

# Sustainable leadership

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Sustainable leadership is a central force in shaping the ongoing paradigm shift towards a sustainable future for individuals, corporations and societies. The urgent task is to improve our ability to combine the individual internal orientation with a global perspective. We all know how money talks; we also have to listen to the voices of life in order to foster and formulate a new mindset and live the future, while we create it.

## *The history and the political process*

When we look at the Human history, one hundred years are not impressive.

When we look at the practical leadership and political processes, one hundred years seem interminable or enormous.

Very seldom we try to have such a 100 hundred years perspective when discussing political and business issues.

In fact, industrial and political leaders still oftentimes make decisions which have consequences for hundreds of years – and have consequences in many dimensions – while at the same time their time horizon – while making the decisions – are very short. Extremely short.

## *The time horizon and traditional economy*

In reality, the time horizon for many important decisions is a few years. And at the same time quite many decision dimensions are ignored, are not dealt with. This, in combination, is a catastrophe.

Traditional managerial economics are very short-termed – aiming at maximizing the company profit while only looking at the next few years and taking into consideration only a few variables and constraints.

Traditionally, these variables and constraints are only directed towards the company's own isolated situation and do not include e.g. life and nature. The company model on

which we have based these decision models looks at the company as isolated from the environment. The only connections are economic, i.e. streams of money transactions.

The essence of a new company model and a new management theory should be to attend to living assets, or living asset stewardship as Joseph Bragdon calls it in his book: Profit for life. The crucial feature of such a theory is the distinction between living assets (human beings and nature) and non-living assets (capital). Living assets are more important to the corporate world's productivity, value creation, and long-term success than non-living assets simply because living assets are the source and the prerequisite for non-living assets.

If we – in parallel – look at the decisions made by our political leaders also *their* decisions are oftentimes extremely narrow and short-termed in their perspective. Sometimes disastrous short in their perspective – covering only the next election.

Economists and business researchers, including operations researchers and management scientists have a great responsibility for all this.

### *Non-sustainable decisions*

Consequently, we make a tremendous lot of decisions worldwide which are not very wise. Or put another way: We make a lot of unsustainable decisions. We make a lot of decisions which are harmful in relation to man and nature.

Last year Jeremy Rifkin published his book: The Emphatic Civilization in which he claims: "A world in crisis needs a global leap in Empathy". He even talks about a global embrace or hug.

### *Leadership from the Heart*

We need another time perspective and quite another way of looking at decisions and their impact, i.e. decision models based on other aspects and dimensions than pure economic variables and dimensions are needed. Those models represent among other things the practical consequence of the empathy which e.g. J. Rifkin is talking about in his book: The Emphatic Civilization.

Last year Michael Stubberup and I published a book: Sustainable Leadership – Leadership from the Heart.

A fundamental idea in our book is that inner and outer changes are interconnected. We cannot establish a better outer or outside world without changing the inner world. The book is located in the interface between on the one hand leadership and organizational research and on the other hand research in modern neuroscience and psychology.

From this position we attempt to encourage the leadership community to adopt an introspective mode on an individual basis. As a supplement or alternative to the conception of human beings as controlled by external factors alone, which has characterized much leadership and management research so far. We also wish to combine the individual internal orientation with a global perspective of sustainable leadership.

Leadership are two-sided: The inner side, which is the leaders mental, emotional and spiritual basis, and the external or outer side which is all the so called results which we are aiming and striving at. Traditionally, in management and leadership research we have focused on the external dimension of leadership and neglected the obvious connection between the manager and leader as an individual and the actual decision making behavior and decision execution.

One cannot practice sustainable, authentic, and meaningful leadership unless it is grounded in a profound anchorage in the self. The sustainable, the authentic, and the meaningful emerge from an inner clarity, an awareness of what is important – important to me, important in my life, and sufficiently important for me to assume a shared responsibility for a leadership process. Sustainable leadership is generated by our ability to read feelings as sounding boards for dreams, intentions, desires, decisions, actions.

### *Growth*

Growth has by far been *the* most important external dimension or factor. All round the scene we talk about growth – growth in production, consumption, and welfare. Growth - material and economical.

To a large degree, we still act as if the goal is growth – material and economic growth – whatever the cost. "If we do not grow, we will die", an executive leader recently said. I am sure that we need growth. But at the same time we need to reconsider and redefine what growth is at the individual, the company, and the societal level.

So still – whilst pursuing growth, we destroy a lot. Many people are suffering and the earth is put under enormous pressure.

So, the ways in which the values and the value creation (profit/results) are calculated in the modern company and political world are still extremely inadequate. A sustainable leadership must inevitably be based on other ways of assessing and prioritizing values and costs.

One of the chapters in Bragdon's remarkable book is entitled *The Heart of Enterprise*. If we study the companies that work with the kind of social and environmental responsibilities, which are the central parameters of Bragdon's measurements of socially and environmentally responsible companies, then we find companies which on the one hand are very different, but on the other hand also display some clear patterns whose development is characterized by the following issues: 1) *Authentic mission and vision* as well as *values*, originating and born within the company itself and which have a clear connection to values and attitudes which engage people within and outside the company, 2) *A decentralized network organization*, based on a principle of helpfulness, where you trust your co-workers. In this network the employees have a wide range of opportunities for participating in self-development processes in which they are expected to work on self-organization, 3) *A culture*, characterized by a *servicing leadership*, where the role of the leader is to serve the professional development of the co-worker, and where co-workers are treated as important assets, as opposed to employees who incur expenses and towards whom you have an obligation, 4) A commitment to *continual learning* which allows co-workers to experiment and fail in their innovative and creative processes, 5) A leadership which in an historical perspective undertakes a *wise and careful financial leadership* that reflects a clear intention to practice sustainable politics which in the long perspective will benefit future generations.

