



Learning, Leadership and Sustainability
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Session 6: Building Environmental Knowledge Capital

The Hague Conference on Environment, Security and Sustainable Development
Peace Palace, The Hague, 9-12 May 2004

The challenge

We are often told that progress towards sustainable development is too little, too late. Governments are too slow to make it part of policy; companies too slow to put it into practice; customers too reluctant to pay for it; schools, universities and education institutions of all kinds too slow to build it into the curriculum. The campaigning organisations exhort us to do better, to change our ways, to save the planet. But the environment just deteriorates further, income disparity keeps growing, and insecurity keeps rising. A sense of gloom sets in. We all feel bad. Other than a few minor wins, the situation seems pretty hopeless.



Take the area where my colleagues and I have devoted most energy: organisational change, particularly in the private sector. Corporate responsibility, CSR, triple bottom line, call it what you will, is well-established on the corporate agenda. Many large firms have dedicated CSR teams, building on and extending the work of their HSE and corporate affairs departments. On the surface, much progress is being made. Statements of business principles, corporate values, codes of conduct, and so on. are being pored over by boardrooms as we speak. Specialist teams are experimenting with stakeholder dialogue, footprint reduction, and social investment, while their colleagues produce ever more transparent public reports. One might call it the first wave of sustainable development leadership. But is it enough? Is it really going to make the difference required?

Some would argue that the corporate machines show few signs of fundamental change. With some exceptions, notably in response to regulation and niche markets, that these activities are so much window-dressing, designed to disguise business's insatiable thirst for profit, and should be discounted. I'm not sure any of us are in a position to know whether this is correct. What we do know, is that the level of trust in corporate responsibility is not high at present, and that real change will be expected of companies in future.

Why is change so slow?

So why is the pace of change apparently so slow? With such an obvious sense of impending crisis, why is the only species capable of long-term thinking so held back? Why can't we demonstrate more convincing environmental and social leadership? I think the reason lies in a basic misconception of how people and organisations change. To steal an analogy from Peter Senge, we are standing over a plant exhorting it to "Grow! Try harder!", when all that it requires is water, light and space (Senge 1999).

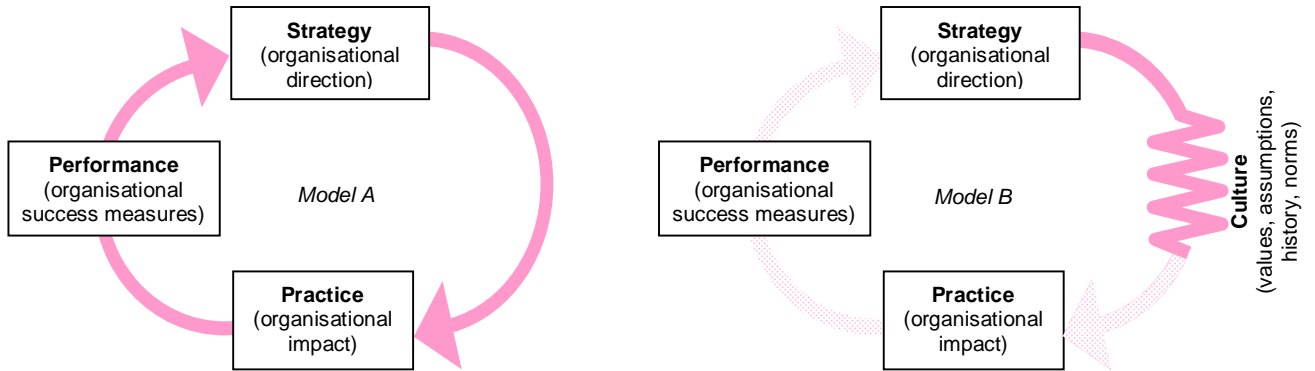
We all fall into this trap. Executives, managers, politicians, campaigners everywhere labour under the illusion that organisations behave like machines, and can be controlled by pulling levers and pressing buttons – the management equivalent of shouting at plants. As a result, we imagine that our small successes – principles, policies, reports – will change our organisations at a fundamental level. When they do not, we look for someone or something to blame, rather than confront our own assumptions. Look at the two models of organisational change illustrated in Figure 1.

1. First, Model A. Decisions made at the top or centre of the organisation are quickly put into practice by line management, leading to measurable changes (ideally improvements) in organisational performance. The Chief Executive's (or Minister's) dream.

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2. Next, Model B. Here the influence of culture can be felt – the history, values, norms and beliefs of the organisation, entwined with its systems and policies. Decisions made at the top or centre are greeted with suspicion, cynicism, indifference or other forms of resistance at other levels, dissipating impacts and making it almost impossible to link performance changes to strategy. The Chief Executive’s nightmare?

Figure 1: Two models of strategic change



Which kind of organisation do you work for?

Two extremes, admittedly, to make the point that to be successful, organisational change requires a high degree of *alignment between strategy, culture and capability*. Without this, activities instigated by senior management will be dissipated by misaligned cultural practices, with hence achieve very little impact. The juggernaut continues apace.

