

Leadership for Sustainability: A pilot study to build *Sustainable Canada*

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Leadership for Sustainability

There is a lot of care and concern...but when employees are disengaged, disenchanting, cynical, as a number of our employees are, those things typically are not well dealt with. I don't think the executives really know how to deal with them, or perhaps they don't want to, or perhaps both.

– Hydro-electric utility manager

I'm really struggling with this stuff. I can't get it all in my head at once.

– Primary Manufacturing Company Executive

Introduction

It is a complex time to lead a business organization, and the emerging 'new' economy, often characterized as the 'digital', 'knowledge', or 'learning' economy, holds particular challenges and opportunities for organizations, and organizational leaders. Creating a sustainably viable business requires that leaders attend to, balance and leverage the diverse needs and contributions of an increasingly interdependent set of stakeholders, and manage often-paradoxical concerns. Leadership means more than transactionally trading-off among competing wants and needs; rather, it means creating value simultaneously for all stakeholders of an enterprise, including the communities with which the firm interacts. *Social responsibility* for business is no longer viewed as a necessary burden to be borne; a focus on social issues, both inside the organization and in its operating context, is integral to the long-term health of any enterprise.

Traditional work in the field of *sustainable development* has primarily centred on issues relating to the protection and preservation of the natural environment. Increasingly, the broader *social* impacts of business activity are seen as fused and inseparable with economic and environmental concerns, and drawing social issues to the core of business activity places new demands on business leaders. *Sustainability*, an aspirational term, has been defined as balanced progress toward financial prosperity, social equity, and environmental quality (WBCSD, 2002). The modern definition of a successful organization is one that holds sustainability as an overarching aim: ongoing value creation for a full range of organizational stakeholders. In a practical sense, managers have to deal with increasing complexity daily. It is often the case in complex times, and now is no exception, that along with good 'management', the call grows louder for strong

‘leadership’ to guide us out of the fog (Gemmill and Oakley, 1992; Benimadhu and Gibson, 2001).

The nature of *leadership* in its relation to the concept of *sustainability* is the focus of our current study; this paper represents the preliminary findings of our investigation, and sets out a research direction for our broader research program. What our investigation has uncovered is that the concept of sustainability may hold as much promise for leadership as the construct and practice of leadership holds for the pursuit of sustainability.

This paper will proceed as follows. First is a description of a few themes that have emerged from our pilot interviews with leaders of a range of large, successful Canadian-based organizations, all of which have expressed publicly intent toward sustainability or sustainable development. The pilot interviews were conducted to inform future research questions, and to provide direction to our larger research program. Following a summary of three themes is a broader discussion of each, with some grounding in the relevant organizational literature. The paper closes with a few insights from our initial investigation, and a description of the balance of our research plan. The contribution of this paper is that it identifies a short set of issues on leadership for sustainability that hold resonance for real-world managers, and at the same time are theoretically interesting. We plan to develop a more thorough theoretical and practical model with the balance of our program, to inform the move to more sustainable organizations in Canada (and beyond), and to avert the researchers’ unpleasant situation of uncovering a phenomenon that ‘works in practice, but not in theory’.

Outline of the broader study:

The thoughts presented here are drawn from the pilot work of a much larger study in progress entitled *Sustainable Canada: The Sustainability of Canadian Business in the New Economy*. The study is supported under the ‘Initiatives in the New Economy’ program of the Social Sciences and Humanities Research Council of Canada. The ultimate purpose of the project is to explore what would be the competitive and organizational advantages if Canada, Canadian business sectors and Canadian-based companies were to brand themselves more actively in international

markets with respect to environmental and social values. The project includes a) an investigation into ‘green marketing’ issues to help to ‘brand’ Canada as a place where sustainable business practices are widely embraced; and, more substantially, b) research into the best practices and potentially better practices that large, leading Canadian organizations can adopt to move to more sustainable organizational behavior. The study thus far has touched several sectors of the Canadian and international economy, and is looking at the potential for collective action and learning at the organizational, sectoral, cross-sectoral (along value chains) and national levels.

