



Essay

Rethinking leadership for a sustainable future

By Bill Critchley and Tim Casserley

Business leaders need to relearn how to define good corporate performance

The fall-out from the world financial crisis continues unabated. For the first time since the Great Depression of the 1930s, the tenets of western capitalism are being questioned in mainstream debate. Chief among them is our most basic assumption that growth is the primary goal of economic activity.

People in the field of ecological sustainability have been raising this question for a while, but now a number of business thinkers are openly wondering whether this is any longer sustainable.¹ While there remain substantial disagreements about the trade-offs to be made, there does seem to be a general acceptance of the need for corporations to be more responsible as global tenants, to pay more attention to the broader consequences of economic activity and to adopt more sustainable practices.

If nothing else, the credit crunch has proved that industries, markets and society are increasingly interdependent. This interdependency arises from their human nature – our institutions are no more and no less than groups of people continuously interacting with each other, each with its own agenda and intentions.

Such a complex interactive process is inherently uncontrollable. The ever widening and increasing speed of global connectivity is making this process increasingly complex, as small, local changes escalate across international populations, generating widespread patterns such as the credit crunch, climate change and inequalities in income and living standards. These are outcomes that no one chose or wanted.

What are the implications of this shifting context

for how organisations function, and consequently how they are led? And what light does the recent crisis cast upon what to avoid?

Wide malaise

While the recklessness of the financial services industry seems to have been pivotal, our research suggests that the crisis was the culmination of a far wider malaise permeating current notions of how organisations operate, what leaders do, and how they are developed.

We argue that the existing paradigm of leadership is so profoundly implicated in causing the crisis that it is becoming discredited in theory if not in practice, and along with it, many of the recommended ways of being a leader that pre-date the crisis, from individualist heroic models, to competency based models of leadership. To quote Albert Einstein: “Problems cannot be solved by the same level of thinking that created them.”

A core assumption underpinning the existing paradigm is that the prime task of a business is to maximise shareholder wealth. An ancillary assumption that is necessary in order to operationalise the first, is that organisations are “systems” with machine-like characteristics that can be designed, engineered and driven in order to achieve the objectives set by managers in pursuit of profit maximisation. A third assumption that is implicit in the first two is that leaders are in control of their companies.

In our experience, rather few leaders are questioning the limitations of the prevailing paradigm and hence there is little serious reflection

Other section content:

42 Tepco's history of failure

There is little serious reflection on the purpose of business or the role of leaders



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Good leaders make the right personal choices

Leaders who attend to their personal sustainability have greater perspective, wisdom and balance

on the purpose of business or the role of leaders. This reflects, in our view, an unwillingness to take on the ethical challenge of acknowledging and responding to the changing context in which most of the assumptions underpinning the old paradigm of leadership are now being rigorously questioned.

Businesses are increasingly seen as participants in a wider ecology with responsibility for minimising their environmental impact and improving their contribution to social welfare.

Our research – published as a book in 2008ⁱⁱ and further developed through field studiesⁱⁱⁱ since then – illuminates the dynamics in the relationship between leaders and their organisations that can either lead towards long-term, sustainable success or business failure.

We believe that our findings form the basis of a paradigm shift in the way we think about leadership and how it is developed. It is an approach that centres on leaders exercising a duty of care for their own sustainability as well as that of the wider business and the society of which they are a part, and, in so doing, addresses the essentially interdependent nature of leadership in organisations.

We call this “sustainable leadership” and it works on a number of levels.

The personal level of sustaining psychological and physiological health. Our research shows that leaders who attend to their personal sustainability

have greater perspective, wisdom and balance – they are more likely to recognise that social and ecological health is a prerequisite of organisational success and endurance. The linkage between personal sustainability and the capacity to influence the world to go down a more sustainable track seems to go unnoticed by sustainable development and corporate social responsibility professionals and activists, and we believe exploring it is critical for the sustainability leaders of the future.

The organisational level of long-term value creation, commercial resilience and organisational endurance; of sustaining a work environment in which people are enabled to realise their own potential in the service of organisational purposes that they see as worthwhile and congruent with their personal purpose.

The sociological level of playing a responsible part in the broader community. This means both understanding the impact of the business in society and adapting business strategies that take account of broader societal consequences and make explicit core social values – for instance, human rights, and inequalities in income and living standards.

The ecological level of minimising the impact of the business on the environment. This means that the ordinary, day-to-day practice of management constantly pays attention to, and negotiates responsibility for, minimising environmental impact – even as business conditions and circumstances change.

The dominant way of thinking and talking about leadership, taught in business schools and in-house company training courses, and purveyed by the majority of management consultants, does not address the interdependency between these different levels. Nor is it, in our experience, informed by a sustainability agenda. It is informed by a growth agenda.

