

# 12 The Eco-Leadership Discourse

## Connectivity and Ethics



**Figure 12.1** Eco-leadership

### Key words

Ecosystems

Distributed and ethical leadership

Networks

Connectivity

Interdependence

Globalization

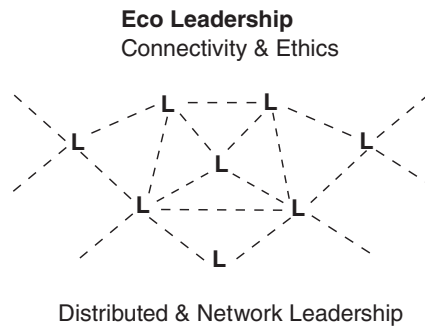
Technology

Sustainability

### Chapter Structure

- Introduction: 'New Leadership for New Times'
- A New Paradigm: The Context Informing Eco-Leadership
- The Four Qualities of Eco-Leadership
- Eco-Leadership in Practice
- Conclusion

## Introduction: 'New Leadership for New Times'



**Figure 12.2** Eco-leadership organizational form

The Eco-leadership organizational form is a network of distributed leaders. The Eco-leadership discourse emerged at the turn of millennium responding to a new paradigm that is also emerging as modernity exhausts itself. The natural environment faces real danger from irreversible climate change, urban pollution and diminishing natural resources. Serious social, political and economic consequences are unravelling from the 2008 financial crisis, yet another symptom of modernity and capitalism's vulnerability to a new order.

I named this discourse 'Eco-leadership' to reflect the growing use of environmental and network metaphors in the leadership literature. Eco-leadership is becoming the most important leadership discourse for our times, although it is not yet the dominant discourse. The prefix 'Eco' signifies how progressive leaders conceptualize organizations as ecosystems and networks, rather than closed systems. Organizations are rethought as 'eco-systems within ecosystems' meaning that:

- Organizations are webs of connections, networks that operate like eco-systems. The machine metaphor was for the factory; today's metaphor is

to imagine our organization as an ecosystem. We can then realize how parts make up an interdependent whole, how change in one part of an organization impacts throughout, and how organizations cannot be led top-down, for an ecosystem requires nurturing not controlling.

- The organizational ecosystem is interconnected and interdependent within larger ecosystems, e.g. financial and economic ecosystems, social-political ecosystems, local and global natural ecosystems.

‘Ecology is not the exclusive domain of the environmentalist’ (Hasdell, 2008: 99), and the ecosystems I refer to are not only natural ecosystems, they are also hybrids, made up of nature, technology and the human/social. Eco-leadership therefore is not exclusive to environmental leadership, but applies to all leadership. It implies that leadership is governed by systems intelligence (Senge, 2006) and that leadership is dispersed throughout organizations rather than residing in a single individual. This enables organizations to better adapt to changing environmental conditions (Redekop, 2010: 305).

Our interdependence in a fast-changing world requires radical leadership rethinking. Globalization and the network society has wide-ranging impacts, reconfiguring how we organize, communicate and relate. Political impacts have also been wide-ranging, including the Arab Spring uprisings, and protest movements such as Occupy. Economically the de-regulation of markets and the virtualization of capital led to the 2008 financial crash, which in turn led to an ongoing social and political crisis (Castells, 2012; McDonald and Robinson, 2009; Sennet, 2006).

Sadly, organizational leadership has failed to keep pace with these changes, and the Eco-leadership discourse is widely discussed, but now needs to be adopted and developed quickly. Eco-leadership is gaining ground quickly, from fragile beginnings. Anita Roddick of the Body Shop, an early pioneer of the Eco-leadership discourse in business, said ‘Businesses have the power to do good ... we dedicate our business to the pursuit of social and environmental change’. Her ideas were that business could be a part of the ‘Green revolution’ (Roddick, 2006). Richard Branson announced his environmental commitment at the Clinton Global Climate Initiative in 2006, pledging \$3 billion of his transport business’s profits over the coming decade to combat global warming and promote alternative energy. The profits were to be invested to find renewable, sustainable energy sources ‘in an effort to wean the world off oil and coal’ (*NBC News*, 2006).

Paul Polman, CEO of Unilever, perhaps the best-known commercial voice of Eco-leadership, says there is a ‘fundamental readjustment going on as a result of the financial crisis, from a rules-based society back to a

principles-based society' (Polman, 2012). He challenges leaders who say they have to put short-termism and shareholders first:

What we firmly believe is that if we focus our company on improving the lives of the world's citizens and come up with genuine sustainable solutions, we are more in synch with consumers and society and ultimately this will result in good shareholder returns.

The Eco-leadership discourse is embraced also by politicians such Bill Clinton and his Global Initiative connecting environmental and social challenges, Mikhail Gorbachov and The Green Cross, and Al Gore who won a Nobel Peace Prize in 2007 for his campaign to tackle global warming and is a leading proponent of 'sustainable capitalism'. China's leaders have realized that protecting the environment is a living necessity for many of their citizens, and vital for their future. Thomas Friedman writes:

Yes, China's leaders have decided to go green — out of necessity because too many of their people can't breathe, can't swim, can't fish, can't farm and can't drink thanks to pollution from its coal- and oil-based manufacturing growth engine. And, therefore, unless China powers its development with cleaner energy systems, and more knowledge-intensive businesses without smokestacks, China will die of its own development. (Friedman, 2009)

China is now leading the world in green technology with a 'remarkable 77 percent growth in production of green technologies a year according to [a] report ... commissioned by the World Wildlife Fund for Nature' (*New York Times*, 2011b).

However, there is too big a gap between those advocating environmental solutions, and the networked and distributed leadership necessary to transform organizations and society. This chapter aims to position Eco-leadership in this gap, as it is not possible to make the radical changes necessary without a radical revision of how organizations and businesses are led and run.

The Eco-leadership discourse emerges from the work of diverse scholars, politicians and practitioners (Capra, 1996; Castells, 2000; Lovelock, 1982; Polman, 2012; Senge, 2006; Wheatley, 2006). Redekop, writing for the *Berkshire Encyclopedia of Sustainability*, refers to the growing 'Eco-leadership' paradigm (where he also cites my own earlier work):

Thus in contrast to the industrial paradigm of leadership, a new 'eco-leadership paradigm' is beginning to emerge among students and practitioners of leadership. The writer Simon Western goes so far as to suggest that 'the next [leadership] discourse will be that of the eco-leader [2008: 184]'. (Redekop, 2010: 305)

In management education leadership and sustainability courses are commonplace, and the literature on systems thinking, network approaches, complexity and sustainability in relation to leadership and organizations is growing prolifically. The 'One Planet MBA', a collaboration between Exeter University and the World Wildlife Fund, is a leading exponent of the Eco-leadership discourse, and a project they hope to extend to many other universities and countries. This chapter will now explore the context that informs this discourse, and then develop a comprehensive review of the Eco-leadership discourse.

## A New Paradigm: The Context Informing Eco-Leadership

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Things fall apart; the centre cannot hold.

W.B. Yeats in his poem 'The Second Coming' (1919) defined the tensions of modernism early in the 20th century and his work has proven prophetic. At the beginning of the 21st century, late modernity finds itself in crisis and the old order is clearly passing. Our challenge today is to grasp new reality, that in a globalized, networked world the centre can *never* hold, simply because there is no centre. The myth of central control has been exposed: the Soviet bloc, the Arab Spring, the financial sector – in each, central control has been undermined by informal networks that cannot be controlled. We face a social, political and economic paradigm change. The environment is under pressure: climate change and the realization that our natural resources are finite increase the imperative for sustainable solutions and transnational agreements. Water and food shortages are expected as population growth soars. The 2008 financial crash exposed deeper problems. No one is sure how to run the financial markets, everybody chases economic growth yet exponential growth across the globe leads to a host of secondary problems, and we ignore sustainability at our peril. The European project is under pressure and China is undertaking the biggest social, political and economic experiment the world has ever known, trying to deliver a capitalist economy in a state-controlled system. Whilst raising the living standards of millions, social inequity increases and the social and environmental implications of such rapid change are unknown. The rise of the 'BRICS' countries – Brazil, Russia, India, China and South Africa – redistributes power from the West and brings many out of poverty, but as these countries become increasingly wealthy, they consume more and use more fossil fuels, and the pressures on the environment and climate increase too. Social inequities between rich and

poor continue to increase disproportionately: 'in the USA the portion of national income going to the richest 1% tripled from 8% in the 1970s to 24% in 2007' (Rachman, 2012). Over 50% of the world's population is urban for the first time. Slum housing filled with the urban poor creates peripheral communities without civil rights, legal status or basic infrastructures such as public transport, electricity, water and sewerage: 'the problem is not just that they are poor but that they are excluded, which is a more radical barrier than poverty' (McGuirk, 2012: 78). Globalization has many facets, as discussed in Box 32. It brings new opportunities and also huge challenges that feed the emergence of the Eco-leadership discourse.

