

9. Managing businesses in uncertain times: sustainable development and an ensemble leadership repertoire

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9.1 INTRODUCTION: THE EVIDENCED REALITY OF THE PLANET'S BURGEONING PROBLEMS

The challenges of climate change and sustainable development highlight three complementary hypotheses that form the backdrop to the following discourse. The first of these is that governments will not solve climate change without business at the table as an engaged and involved partner. This is a bold assertion, especially in light of the fact that business was assigned no role to play in Copenhagen (Stigson 2009). Its omission is unfortunate because the second hypothesis is that societal perceptions of the role of business have shifted markedly and it is increasingly being looked to for solutions to global problems (WBCSD 2009). The third and final hypothesis is taking shape even as business continues to jostle for voice and vote at the table of global agendas. Ban Ki-moon, the present Secretary-General of the UN, describes it best when he calls on business to 'give practical meaning and reach to the values and principles that connect cultures and people everywhere' (UNGC 2008, p. 4). This quantum leap in the *raison d'être* of business is in sharp relief to the prevailing wisdom of thought-leaders as recently as a few decades ago. Today's call for business to 'move from value to values, from shareholders to stakeholders, and from balance sheets to balanced development' (Annan, cited in EFMD 2005, p. 6), for example, is in stark contrast to the unequivocal damning of 'drives for social responsibility in business' (Friedman 1970; cited in Rae and Wong 2004, p. 131).

9.2 CONSENSUS ON THE IMPORTANCE AND URGENCY OF THE SUSTAINABLE DEVELOPMENT CHALLENGE

There is broad agreement amongst all the actors – politicians, practitioners, scholars and the popular press – on the ubiquity of the challenge of sustainable development and the urgency for finding systemic and enduring solutions. Notwithstanding the robust debates around first-cause, prioritisation of the driving forces, effective and equitable remediation strategies, and the timings of and accountabilities for possible actions, there is a common lexicon around this issue both in the lead-up to the global financial crisis (GFC) and in the aftermath of the Copenhagen summit in 2009 on climate change.

There are presidential, prime ministerial and scholarly pronouncements that signpost the ongoing development of such a common worldview. For example, in a post-9/11 but pre-GFC scenario, the three dangers to common humanity in an interconnected world were highlighted as being its profound inequality, instability and unsustainability (Clinton 2007). At the onset of the GFC these three dangers were further amplified as four problems resulting from the globalisation of new economies: firstly, a restructuring of industries and services with the negative collateral of social dislocations; secondly, the severe resources gap as the BRIC countries (Brazil, Russia, India and China) came on stream; thirdly, the increasingly visible divergences in the consumption patterns, and quality of life between rich and poor countries; and, finally, a financial system with global flows of capital and global financial arrangements without an attendant global governance system to solve problems when they arise (Brown 2008).

Even as the first green shoots of recovery from the GFC were being observed, scholarly triangulation to the discussion was provided by Professor Jeffrey Sachs, the Director of the Earth Institute at Columbia University, when he underscored the essentially unpredictable nature of critical uncertainties and the outcomes of their interconnectedness:

For a long time it had seemed relatively straightforward for the world to achieve 4 or even 5 percent per annum global growth, and no doubt the exuberant equity markets were pricing in such optimistic expectations. Then we were reminded that conventional energy supplies and even food supplies are more precarious than we had assumed . . . Food production is also struggling to keep up with rising populations and rising staples intake per person as the demand for meat rises with incomes (raising the demands for feed grains). The implications of marking down the estimated long-term global growth rate from say 4.5 percent to 3.0 percent per annum can be enough to cut worldwide equity market capitalization very sharply. (Sachs 2009a, pp. 6–7)

Notwithstanding its nuanced taxonomy, the search by governments for global solutions to the issue of sustainable development has been underwhelming. In the lead-up to the *COP15 Copenhagen* (UNFCCC 2009), the UN Climate Chief, de Boer, listed just four modest expectations he had from a successful international agreement in Copenhagen: firstly, how much the industrialised countries are willing to reduce their emissions of greenhouse gases; secondly, how much the major developing countries such as China and India are willing to do to limit the growth of their emissions; thirdly, how the help needed by developing countries to engage in reducing their emissions and adapting to the impacts of climate change is going to be financed; and, finally, how that money is going to be managed (de Boer, United Nations Climate Change Conference, cited in von Bulow 2009).

