

# PAMPHLET 1

## SUSTAINABILITY

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I believe that the enterprises of the world must join together to live out a new purpose for business for the 21st century: *To save the world by creating sustainable organizations, a sustainable global economy, and a sustainable planet for future generations to enjoy.* Organizations must provide the leadership needed to change how people relate to the natural world. They alone have the human and financial resources to do so. They alone can make a profit by doing so.

A sustainable society is one that satisfies its needs without endangering the ability of future generations to meet their needs. A sustainable global economy is one the planet is capable of supporting indefinitely. A sustainable organization is one that the marketplace is capable of and willing to support indefinitely. Sustainable organizational transformation coevolves with the marketplace and satisfies the highest needs of the people in the organization and in the marketplace.

Research shows that leaders and followers are disappointed with two-thirds of the efforts to transform organizations during the past decade. Studies indicate that the maximum life expectancy of corporations is in the hundreds of years but the average life expectancy is less than 50 years. The discrepancy between the potential and actual life expectancy of corporations is greater than for any other species on the planet. This is depressing information made more distressing in times of such rapid global change. We can learn about transformation and sustainability from nature and from organizations that have endured for hundreds of years.

Sustainability does not mean individual forms exist forever; that cannot happen in a living system where there is ongoing adaptation to the environment. Sustainability means the dynamics and patterns of organization that make up living systems are congruent at all levels of organization and endure.

Fritjof Capra wrote that the wisdom of nature is sustainability. Ecologies and organizations are living systems and share the same principles of

organization. Both are networks, their histories determine their structures, and they are intelligent and capable of learning. Ecological literacy means using the principles of organization of ecosystems (a community of organisms and their physical environment interacting as an ecological unit) to create sustainable human communities. We can learn much from nature about sustainability.

Capra discussed four principles of sustainability:

1. Interdependence--All members of a community are interconnected in a vast and intricate network of relationships and are mutually dependent on one another. The success of the whole community depends on the success of each member and the success of each member depends on the success of the community. Understanding ecological interdependence means understanding relationships. Nourishing the community means nourishing the relationships.

2. The cyclical nature of ecologies--The ecosystem's feedback loops are the pathways along which nutrients are continually recycled. What is waste for one species is food for another, so the ecosystem as a whole remains without waste. Human communities violate this principle because our industrial economic systems are linear. Our enterprises create waste that remains waste. To create cyclical patterns we need to fundamentally redesign our businesses and our economy.

3. Partnership--the cyclical exchanges of energy and resources in an ecosystem are sustained by cooperation. Partnership--the tendency to associate, establish links, live inside one another, and cooperate--is one of the hallmarks of life. In human communities partnership means democracy and personal empowerment, because each member of the community plays an important role. As a partnership proceeds, each partner better understands the needs of the other. Both learn and change--they coevolve. Our economic systems emphasize competition, expansion, and domination. This is not sustainable. Ecologies emphasize cooperation, conservation, and partnership. This is sustainable.

4. Flexibility and diversity enable ecosystems to survive disturbances and adapt to changing conditions. In human communities lack of flexibility manifests itself as stress. Stress will occur when one or more variables of the system are pushed to their extreme values, which induces increased rigidity throughout the system. Temporary stress is an essential aspect of life, but prolonged stress is harmful and destructive to the system. These considerations lead to the important realization that managing a social

system--a company, a city, or an economy--means finding the **optimal** values for the system's variables. If one tries to maximize any single variable instead of optimizing it, this will invariably lead to the destruction of the system as a whole. Organizational flexibility is attained by feedback that keeps the system in balance when the external environment changes and by flexible thinking.

A diverse ecological community is a resilient community. Diversity is a competitive advantage only if there is a truly vibrant community, sustained by a web of relationships. If the community is fragmented into isolated groups and individuals, diversity can easily become a source of prejudice and friction. If the community is aware of the interdependence of all its members, diversity will enrich all the relationships and thus enrich the community as a whole, as well as each individual member. In such a community information and ideas flow freely through the entire network, and the diversity of interpretations and learning styles--even the diversity of mistakes--will enrich the entire community.

Let's shift the focus to studies of business communities. A study at Royal/Dutch Shell found that long-lived companies had four commonalities:

1. Long-lived companies were sensitive to and in harmony with their environment. They had the ability to learn and adapt.
2. Long-lived companies were cohesive, with a strong sense of identity. No matter how diverse, employees felt they were part of one entity. This sense of belonging to an organization was essential for survival amid change.
3. Long-lived companies were tolerant of activities on the margin: outliers, experiments, and eccentricities within the boundaries of the cohesive firm. . . . This tolerance demonstrated the awareness of ecology the organizations ability to build constructive relationships with other entities, within and outside itself.
4. Long-lived companies were conservative in financing. They could manage their own growth and evolution effectively. Arie DeGeus wrote, "Companies die because their managers focus on the economic activity of producing goods and services, and they forget that their organizations' true nature is that of a community of humans. The legal establishment, business educators, and the financial community all join them in this mistake."

The research of James C. Collins and Jerry I. Porras found that “visionary companies” (long-lived and successful) had similar commonalities:

1. Visionary companies preserved core purpose and values that endure forever and vision that endures for a long time--everything else changes as is needed to adapt to the marketplace.

Contrast this with a quote from Humberto Maturana:

Living systems. . . (are) organized in a closed causal circular process that allows for evolutionary change in the way the circularity is maintained, but not for the loss of the circularity itself.

2. Profitability is a necessary condition for existence and a means to more important ends, but it is not the end in itself for many of the visionary companies.

3. Visionary companies had cult-like cultures. They were great places to work for those who bought into the core ideology; those who did not fit were rejected.

4. Visionary companies established large, challenging goals.

5. Visionary companies experiment.

6. Visionary companies seek constantly to improve.

**Both studies described fundamental dynamics of living systems and organic worldviews. The dynamics of living systems are present in all organizations. In most organizations these dynamics are driven underground by efforts to control. This results in less than optimal functioning of the enterprise leading to mediocrity, stagnation, and premature death.**

The word transformation is used frequently, but few leaders, academics, consultants, or organizations have ever experienced a transformation. True transformation involves a fundamental change in the relationship between an organization and its environment, including its internal environment. Transformation begins with a shift of worldview.

People live, lead, and work from their worldview. The worldview of Western industrial society is changing from a mechanistic view of the

world to an organic or ecological worldview. This change in worldview will change in fundamental ways the way we think about leadership and what we do when leading and working in organizations. A transformation of worldview requires new learning, feedback and dialogue, a deep examination of beliefs, and a decision to change fundamental operating assumptions. A transformation requires the development of latent capabilities, and the practice of new skills. Transformation is difficult and requires tremendous commitment. Transformation is required for sustainability. Who does not want sustainable organizations and a sustainable world for their children and grandchildren to enjoy?

***The world will not be saved by old minds with new programs. If the world is saved, it will be saved by new minds--with no programs.*** Daniel Quinn