### Box 32 Globalization

Globalization can be interpreted in different ways: some argue for its benefits, others that it creates social divisions and global elites. Either way, globalization is with us, and requires leaders in all sectors of society to think and act in new ways. As Kiely (2005) says: 'The impact of global flows means that no "local society" or culture can exist in a self-contained way.'

#### Global flows

Castells (2000) claims that globalization changes power relations, and he argues that a shrinking world has led to social divisions where those who are insufficiently globalized are confined to living in the 'space of places': they live in urban ghettos, favelas and local communities. The poor may live next to wealthy neighborhoods and share the same cities, yet they might as well be living on different planets. The global elite are immediately connected to each other by ICTs (information and communication technologies) and live in global 'spaces of flows', disconnected from the 'spaces of places' by living in gated communities, and shielded from the place they actually exist in.

[They] experience much of their life – both in work and leisure – in the 'spaces of flows' in which they link up with other, distant places, in order to make money and take expensive holidays. They still live in particular localities but are abstractly – and literally – fenced off from those confined only to the 'space of places'. (Kiely, 2005: 10)

Twentieth century globalization was linked to Westernization: Western countries exporting their economic, cultural and political ideologies and practices. Today globalization might be considered neo-liberal, exporting a pervasive world order of economics and ideology led by the triad of the World Trade Organization, the International Monetary Fund and the World Bank. But perhaps a twist is now occurring, led by China and India, producing a

counter-Easternization global flow, with unknown outcomes. A further global flow emanates from anti-capitalist movements that arise in the margins, resisting the dominance of the market and increasingly having an impact. Localism also influences the global, as Gwynne et al. (2003: 37) write: 'The "local makes the global", e.g. when Japanese production methods spread across the globe.'

### **Globalization Creating or Alleviating Poverty?**

A (2002) World Bank report defends globalization as a progressive force:

A widespread view of globalization is that it makes 'rich people richer and poor people poorer'. This simply does not seem to be true: poverty is falling rapidly in those poor countries that are integrating into the global economy. (2002: 152)

Their argument is that we need more not less globalization. Critics of globalization focus on the 'facelessness and undemocratic nature of global capitalism' (Gwynne et al., 2003: 226), arguing that globalization causes a split between the 'haves and have nots', where countries and regions get caught at the periphery of globalization through no fault of their own and development and wealth by-pass and further impoverish them, as they become less and less able to compete or even contribute to the global economy.

### **What Does Globalization Mean?**

It can mean global capitalism, and unelected supra-national institutions such as the WTO and IMF having immense power, dictating to nation states how to become neo-liberal economies. Transnational corporations have bigger budgets than nation states, so corporations and neo-liberal institutions share agendas and promote one-size-fits all solutions: privatization of public services, de-regulation, welfare cuts, increases in the cost of living, rationalization and debt reduction. In the hyper-globalization thesis (Ohmae, 1995) the existence of the nation state is undermined, resulting in:

- 1 The triumph of individual autonomy and market principles over state power.
- 2 The triumph of oppressive global capitalism, creating structural patterns of inequalities between and within countries.

Perhaps the financial crisis of 2008 has dampened this triumphalism of global capital.

*(Continued)*



(Continued)

Castells (2012) points to the network society being a force that cannot be reversed, but does change things. Economic collapse was due to the digitalization of finance plus the deregulation of financial markets, resulting in global trading that spun out of control. Part of this trend was the self-interest of traders, divorced from sustainable commitments to their banks or society. Castells also points to another trend arising in the aftermath of this crisis, whereby self-interest is being usurped by a growing idea of 'common-interest' using social media to bond around 'shared interests'.

Globalization is a plural concept; it has all of the effects mentioned here. What is certain is that it cannot be restrained; but how it shapes the present and future is dependent on activists and leaders to work towards a globalization that supports sustainable communities and environments, and develops social equity.

Three converging intellectual and social changes have created the new zeitgeist that underpins Eco-leadership. We look at these next.

## The New Zeitgeist: The Context for the Eco-Leadership Discourse

### *Quantum Physics and New Science*

New science challenged our dualistic and binary view of the world. Fritjof Capra writes: 'The new concepts in physics have brought about profound change in our worldview; from the mechanistic worldview of Descartes and Newton to [a more] holistic and ecological view' (1996: 5). Wheatley made a major contribution to the Eco-leadership discourse in her book *Leadership and New Science*, where she claimed we have 'Newtonian organizations in a quantum age' (2006: 27).

### *Globalization and Technological Advances*

Globalization shrinks the world, connects many, and also creates new divisions. Communication technologies transform our personal, social and economic worlds, and the network society creates new cultures, new democratic potentials, new business and economic realities, and new challenges. Other technologies, artificial intelligence, human genome, bio-genetics, nano-technology and environmental/green technologies, all contribute to a new zeitgeist.



### ***The Environmental Social Movement***

This movement has raised awareness of finite natural resources, the imminent dangers of climate change, and the increasing loss of bio-diversity. Awoken by a minority of activists (the Seattle 1990 meeting of the WTO was a significant moment), the world suddenly realized the looming environmental challenges that it was facing.

The environmental movement (and other activist movements) also pioneered new forms of organizing. Utilizing social networking and social media, they developed new 'leaderless' non-organizations such as Anonymous (Castells, 2012), and Occupy, mixing face-time meetings in public squares and virtual organizing. This radical distributing of leadership and new forms of organizing has contributed to the Eco-leadership discourse, by questioning the norms, challenging convention, and developing real alternatives.

The new millennium and the financial crisis have refocused us sharply. Manuel Castells tells us:

In this crisis, some people are trying to go back and other people are trying to discover what the future could be. What doesn't work any more is the present, for anyone. That's why it's Aftermath Time. (Aftermath Project, 2012)

In their book entitled *Aftermath*, Castells et al. claim that the post-crisis challenges are economic and cultural. The political-economic system has lost its cultural power which relied on people's trust that the economic and financial system was safe and reliable. Castells claims that 'disenfranchised masses no longer believe in their leaders; a civil society in disarray, as old social organizations become empty shells' (Castells et al., 2012: 308). New social actors of change are beginning to emerge, creating new cultures that refute *Homo economicus*, and are attempting to 'translate the meaning of life into economic meaning' rather than be dominated by market forces (2012: 308).

### **Form and Function – The Architectures of Eco-Leadership**

Eco-leadership challenges the central modernist slogan '*form follows function*'. This ethos focuses on functionality, linearity and utilitarianism (the Controller discourse). We design organizations (forms) that are 'fit for purpose' to carry out their utilitarian function. This seems an obvious truism, except that the opposite statement is equally true: '*function also follows form*'. Modernity traps us in 'forms' that limit us, urban worlds of production lines,

shopping malls, traffic jams, square boxes to live in, square screens, and public spaces that are colonized by mass advertising (Klein, 2000). This form of media advertising distorts our human desires towards consumerist goods which can never satisfy us, and these 'unfulfilled desires' provide the basic logic of late capitalism.

External landscapes shape our internal landscapes, influencing how we think, feel and perceive the world. In natural environments and in creative urban environments, our imagination is stimulated and unleashed.

We imagine ourselves as 'the creators', but we are also 'created', i.e. socially constructed by forms that shape and often limit our individual and collective potential. This is especially true of many workplaces. I recently worked as a consultant within a major bank in London, and my experience of getting to the meeting awoke me once again to the totalizing nature of contemporary workplaces (see Box 33).

### **Box 33 Emotional Architecture: A Linear Journey to the Glass Tower**

I travelled on the crowded Underground, packed with thousands, passed through the ticket control, stepped onto a moving walkway before travelling up an escalator. I walked through a glass-covered shopping arcade, bombarded by consumer goods and advertising. I arrived at the bank security and was 'screened', before taking the lift to the 30th floor. Finally I arrived in a huge open-plan office with 300 uniform desks, and glass walls on three sides.

I was transported to my destination by moving stairways, in linear lines: I was being efficiently 'processed' as if on a production line, with thousands of other commuters and finance workers. When I arrived I experienced 'sameness', monotonous rows of linear desks compartmentalized by small screens. Employees in dark suits, men and women alike. There were explicit rules, no objects above a certain height on desks to maintain uniformity, along with implicit rules, maintained by peer and self-surveillance, for how long you stayed at the desk, how loud you could speak, and so on. There was nowhere to hide in this open-plan panopticon, every telephone conversation could be heard, and your computer screen was always public viewing. A senior leader I coached was told by his boss that there was too much laughter coming from his team and he needed to address this. The message for the leader to control his team so they display only uniform and monotone 'office' emotions, is indicative of a totalizing and conformist culture.

