



# **Occasional Papers:**

**June 2008**

## **A Leadership Model For The Planet**



**Author:** Dr. Andrew Taylor

**Organisation:** Connect CEE SRL, a Romanian registered Human Resources consulting firm

**Abstract:**

Growing uncertainty and complexity as a feature of management is indicative of a social and economic tipping point. Our economic ambition, based upon an anthropocentric world view and unlimited consumerism is causing ecological collapse. For all its faults capitalism has demonstrated an incredible dynamism. Given the control over resources that managers hold, a reorientation of their behaviour could be the key to avoiding ecological collapse. Argyris and Schon (1993) double loop learning model has shown that managers are more committed and effective when what they are working toward has value that is measured in something more than financial terms. The addition of a third action loop would produce a holistic three dimensional model of leadership, based upon ecological ethics that could abolish the values/behaviour gap that individual managers suffer from. The fusion of venture capital and clean technology may be the emergence of our model in action.

**Key words** (up to 8): Environment/Ecology, Management, Adhocracy, Leadership, Ethics, Human Resources

---

It is widely asserted by contemporary management writers (such as Mintzberg (1989) and Handy(1990)) that there is a growing sense of complexity in the milieu in which managers endeavour to work. To add to this sense of encroaching chaos, environmental problems have begun to impact upon managers' daily lives at two levels. If managers are to continue to manage during what has well been termed the "Age of Unreason" (Handy 1990), they will need to adopt new, holistic and invigorated approaches to leadership.

The first impact of the environment upon managers arises from an emerging understanding that environmental problems are largely problems of externalities, that is to say consequences of human activity that are shifted from the producer to others, often the rest of society, resulting from human, especially business, activity. This has resulted in an avalanche of effort to make companies and individuals internalize those costs. Emission trading, congestion charging, proposals to introduce personal carbon passports. The list appears to get longer by the day.

The second impact involves the spate of unusual extreme weather events experienced by Europe in summer 2007 - such diverse meteorological phenomena as the UK summer floods and the unprecedented south-eastern European summer heat wave are being attributed to global warming, which is thus perceived to impact directly upon peoples' lives. What James Lovelock (2007) has described as "the Revenge of Gaia"; the consequences of two centuries of externalities on an industrial scale, is having an immediate material effect upon peoples' lives.

As foreseen by Williams and Creswick (1979) and others, complexity and uncertainty are rising both in our daily lives and in business. In the latter area, many of those accorded *guru* status, such as Charles Handy (1990) and Henry Mintzberg (1989), are discussing a future with less order and structure, whilst the scientists Jared Diamond (2005) and James Lovelock (2007) have both made strong and well researched cases for this being a tipping point in human history. Diamond concludes that if we as a species are to avoid ecological collapse, we must change our way of thinking and challenge our cultural and economic assumptions about life.



Diamond's (2005) studies of societal collapse illustrate that it is not so much a society's organizing ideology that is the fundamental problem, it is more its relevance to the environment off which it feeds. As the Philosopher Andrew Dobson (1990) memorably noted;

...discussion of the respective merits of communism and capitalism is rather like rearranging the chairs on the Titanic....It makes no appreciable difference who owns the means of production if the production process itself is based on the assumption that its development need not be hindered by limits to growth.

Both Porritt (2007) and Diamond (2005) observe that whilst trading to improve life conditions is an almost constant thread throughout human history, the implicit assumption that economic growth is not bounded by environmental limits is a recurrent and fatal error. This is crudely summarised by Mc Burney (1990) as "ecology into economics won't go". Economic activity must fit in to ecology if it is not to self-destruct.

Whilst capitalists have serious problems accepting the challenge to Cartesian and Baconian mechanistic and materialistic logic, it is becoming increasingly difficult to continue the delusion that we can separate ourselves from our resource base. As Lovelock (1988) has noted "life and its material environment are massively interconnected". We really *are* what we consume.

Parekh wrote in the January 2008 edition of *Resurgence* that there are two drivers of our current ecological predicament. First, an "anthropocentric view of the universe. In this view humans are the crown of creation and have absolute right over nature". Second, consumerism without limits. Together he argues, "these assumptions legitimise and drive modernity".

Interestingly, management writers have begun to develop a very similar approach. Senge (1990) refers to this as "systems thinking" which he describes as;

"a discipline for seeing wholes. It is a framework for seeing inter-relationships rather than things, for seeing patterns of change rather than static snapshots".

In this, and from within a management context, Senge echoes Lovelock's (2000) *Gaia* theory of inter-relationship. Both highlight the need to see the big picture, take a holistic view and avoid overspecialisation if we are to avoid being entrapped and overwhelmed by complexity. They also imply that we need to address the really big issues facing us.