Nowhere is this more obvious than in the area of sustainable development, where the magnitude of the task is so high that cultural change is not only desirable, but necessary. Viewing cultural change as an integral part of sustainable development helps to explain why the phrase ‘change of mindset’ is so often applied in this context. Table 1 highlights some of the many cultural shifts required.

Table 1: Attitudes towards sustainable development in organisations

What it means now	What it could mean in the future
<ul style="list-style-type: none"> • Problem • Cost • Source of risk • Specialist/technical • Complicated • Fragmented • Reactive • Quick fix • Passing fad • Clever PR • Ill-defined, fluffy • Tactics 	<ul style="list-style-type: none"> • Opportunity • Saving • Source of value • Mainstream • Common sense • Integrated • Predictive • Long-term investment • Core business • License to operate • Clear values and principles • Trust

Change and corporate culture

In the past, change has been engineered through the exercise of power and control, leading to a culture of authority, supervision and instruction. The aim has been to mould employees to the needs of the organisation, like components of a machine. This approach has lost credibility in the modern organisation, having given way to a variety of people-centred alternatives that aim to liberate the energy of employees, rather than control all of their actions. Typical projects engage employees in dialogue about the reasons for change, the methods used, and the expected outcomes, in the hope that they fall naturally into line. Others take a ‘do it yourself’ route, equipping employees with toolkits and information resources that promote new practices (see Higgs and Rowland, 2003).

The question is, do any of these change models take sufficient account of organisational culture? Or put another way, will they be effective when deep transformation is required, as is the case with sustainable development? I'm not certain that they do. The problem is that all of these approaches – autocratic and people-centred – tend to be planned from the top or centre of an organisation, rather than bubbling up from the mass of employees. In that sense they speak over culture rather than through it, much like Greenpeace shouting at Shell for attempting to dump Brent Spar – just rather more subtle.

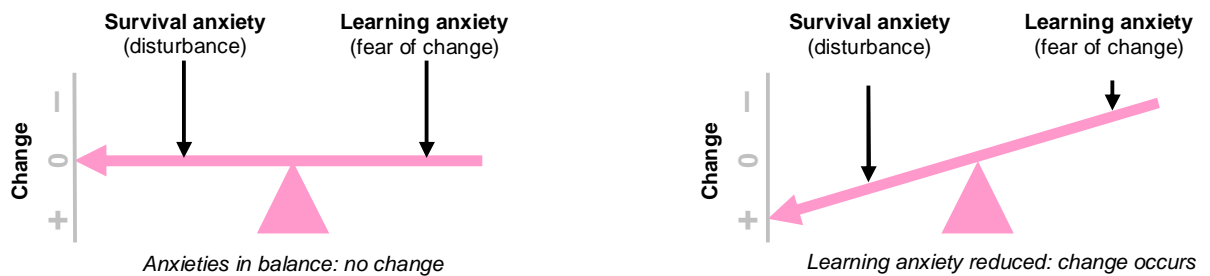
Which is why I believe we need to reframe the challenge at a fundamental level. True transformation depends on employees being carried forward emotionally, as well as intellectually, through a real sense of commitment to their work – something that gets them out of bed in the morning in the knowledge that they are taking a step closer to the goals they value most highly.

Change in the balance

The emotional dimensions of change have been studied for over 40 years by MIT professor Edgar Schein, who believes that two key factors govern the change process: survival anxiety – the sense of disturbance felt when one's behaviour (or group's behaviour) is perceived in some way to be sub-optimal; and learning anxiety – the fear of change – which relates to capability and culture (Schein 1999). For change to occur, Schein proposes that the level of survival anxiety must exceed the level of learning anxiety.

That suggests a fairly obvious solution: pile on the disturbance, create the 'burning platforms', exhort employees to do better – a campaigner's dream. Wrong. As Schein points out, this only increases learning anxiety, neutralising the effect of the disturbance. We crawl back into our shells – business as usual again.

Figure 2: Schein's model of change



A smarter way to promote change is to reduce learning anxiety – in effect build the conditions in which change can occur naturally, rather than scare people into doing better. In this context, leadership is not about hero executives dragging their organisations through bouts of painful change, but about *creating change capabilities* across the organisation such that it can happen wherever and whenever it is needed.

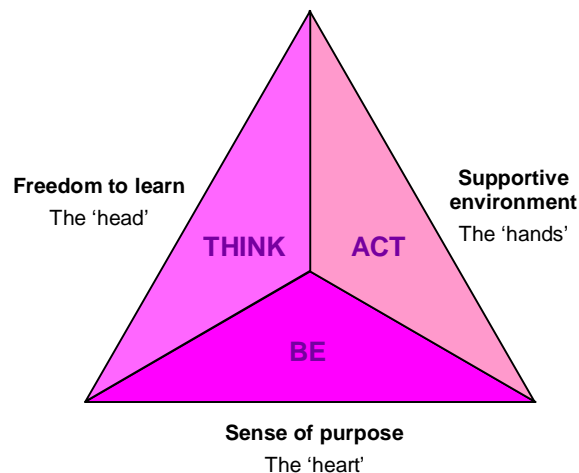
The evidence shows that we're not very good at this, which is why so many change projects fail – up to 70 or 80 per cent according to some authors. But that should not stop us trying. According to Schein, the reduction of learning anxiety builds 'psychological safety' among employees, leaving them with a positive vision of the organisation's future, confidence in the learning process, and a personal desire to make a difference. In CPI's own work organisations we use the metaphor of a 'growth medium'.