I had two associations to this. Firstly to a large Victorian factory, except the weaving machines had become computers, and a sterile cleanliness and white noise replaced the commotion and dirt of the old. Secondly to the mental

asylum I worked in many years before, where patients and staff were totally institutionalized, and they too had no private sphere of living.

I found the experience dislocating and totalizing. I recalled other corporations I had worked in, and like the business hotels I stayed in, they are conformist, modern glass buildings, minimalist, utilitarian, white walls, open plan offices, with occasional grandiose spaces signifying power.

What do these organizational forms do to us? What do they do to our capacity to think creatively and relate to each other humanely?

Employees are so embedded in these normative corporate cultures, they fail to see their own capitulation and entrapment (Casey, 1995).

An organization's internal and external architectures commonly mirror its hierarchy and culture. The banks located within the skyscrapers of London's Canary Wharf have hierarchical structures and cultures, mirroring the building. On the very top floor, with a separate lift to access it, reside the CEO and the senior team, and power relationships internally are vertical like the building. The financial centre of any major city replicates 'phallic capitalism', represented to us in architectural form.

Likewise, the size of a church mimics the power of the leader. The Pope has his own city, and the grandiose Vatican represents the Pope's omnipotent power (directly elected by God and infallible). The Old Order Amish people have a much flatter hierarchy; their bishops remain local, are elected by their peers, and are independent of an extensive church power structure. In contrast they have no church buildings; instead they hold rotating Sunday services in different family homes, reflecting their belief system of humility and a plain and simple lifestyle. Quakers also have a flat structure without any clergy or hierarchy. For 350 years they have survived with an organizational architecture of spiritual consensus, 'a priesthood of all believers', whereby any person can attend their meetings and 'minister' in their meeting houses. When big decisions are taken at an annual gathering, all members are invited and all have a voice. Their meeting house architecture mimics this egalitarian approach: small simple buildings without steeples; a circle of chairs or wooden benches inside a plain room without ornamentation or religious symbols.

Eco-leadership in contemporary organizations must learn from new social movements, and diverse organizations and faith groups like the Quakers and the Amish who have managed to create diverse organizational forms, real and virtual, that enable them to operate in non-linear, non-hierarchical or specifically sustainable lifestyles. Satterwhite claims that to be a self-generating (autopoietic) system, 'the organization has to respond to external stimuli, which it can only do in ways that are consistent with its structure' (2010: 232). A core task of

Eco-leadership is to constantly work on form and structure to make them consistent with organizational purpose. Form and function are interdependent and connected. Leaders need to think differently about form and function, to think in terms of networks of connectivity and interdependence and shape their organizations so they are capable of organizing in new ways.

### The Four Qualities of Eco-Leadership

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There is much diversity within the Eco-leadership discourse but the essence can be found in the four qualities of Eco-leadership set out in Box 34.

#### **Box 34 The Four Qualities of Eco-Leadership**

##### **1. Connectivity and interdependence**

Eco-leadership is founded on connectivity, recognizing how the network society has transformed social relations, and it also recognizes our interdependence with each other and the environment. Eco-leadership focuses on internal organizational ecosystems (technical, social and natural) and the external ecosystems of which organizations are a part.

##### **2. Systemic ethics**

Eco-leadership is concerned with acting ethically in the human realm *and* protecting the natural environment. Systemic ethics goes beyond company values and individual leader morality, which conveniently turns a blind eye to the wider ethical implications of their businesses, e.g. by ignoring social inequality, the downstream impacts of pollution and supply chain workers, world poverty and environmental sustainability.

##### **3. Leadership spirit**

Eco-leadership acknowledges the importance of the human spirit. It extends its values beyond material gain, paying attention to community and friendship, mythos and logos, the unconscious and non-rational, creativity and imagination. It draws upon the beauty and dynamic vitality within human relationships, and between humanity and the natural world.

##### **4. Organizational belonging**

To belong is to be a part of the whole, it is to participate in the joys and challenges faced by communities. Businesses and corporations, like schools, banks and hospitals, belong to the social fabric of community, and cannot

operate as separate bodies. Eco-leaders commit organizations to belong to 'places and spaces', developing strong kinship ties. Place refers to local habitat and community, and space to the virtual and real networks that organizations also inhabit. Organizational belonging means ending a false separation, realizing that company interests and societal interests are interdependent. Organizational belonging is to rethink organizational purpose and meaning.

These four qualities will now be explored.

## Connectivity and Interdependence

Bill Clinton, interviewed about his Global Initiative Conference 2012, spoke of interdependence:

Our world is more interdependent than ever. Borders have become more like nets than walls, and while this means wealth, ideas, information and talent can move freely around the globe, so can the negative forces shaping our shared fates. The financial crisis that started in the US and swept the globe was further proof that – for better and for worse – we can't escape one another. (Clinton, 2012: 26)

Ecosystems and ecology, systems thinking, fractals and complexity, self-organizing systems, ethics and sustainability, networks and connectivity are becoming commonplace ideas used in relation to leadership and organizations. What they have in common is a growing realization of the connectivity and interdependence referred to by Bill Clinton.

## Hybrid Ecosystems

Eco-leadership addresses complex challenges using the ecosystem as a metaphor but with an expansive meaning of the term ecosystem (Love-lock, 1982). The social world, natural world and the non-human world of machines and technology are increasingly enmeshed in inseparable networks, forming 21st century ecosystems that have interdependencies just like rain-forests and coral reefs. Hybrid ecosystems, made up of humans, technology and nature, form both organizational ecosystems and social ecosystems. Our individual and social interconnectivity to technology and machines is inseparable, leading Harraway to call us cyborgs:

By the late twentieth century, our time, a mythic time, we are all chimeras, theorized and fabricated hybrids of machine and organism; in short, we are cyborgs. (Haraway, 1991: 151)

Humans and non-humans participate together to make things work. John Law explains:

... the social world is this remarkable emergent phenomenon: in its processes it shapes its own flow... so ordering has to do with both humans and non-humans. They go together. So it doesn't make much sense to treat them separately as if they were different in kind. (Law, 1992: 15)

Eco-leadership is to continually work within these multiplicities; leadership is understood within a network of other actors and agents (both human and non-human).

The hubris of modernity has made us anthropomorphic; we situate humans at the centre of everything, an outcome of our narcissistic society (Lasch, 1979). Science and rationality became the human tools to overcome nature. Premoderns understood the interdependencies with nature better than us moderns, and they created myths, narratives and gods to explain these. It is now the turn of postmoderns to reclaim this holistic understanding, to find new and relevant narratives that are fit for our times.

### Power and Connectedness

Whilst Eco-leadership emerges from social activism it is not a woolly, feel-good approach to leadership. It is a serious and radical approach that challenges the very coordinates of current organizational theory and practice, including a critique of power relations. Power and authority do not disappear in some utopian dream when environmental awareness and social responsibility are addressed; they become more transparent. A valid critique of systems theory and environmental thinking in organizations is the lack of critical theory in relation to power. Coopey (1995) claims that Peter Senge's work idealizes community and over-plays the importance of dialogue without adequately addressing power. Guha (1989) critiques American deep ecology for its lack of power and social critiques, claiming that Third World perspectives have 'a greater emphasis on equity and social justice ... on the grounds that in the absence of social regeneration, environmental regeneration has very little chance of succeeding'. When systemic approaches are applied to organizations, power as well as communication patterns have to be addressed. Who has access to knowledge and resources? Which groups control resources and communication? Which discourses are privileged and

which are marginalized? Post-structural theories help reveal hidden power dynamics, showing that power is more distributed and fluid than we think, and we mistake power at the centre as strength, and power at the margins as weakness, when neither is the case.

## Systemic Ethics

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Systemic ethics means to expand the boundaries of rights and responsibilities beyond the immediate and obvious (McIntyre-Mills, 2008). Companies and leaders often hide behind a shallow veneer of values. Coca-Cola states its values in a way that reads more like marketing sound bites, and seems to aim at branding Coca-Cola as a cool or good company rather than addressing seriously the question of systemic ethics:

### Live Our Values

Our values serve as a compass for our actions and describe how we behave in the world.

- **Leadership:** The courage to shape a better future
- **Collaboration:** Leverage collective genius
- **Integrity:** Be real
- **Accountability:** If it is to be, it's up to me
- **Passion:** Committed in heart and mind
- **Diversity:** As inclusive as our brands
- **Quality:** What we do, we do well

([www.thecoca-colacompany.com/ourcompany/mission\\_vision\\_values.html](http://www.thecoca-colacompany.com/ourcompany/mission_vision_values.html); retrieved December 2012)

Values like these may be useful as an aspirational compass for employees, but should not be confused with describing the reality on the ground. Using the language of the 'preacher', i.e. 'to be committed in heart and mind', 'to shape a better future' when trying to leverage profit, can quickly bring cynicism rather than aspiration.