In retrospect, this bid to rein in expectations was self-fulfilling. As the UK's Secretary of State for Energy and Climate Change admitted, the equivocal outcomes of the conference at best highlight 'the scale of the challenge we face' and at worst underline the 'chaotic process dogged by procedural games' that nations played (Miliband 2009). The world did not get an agreement on 50 per cent reductions in global emissions by 2050 or an 80 per cent reduction by developed countries and even the countries signing the accord merely endorsed the science that says we must prevent warming of more than 2°C, nothing more.

Meanwhile humanity marches inexorably towards massive anthropogenic transgressions of planetary boundaries. Rockström's (2009) apocalyptic warning that 'we have reached the planetary stage of sustainability, where we are fiddling with hard-wired processes at the global earth-system scale', is well supported by his emerging data, see Table 9.1, where for the first time, safe operating boundaries referenced to pre-industrial (pre the period from 1786–93) levels for supporting human development have been estimated. His prognosis is hopeful but cautionary, because while it accepts that reversal is possible as evidenced by the successful restoration of the ozone layer, it stresses that it would be much more difficult and complex given the scale and scope of the problem (Rockström, cited in Biello 2009). While the exact boundary values themselves are a matter of contention, see for example Ehsaan Masood's criticism that they are based not on any new research, but rather on existing data sets (Masood 2009), it is still an urgent call to action for policy makers.

These prevailing conditions have foregrounded radically new and dramatically different strategic challenges around sustainable development for management and leadership in business. What were already regarded as difficult interdisciplinary challenges for leadership leading up to the millennium are clearly compounded today into even more complex business

Table 9.1 The nine planetary boundaries

Earth system	Threshold measure	Boundary	Current level	Preindustrial
Climate change	CO ₂ concentration	350 ppm	387 ppm	280 ppm
Biodiversity loss	Extinction rate	10 pm ^a	>100 pm	0.1–1 pm
Nitrogen cycle	N ₂ tonnage	35 mmt ^b	121 mmt	0
Phosphorous cycle	Level in ocean	11 mmt	8.5–9.5 mmt	0
Ozone layer	O ₃ concentration	276 DU ^c	283 DU	290 DU
Ocean acidification	Aragonite ^e levels	2.75	2.9	3.44
Freshwater usage	Consumption	4000 km ^{3d}	2600 km ³	415 km ³
Land use change	Cropland conversion	15 km ³	1.7 km ³	Low
Aerosols	Soot concentration	TBD ^f	TBD	TBD
Chemical pollution	TBD	TBD	TBD	TBD

Notes:^a pm = per million^b mmt = millions of metric tons^c DU = Dobson unit^d km³ = cubic kilometres^e Aragonite is a form of calcium carbonate. Measurement is in global mean saturation state.^f TBD = to be determined*Source:* *Scientific American*, 23 September 2009.

imponderables (Murthy and McKie 2009, p. 4). It is against this background of a vocal intelligentsia that makes a pressing case for the escalating pressures on planetary survival (see Sachs 2009b), and the emergence of a genuinely global mobilisation of effort, albeit rambunctious and arguably uncoordinated at times, that this chapter approaches the subject of sustainable development and leadership for uncertain times.

The search for an augmented repertoire of leadership practices to fit the context evolved from a piece of original research involving senior leaders of successful Australian-based local, regional and multinational businesses. Their participation in theorising existing and future challenges

facing contemporary Australian businesses resulted in the Ensemble Leadership Repertoire,¹ a description of the elements of an emerging set of leadership practices that could help meet these contemporary challenges. This chapter first discusses the genesis and characteristics of the challenge of sustainable development and thereafter describes the efficacy of the Ensemble Leadership Repertoire for the current business context.