However, as the Bishop of Oxford (1913) noted at the beginning of the twentieth century, the marvel of Capitalism is its ability to turn sand into gold. That is to say, that the search for opportunity and advancement allows those with vision to turn disaster and loss into order and profit, or water into wine. The challenge for the business leaders of the future, or what Handy (2004) calls "New Alchemists", is to convert the current and very immediate threat of ecological collapse into an opportunity. The problem is that as Gandhi said "the world provides enough for everyone's need, but not for anyone's greed" (Parekh 2008). That much lauded concept of the 1980s, sustainable development, has come to be seen as entirely oxymoronic and without substance.

Whilst the need/greed dilemma appears impassable right now, the emergence of emissions trading markets, growth of the so called freeconomy, fair trade, organic food, vegetarianism, etc. all indicate attempts to bridge the gap. As Parekh (2008) tellingly says "people's attitude to Nature is bound up with their attitude to themselves and vice versa". Mintzberg (1989) says managers'



power over resources and institutions mean that “no job is more vital to our society than that of the manager”<sup>1</sup>. Barnard's belief that “business organizations are more effective instruments of social progress than either Church or State, partly because they were driven by the cooperation of individuals working to a common purpose rather than by authority” (Kennedy 2007) indicates that the key to a sustainable future lies in a redefinition of managers' conceptual parameters.

If managers are to be enablers of planetary survival then we need to develop a new approach to risk, one which explicitly includes ecological limits upon economic behaviour. This implies a fundamental reorientation of their role in allocating resources to minimise risk and maximise reward. Such a step is no easy task, since as Bakan (2004) has infamously observed “managers' only universal obligation is to maximise profit”. This is the source of dynamism that has turned sand into gold. It requires no less than a shift away from the anthropocentric world view that has characterised the post-enlightenment era, to an ecocentric model of organisation. As Diamond (2005) puts it “ a lower impact society is the most impossible scenario for our future – except for all other conceivable scenarios”.

Ecocentric does not have to mean anti-capitalist, as is often assumed. It may mean harnessing the profit dynamo of capitalism toward the objective of living within ecological limits. Historically we could reasonably assume that such a radical shift could only take place within changed legal and political environments controlled by Governments. However, with an absence of one world governing body, the retreat of the State from the economy as the current hegemonic *modus operandi*, combined with its growing impotence in a globalised world, we cannot rely on politicians to deliver. Yet today observers of all kinds are witnessing the cognitive dissonance created by a divergence between personal values reaching beyond economics and the ruthlessly exploitative behaviour required by contemporary capitalism. This is not only bad for managers' mental health and motivation, but also damaging to their effectiveness and commitment, which underlines Barnard's concept of manager as value-shaper, and in turn, makes the scale of the above described shift in thinking seem less outside the scope of possibility.

Interestingly the tools to bring capitalist dynamism to bear upon our ecological predicament, whilst uniting our personal and work selves in one conceptual framework may already, in large part, exist. In the first place, we might use Argyris and Schon's (1993) model of ‘double loop learning’, as a means to break the conceptual status quo. In ‘model I learning’, they argue that, managers try to resist change through being as self contained as possible and exporting change upon others. In such situations (the normal working environment) the outcome is repression and mistrust which, through its requirement of conformity, creates a self perpetuating cycle that in my observations masquerades as ‘professionalism’. ‘Double loop learning’ (model II) is predicated upon learning from others through discussion and choice, rather than self-perpetuating experience. Naturally, for ‘double loop learning’ to be effective it requires leadership. The problem for business is that leadership, in part, requires a vision for people to commit to, yet the search for profit has only a limited appeal. Yes, Argyris and Schon (1993) are right that people tend to be more committed when their contribution is valued and when working together for a common goal. However, the addition of a third loop of ecological constraint and awareness, wrapped around the previous two, could provide the urgency and the incentive to convert them into ‘action loops’. In doing so we might reduce the values/behaviour gap that drives managers to seek what Ghosal described as a “third place” (Birkinshaw and Piamal 2005) of fulfilment/expression away from their roles as employees and family members, where they can be true to themselves. For ecologically and economically valuable work provides an opportunity to bring family value and personal fulfilment

---

<sup>1</sup> H. Mintzberg 1989. *Mintzberg On Management*. Macmillan: London



together into something that provides both personal and collective pride, thus generating the possibility to import third place satisfaction into the working environment and enrich our private lives through pride in our ability to deliver upon our values through our working behaviour, making us happier. This could really be the '80/20 principle' (Koch 1998) at work! Could this be where values and behaviour connect with personal identity in what used to be called craftsmanship?

Argyris and Schon (1993) have shown 'model I' management to be essentially one dimensional and through their 'model II' offered a more engaging two dimensional model. However, if business is to become truly sustainable it requires a truly holistic three dimensional approach to management that accepts ecological limits and organises the search for profit within such parameters.