Method:

This current study is aimed at shaping and focusing our research to come over the next 18-24 months. Our preliminary qualitative data set consists of 24 depth interviews with representatives from six sectors of the Canadian economy: chemicals, electricity, environmental services, forestry, oil and gas, and primary manufacturing (aluminum and steel production). Fourteen large Canadian companies, with combined annual revenue in excess of C\$20 billion, comprised the set. All of these firms have expressed publicly an intention toward sustainability or sustainable development, to a greater or lesser degree, in varying terms.

Our interviews averaged 60 minutes in length, and consisted of open and closed questions on the subject of the firms’ interpretation and approach to sustainability, including specific questions regarding the role of leadership and organizational systems. Our respondent set was a mix of upper-middle managers to senior executives, with a bias toward the latter. The interviews were taped and transcribed, and the data reviewed by all three researchers to draw out emergent themes on a short set of topics.

We present and discuss here three themes we found pertaining to leadership, as a significant portion of the larger study will be focused on the role of leadership for sustainability.

Emerging preliminary themes:

From the pilot interviews we have discerned three interesting themes:

Theme 1: Corporate Social Responsibility, Stakeholders and Sustainability

Whose organization is it anyway?

Sustainability is a difficult concept to internalize at the level of the single organization. Is a 'sustainable' organization to be equated with one that practices 'corporate social responsibility' (variously defined) or 'stakeholder management'? How is a company to interpret and internalize the societal-level concept of sustainability at the organizational level?

Theme 2: The 'Problem of Leadership': an alienating social myth

You think, therefore I'm not.

Is the call for messianic leadership to guide us to sustainability actually disempowering and therefore counterproductive? By placing too much emphasis on the individual leader, do we eviscerate the power of the general populous, and thus abdicate broad-based responsibility for moving to greater sustainability?

Theme 3: Leadership as a distributed property

Executive leadership for sustainability: perhaps not necessary, and certainly not sufficient.

What is the alternative to relying on executive leadership for sustainability? Is there an alternative conception of leadership that fits better with the inherent complexity admitted to a stakeholder focused, sustainability-aligned philosophy of managing?

Discussion of emerging themes:

Theme 1. Corporate Social Responsibility, Stakeholders or Sustainability?

Whose organization is it anyway?

The great majority of managers in our study described a shift that has occurred in their respective organizations over the past ten years, a shift away from a management model that focused primarily on shareholder return, toward one that takes a fuller stakeholder picture (including shareholder return) into account. Some described it in terms of *corporate social responsibility*, and some with a type of hierarchical instrumentalism (i.e. attention to stakeholders as a means to the prime end of shareholder value). A few saw a stakeholder view as one that best fit what they

saw as the central character of their firm: the publicly held company as a vehicle to create value for all members of society.

For decades writers and scholars have raised the question "In whose interests should corporations serve?" from the perspective of law and corporate governance (Berle & Means, 1932; Clark, 1916; Dodd Jr., 1932; Berle, 1959; Blair, 1995), with the attendant wrangling over the rights and duties of business firms in society. With the rise of managerial capitalism, and the *de facto* separation of ownership from control, ideas concerning property rights began to shift in the early twentieth century, and there was a call for greater recognition of corporations as social institutions. That inquiry coalesced over time into the field known as corporate social responsibility (CSR) and more latterly 'corporate citizenship' (McIntosh *et al*, 1998), in which the primary aim was to draw attention to the social impact of business activity. The main tenor of the work in CSR is a moralistic appeal to organizational leaders to minimize the harm done by corporations in the pursuit of profits. Ideas in CSR have been extended into investigations of corporate social performance (CSP), wherein a normative ethical conception of the corporation is used as an independent variable to measure the dependent variable of firm performance, mainly on financial metrics (for overviews, see Carroll, 1989; 1993; 2000; Wood, 1991a; 1991b). Discussions of CSR and CSP have been readily accommodated within stakeholder frameworks (Clarkson, 1991& 1995).