If the purpose of ethics is to inform moral conduct, then two clear questions arise. The first is well rehearsed: how can ethics inform the moral conduct of



individual leaders? When business ethics are taught and discussed the focus is often at this 'close level'. By 'close' I am referring to ethics of proximity, of our actions which affect others near to us, those we are in contact with or those we are responsible for. For individual leaders, Aristotle suggests that ethics and moral actions can be cultivated: 'Virtues, by contrast we acquire, just as we acquire crafts ... we then become just by doing just actions, temperate by doing temperate actions, brave by doing brave actions' (Aristotle, *Nicomachean Ethics*, Book 2, Chapter 1, cited in Morgan, 2011).

The second question is less well rehearsed in leadership circles, but is becoming more prominent. This takes ethics beyond 'close' relationships and accounts for the 'distant' relationships, those we are engaged with indirectly; for example outsourced workers in Asia, or our damaging impact on the environment that affects all humanity. Both close and distant ethics are required and this demands systemic ethical perspectives, taking ethics to mean that we all share a responsibility for the planet, and for the indirect consequences of our individual and collective actions.

Eco-leadership demands an ethical approach, which stands firmly against the ethic of Milton Friedman that dominated the last century. As we saw in Chapter 11, Friedman (1962, 1970) claimed that businesses serve society only if they focus on increasing profit. This ethic has led us to climate crisis, war, divisions between rich and poor, and individual alienation. A new ethic is needed in business and public sector organizations, one that subverts the logic of the market. Much of the leadership literature seeking an ethical stance unfortunately oversimplifies the challenge, and by doing so contributes to the problem. Servant leadership (Greenleaf, 1977), transformational leadership (Bass and Riggio, 2006) and post-heroic leadership (Binney et al., 2004) all promote individualistic approaches to leadership: they define the leader as an individual, and argue for a moral individual leadership. Bass, for example, argues:

Leaders are authentically transformational when they increase awareness of what is right, good, important and beautiful, when they help to elevate followers' needs for achievement and self-actualization, when they foster in followers higher moral maturity and when they move followers to go beyond their self interests for the good of their group, organization or society. (1990: 171)

While this is important, it unfortunately does nothing to question the deeper structural ethical questions, and I would argue that this type of statement becomes part of the structural problem, because it creates a power imbalance: it situates goodness in a hierarchical, heroic leader, creating dependency and a disciple followership that inevitably create a silent and conformist organization.

Slavoj Žižek (2008) differentiates systemic and subjective violence. He claims that subjective violence (interpersonal violence) can indicate and also be caused by the much greater evil, systemic violence. News reports are 'fascinated by the lure' of subjective violence, the murder of a young person or the abduction of a child. Systemic violence, on the other hand, is invisible: it is the unseen and disowned violence that inhabits bureaucracies, institutions and governing structures. It is the violence of poverty that kills infants in thousands, the violence of oppression where immigrant workers get low pay and poor healthcare and suffer accordingly. It is the violence that surrounds us but becomes 'normal' and ignored. Much systemic violence is caused by corporations, and therefore a systemic ethical response is urgently needed. There is a problem when leaders espouse personal values but ignore the big picture: 'The hypocrisy of those who while combating subjective violence, commit systemic violence that generates the very phenomena they abhor' (Žižek, 2008: 174).

Systemic ethics means to take into account the impact of your organization on others and on the natural world, to account for the externalities, the toxic waste, the use of carbon fuel, the social justice to workers in the developing world who work for your supply chain. Eco-leadership situates ethics as part of an overall systemic approach, asking questions about the primary purpose of an organization, what it values, how it serves society and its impact on the natural world, before jumping to immediate assumptions about profit, output and growth.

### Rethinking Value, Growth and Purpose.

The Eco-leadership approach is to take the ethical questions to the fundamentals of business, which means to rethink value, growth and purpose.

### *Rethinking Value*

The old way of measuring value is becoming irrelevant. (Al Gore, *Guardian*, 6 November 2006, p. 24)

Many companies look at their values, but not at the meaning of value itself. Success is measured in terms of financial value, without accounting for 'externalities': the costs of plundering our natural environment, the true costs of carbon energy and disposing of waste, the human costs of climate change, the real human and social costs of unemployment that occur to drive 'efficiencies' and re-engineer companies to make them more competitive. Beyond financial value, how can we value healthy communities

and environments, creative workspaces, personal well-being? Organizations are not simply money-making machines, they are social enterprises (whether they acknowledge it or not), and what is valued as success must go beyond money. Valuing externalities is good economics, as it accounts for 'real costs'. Society has to pick up the costs of environmental damage, climate change, of social problems caused by unemployment or mental health problems through stress at work. The challenge is (a) to find ways to agree and measure externalities and diverse values, and (b) get agreement on re-valuing work, when so many organizations exploit a system that is currently biased towards their profiteering. Fortunately a growing body of serious work is emerging in green economics (for example, Schumacher College and the New Economics Foundation in the UK). I will give the last word on value to the agrarian writer Wendell Berry (1972: 164):

There is only one value; the life and health of the world.

### *Rethinking Growth*

Whilst I believe that Eco-leadership begins with ethics, which underpins and drives success and creativity, I always get asked by sceptics and those who want to convince their seniors about the 'business case' for Eco-leadership. There are two answers: the first sets out a 'business case' that demonstrates how sustainability and ethical approaches support organizational success and sustainable business growth (Unilever and Interface, Inc. demonstrate how this can work, see the case studies later).

The second answer is a more radical approach. Rather than argue that sustainable approaches can provide sustainable business growth (which I agree they can), this approach challenges the very notion of continued growth as a desirable goal. Questioning growth is taboo, says Tim Jackson, writing for the UK Sustainability Commission:

Questioning growth is deemed to be the act of lunatics, idealists and revolutionaries. But question it we must ... The idea of a non-growing economy may be an anathema to an economist. But the idea of a continually growing economy is an anathema to an ecologist. (Jackson, 2009)

Growth is a founding principle of current economic ordering. The only solution to economic and social stability politicians and economists know is growth. The neo-liberal agenda led by the IMF, WTO, the World Bank, corporations, and national governments depends on growth. Growth ensures winners and

losers, simply because we cannot all win the economic game of outperforming the other, and growth demands ever increasing production, but this no longer equates to employment. Castells notes that productivity growth is now disassociated from rises in income and jobs: between 1988 and 2008 productivity grew by 30% in the USA whilst real wages rose by 2% over that period (Castells, 2012: 157). Growth also demands consumption, and this was fuelled in the past decade by credit on a mass scale, rather than earnings and savings.

As I write in 2013 the losers in the dash for growth are numerous; for example, Greece, Spanish youth who suffer 50% unemployment, those in Italy, Portugal, Ireland, the masses who are unemployed and under-employed throughout the USA and Europe, many suffering depression and other mental illness challenges.

The alternatives to every country and company chasing economic growth are argued by the New Economics Foundation in its 2010 report *Growth Isn't Possible*. The report cites the work of Wilkinson and Pickett, who show that economic growth is no longer doing us good in terms of quality of life. They argue that it is not higher GDP that improves health and social outcomes but more equality in income. It is income inequality that causes a greater range of health and social outcomes (such as trust, the status of women, mental health, drug use, educational attainment, murder rates, life expectancy and obesity) (Wilkinson and Pickett, 2009, cited by Robins, 2010).

Growth is a key issue, and ideally an holistic approach is required that supports growth in developing countries to alleviate social exclusion and poverty, and requires the rich nations to adopt zero growth policies, rethinking consumption, production and the use of resources to develop new economies fit for the 21st century, that privilege social well-being and environmental sustainability first.

### ***Rethinking Purpose***

Rethinking value and growth leads to the inevitability of rethinking organizational purpose. Discovering organizational purpose is an ongoing process, and entails taking a systemic ethical approach. When this process is begun, it is surprising how unexpected organizational gains are made in diverse areas, such as raising morale, discovering unexpected opportunities, and developing new business models and partnerships, community and client goodwill, the retention and recruitment of talented staff. Organizational purpose will always include the company being successful in financial terms, but it can also include much more.

## Leadership Spirit

Leadership spirit means to draw from the spring from which the human spirit and ethics flow. The term leadership spirit in this context references the human spirit which (I hope) is universal, yet reflects the diversity of sources that inspire it, whether humanism, different religions and spiritual beliefs, or deep ecology for example. When tracing the emergence of the Eco-leadership discourse, workplace spirituality cannot be ignored as it has become a widening literature. Spirituality at work and leadership spirituality reflect a social desire to move away from rationalism and materialism, a reaction to traditional religious institutions and to address the alienation of modernity. In terms of leadership, employees are increasingly expecting their leaders to embrace a more holistic approach, to embrace subjectivity and spirituality, and to show a leadership approach that values the human spirit and well-being, as well as profit.