The hallmarks of sustainable leadership

Our research shows that paying attention to their psychological and physical health is a prerequisite for leaders’ effectiveness and performance, and significantly influences their ability to build long-term sustainability at an organisational, societal and environmental level.

This effectively focuses attention on the following:

- Reflection on action (learning from experience; being conscious of the assumptions and patterns that guide action and open to embracing alternatives).
- Psychological intelligence (having a clear sense of personal purpose that serves the larger concerns of the world and an awareness of personal assumptions and motivations).
- Physical well-being (effective management of stress and sufficient self care).
- Negotiated engagement (employees explicitly negotiating the relationship between their own

sense of personal purpose and that of the organisation).

Importantly, it is the integration of the first three, followed by their engagement with the organisation that constitutes effective leadership development and generates sustainable leaders, and is more likely to create sustainable organisations.

Reflection on action

It is one thing to act, and management is largely associated with “doing”. It is quite another to reflect seriously on action and hence to learn. This is still somewhat counter-cultural in the frenetically high-performance atmosphere of many organisations, and yet research shows that management learning takes place mainly “on the job”.

We think creating a legitimate and disciplined process of action research is at the heart of developing effective leadership in complex and unpredictable circumstances. Such a process inevitably means challenging old leadership assumptions about being in control, and instead taking the time and space to gain a wider sense of perspective, to connect with those who have unique insight into what is really happening in the business, and to mobilise the collective intelligence in the business.

It is the inculcation of this practice of reflection in and on action that is, in our view, one of the hallmarks of sustainable leadership.

Psychological intelligence

Personal purpose: If we ask a leader “what is your purpose?”, the initial response will probably be incomprehension. If you press them to think about what kind of society they want to create for future generations, what kind of organisation they want to create for their employees, what effect they want their organisation to have on the environment and so forth, they may wonder what all of this has to do with their job as a leader.

We suggest it has everything to do with their job as a sustainable leader, and particularly that responsible leaders need to think about their personal purpose as opposed to unthinkingly conflating their personal purpose with the commercial aims of the organisation or their own narrow commercial interests.

In our experience, all motivations have a shadow side, or “neurotic” potential. For example the desire to succeed is clearly a valuable source of energy, and it can tip over into a desire to succeed for its own sake, to the exclusion of all other considerations, and at the expense of others. The desire to manage others is similarly a valuable motivation until it becomes an end in itself.

Such neurotic motivations usually have their roots in early experiences and are never sustainable in the long run. They frequently lead to individual burnout, and create toxic work environments.

Helping leaders develop insights into their motivations is another hallmark of sustainable leadership.

Physiological well-being

There is overwhelming research evidence that neurotic motivation (invariably unconscious) often combined with over-identification with the organisation (lack of sense of personal identity) gives rise to physiological stress levels that are unsustainable in the long run.

Long-term consequences are sleep problems, alcohol dependency, burnout, and of course increased likelihood of cardio-vascular disease, type 2 diabetes and other physical ailments. Paying systematic attention to practices, strategies and processes that foster long-term physiological well-being is another hallmark of sustainable leadership.

Negotiated engagement

The employee as powerful agent in relationship with the organisation is the final hallmark of sustainable leadership. It challenges Fredrick Taylor’s influential legacy that managers decree and employees implement, and makes the health of the relationship between the organisation and the individual employee central to an organisation’s performance. This potentially enables a move from authoritarian to participative cultures, which should foster a more distributed model of leadership and hence a wide-shared sense of responsibility and ethical practice in our corporations.

What we are proposing is a transparent process in which employees explicitly negotiate the relationship between their own sense of personal purpose and that of the organisation, where there is sufficient congruence to allow an employee’s personal purpose to flourish, and thus to make human life within the organisation sustainable.

It seems to us that the time is right to examine some of our cherished beliefs and assumptions about leadership. Much of the old paradigm has been discredited by the events of the past few years. There has never been a better time to examine our notions of leadership, to promote a broader, more ecological perspective on the role of organisations in the world in which we find ourselves, and to adopt a sustainable approach to the development of those who lead our organisations. ■

- i See for instance, Jackson, T. 2009. ‘Prosperity without growth : economics for a finite planet’, London, Earthscan; Straw, L. ‘Beyond shareholder capitalism’, The Guardian, January, 2011.
- ii Casserley, T and Megginson, D. (2008). Learning From Burnout: developing sustainable leaders and avoiding career derailment. Oxford: Butterworth-Heinemann.
- iii Between October 2008 and January 2011 we ran several year-long programmes for high potential leaders from Lloyds Banking Group, WNS Global Services, Novartis, PwC, McCann Erikson, Charles Wells and UBS.

Responsible leaders need to think about their personal purpose

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