Over the past fifteen years, *stakeholder theory* has emerged as the primary organizing framework undergirding all of business ethics (Carroll, 1997), and is more recently gaining ground as a viable framework in the field of strategy (Freeman, 2001; Hillman and Keim, 2001; Wheeler & Sillanpaa, 1997;1998). Stakeholder 'theory' is not so much a formal unified theory as a broad research tradition that encompasses philosophy, ethics, political theory, economics, law, and organizational social science. Philosophers and social scientists have converged on stakeholder theory from different points, and for different reasons (Freeman, 2000). The former see a stakeholder focus as a way to foreground the idea that business should be accountable to others; the latter have seized 'stakeholders' as a useful unit of analysis to depict the social effects of business activity. In the mainstream of anglophone business, however, stakeholder management

has yet to fully supersede the shareholder primacy model of corporate governance, though arguments and evidence for that, including those voiced by some of our respondents, are mounting.

Stakeholder theory is concerned with value creation on multiple fronts, with social justice, with stability, and with the role of business in society. Stakeholders are most often defined in relation to a focal organization or business firm, and so stakeholder concepts are anchored at the organizational level. The locus of value creation increasingly resides beyond the boundaries of the single firm, in value-based networks. Such networks are centered outside the firm, at the societal level. *Sustainability* is a construct whose foundational ideas are consonant with those of stakeholder theory and which allows such a bridge to societal issues.

There are many definitions of sustainability, but few that are simultaneously authoritative and satisfying. Most cited is the World Commission on Environment and Development (WCED), the 'Brundtland Commission': "sustainability is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987). Ehrenfeld (2000) called this definition only a variant of the current economic development paradigm, which itself is unsustainable. Jennings & Zandbergen (1995) suggested that the definition be more closely connected to the social system and the natural ecology, and offered this: "'sustainability' is a concept embedded in a larger theory about how the ecological system and the social system must relate to each other in order to remain intact over long periods of time" (1995). We believe (like the WBCSD) that there is merit in defining sustainability in simple, pragmatic terms as value creation on three dimensions: economic, social and environmental. As noted, this is consistent with the thinking of Elkington (1998) and a series of business case arguments advocated by a leading academic commentator in the field, Stuart Hart (Hart, 1995;1997; Hart and Milstein, 1999).

However, so that we have some aspirational point of focus for anchoring the notion of 'value creation' we will also add the even more expansive definition of sustainability offered by Ehrenfeld:

I define sustainability as the possibility that humans and other life forms will flourish on the earth forever. Flourishing means not only survival, but also the realization of whatever we as humans declare makes life good and meaningful, including notions like justice, freedom, and dignity. And as a possibility, sustainability is a guide to actions that will or can achieve its central vision of flourishing for time immemorial...It is a future vision from which we can construct our present way of being (Ehrenfeld, 2000).

If sustainability is an ideal toward which society and business might continually strive, the way we strive is by creating value i.e. creating outcomes that are consistent with the ideal of sustainability along social, environmental, and economic dimensions.

Questions of sustainability are intimately concerned with the nature of society, of justice, of liberty, of the value of each individual as an end in itself; sustainability is stakeholder theory writ large. If stakeholder theory is concerned with the essential character of a firm, sustainability is concerned with that of a global society. Stakeholder concepts in large part are organization level constructs, whereas sustainability pertains to the global societal level, and both operate metaphorically. Stakeholder theory exists as a set of narratives, as a genre of stories about how we could live better (Freeman 1994; 1999). Stakeholder concepts are highly relevant and useful to thinking about sustainability, but the former do not fully stand as a proxy for the latter; that is, 'managing' stakeholder interactions and striving for sustainability are not synonymous. Stakeholder concepts are used in many organizations as a means to operationalize a sustainability focus.