The mention of spirituality engages some and immediately disengages others. I am fully aware that the connections between spirituality, leadership and work are problematic, and that spirituality can be misused and distorted in this field, particularly when instrumentalized, i.e. used as a tool to increase performance and 'the bottom line'. Leadership spirit is vital yet intangible; it inspires and awakens the human capacity to strive for beauty and the 'good society', and to see beyond the clutter of activity, to reach out to others in friendship, to be good neighbours, to love, build community, and to be courageous and resilient when called to 'speak truth to power'. Leadership spirit isn't just the spark of an individual acting on others, it is a spirit that flows amongst us. Anti-slavery activists, environmental activists, the Arab Spring uprising are all inspired by and enact leadership spirit. The post-Marxist writer Žižek offers a materialist's view of the holy spirit, when addressing the Occupy supporters outside Wall Street:

What's the Holy Spirit? It's an egalitarian community of believers who are linked by love for each other. And who only have their own freedom and responsibility to do it. In this sense the Holy Spirit is here now. And down there on Wall Street there are pagans who are worshipping blasphemous idols. (Žižek, 2012)

Of course leadership spirit can be misused and is dangerous when egotistical leaders believe forces beyond themselves inspire them. This can lead to further grandiosity creating defence mechanisms and blind-spots that can lead them and their companies into big problems.

Whilst intangible and subjective and therefore open to critique from rationalists and Marxists, leadership spirit, like wisdom, is something worth

exploring. Drawing on my personal experience of coaching leaders, it is those who act with an inner and collective sense of leadership 'spirit' that are most engaging, purposeful and liked, from whichever source they are inspired.

Leadership spirit, like leadership itself, is collective as well as personal. Leadership teams and distributed leaders have to find their communal spirit to work well together, to embrace what is important. Much of my work as a consultant is to get groups and individuals to pause, to hesitate, to create a space not just for cognitive thinking or reflecting on a challenge, but also to re-engage as humans on a journey, to reconnect with each other, to share stories, and rediscover mythos and their leadership spirit.

## Organizational Belonging

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Gary Snyder, poet and environmentalist, writes:

When an ecosystem is fully functioning, all the members are present at the assembly. To speak of wilderness is to speak of wholeness. Human beings came out of that wholeness and to consider the possibility of reactivating membership in the Assembly of All Beings is in no way regressive. (1990: 121)

Snyder, like many other environmentalists and deep ecologists, believes that humans have become dissociated from nature, and from place. When we lose our connection to place, to the natural environment, we lose our way, and finally we lose ourselves. We have not only become dislocated from the natural ecosystem, but also from others and from community through modernity's process of individuation and alienation (Putnam, 2000). This dislocation is not just individual phenomena, it is also organizational. Companies were located much closer to communities, drawing on local labour, often providing 'jobs for life', and because they were embedded in communities, successful business men and women often took public office. Strong connections existed and 'good' companies worked to improve their local communities, because they were part of the community. This is not to romanticize this relationship, as worker exploitation and local pollution also occurred in many workplaces. In a post-agrarian society, modernity was premised on separation. The private sphere was separated from the public domain, the church separated from the state, the body from the mind. The economy became separated from society, home became separated from work, and the concept of employment was born (Caraca, 2012: 45–7).

Globalization, multinational corporations, chain stores and global finance created new levels of separation, and new accountabilities and loyalties to



distant shareholders, thereby cutting further any sustainable engagement with communities. The link between organization and place has been broken. Organizational belonging is now only for a minority of locally based organizations. Corporate business and financial organizations consider themselves a different category, separated from communities existing in a business 'bubble world'. There is a grandiosity in this bubble, summed up by the financial traders who call themselves 'Masters of the Universe'. This separation of business from the social frees them from responsibilities (e.g. tax avoidance, polluting, exploiting people who work in far-off lands) but it also denies them the benefits of 'mutuality and meaning' that 'belonging' offers. However, the split between the business world and the 'other world' of society is, of course, a myth.

Many of the corporations I work in exist in these disconnected business bubbles, detached from society. Canary Wharf, London's financial hub, is an eerie and sublime place, where beauty, power and conformity meet. A towering collection of glass towers, built on an 'island' in the East End docklands, and surrounded by some of London's poorest communities. It's a wonderful sight and a huge success story (pre the 2008 crash). Yet it has carries a dystopian sensibility. As you pass through the security barriers you enter a separate world, detached from the society around it, with its own rules and behaviours and dress codes. It is a hybrid space, a public space anyone can visit, yet with private security firms who watch over you and ban basic rights such as photography. Transparent glass buildings mock the transparency they are supposed to evoke. Banking employees shop in underground malls, travel on underground railways, exercise in gyms in their workplaces, eat in staff canteens, and are catered for in every possible way, for their comfort and at the same time ensuring they don't have to mix with the other world, the poor people on the outside of the island. This organizational detachment led to unchecked delusions. Individually and collectively traders and bankers crossed the line that led to the chaos and madness but there were no social checks to stop them. The delusion that organizations such as financial institutions and corporations operate in a business bubble, and are separate from society, was painfully exposed by the financial crisis that has led to a social and political crisis, with many suffering. There is no escape from organizational belonging.

### Corporate Social Responsibility

Corporate social responsibility (CSR) and environmental concerns are now on the corporate agenda (Maak and Pless, 2006; Parker, 1998), and mark a



move towards organizational belonging that is welcomed, but with a healthy scepticism. Mervyn Davies, chief executive of Standard Chartered bank and a director of Tesco, discusses the breadth of CSR:

There isn't a management meeting in Standard Chartered where we don't talk about corporate responsibility and sustainability ... you won't survive in business if you are not environmentally responsible ... Every company in the FTSE 100 now produces a corporate responsibility report ... 80 of them have identified climate change as a business risk ... (cited in Armstrong, 2006)

CSR is distrusted by many activists. The environmentalist Jonathan Porritt is concerned that it's 'business as usual with CSR retrospectively welded on' (Armstrong, 2006). CSR and sustainability concepts in corporations are too often 'greenwash', a façade to keep the brand strong. Even when authentically applied, CSR often lacks the critical approach necessary to address the systemic ethical issues that require change. CSR still puts business outside of society; it emphasizes the costs of compliance and regulation, highlighting social imposed regulations, where companies are negotiating with society, rather than belonging to society. CSV (Creating Shared Value) gets closer to the notion of organizational belonging, as it looks to build social value into corporate strategy, realizing that corporate success and social success are interdependent.

CSR and CSV are steps on the way towards organizational belonging, with many scholars and practitioners aware of the pitfalls of 'greenwash' that uses CSR to hide rather than create real change (Bansal and Roth, 2000; Fry et al., 1982).

### Three Principles of Organizational Belonging

- **Mutuality** is the foundation of organizational belonging. Mutuality infers this is a covenantal relationship rather than a transactional one, whereby there is a mutual promise of caring for the other, and for the planet.
- **Solidarity** implies that we stand alongside each other and in lateral fraternal relations, and not with one party above or below.
- **Engagement** means 'not to walk on the other side' but to engage, recognizing the obligation to our local and global neighbour. Our contemporary neighbour can be our networked global neighbour, the machine operator in China, the unemployed youth down the road, or the environment we share with others.

Organizational belonging means that organizations locate and commit themselves, to place and space. *Place* means engaging and working with local communities, being transparent about the challenges of getting rid of waste, of pollution, and helping build community. *Space* refers to networked belonging, to engaging in the extended networks the organization shares with international others, to best social and business practice, and developing sustainable business models.

Organizational belonging is to rejoin the assembly, and collectively we must find adaptive structures and processes to reconnect our organizations and businesses. This is a philosophical task, an ethical task and a practical task. Taking Eco-leadership from a theoretical context and putting it into practice is to develop the concept of organizational belonging.

## Eco-Leadership in Practice

### The Business Case and Examples of Good Practice

Some will say Eco-leadership is idealistic, that it's too futuristic, not practical for now. Yet the increasing recognition of social, environmental and economic interdependencies, and the implications of recent world events, point towards Eco-leadership responses that are self-evidently an urgent necessity rather than an idealist dream. There are two streams of thinking within the Eco-leadership discourse, usually divided between politicians and organizational leaders, who are **reformers**, and activists who are **radicals**. Radicals are anti-capitalists and other social activists who claim that it is necessary to radically change the political and economic structures that support existing elites. They say that reform merely prolongs a dying system. Reformers advocate *responsible* or *caring capitalism*, terms supported by progressive politicians, business and organizational leaders. They believe that capitalism can be reformed to align the purpose of organizations to accommodate the profit motive, and account for social and environmental responsibility. Box 35 sets out the reformers' business case for Eco-leadership approaches.