Mintzberg (1989) has written that adhocracy is the business model of the future, with its knowledge based, project oriented approach that shows little respect for the classical principles of management. Adhocracy is most often used to describe the kind of firms coming out of Silicon Valley - young, technology driven, visionary, dot-com in style, such as Google, Apple, etc. Yet *The Economist*, (2008) has recently noted a growing trend of the best minds migrating from the IT industry of Silicon Valley to clean technology firms. Could this be the coming together of our model in reality? There can be no doubt that adhocracy requires double loop learning and that the desire to effect change and realise a vision is as powerful a motivator as profit. Silicon Valley is not next to San Francisco by accident! The executives covered in *The Economist* story underlined the importance of holistic systems thinking as central to the transferability of their success to clean technologies. Equally the burst of activity in developing tidal and wave energy around the UK which has occurred in the face of government bias toward nuclear, required visionary leadership and a healthy disrespect for authority (*Independent on Sunday* 2008) - all central features of an effective adhocracy.

Whilst the Silicon Valley capitalists may be feeling their way to converting the idea of ecological constraint into business profit and thus providing some leadership, without significant intellectual drive we may simply run out of time. The worry is that the high priests of capitalism, the management gurus, remain trapped in their own one and two dimensional thinking. In response to his unending enthusiasm for further economic growth, at a public lecture in Bucharest, I asked the management writer Richard Scase whether if Diamond and Lovelock are right, and we have passed an ecological tipping point, are we not in danger of collapsing under the weight of our own economic hubris?. He replied that "there are many millions of people living in poverty who must be fed and the only way is economic growth". This of course is partly true, but misses the bigger picture entirely and is a perfect example of a 'model I' response to a three dimensional problem. For all its faults and injustices, capitalism is not about to disappear tomorrow. However, nothing short of a revolution in the way that the search for profit is structured will avert ecological catastrophe.

Altering the legal parameters alone will not ensure, or enable this to happen. What is required is a semi-spiritual reconnection with the earth at both the personal and the organisational level, that redefines our reign over its bounties as mere stewards.

To some, this is like turning the historical clock backwards. Yet for the first time two things are different. First a civilization is not at stake, but the earth itself as a whole. Second, we have a choice, about which we are informed, one for which we ourselves will be forced to take responsibility, whether we like it or not. If we get it right, three dimensional thinking may just take us to Ghosal's third place, where work is meaningful, wealth reaches beyond that which can be



counted and life has taste.

## References

- C. Argyris and D. Schon 1978. *Organizational Learning: A Theory of Action Perspective* Addison-Wesley: Wokingham
- C. Argyris 1993. *Knowledge for Action: A Guide to Overcoming Barriers to Organizational Change* Jossey-Bass: San Francisco
- J. Bakan 2004. *The Corporation: The Pathological Pursuit of Profit and Power* Constable and Robinson: London
- J. Birkinshaw and G. Piamal 2005 *Sumantra Ghosal on Management* Prentice-Hall: London
- The Bishop of Oxford 1913. *Property: Its Rights And Duties* Macmillan: London
- A. Dobson 1990 *.Green Political Thought.* HarperCollins: London
- J. Diamond 2005. *Collapse: How Societies Choose to Fail or Survive.* Penguin: London
- The Economist* March 1<sup>st</sup> 2008
- C. Handy 1990. *The Age of Unreason.* Business Books, Arrow: London
- C. Handy 2004 *The New Alchemists.* Hutchinson: London
- Independent On Sunday* 23 March 2008
- C. Kennedy 2007. *Guide To The Management Gurus.* Random House: London
- R. Koch 1998. *The 80/20 principle* Doubleday: New York
- J. Lovelock 1988. *The Ages of Gaia.* Oxford University Press: Oxford
- J. Lovelock. [1979] 2000. *Gaia: A New Look at Life on Earth*, 3rd ed. Oxford University Press: Oxford
- J. Lovelock 2007. *The Revenge of Gaia.* Penguin: London
- S. McBurney 1990. *Ecology Into Economics Won't Go: or Life Is Not A Concept.* Green Books: Bideford, Devon
- H. Mintzberg 1989. *Mintzberg On Management.* Macmillan: London
- B. Parekh 2008. *Servant of the People, Resurgence* No. 246, January/February 2008
- J. Porritt 2007. *Capitalism As If The World Matters.* Earthscan: London
- P. M. Senge 1990. *The Fifth Discipline: A Shift Of Mind* Bantam Doubleday Dell: London
- C. Creswick and R. Williams 1979. *Using The Outdoors for Management Development and Team Building.* Food, Drink and Tobacco Industrial Training Board: Gloucester