Stakeholder concepts are typically aimed at organizational sustainability, which is a subset of global sustainability. Some measure of conflict (or creative tension) is inherent and unavoidable in the intermingling of stakeholder perspectives and attendant value systems. Resolving or leveraging the trade-offs and potential synergies in such tension is abetted by guidance from a higher-order set of end values, a common aspirational agenda. The concept of sustainability, defined as an ideal, offers such a value framework. 'Sustainability' is not equated *per se* with environmentalism, social justice, economic prosperity, or spiritual development, though all of those ideals are consistent with a sustainability mindset. Nor is it concerned only with long term

consequences. It is aspirational in nature, a meta-ideal, one inherently infused with societal values of justice, integrity, reverence, respect, community, and mutual prosperity.

What are organizational leaders to make of this? How are they reaching from firm level notions of stakeholders to societal level ideas of sustainability, or is the leap too great? Those in our study (who work for organizations that have declared an intention toward sustainability or sustainable development) are increasingly seeing their role as stewards of a value creation process, a process that creates value (defined broadly) for a range of interested parties. Some of our respondents indeed use sustainability as an ideal to re-frame their relationship with their broader social communities. Said one VP of Human Resources:

Now we see we have a responsibility as a large Canadian organization to be stewards of the resources we are engaged with, and that means all of the resources: people, raw materials, financial resources, and so on. And 'stewardship' precisely means that you are in pursuit of the increased value of that resource through time. Not just maintaining it, but increasing the value.

Another manager described the evolution of thinking in her organization with respect to 'community' as a stakeholder:

Over the last couple of years we've started to broaden our understanding of the interdependent nature of, not just economic and environmental, but also the societal piece. We know that our license to operate comes from the community, and that is very well ingrained in how we think about business and what our priorities are. In terms of local community, we've had that pretty clear for a long time. We're now just expanding our thinking to a bigger community in terms of society in Canada, and trying to sort out what that means.

While the ideal of sustainability serves well to stretch thinking on social and environmental issues, other respondents noted that the stretch has led to awareness that there are still gaps to be closed in fully leveraging the implications of a sustainability ideal. One primary manufacturing executive described the challenge this way:

I think of sustainability differently now than I used to. I can't think of 'sustainability' just in the context of a company. I can think of the *implications* for a company, but at the broader level, there is the notion that there is no such thing as waste – *you can't throw anything away - there is no 'away'*. Company-by-company, the response tends down toward compliance – we can see the bigger picture, but haven't been successful yet in developing an integrated sustainability strategy, one that unites the environmental with the social and economic in a way that drives our behaviour and decision-making differently.

If we consider the construct of sustainability as an aspirational ideal, an interesting research question to pursue is: How is a single firm to interpret and internalize the societal-level concept of sustainability at the organizational level?

Theme 2: The ‘Problem of Leadership’: an alienating social myth

You think, therefore I’m not.

We asked respondents to describe the role of leadership in achieving a vision of sustainability, beginning with their level of agreement with the statement: “Leadership is the most important factor in achieving sustainability in my industry” on a scale of 1 (disagree strongly) to 4 (agree strongly), followed by probes on the reason for their response, their definition of ‘leadership’, and so on. All respondents answered ‘agree’ or ‘agree strongly’ with the initial statement (average score 3.57). That nobody disagreed with or challenged the statement in a significant way points to the near universal acceptance of the idea that, without strong leaders, we are helpless to act.

Freeman (2000) identified leadership as one of four key 'problems' in business ethics and stakeholder theory. Much theory in business academia is founded on 'The Separation Thesis' (Freeman, 1994:412), which says:

The discourse of business and the discourse of ethics can be separated so that sentences like "x is a business decision" have no moral content, and "x is a moral decision" have no business content.