9.3 BUSINESS AND THE CHALLENGE OF SUSTAINABLE DEVELOPMENT

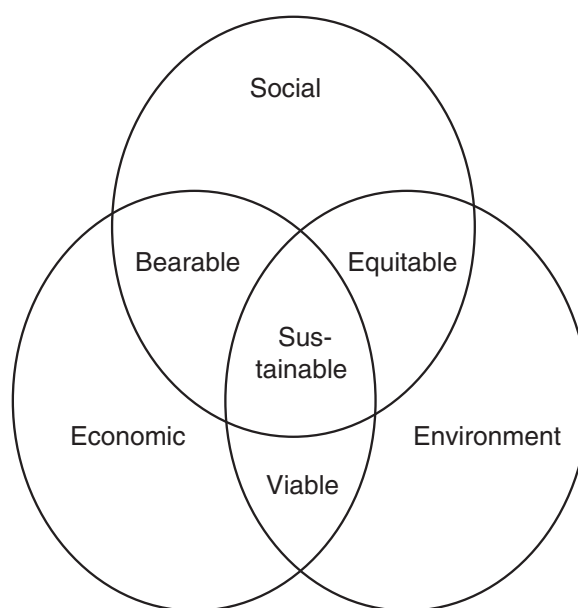
In acknowledging the incomplete nature of its information, but nevertheless urging attention to its findings, *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind*, first published in the early 1970s (cited in Meadows and Meadows 2007, p. 196), stressed that:

There is no reliable and complete information about the degree to which the earth's physical environment can absorb and meet the needs of further growth in population and capital. There is a great deal of partial information, which optimists read optimistically and pessimists read pessimistically. Continuing 'business as usual' policies through the next few decades will not lead to a desirable future, or even to meeting basic human needs. It will result in an increasing gap between the rich and the poor, problems with resource availability and environmental destruction, and worsening economic conditions for most people.

Fifteen years later, the *Report of the World Commission on Environment and Development: Our Future* (Brundtland 1987), in underlining what it perceived as the three vectors of the sustainable development debate, triangulated those with the cornerstones of: economic growth; the needs of the poor; and environmental limits (see Figure 9.1). In its oft-cited definition, Brundtland (1987, p. 54) only served to reinforce the trade-off mindset, even if it did stretch it generationally:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organisation on the environment's ability to meet present and future needs.

The United Nation's *World Summit on Sustainable Development and its Critical Trends Report* (United Nations 2002) highlighted another, and



Source: www.Wikipedia.org/wiki/Sustainable_development.

Figure 9.1 Sustainable development (adapted from the Brundtland Report 1987)

more telling, dimension to the prevailing trade-off paradigm. This was that, notwithstanding the globally compounding social and environmental problems, business did not even merit a mention in its report. Perhaps business was not seen by any of the stakeholders, nor arguably considered itself, as any part of the solution. The following citation from this report underscores this argument because, while it lists all the key global challenges, it refrains from any mention of business as forming part of any concerted response:

The world will have to support an additional five billion people and a high proportion of these are in developing countries; poverty and economic inequality continues in Latin America and Africa; food consumption is increasing and potential to expand crop production is limited; industrial water use increases because of development and services provided by fresh water ecosystems are threatened; nearly half the world's people will experience water shortage by 2025; world's forest area continues to decline; consumption of all types of energy is growing; biomass energy is a health threat to billions in poor countries; fossil fuel consumption and CO₂ emissions on the rise in developed countries; many signs of climate change; over one billion people lack access to safe drinking water; malaria is increasing in Africa. (United Nations 2002, pp. 4–21)

9.4 THE 'LIMITS' LENS AND THE STRATEGY OF TRADE-OFFS

As stressed above, the traditional view of business has been that economic success and sustainable development are mutually exclusive. This dominant worldview has meant that the discussion on sustainable development has been extremely cautionary and has repeatedly stressed the trade-off between economic development and environmental security (Hargroves and Smith 2005). Business' limits lens thus temporally preceded the more recent 'abundance' lens. The philosophical origins of the limits lens predate even the discussion chronicled above. In fact it harks back to the Enlightenment and Malthus's (2004) compelling if unpopular arguments at the time, that unfettered improvement in the human condition would be ultimately thwarted by the strong and constantly operating check of subsistence. Bourne (2009) provides stark validation of this 'Malthusian collapse' (p. 39) from the green revolution started in the mid-1960s in Punjab, India. Norman Borlaug's irrigation-intensive, synthetic fertiliser and pesticides-based, monoculture farming was heralded as the antithesis to Malthus' law. Four decades later, yields are flat, water tables have dropped precipitously, the land is leached, and people stricken with life-threatening illnesses from the pesticides-contaminated water (p. 46). Trade-off is endemic.