### *Costs*

The various effects or consequences of the company's activities, like pollution of the environment, which at the moment – as the most normal - are not considered to be of any particular value, must necessarily be an item in future cost accounting.

This goes for the company level. At the societal level we still practice the same inadequate way of calculating values and costs. The conventional GNP way of measurement and calculation are extremely insufficient. At the same time we can see, that there is research and serious considerations as to how to develop alternative measures and concepts.

Many of our social constructions, administrative arrangements, and habitual thought patterns and institutions can no longer be considered appropriate – to put it prudent.

## *Mindset*

They are incapable of understanding the changes occurring around us, because many of the preconditions, on which these thought patterns were or are based, have changed or disappeared completely. The preconditions behind our conceptions of the so called liberal market based economies and the preconditions behind our global financial markets are strongly weakened or not existing any longer.

This means that the framework conditions of our mindsets often no longer exist. They only exist in the mindset themselves.

The current economic and financial crises are among other things a result of the changes in the structures and cultures which formed the basis for Industrial society.

We have moved from – or are moving from - a local divisive culture to a global and systemically holistic orientation. This means that the cultures and the conceptions of the world we were born into are rather limited in the context of the present reality.

## *Necessary changes*

Part of this is what we in our book call Necessary Changes. The necessary changes require that respect for life and the processes of life should be at the top of the agenda and hence contribute to the creation of an increasingly sustainable society. This contention means that we, as human beings, must improve our ability to listen to the signals of the processes of life. We specifically need to improve our understanding of information about the state of the globe. Moreover, we should also listen to the individual experiences of people in our own so called modern world as well as in the poorest parts of the developing world. These processes all begin at home, involving every one of us.

In our context, the most significant necessary change will be the shift from an external to an internal orientation, where the individual's ability to read his or her surroundings is consolidated in the self. This means improving our ability to listen to the signals that we more or less consciously apply to find our bearings, i.e. our body, language, our emotions, and our thoughts whose cumulative messages tell us what goes on inside us and in the social space in which we act.

## *Listen to feedback*

This is the way living systems sense themselves – by listening to the feedback from within the system and from the environment. By becoming aware of these messages, we can improve our listening skills and thereby our respect for what we might call the voices of life, i.e. my own voice and the voice of the environment. We must develop a serious approach to the fact that emotions, thoughts, assessments, and decisions originate in the psyche, and as such are firmly based in human beings. Again: We cannot change the outer world without changing the inner world. This has to do with *the* single leader and with *the* single leadership team.

In our formulation of the concept of sustainable leadership and leadership from the heart, our point of departure is that the individual must embrace values associated with the meaning of their own lives in order to be able to take responsibility for and manage their actions and subsequently participate in the leadership of other people.

### *Responsible citizens*

In our book we visualize a new generation of responsible citizens who in future scenarios will take action from the heart and not make decisions based on short-term, rational perspectives – alone. In this context the heart signifies the centre of the human being, identical with the location of meaning and wisdom – or if you like, the location of a sustainable approach to and understanding of the world. In our book we discuss leadership from the heart as part and parcel of an agenda where sustainability and respect for life not only become obvious benchmarks, but also natural requirements and preconditions.

In this perspective we apply considerate metaphors and concepts characterized by words like respect, community, and latitude.

### *Living systems*

Today we know much about the individual's internal processes from the minutest details to the larger contexts – from mirror neurons to empathy and behavior, from body to emotions, thoughts and relations. A basic premise in our book is that in order to be able to take responsibility for sustainability, each of us must individually learn the basic feedback mechanisms which are the blueprints of the organization of all living systems.

The organic, pulsating rhythms and balances of a living system include internal and external feedback. This entails an awareness of the individual component of the system as well as a focus on the system as a whole. In order to be able to perform sustainable leadership, one must know how to navigate. As a human being you need

an inner compass, a distillation of all your experiences and values combined with a sense of direction, so that you know what your objective is. In order to be able to lead human beings, you must know the basic biological, psychological, and social mechanisms and rules of the game.

### *Sustainability: Three levels*

We discuss sustainability on three levels: 1) Individually, 2) socially, and 3) globally. Normally, sustainability will be an implicit, self-organizing process functioning on the premise that the parts of the system, as well as the system as a whole, over time find a mutual balance. The process is manifested in an organizational framework that respects the individual parts and gives priority to the whole, i.e. the goal, the task at hand or the actual meaning of the living system, whether we are talking about a human being, a group, a corporation, or the planet.

In a systemic understanding of life, living systems continually create and recreate themselves. They undergo continual structural changes, while retaining their core patterns. Understanding life means to understand the sustained processes, which are the building blocks of life.

### *Meaningful change*

Basically the exercises and the challenges are to make processes of change meaningful for human beings from the outset. The point is to generate attention for a cause and inspire co-workers to participate in the creation of an environment, where creative changes are second nature. We should invite people to join processes of change and awareness building, which encourage them to think outside the box, generate new structures, and new corporate or organizational designs.

In conclusion: The degree of internal grounding, the depth, the nuance, and the knowledge a human being has of his or her interior, determine the way and the extent to which he or she is able to interact with other people and the world at large. The internal dimension is a central point of development in leadership work in general and particularly in relation to the development of what we might call the highest future potential.