#### Box 35 The Business Case for Eco-Leadership

- **Protecting the brand** against social activism and negative consumer voices.
- **Efficiency savings** by reducing energy bills and waste.

- **Talent attracted and retained.** Ethical practice and socially responsible companies are more attractive to bright minds.
- **Employee engagement and brand loyalty.** Employees and customers respond to companies that align 'good business' with 'doing good'. Cool companies are dynamic and ethical companies.
- **Organizational belonging and community engagement.** Creating 'social capital' is as important as financial capital; goodwill and engagement with local communities and global networks pay dividends in terms of good relations, reducing conflict and tensions, and also in unexpected ways, knowledge and ideas are shared, and the organizational network is distributed beyond company walls.
- **Anticipating regulation.** As natural resources decline and climate change increases, international and national regulation will increase. Eco-leaders lead rather than follow these moves; they anticipate change.
- **Adaptive organizations and emergent capability.** Distributing leadership and engaging employees in tackling the big issues create unexpected opportunities. Emergent strategies are formed from having open-communication across the networks. Opportunities arise from the cross-pollination of ideas, from patterns that emerge across the whole.
- **Diversity and inclusion.** Encouraging diversity and inclusion encourages both creativity and ensures the potential and talent of women and excluded minorities are engaged rather than disenfranchised, as happens in many monocultural male-dominated boardrooms.
- **New business models.** Business models are at the heart of success. Innovative new business models are emerging that replace traditional make-and-sell models. Google, Facebook and Apple are all new companies that have a huge market/share value, and operate with diverse and new business models. The challenge for them and for all companies is to connect these with more ethical practices.
- **Sustainable supply chains.** Engaging suppliers collaboratively and creatively to find sustainable solutions not only helps the environment it also creates good supplier relations and longer-term ethically-based contracts.

Reformers challenge the radicals, claiming they have yet to put forward a coherent and convincing case that offers alternatives to capitalism. However, in light of postmodern theories that discredit the notion of grand narratives, waiting for a 'new system' to be revealed is in itself old-paradigm, modernist thinking. Communism tried this route and was found to be self-destructive. Radicals claim the answer is in emergent small changes that challenge the

status quo and will ultimately undermine it. Networked cultures shift from being self-interest driven to common-interest. Cardoso and Jacobetty (2012: 200) call these 'cultures of network belonging' with openness a core principle, citing YouTube, Twitter, Flickr and WikiLeaks as examples that change media power relations, and engage the multitude. Alternative economic practices are burgeoning, according to the research from Castells et al. (2012: 214), sometimes led by activists, and also by everyday folk in a response to a changing world and austerity cuts.

Below are brief case examples of Eco-leadership in practice, to show the diversity of practices. They are organized into three parts:

- 1 *Business sustainability and Eco-leadership* highlights leading corporations that are radically changing their business strategies and attempting to become more environmentally sustainable.
- 2 *Commercial Eco-leadership* offers Apple as an example of a company that applies Eco-leadership to commercial ventures, but hasn't yet matured to embrace ethical sustainability.
- 3 *Social Eco-leadership* briefly describes a not-for-profit hospice I work with that is attempting to radically transform hospice care using Eco-leadership principles.

## 1. Business Sustainability and Eco-Leadership

### *Unilever*

The Unilever Sustainable Living Plan is a radical attempt for a company of such a size and impact to create a long-term plan that addresses environmental sustainability and protects social interests.

Paul Polman, CEO of Unilever, demonstrates Eco-leadership, claiming:

People always think that to do the right thing costs you more. That is not true at all. It can actually ignite innovation and lower your costs. The alternative of not having sustainable sourcing, of having to deal with the effects of climate change, is a much higher cost on business ... It is time to change, that is why I am here. I want to live in a better world.

... The business case for growing Unilever sustainably is compelling. Consumers are asking for it, retailers demand it, it fuels product innovation, it grows the company's markets around the world and, in many cases, it saves money. (Polman, 2012)

In a March 2012 global sustainability report Unilever retained its top ranking and continued to perform well in traditional terms.<sup>1</sup>

### *Interface, Inc.*

Ray Anderson [was] often called the 'greenest CEO in America' for his crusade to turn his billion-dollar carpet company [Interface] into an environmentally sustainable enterprise. ... 'I always make the business case for sustainability,' he told the *New York Times*. 'It's so compelling. Our costs are down, not up. Our products are the best they have ever been. ... And the goodwill in the marketplace – it's just been astonishing.' (*Washington Post*, 2011)

I met Ray Anderson, who died in 2011, a few years ago at Schumacher College in the UK. I found he was genuinely surprised by the success of his 'mission', as he had encountered serious resistance at the outset. He expected to be making business sacrifices initially yet found himself making savings and improving business models, employee morale, brand reputation and profits too! His enthusiasm was contagious and he will be missed.

Other companies pioneering Eco-leadership approaches include Walmart, who set some fairly radical goals: Walmart's website states:

Environmental sustainability has become an essential ingredient to doing business responsibly and successfully. As the world's largest retailer, our actions have the potential to save our customers money and help ensure a better world for generations to come. We've set three aspirational sustainability goals

- To be supplied 100% by renewable energy
- To create zero waste
- To sell products that sustain people and the environment

(<http://corporate.walmart.com/global-responsibility/environment-sustainability>; accessed November 2012)

Companies like Walmart have a lot of reparation to do! Their business has produced cheap goods, but with out-of-town supermarkets they have

<sup>1</sup> See [www.globescan.com/commentary-and-analysis/press-releases/press-releases-2012/h84-press-releases-2012/181-experts-again-name-unilever-as-top-corporate-sustainability-leader.html](http://www.globescan.com/commentary-and-analysis/press-releases/press-releases-2012/h84-press-releases-2012/181-experts-again-name-unilever-as-top-corporate-sustainability-leader.html)

created big social problems by leaving whole communities without local shops who cannot compete with this giant retailer, and the company's carbon footprint is huge. There are critical voices against Walmart who claim their radical agenda is simply 'greenwash', pointing to the serious exploitation of immigrant agricultural labourers, 50% of whom earn below \$5,000 a year, live in shacks and suffer poisoning by pesticides. This view reaffirms the need for the application of systemic ethics; it is no good doing good in one sphere, whilst exploiting in the other. The social and environmental agendas are inextricably linked. A 2007 analysis of Walmart's sustainability plans, by a critical coalition of labour, environmental and human rights organizations, criticized the plan as nothing more than a corporate ruse. Even if every possible target goal were reached, the plan would not make any 'real impact on global warming, employee health and welfare'. According to Walmart's own reports, total global operations in 2006 released 220 million tons of greenhouse gases, an amount that is more than 40 times greater than the emissions the company's sustainability plan pledges to reduce (Corella, 2012).

What is clear is that sustainability is at the top of the corporate agenda; the debate rages as to whether this is greenwash or serious attempts to change. I believe that both co-exist, and the task is not to polarize the debate into good activists, bad corporates, but to continually look at the structural and systemic ethics, and push for improvements.

## 2. Commercial Eco-leadership

### *Apple – not ethically there yet*

Apple computers began their commercial activity by producing amazing computers but also working on business models that were out of sync with their inventions. The company adapted itself and its business models. Their move into music created a huge new business for Apple, and changed the way the music industry operated, changing how music was sold, bought and listened to. Digital distribution moved the music industry into the 21st century. Pressured by open-source activists sharing files, Apple found a solution where most people were happy to pay rather than pirate music, just so long as they could buy it at home, and download and listen to it in seconds as they could with pirated songs. Selling computers is now a sideline for a much more systemic business model. Another new key income stream has come from selling 'Apps' (applications). Here Apple changed from being imaginative but very secretive, to 'outsourcing' creativity and innovation from everyone. No longer do Apple alone create the content; consumers and competitors do too. Constantly updating Apps means more people want an

I-phone/I-Pad to access this flow of inventiveness. This is Eco-leadership in a commercial sense, democratizing creative leadership to anyone capable of invention, not just to creative employees. Eco-leadership is generative, it creates new capability, new creativity and adaptive new ways to do business. The challenge for Apple and companies like them is to discover the 'leadership spirit' and 'systemic ethics' and apply these to the Eco-leadership inventiveness that brings success. Without this change I predict that Apple will not be a sustainable success; consumers will increasingly demand better from them. To be a cool brand means to be a non-exploitative brand and Apple have serious issues in this domain. They face serious questions about the manufacturing conditions for workers in their Asian plants, and their environmental credentials are low on their agenda. They must also work hard to ensure their culture is dynamic and creative, but avoid becoming coercive and conformist. It's high time this innovative company, with a huge young consumer 'fan' base, took more seriously its capacity to influence social and environmental change. Apple can adapt, but can they belong?