It is this same paradigm of zero-sum trade-offs that has pervaded industry and influenced leadership's mind-set and mental models till very recently. It has resulted in businesses viewing a firm's objective of being financially successful as adversarial to any desire on its part to be socially accountable as well. Further, it has shaped the micro-economic definition of a firm's success with concepts like structure–conduct–performance and sustainable competitive advantage (Porter 1980) which argue in favour of, for example, externalising the negative implications of a firm's operations if that increases profits. Such a limiting definition of a firm's strategic performance tacitly and explicitly encourages business practices (not all of them necessarily ethical) that contrive to bring down the costs of the factors of production. Exploiting lax, nascent or non-existent regulatory regimes in the developing world to compete on cost in the developed world is a common ploy birthed from this exclusive focus on firm success as commercial profitability alone.

It also suggests to businesses that to 'do the right thing' (Porter and Kramer 2006, p. 81), is a self-determinable option to be exercised entirely separately to doing business day-to-day. In the sustainable development arena, it thus provides leadership with an escape clause on the basis that 'no company can jump on every opportunity and sometimes the costs of going green are just too high' (Esty and Winston 2009, pp. 252–3).

The limits lens and the trade-off paradigm have another significant drawback. The lack of a coherent framework to rigorously rate responsible versus irresponsible businesses abets self-serving corporate behaviour. ‘The existing cacophony of self-appointed score-keepers’ (Porter and Kramer 2006, p. 81) does not permit uniform add-back of the costs of negative externalities to companies’ reports and it therefore makes accurate corporate and/or government performance impossible to judge. McGregor and Harvey (2006, cited in Grant 2007, p. 13) provide this interesting disinformation from the Chinese Academy of Science:

Matters have reached the point that the Deputy Director of the Institute of Sociology of the Chinese Academy of Science has estimated that much of the nominal growth in their country’s economy in the last 20 years has come at the expense of the environment; that is, their calculations suggest that it is possible that between 30–100 per cent of the nominal GDP growth in China’s economy has been offset by factors traditionally considered to be externalities.

The limits lens is still firmly situated in both literature and practice. A fast-developing conceptual trail, however, is leading to the discovery and use of a second lens of abundance and a strategy of hope that holds great promise for sustainable development provided it supplants the first lens in times to come.

9.5 THE ‘ABUNDANCE’ LENS AND THE STRATEGY OF HOPE

It was only 5 years into the millennium after the United Nations (UN) declaration in January 2005 – of the start of a Decade of Education for Sustainable Development – that a turning point was reached in the sustainable development discussions. It was at this time that the hitherto entrenched view of sustainable futures as a trade-off can be seen to be losing traction and, more importantly, business was positioned not just as a net contributor to the human-made component of environmental and social equity problems, but as a key and hopeful part of its solution.

This chapter positions the post-2005 discussion as having arrived at a series of cascading conclusions that are significant both for the discourse on sustainable development and for research on emerging leadership practices. For a start, there is now considerable consensus among the scientific community, official government reports and most social stakeholders on climate change. The Australian government’s Garnaut Report (Garnaut 2008) offers a concise and useful summary:

On the balance of probabilities and not as a matter of belief, the majority opinion of the Australian and international scientific communities is that human activities resulted in substantial global warming from the mid 20th century, and that continued growth in greenhouse gas concentrations caused by human-induced emissions would generate high risks of dangerous climate change.

This consensus has been paralleled by increasing expert assertions that, rather than being a trade-off, sustainable development is beneficial to society, environment, and business. As the Stern Report on climate change expressed: 'the world does not need to choose between averting climate change and promoting growth and development' (Stern 2006, p. 3). The economic confirmation of the end of trade-off thinking has even been accompanied by a Prime Ministerial acknowledgement that 'business leadership is needed in adopting efficiency measures, mobilizing capital, creating new markets, developing new technologies, driving innovation, deepening our skills base and developing partnerships across the whole community' (Rudd 2008).