Freeman's contention is that artificially separating business from morality leads to damaging conceptions about business and how it should be run in practice. He makes the case that the integrating ground for this artificial split is management practice – viewing stakeholder theory as essentially *managerial*, a point made by Donaldson & Preston (1995). Said Freeman, "it is a great irony that such an influential article should be misinterpreted as claiming three things about stakeholder theory, that it is descriptive, normative, and instrumental. For in fact, contra the myriad papers citing this article, there is a fourth claim" (2000:173), i.e. that it is managerial, in the broad sense of having to deal with multiple real world problems, usually with competing value claims, simultaneously. Promulgation of the Separation Thesis contributes to four managerial problems: meaning, careers, change, and leadership (Freeman, 2000). The 'problem

of meaning' arises when we ask individuals to treat their work life as something separate from their 'real' life, and thus create jobs and workplaces bereft of meaning. The 'problem of careers' stems from the problem of meaning. When work is held separate from the rest of life, we create "new constructs such as 'career' to be a 'dummy variable' for self" (175). The 'problem of change' is that we accept the mantra that 'change is difficult', but do not acknowledge that this is directly deducible from the Separation Thesis. Change forces us to think about values and ethics, which are off limits in the typical work setting. The fourth problem is the 'problem of leadership':

There is a hue and cry for leadership in today's business world, and it is connected to the preceding three problems. Because our discourse asks us to see work as not admitting of meaning, the self as disconnected from work, the exigencies of change as difficult to manage, we need some heroic construct like "leadership" to get us through the day-to-day pressures of business. There is a whole genre of "Leadership Lessons from X" where X ranges over a set of people from Attila the Hun to Martin Luther King. And, this literature mimics the Separation Thesis. It has little role for values, other than in a descriptive role, or other than in the "character of the leader". In few instances do we find values in both their individual and social forms, and rarely does this literature see the need for a critical approach to both the leader and the very idea of leadership (175-6).

Freeman recommends that we take a critical approach to the very idea of leadership. Some authors have done just that (Meindl, Ehrlich, and Dukerich, 1985; Meindl, 1990; Gemmill & Oakley, 1992). In particular, the piece by Gemmill and Oakley fits exactly the critique put forward by Freeman. In their 1992 paper "Leadership as an Alienating Social Myth", Gemmill and Oakley point to the rising cry for greater leadership as a symptom of broad social malaise and individual alienation. Their thesis is that that 'leading' and 'leadership' are social constructions that act as a repositories for the anxiety of those being 'led'; individuals are 'de-skilled' as a result, and alienated from fully participating in their own lives. They argue in the tradition of radical humanism (Burrell and Morgan, 1979), and assert (similar to Freeman) that the very existence of the social constructs of 'leading' and 'leadership' makes the problem of alienation worse and not better. Their charge is that leadership is an inherently anti-humanistic idea, that an overly idealized conception of the leader role renders most individuals powerless to act for themselves.

An interesting extension that we noted in our discussions with leaders of large business organizations is that, as the operating environment continues to complexify, there is the potential for the ‘learned helplessness’ effect – an inability to imagine or perceive viable options, along with feelings of despair and a resistance to initiating any form of action (Seligman, 1977; Lerner, 1991) – to overtake the ‘leaders’ themselves. As is evident from the two quotes at the start of this paper, the ever-greater demands put on the synthesizing capacity of organizational leaders can leave them bewildered.

The ‘problem of leadership’ as defined by Freeman is that we do not admit humanistic concerns into our business environments. Trying to hold economic and social business imperatives as distinct, and not integrated, can exacerbate the confusion experienced by some of our respondents. Holding a sustainability ideal is one means to integrate humanistic concerns back into the business equation, and to reclaim some measure of efficacy. ‘Leadership’ is most often understood as the behaviour of individual actors, but leadership for sustainability need not reside exclusively at the top, indeed it is more likely to not sit there, in the opinion of one respondent who held responsibility for implementing sustainable development practices in his organization:

We all dream of having the senior executive – more specifically the CEO – champion of sustainability who can just grip hold of it and make it happen, and that would be great, I think it’s the solution to many problems. But, hell, if that’s the only solution we have then there’s no hope! CEO’s are not going to do that. Does that mean we’re powerless? Does that mean we can’t lead from the centre? I sure hope not.