The growth medium

How can we create psychological safety in practice? Rather than seeing change as something that is 'done' to or even through employees, we prefer to see change as a continuous, evolutionary process across the whole organisation. Hence we talk about cultivating a 'growth medium'; if you like, a set of management practices that draws people into change as a natural product of their commitment to the organisation. Three practical elements need to be in place for this to work as shown in Figure 3.

1. **Sense of purpose.** Employees understand the vision (or 'big picture') of the organisation, and see that its espoused values are believed in by senior managers, and are implicit in the organisation's actions. This gives them an identity, a sense of how to 'be'.
2. **Freedom to learn.** Employees are trusted to act, learn and achieve results by themselves (within boundaries), guided by 'hard rules', coaches and role models. This element provides employees with the mental space to create and own the solutions to their challenges.
3. **Supportive environment.** Employees learn from each other through group processes, peer networks and transparent access to information; they are supported by systems and policies that encourage rather than inhibit learning, and are well-provided with development opportunities, helping them to put their ideas into practice.

Figure 3: Elements of the growth medium



The growth medium views change as a journey rather than an end point, a journey that may be expedited through management practices that influence organisational culture from within. The result is a culture better attuned to the organisation's external needs, more knowledgeable about its own functioning, and better able to face uncertain conditions without prodding and intervention.

Organisations that cultivate a growth medium will find it a lot easier to achieve their strategic vision, since change will be a systemic phenomenon, not one which arrives piecemeal, or as a last resort. If sustainable development is part of that vision, the presence of a growth medium will make the organisation more sustainable.

What does this tell us about leadership?

A leader is someone who can effect change. Not necessarily a senior manager or ambassador for others, but someone who has the capacity to make sense of the future, and inspire people to move in the right direction. In the present context this is the direction of greater environmental responsibility, greater well-being of employees, and greater fairness for all the people that the organisation touches or could possibly reach.

The overriding goal of a sustainable development leader must be to illuminate the ethical dimensions of decisions, and guide employees towards the most sustainable choices. *That means believing (and getting others to believe) that the sustainable choice is the best choice, not just ethically, but in organisational terms also.*

En route, we know that cultural obstacles will be encountered, and mindsets will need to be changed. We also know that sustainable development will need to be repackaged as something positive, fun and mainstream if it is to stand even a small chance of reaching the fabled 'tipping point'. In the face of cultural challenges, we return to Edgar Schein, whose model predicts that the SD leader must be prepared to do two things:

1. **Disturb the organisation,** as required, to ensure that it understands its needs, options and possible futures in light of emerging issues and stakeholder demands.

The SD leader should think as radically as campaigners in this regard, but on behalf of the organisation, rather than against it. Disturbance can take many forms. Here are a few examples:

- alerting employees to economic, political, regulatory, technological and reputation threats;
- exposing poor performance, scandals, or corporate indiscretions;
- getting charismatic figures in the organisation to publicly challenge the conventional wisdom;
- holding group processes that contrasting espoused values with operating practices (surfacing assumptions); and
- offering educational programmes that awaken people to the issues, risks and opportunities.

The effect is similar in all cases: emotional stir.

2. **Create psychological safety** for employees around the idea of sustainable development, by incorporating it within the organisation's growth medium. Not all growth medium practices will be relevant to all organisations. Decisions about where to focus should follow a period of *cultural analysis* designed to uncover the blockages and leverage points unique to the history and context of the organisation. Here are some examples:

- ensuring that SD principles figure prominently in the organisation's vision and values;
- illuminating the concept locally within the language of individual teams and functions;
- empowering staff to come up with their own solutions to sustainable development challenges;
- creating 'practice fields' in which employees can experiment with new ideas;
- acting as a coach and role model for others to follow;
- brokering connections between peers, and forging external partnerships;
- aligning the organisation's systems and policies with sustainable development (for example, there is no safety in a performance management system that is blind to ethical achievements);
- providing information resources, case materials and training programmes that 'scaffold' the learning of employees.

The challenge for leaders is to bring sustainable development into the mainstream through an appropriate balance of disturbance and psychological safety. One might call this the second wave of sustainable development leadership. Inevitably, education has a key role to play this process, not only through its capacity to disturb, but also in its capacity to stretch the imagination and break down cultural barriers. "Try harder", we must continue to tell the plant, but this time feed it with water.

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About the author

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CPI's goal is to help organisations to respond purposefully to the world's changing economic, social and environmental circumstances in pursuit of a fairer and more sustainable society.

11 May 2004

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