Such an explicitly positive outlook has fostered a second lens of abundance and a strategy of hope. This worldview is corner-stoned on the premise that a safe, healthy and just world, which is economically, equitably and ecologically sound is merely an intelligent design problem whose solution already exists. It is predicated on human artifice being considered a living thing with its design incorporating the three essential requirements of vitality, namely: growth, free energy and open metabolism (McDonough and Braungart 2000). Hawken et al.'s (1999) book *Natural Capitalism: Creating the Next Industrial Revolution* anchors this philosophy in the prevailing globalisation debate. In it, the authors assert that the ideology of globalised trade as it currently exists is fundamentally flawed because, while it focuses on financial and manufacturing capital, it does not enhance human and natural capital. Their remedy is to adhere to four principles of natural capitalism, namely: radical resource productivity, biomimicry (Benyus 1997), reconceptualising business as the flow of value and service rather than goods, and reinvestment of firm's profits in natural capital.

Their arguments resonate strongly with certain sections of the business community, which subscribe to the view that taking the lead in integrating a natural capitalism worldview into their operations demonstrates strategic foresight. For example, there are now building architects and town and city planners using the principles of cradle-to-cradle manufacture to ensure sustainable design and eco-effectiveness (McDonough 2009). Similarly, traditionally wasteful materials manufacturers such as floor carpet producers are consciously studying nature and understanding the

concepts of biomimicry to find environmentally friendly solutions to customers' needs (Benyus 2005). An increasing number of such organisations in a variety of sectors in the United States, Europe and China provide growing empirical evidence that the principles of natural capitalism do translate to robust design principles that actually deliver quantifiable results (see, for example, RMI 2009). They are further validated by the view of senior scientists, as cited above, that even a redoubtable challenge like climate change is actually a harbinger of many new opportunities (Stern 2006). Perhaps the strongest endorsement of the abundance lens and the strategy of hope is that an erstwhile advocate of business strategy as choosing what not to do and overall low cost as a preeminent generic sustainable competitive advantage (Porter 1980, 1996), should now write about the 'competitive advantage of corporate philanthropy' (Porter and Kramer 2002, p. 57) and strategic corporate social responsibility as transformation of 'value chain activities to benefit society' (Porter and Kramer 2006, p. 89).

From the above discussion it will be clear that sustainable development is a strategic inflection point not just in the lives of nations and their governments, but in the forward trajectories of industries and individual businesses. How leadership and management in business apprehend and process this challenge, and the far-sightedness they demonstrate in seeking solutions that leverage, mitigate and adapt to it will benefit business and the societies it operates in equally (Friedman 2010). The quality of business leadership's responses, however, depends on the myths and realities that abound in the operating environment, and the augmented set of leadership practices in use. The following sections discuss these in turn.

9.6 FOUR MYTHS AND THEIR CONNECTED REALITIES

It is accepted organisational wisdom that the future is everyone's business and must remain a central preoccupation at all levels. In practice, it is viewed as the 'domain of leaders' (Kouzes and Posner 2002, p. xxviii), not least because of its promise of possibilities albeit predicated on the quality of leadership's strategic thinking. Not surprisingly, therefore, there is empirical evidence to suggest mindful contemplation across industry sectors in Australia on current and emerging leadership practices needed to address productive sustainability in the face of these contemporary challenges. Such reflection highlights four prevailing myths that colour organisational world views and leadership responses, and merit more detailed discussion and deconstruction.

Table 9.2 Eras with significant commonalities and the correlated business strategic and leadership responses

Era	1940–60	1961–80	1981–95	1996–2001	2005–present
Common strategic environment	Delineable and stable	Stable and mature	Fluid and dynamic	Punctuated and discontinuous	High velocity and complex
Leadership process	Dominant and judgemental	Responsive to analysis	Responsive to learning	Purposeful search for meaning	Change agent
Strategy	Prescriptive (design/plan)	Prescriptive (position)	Learning and emergent	Configuration	
Leadership response	Rigid	Reactive	Reactive Adaptive	Adaptive Generative	Generative
Leadership approaches	Transactional	----->			
		Transformational ----->			
		New-new ----->			
		Ensemble ----->			

Source: Adapted from Mintzberg et al. (1998, pp. 358–9).

