secondary schools, we on the other hand work on the individual competences these pillars entail. Competences we see not only fit for our youngsters, but for our business people and political leaders too. It is one thing to incorporate a set of techniques to teach a new way of looking at the world, but it is another to inherently be this transformation. We learn most by imitation, and hence the important role for our business people is to take daring steps. It is crucial to implement in practice the research about happy workers being more productive, creative and contributing to the bottom line. Only when we are truly relax, can we come up with solutions that go beyond our current mind-set, only when we are truly relax can we open up our consciousness and find solutions that are of a new order. We use the 6 pillars to gently open up your worldview, look with different eyes and see what we can take with us and what we are to let go of our dominant Western thinking mode. Once we know that our consciousness has different levels of information gathering and processing, and we are trained and safe to use our whole brain to solve equations –not only our linear thinking mode, then we can tap into an intelligence that is far greater than our current state. Open innovation at a personal level. Match more of those persons and we get open innovation at a micro- and ultimately at a macro-economic level.

Our aim is to train innovation teams, and preferably whole companies into wellbeing management, being relax and open to create sustainable solutions. The wellbeing of your organisation or as employer or employee is made up by the level and cooperation between your physical, emotional, mental and core intelligence. We want to make them flow, as we know that in flow come the highest achievements with ease. This is how we want to work and how we want to live. The costs for society and for companies of absenteeism are very high, which will only rise if companies keep following the paradigm of industrial production. People were not meant to become machines, industrial production was meant to build machines so that people could advance their human potential. The more human, the more sustainable visions. We want to move away from a patriarchal culture that has long fed our economic system, towards a holistic culture, where masculine and feminine
leadership go hand in hand, where both Newton and Einstein’s views, classic and quantum physics look into a problem and collaborate. They actually do not exclude one another, they study the same thing, but they just do not focus on the same level. It is wisdom that knows how to connect these two, a highly valuable skill. The links between the two are all the more worth wile of being investigated and applied, especially to understand and enhance our wellbeing better and so the projects we can envision and realise. Making room for true creativity in your life, and therefore transformation, requires that you address everything that has and does influence you and how you view your reality. How intelligent are you and how are you intelligent?
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