### 3. Social Eco-Leadership

#### *Hospice Care*

This example of Eco-leadership is led by the CEO of a hospice<sup>2</sup> for which I consult. This hospice offers a fascinating example of an organization in transition. It has a radical aim to promote a 'social and inclusive approach' to caring for the dying. This applies Eco-leadership thinking to the social and economic challenges of providing the 'best possible death' to as many people as they can, and with specific aims of inclusivity, i.e. to reach out to excluded and marginalized groups who don't currently access this care. The ideals are excellent but the implementation of Eco-leadership principles is far from easy.

#### *Distributing Care Means Distributing Leadership*

In my work with the hospice CEO we are discovering together that to attain the vision of a 'social and inclusive approach', and to distribute care from the hospice to the community, a parallel transformation has to take place in the hospice. Power and leadership need to be distributed internally, freeing employees and volunteers to work and think differently. This means changing how people work together, creating networked and integrated relationships

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<sup>2</sup> Barbara Gale, St Nicholas Hospice Care.



between diverse groups, which for some means challenging deeply held 'unconscious' assumptions about their professional identities and the nature of the work.

The hospice has six distinct sub-cultures:

- 1 Professional nurses/doctors: Hierarchical dependency culture
- 2 Fundraising department: Target-driven culture
- 3 Retail business (charity shops in the high street): Retail-commercial culture
- 4 Large volunteer workforce: Caring, 'doing good' culture
- 5 Managerial, admin', board and services: Bureaucratic/efficiency culture
- 6 CEO – Eco-leader: Social entrepreneurship culture

People work in different jobs for social and autobiographical reasons, rarely is it an accident of chance. We are drawn to roles and sectors due to a convergence of personal factors, and this is particularly so in caring professions and hospices. Our reasons are sometimes conscious and often unconscious, but most workers come to the hospice as they identify with dying, loss and 'doing good'. The overall culture in the hospice itself is pervasively one of a 'caring institution', a place of calm, dependency and quiet. It is a place where being kind, caring and considerate is the norm towards patients and relatives. There is always a shadow side in caring institutions, where anger, frustration and the sadness of the work seep out in displaced ways – not towards the patients but towards each other. The visitors, relatives and patients receive superb care, in an atmosphere of calm containment in the hospice and in the community. At this hospice they excel at what they do. Yet the CEO has a vision, believing that hospice care can be improved, and that their services can reach many more people, including disenfranchised people, if they change the way care is delivered. Below is a consultation note I wrote to help clarify their aims and reflect back to them their journey and challenges.

### **Consulting Note to Hospice Leadership Team**

#### **Social Hospice Care: Reconnecting Life and Death**

The vision is to turn the hospice 'inside out' to deliver a social model of hospice care that engages family, friends, neighbours, local charities, profession-

als and volunteers. The aim is to transform the current idea of a hospice from being a building, a good place to die whilst nursed by angels, to the idea that a hospice should 'mobilize hospitality' to the dying and their relatives in the community. The care of the dying will be returned to those best placed to do the caring – family, friends, neighbours, community – supported by volunteers and vocational experts when needed.

The advantages of this model are manifold, but three key areas stand out.

### **The Moral Case: Expanding access**

- *Getting more from existing funding.* Four per cent of those dying currently access hospice care. By enabling the community to do the caring, this percentage can be increased thereby maximizing the benefits from the same resources.
- *Engaging diversity.* Hospice care throughout the UK is taken up mostly by the white, middle classes. By engaging the community the hospice hopes to reach diverse and marginalized groups that currently don't access hospice care, such as the homeless, travellers and racially excluded groups.

### **2. The Quality Case: 'Light touch' interventions**

By engaging the community a more personal, tailored care is given, and delivered in the person's home whenever possible. Professional expertise is used where necessary, but care of the dying is so much more than a medical intervention, or talking to a bereavement counsellor. A 'better death' means taking an holistic approach, drawing on all the resources available: family, friends, neighbours, familiar surroundings and expert help where necessary.

### **3. The Social Case: Reconnecting life and death**

By returning the experience of dying to the community a process of reconnecting life and death takes place. Modernity alienates, gives power to experts and removes it from the community. The social case is to access and reclaim the collective wisdom of the community (including the patient and family), wisdom that exists beyond the functional knowledge of experts. Hospice beds and the building can play a part in the social hospice care model, but a small part and not its totality.

Social hospice care is to reconnect life and death by making the dying process visible and accessible, to reclaim it from the hospice hidden away in nice grounds, to once again make dying an acceptable part of all of our experience.

## *Social Eco-Leadership*

This social application of Eco-leadership expands leadership to the multitude: where the dying patient can take a lead in having greater influence over

what they need, where husbands, wives, sons and daughters can take a lead, where hospice neighbours can take a lead, where the faith minister can take a lead, where the doctor and nurse can take a lead, and also where they all can become followers as well as leaders.

The Eco-leadership challenge for the hospice is threefold:

- 1 *Gain critical mass support:* to clarify and share the vision to gain a critical mass both within the hospice stakeholders (this includes convincing the board, funding bodies and other stakeholders) and in the community at large.
- 2 *New business model:* to develop a new business model that supports the vision. The existing business model supports the 'patients in hospice beds' delivery of care, and new ways of funding social hospice care will be necessary.
- 3 *Develop the internal structures and culture, to deliver flexible social care:* to achieve this vision requires a generative leadership, leaders learning from each other and from the community, following and leading in a fluid way. Leading a transformation in hospice care means also to transform professional identities to vocational identities, that will enable a more fluid approach than the traditional roles and hierarchies of power and profession.

The examples we have looked at in this section begin with Eco-leadership as a force for more sustainable approaches to business, and then they transcend this limited view, taking Eco-leadership into the realms of new business models and new social care approaches. What becomes clear is that Eco-leadership in practice demands internal organizational change to deliver external change.

## Conclusion

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Eco-leadership addresses two interrelated challenges:

- 1 How to develop successful leadership in post-industrial organizations, recognizing the changes faced in a globalized and networked society.
- 2 How to respond ethically and creatively to the social and environmental challenges.

The Eco-leadership discourse is growing but uncertainly. When economies go into recession, political and business leaders often hit the Controller leadership

button, becoming reactive, and reverting to the very same methods that created the problems in the first place. Crises and constraints also stimulate innovation and change, and this is where hope lies. The challenge is to break into a new paradigm, where functionality and a utilitarian approach no longer determine us, and where we can imagine and create new organizational forms that liberate rather than constrain us. In 1930 Max Weber prophetically warned us of the iron cage that was ensnaring us, and he suggested that carbon fuel was directly implicated in this:

This order is now so bound to the technical and economic conditions of machine production ... perhaps it will so determine them until the last ton of fossilized coal is burnt ... (Weber, 1930: 123)

Weber was right, the finite resources of carbon fuel and the implications of climate change have awoken us, and for the first time since we ensnared ourselves there is an opportunity to free ourselves from this iron cage of materialism, unending growth and devotion to the market. The primary task of Eco-leadership is to dismantle the modernist hegemony and become reconnected and recognize our interdependence.

The Eco-leadership discourse is now embedded and gaining momentum. Box 36 describes the Eco-leader character. Eco-leadership differs from the other three discourses as it doesn't privilege individual leaders, but focuses on distributed forms of leadership. However, individual characters still internalize and represent the Eco-leadership discourse, whilst leadership evolves in many other forms as well.

### **Box 36 The Character of the Eco-Leader**

The Eco-leader character is a generative leader, who creates organizational spaces for leadership to flourish. Eco-leaders think spatially and connectedly; these leaders think like organizational architects, connecting people and creating networks using processes and technology. Design and aesthetics matter to Eco-leaders; they recognize our working environment is essential to our psychological and spiritual well-being, and to our creativity and productivity.

Eco-leaders are passionate about ethics, humanizing the workplace, developing sustainable business models, engaging positively with local communities, and protecting the natural environment. Eco-leaders are progressive thinkers, interested in current affairs, with some engaged in technological improvements, others not. Some are quietly leading from the sidelines, others are visionaries with a missionary belief in their work drawing also on the

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Messiah leadership discourse in order to inspire change. Hopefully they will balance Messiah leadership with a profound belief in ethics, collaboration, diversity and distributing leadership, that counter the hubris, power imbalances and conformist cultures that can arise with Messiah leaders. However, be warned: some environmentalist inspired 'Eco-leaders' become puritanical, missing the connections between beauty and leadership spirit. They can also become domineering and self-righteous, and lose the trust of others. Successful Eco-leaders show openness to diversity, working comfortably with difference; they encourage dialogue and dissent, and delight in autonomist leadership approaches.

Successful Eco-leaders embody generous and generative leadership. They live by the simple equation that by giving you gain much more. Creating spaces for others to lead, they recognize that leadership is a collective effort. They constantly connect others in the network, allowing mutuality and creativity to blossom.