The first of these myths is the oxymoron that, in business, change is the only constant. This myth is not new and counts many management practitioners and thinkers amongst its protagonists. One of the most influential and constant of these has been Igor H. Ansoff who in the 1960s labelled strategic change ‘so rapid that firms must continually survey the product-market environment’ (1965, p. 125), in the 1970s urged attention to the strategic problem of ‘new conditions of turbulence’ (1979, p. 5), in the 1980s stressed that the ‘level of turbulence has progressively escalated’ (1984, p. 57), and in the 1990s advocated organisational flexibility for turbulent times (Ansoff 1990). Leading forecasters and strategic thinkers strongly dispute this prevailing meme of endemic turbulence (for example, Makridakis 1990; Mintzberg 1994), with Murthy and McKie (2009) providing a convincing counterpoint to Ansoff when they argue that there are actually eras of significant commonalties and differences in strategic environments, and in each era organisational circumstances correlate with its particular responses, as seen in Table 9.2.

The second myth is that the more things change, the more they remain the same. Labelling such a viewpoint as a myth may, at first glance, appear contradictory to the preceding argument that there are clearly identifiable patterns to leadership and strategy processes and responses in different eras. This is not so because the second myth, and the argument against it, is focussed not on events within an identified era, but rather

on the transition *between* eras. It points to the global financial crisis as marking such a temporally sharp transition between eras, using Miller's (1976) and Miller and Friesen's (1980) theory of archetypes that states that transitioning *between* eras is a quantum leap rather than an incremental change. The quotation that the 'more things change, the more they remain the same', is actually an English translation of Jean-Baptiste Alphonse Karr's (1849) famous French quotation in *Les Guêpes*. At its core, it is a tacit, but erroneous, belief widely held by many managers and leaders in organisations that most organisational challenges have a sense of déjà vu. This view, in turn, encourages them to access historical 'master programs for dealing with difficult situations' (Argyris 1998, p. 217) that actually prevents them from 'getting the kind of deep information, insightful behaviour, and productive change they need to cope with much more complex problems' (pp. 213–14) in their prevailing and future business context. It hollows their risk management and weakens their effective response to high-velocity change. This is because, 'fresh thinking and new learning are needed if we are to avoid responding to today's problems with yesterday's solutions, while tomorrow's challenges engulf us' (Dilworth 1998, p. 28).

This view has been robustly ratified by Ian Davis, the Managing Director of global management consultancy, McKinsey and Company. Writing during the depths of the global financial crisis, Davis (2009) predicted the emergence of a 'new normal' (p. 1) for organisations and warned that: 'It is increasingly clear that the current downturn is fundamentally different from recessions of recent decades. We are experiencing not merely another turn of the business cycle, but a restructuring of the economic order' (p. 2).

Leadership can take heart however from the same article's summary assertion that, for those who are able to see beyond this myth of constancy, 'tomorrow's environment will be different, but no less rich in possibilities' (p. 1).

The third myth is that history is the best guide to present and future practice; a notion that is philosophically related to the two myths that have preceded it. In common with them, it could also have deleterious consequences for companies if left uncorrected. This myth refers to the popular practitioner and academic practice of using historical business exemplars to define the drivers of high-performance for future organisational practice. Methodologies are used that are hard-data rich and statistically intensive to retrospectively investigate the target exemplar's management principles, business models and strategies to yield clues to its iconic status and endurance. Such management frameworks are then transferred inter-company, cross-sector, context-imperviously and end up

being misleading guides with little validity for effective forward-looking practice for the recipient organisation.

Nowhere is the folly of such an agenda better illustrated than in the subsequent performances of many of the exemplar companies themselves. Fannie Mae, for example, lauded by *Good to Great* (Collins 2001) as being the 'best in the world at capital markets in anything that pertains to mortgages' (p. 101), was placed into the conservatorship of the Federal Housing Finance Agency (FHFA) on 7 September 2008, after it had engineered the single most significant global financial meltdown in seven decades by triggering the subprime mortgage crisis because of systemic failures in its operations, management and leadership. This has led to the most sweeping government interventions in private financial markets in decades and the effects of this incursion continue to resound around the world even into 2010. Fannie Mae stock, bought around the time that the book was published, would have lost over 80 per cent of its initial value by October 2008. Its tag line of excellence reads singularly disingenuously in hindsight.

