



Leadership

Sustainable leadership

Professor Bill Critchley, visiting professor at Middlesex University, says it's time for a re-think of how we approach leadership if organisations expect to keep abreast with the shifting global conditions

Key learning points

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| 1. Leaders being solely preoccupied by profits and growth is not sustainable | 3. Psychological and physical wellness are hallmarks of effective leaders |
| 2. Employees want personal and organisational values aligned | 4. Employees are demanding a shift away from authoritarian cultures |

The recent financial crisis together with a growing awareness of the finite nature of the earth's resources, has given rise to some questioning of two of the most fundamental tenets of Western capitalism. Namely, that growth is the primary goal of economic activity, and that maximising shareholder value is the main purpose of the individual firm.

Some business thinkers are openly wondering whether these twin goals are any longer sustainable, and there seems to be more acceptance of the need for corporations to be responsible as global tenants, to pay more attention to the broader consequences of economic activity and to adopt more sustainable practices. However, these twin assumptions underpin the prevailing management ideology of 'investment capitalism', and there are

few signs of any significant moves to a more sustainable business culture.

If nothing else, the credit crunch has brought home the accelerating interdependence that characterises markets and society. The term 'market' is a convenient linguistic conceptualisation of what is an essentially human process of communicative interaction — our trading institutions are no more and no less than groups of people continuously

interacting with each other, each with their own agendas and intentions. Clearly, this interplay of different intentions and actions cannot be controlled because 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 amplify across international populations, generating widespread patterns such as the credit crunch, inequalities in income and living standards, and climate change. These are outcomes no one chose or wanted.

While adopting initiatives in the areas of corporate responsibility and sustainability are necessary, they are not sufficient. A radical reconceptualisation of organisations, and of the role and nature of leading, is also needed. While the systemic crisis that occurred in the financial services industry seems to have been pivotal, I would argue the crisis was the consequence of a flawed view of the nature of organisations, what leaders are supposed to do and hence how they are developed.

The assumption underpinning the existing paradigm — that the prime task of a business is to maximise shareholder wealth — requires managers to act as ‘agents’ of shareholders. Then, acting on the belief organisations are ‘systems’ with machine like characteristics that can be controlled, they see their role as to design and then drive the ‘system’ in order to achieve the required return. Despite it becoming rather obvious no one is ‘in control’, few leaders are

questioning the management ideology that has prevailed for the last 100 years. The inherent unknowability of complex economic events, the messy unpredictability of business life, the futility of elaborate planning rituals are ‘known’ but still not formally acknowledged in business schools, management practice and education.

Our lived experience of uncertainty and unpredictability have led some management theorists towards complexity theory as a potential source of new insight into our experience of organisations. Complexity theory proposes that order emerges out of chaos without any external design agency. One of the main insights is that order in the form of pattern, emerges naturally through the interaction of competition and collaboration — order and disorder at the same time. This ‘self-organising’ perspective seems to make better sense of business and organisational life.

Businesses are now seen as participants in a wider complex ecology with responsibility for minimising their environmental impact, and improving their contribution to social welfare; knowledge workers seek to be treated as participants rather than a ‘labour’ force, and yet the formal ‘employment contract’ remains more or less unchanged and the current management paradigm virtually unquestioned.

Research findings

Our research (2008) illuminated the dynamics in the relationship between leaders and their organisations that can either lead towards long-term

sustainable success or business failure and derailment. These 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 the wider business and the society they are a part of and, in so doing, addresses the 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 leaders who attend to their personal sustainability have greater perspective, wisdom and balance.
- The organisational level where people are enabled to realise their own potential in the service of organisational purposes in line with what they see as sufficiently congruent with their own sense of 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 which take account of broader societal issues.
- The ecological level of ensuring the ordinary, day-to-day practice of management constantly pays attention to minimising the impact of the business on the environment.

In practice

Our research indicates four core

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dimensions to sustainable leadership:

- *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 which 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, but quite another to reflect seriously on action and hence to learn. This is somewhat counter-cultural in the high performance atmosphere of many organisations, and yet research shows management learning takes place mainly ‘on the job’. We think creating a legitimate and disciplined process of ‘action research’

is at the very heart of developing effective leadership in complex and unpredictable circumstances.

Psychological intelligence

Personal purpose: if we ask a leader ‘what is your purpose?’ the initial response may well 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, they may wonder what all of this has to do with their job as a leader. We suggest responsible leaders need to think about their personal purpose rather than unthinkingly align the narrow commercial aims of the organisation with their own interests.

Motivation: in our experience, all motivations have a shadow side. For example, the desire to succeed can tip over into a desire to succeed 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 burnout or create toxic work environments. Helping leaders develop insights into their motives, 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 which are unsustainable in the long run. Long-term consequences include sleep problems, alcohol dependency and burnout. Paying systematic attention to practices that foster long-term physiological well-being is another hallmark of sustainable leadership.

Negotiated engagement

The employee in an adult relationship with the organisation is the final hallmark of sustainable leadership. Such a move from authoritarian to participative cultures fosters a distributed model of leadership and hence a widely shared sense of responsibility and ethical practice in our corporations.

It seems there has never been a better time to examine our notions of organisation and leadership, to promote a more ecological perspective on the role of organisations in the world, and to adopt a sustainable approach to the development of those who lead our organisations. ■

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