What is encouraging is that companies like Interface and Unilever are not only winning prizes for their sustainability work, they are also successful businesses, which should help encourage sceptics and shareholders that a longer-term vision and Eco-leadership approach is the future. The challenge is clear: to move from 20th century leadership to 21st century leadership, and to recognize that organizations and the world have irrevocably changed.

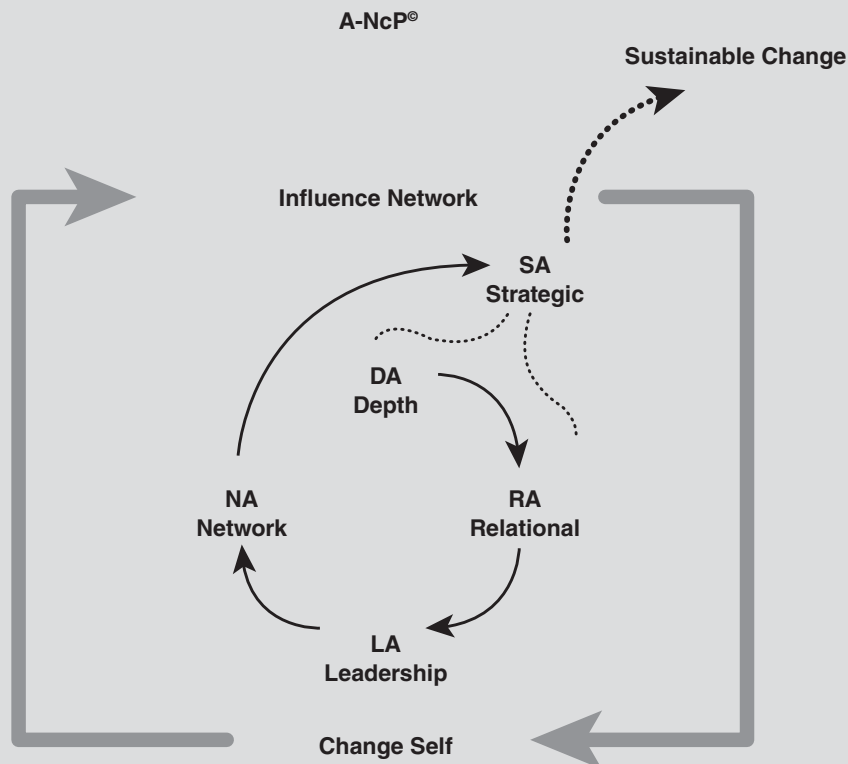
I have addressed audiences and consulted in many countries and sectors using Eco-leadership ideas, and the response has been very encouraging, even in unexpected terrain. I have realized that a challenge and gap exist between conceptually and emotionally engaging with the Eco-leadership discourse, and delivering change in practice. There are no magic bullets, but having clearer understandings will help guide us. I have been working with leaders on a practical coaching process I call Analytic-Network Coaching that works to develop Eco-leadership. I use this with individuals and teams, and as an OD (organizational development) intervention. It takes leaders on a five-stage journey, through depth analysis, relational analysis, leadership analysis, network analysis and strategic analysis, essentially connecting the inner-self, the relational self and the leader within, and then identifies where power, resources and change are possible in the wider network, enabling them to develop strategies to influence networked change. At the heart of this process sit systemic ethics and leadership spirit. Box 37 outlines the key points.

### Box 37 The Analytic-Network Coaching Process©

The Analytic-Network Coaching Process connects five frames, to create a holistic change process, for those wanting to develop Eco-leadership approaches in practice.

The A-NcP delivers an effective way to connect individual developmental coaching with delivering organizational change. Individuals are coached to become *catalysts of influence* in their organizational networks.

A-NcP is research based and *theoretically robust*. It has been developed from the latest coaching meta-theory (Western, 2012) and successfully tested in diverse organizations with strategic leaders.



#### ANc Five Frames

The five *frames* offer an integrated change process, working to help the individual leader make organizational changes.

#### Depth Analysis

Works on the *Inner-self* to reveal and develop a grounded and confident 'authentic self'. We coach to help clarify values, define what brings meaning,

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joy and contentment, coaching the client to develop themselves towards the person they really desire to be.

### **Relational Analysis**

Relational Analysis focuses on the *Relational-self* to improve team and social relationships. Relationships are vital to success; our ability to connect and influence depends on our ability to relate and respond to others with confidence. We examine how individuals get trapped in relational dynamics that prevent them working to the very best of their ability. Improving teamwork and customer relations means improving the quality of relationships.

### **Leadership Analysis**

The aim is to help find the '*leader within*'; to develop their unique and often dormant or unrecognized talent, aligning leadership with an individual's personality, rather than trying to fit them to a specific leadership framework. We believe leadership is everywhere: all have the potential to lead and for contemporary organizations to be successful, leadership needs to flourish! ANc coaching works to improve an individual's leadership capability and in doing so helps the coachee *mobilize leadership* in others.

### **Network Analysis**

Coaching the *Networked-self* is to locate individuals in the networks in which they live and work. 'Thinking Connectedly' is the key to network analysis; to see the bigger picture, and to connect people, power and processes, to produce the outcomes desired. Networked thinking is a vital contemporary leadership capability, one that is often overlooked in coaching.

### **Strategic Analysis**

Strategic Analytic coaching focuses on adapting to change, seeing emergent patterns in the 'big picture' and then acting, taking the leap of faith to make bold strategic decisions. We coach to review the previous four frames and co-create strategies, for the individual to develop themselves and also to deliver organizational success. In frame five, leaders are thinking more creatively and are seeing new developments, new business opportunities, and new ways to link ethics with success. S-A is where leaders become confident and strategic change agents.

This A-Nc process is currently being used to train internal change agents to deliver whole system change in a number of settings, including a complex health eco-system.

For further information on Analytic-Network Coaching see [www.simonwestern.com](http://www.simonwestern.com).



Developing support for leaders is essential, and connecting individual talent with network thinking and practices is key to developing success. Chapter 14, Leadership Formation, discusses this further. My experience is that we must refrain from prescriptive solutions, but it is vital to offer structures, containers and processes to help leaders find their way, and to guide them into the wider networks to develop systemic responses, rather than allow them to retreat into the silos of short-termism and individual psychology.

Whilst giving keynote speeches on leadership and coaching in Belarus and central Russia, which are still largely state-influenced, bureaucratic and centralized, I was surprised how much they engaged with ideas of Eco-leadership, in contrast to the Controller leadership discourse that dominates their workplaces. Whichever sector or country I visit, people understand the world is a place of connections and interdependencies, that organizations need to belong, and they are ecosystems that cannot be controlled from the centre any more. More than this, people are increasingly demanding their autonomy, individually and collectively. There is a universal striving for the human spirit to be free, and for leadership spirit to include the multitude, where each of us, independently and together, can work towards a 'good society'.

Eco-leadership is the application of an ecological worldview to organizations, and social and political movements. It describes a way of organizing based on sustainable principles, many of them learned from nature. Yet it doesn't ignore technology and human potential. Eco-leadership is about recognizing the multitude of talent in society, and harnessing the creativity and adaptability in our technical, social and natural ecosystems. The task of Eco-leadership today is to 'Adapt and Belong', to co-create organizations that are adaptive to change, and also 'belong' to the social and natural world. Eco-leadership is to develop 'webs of work' and then connect these to the 'webs of life'.

## Suggested Readings

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- Capra, F. (1996) *The Web of Life*. New York: Doubleday.
- Jackson, T. (2009) *Prosperity Without Growth? The Transition to a Sustainable Economy*. London: UK Sustainability Commission.
- Maturana, H. and Varela, F. (1987) *The Tree of Knowledge: The Biological Roots of Human Understanding*. Boston, MA: Shambala.

- Redekop, B. W. and Olson, S. (2010) *Leadership for Environmental Sustainability*. New York: Routledge.
- Wheatley, M. (2006) *Leadership and the New Science*. San Francisco, CA: Berrett-Koehler.

## Reflection Points

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- What does it mean that organizations are ecosystems within ecosystems?
- What are the strengths of distributing leadership throughout an organization?
- Reflect on how eco-leadership works internally to support organizational change and at the same time looks outwards, taking an environmental and social stance. These two positions are traditionally separated, but reflect on how these two activities are complementary and connected.

## Sample Assignment Question

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At the heart of eco-leadership are the **four qualities**:

- 1 Connectivity and interdependence
- 2 Leadership spirit
- 3 Systemic ethics
- 4 Organizational belonging

Apply the four qualities of Eco-leadership to an organization you know well. Imagine you are an external evaluator, assessing the success of this organization against these four qualities, and write a report summarizing your findings. Conclude the report by suggesting what initial actions could be taken to improve against each of the four qualities.