This failure raises serious issues about the universal application of discrete messages. Simultaneously, it argues that in times of high velocity changes and massive uncertainties, future practice can no longer be based on the retrospective (and even more so, the *restricted* statistics-based retrospective) evidence of management exemplars and models. Instead of looking back for prescriptive guides to future performance, it proposes that research draws more from existing practice and emerging trends to develop better anticipation and more conscious ways of looking ahead. Leadership must rely less on gaining guidance from the past and more on learning for the future from the present.

The fourth and final myth is the belief stated so unequivocally in Friedman's (2002) *Capitalism and Freedom*, that 'there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud' (p. 133). The fit-for-purpose assumption implicit in Friedman's assertion has already been critiqued. For Friedman, as stated earlier, the trade-off between economic objectives and social obligations is real and present and the business of business is to do business.

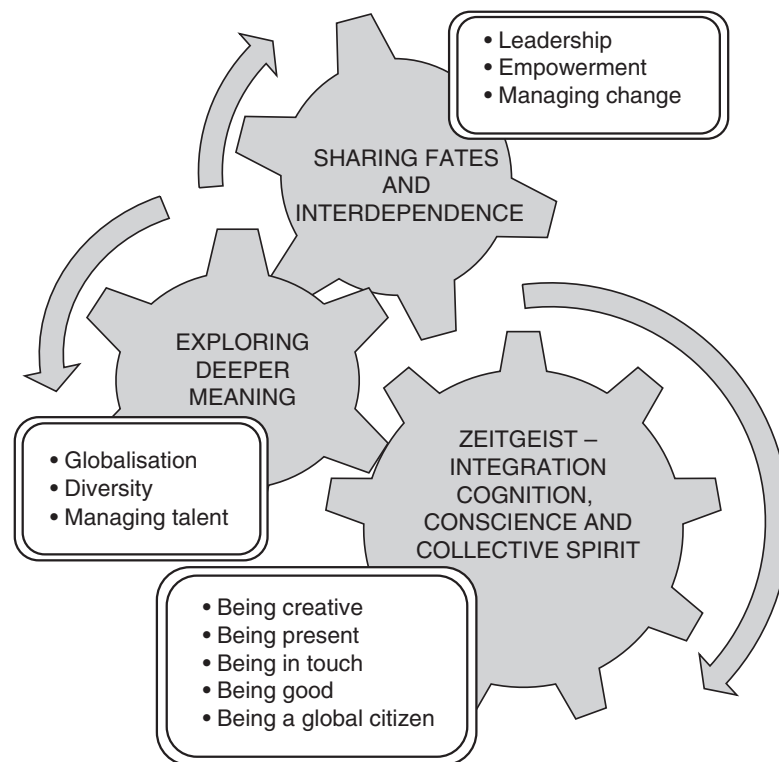
Underpinning the rationale that counters this myth is the pressing weight of empirical evidence that demonstrates that the 'most effective method of addressing many of the world's pressing problems is often to mobilize the corporate sector' and that in the long run, 'social and economic goals are . . . integrally connected' (Porter and Kramer 2002, p. 59). The precept that businesses cannot succeed in societies that fail, argues in

favour of a strategic approach to corporate involvement in society (Porter and Kramer 2006, p. 89).

9.7 ENSEMBLE LEADERSHIP REPERTOIRE

The preceding sections have highlighted that there is vibrant debate around first cause, final outcomes and adaptive and mitigating responses to anthropogenic climate change because of the incomplete and inconclusive nature of the currently available information. It has, however, stressed that both on the balance of probabilities and in view of the available evidence climate change is arguably an issue of global proportions. Businesses face hitherto unknown challenges as a consequence. These include the significant strategic paradoxes of choosing between a limits and/or an abundance paradigm, as well as resetting a number of operational myths with regards to businesses' *raison d'être*. On the premise that responding to this redefinition of organisational strategic performance requires businesses and their leadership to learn and deploy an augmented repertoire of leadership practices, this section summarises the findings from a neo-classical grounded theory research study (referred to in the Introduction, Section 9.1). That study examined two related research questions: 'What existing and likely future challenges face contemporary Australian businesses?' and 'What current and emerging practices are leaders using to address productive sustainability?' to arrive at a substantive theory on leadership practices and their successful enactments for complex environments, called the Ensemble Leadership Repertoire (see Figure 9.2). It comprises three practices taken together and working in harmony: firstly, sharing fates and interdependence; secondly, exploring deeper meaning; and, finally, the emerging practice of 'Zeitgeist' (that is, integrating cognition, conscience and collective spirit). As the name 'Ensemble' suggests, these three practices are not manifested individually in exclusion to each other, and/or as a paradigmatic shift from one practice to the other. Rather, successful leadership demonstrates all three practices as appropriate, as an Ensemble Repertoire in the pursuit of sustainable organisational productivity.

The third category of Zeitgeist which is integrating cognition, conscience and collective spirit generates five new enactments which are particularly germane to emerging challenges in the current and future environment. These enactments are: being creative; being present; being in touch; being good; and being a global citizen. Each of these in turn can be much more nuanced and more sharply delineated (see Table 9.3).



Source: Murthy and McKie (2009, p. 124).

Figure 9.2 The ensemble leadership repertoire

9.8 CONCLUSIONS

The present challenges of climate change and sustainable development require businesses to re-imagine their purpose. This is because for the first time business is being viewed as a responsible and significant actor in the search for systemic and enduring solutions. The traditional view of business has been that economic success and sustainable development are mutually exclusive. This dominant worldview has meant that the discussion on sustainable development has repeatedly stressed the trade-off between economic development and environmental security. It is only as recently as 5 years ago that such a zero-sum paradigm has begun to be supplanted by a second lens of abundance and a strategy of hope that suggests that businesses can grow and develop without abrogating their social responsibility by embracing concepts of natural capitalism. This requires the reconfiguration of dominant organisational wisdom around such fundamental issues like: the nature of change; the recognition of the emergence of a new world economic order; the need to rely more on

Table 9.3 Emerging leadership practice – *Zeitgeist*

Being creative	Being present	Being in touch	Being good	Being a global citizen
<ul style="list-style-type: none"> ● Understanding and accepting change ● Fresh approach, new ideas ● Willingness to experiment ● Cross-fertilisation of ideas ● Outsider perspective and insider knowledge ● Changing organisational context-culture 	<ul style="list-style-type: none"> ● Respecting expertise ● Being interested and involved ● Seeing the world in a new way ● Examining and learning from mistakes ● Awareness and appreciation of context 	<ul style="list-style-type: none"> ● Enriched sense of community ● Dialogue with multiple stakeholders ● Working together for organisational effectiveness ● Understanding diverse perspectives ● Formal and informal processes to craft strategy and design 	<ul style="list-style-type: none"> ● Positive emotions ● Sense of service ● Individuals working together for common good ● Instilling trust 	<ul style="list-style-type: none"> ● Caring for the planet ● Showing environmental responsibility ● Doing ethical business ● Developing solutions for under-privileged people ● Creating global sustainable enterprise models ● Playing a part in an inter-connected world

Source: Murthy and McKie (2009, p. 124).

learning for the future from the present; and the fundamental tenet that businesses cannot succeed in societies that fail. Such a redefinition of organisational strategic performance will require businesses to learn and deploy an augmented repertoire of leadership practices. The Ensemble Leadership Repertoire comprised three practices taken together and working in harmony: firstly, sharing fates and interdependence; secondly, exploring deeper meaning; and finally, the emerging practice of ‘Zeitgeist’ (that is, integrating cognition, conscience and collective spirit) is one such augmented set of practices that has been theorised from researching Australian companies. These have been summarised very briefly in the preceding section and are offered as one example of

the gestalt expression of an organisation's reason, emotion and inclusive spirit. This chapter concludes by stressing that in the light of the clear, present and interdependent challenges of climate change, poverty, inequity, pollution, resource depletion, globalisation and demographic shifts (WBCSD 2007, p. 2), businesses' leadership priorities needs such re-imagination.

NOTE

1. Brief excerpts from the author's book, *Please Don't Stop the Music: An Ensemble Leadership Repertoire, Productive Sustainability, and Strategic Innovation for Uncertain Times*, published in 2009, have been used at different times in this chapter.

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