What we found was that many of the organizations we investigated are embracing concepts related to sustainability as a means to organize the complexity of their operating environment, to integrate the competing stakeholder demands, including the social and humanistic, and to maintain a focus on creating robust (social, environmental and economic) value propositions. Many of the individuals in organizations we studied said that adopting a sustainability framework has not been a radical shift for their firm, but rather a means to capture components of what they had been doing for some time, and been doing more of in recent years – attending to and managing the expectations of an increasingly diverse and vocal collection of stakeholders.

In that sense, we see a reciprocally beneficial relationship between *leadership* and *sustainability*: ‘sustainability’ as a construct may be just as useful and important to leaders, as the concept of ‘leadership’ is to the pursuit of sustainability. Sustainability scholars can further the sustainable

practices in organizations by building more and better frameworks for practitioners to use. A more fully developed, widely shared model of what constitutes a comprehensive sustainability framework will be welcomed by leading organizations – and the better is the framework (more pragmatic, useful, and resonant with practitioners’ experiences), the more likely it will be embraced.

While embracing sustainability as an organizing framework may mitigate the helplessness of formal organizational leaders, there is still the problem of alienation of the average individual worker. The concept of ‘distributed leadership’ discussed in Theme 3 begins to demystify the construct of leadership, and reclaim leadership for the masses as a distributed property of sustainable organizations.

Theme 3: Leadership as a distributed property

We have pointed to the increasing complexity of organizational life as a driver of greater confusion among formal ‘leaders’, and as a source of alienation for the average organizational member. The socio-economic context is changing, in virtually every sector of organizational activity – most especially in two key dimensions: i): new knowledge is created and disseminated more quickly and the life cycle of sources of value-creation or competitive advantage are measured in weeks and months instead of years and, ii.) the world is becoming more densely networked (Tapscott et al, 2000). To respond to these contextual changes, all organizations – in business, government *and* civil society - must create value on several fronts simultaneously. Toward that end, organizational leaders require new capabilities and operating methods to discern and respond to complex issues arising out of new interrelationships. Traditional models of management and leadership – planning, organizing, controlling, and improving stable processes – are becoming increasingly ineffective, even irrelevant in some cases. Within the context of the new economy, the very notion of leadership must be re-invented.

A key dimension of organizational leadership for sustainability involves a leader’s ability to deal with complexity, in particular, the ability to manage the needs of multiple stakeholders. The complexity of the senior leader’s operating environment requires substantial cognitive resources

to build the frame of reference that provides the rationale for the organizational strategy (Jacobs & McGee, 2001). Thus there is a “cognitive imperative” – complex information processing and problem solving demands – and a “social imperative” – behavioral complexity required of organizational leaders – which results from social complexity (number, nature and variability of relationships) in the leader’s operating environment (Hooijberg & Schneider, 2001; Zaccaro & Klimoski, 2001). In order to understand the implications of this complexity for organizations and leaders, it is valuable to consider the insight that can be gained by applying concepts from complexity science to organization theory (Anderson et al, 1999; Cilliers 2000; Maxfield, 1996; Levy, 1994; Zimmerman & Hayday, 1999; Lewin 1999), especially in a highly networked economy (Kelly, 1994; Arthur et al 1997; Lane & Maxfield 1996). In particular, the role of uncertainty (Stacey 1992; Brown & Eisenhardt 1997, 1998; Priesmeyer, 1992), the nature of emergence (Goldstein, 1999; 2000; Jantsch 1980), and the function of distributed control (Zimmerman, 1993; Morgan, 1996; Kelly, 1994; Herman, 1998) can be helpful in re-conceptualizing the meaning of leadership. Viewing leadership from a complex systems perspective requires a redefinition of the role of the leader (Zimmerman et al, 1998; Stacey, 1999; Zohar, 1997). The development of a multi-level characterization of leadership in our more extensive research program (as both an individual and a system-level phenomenon) will be enhanced by the inclusion of concepts from complexity in organizations.

Viewing organizations metaphorically as complex adaptive systems does not leave room for ‘leadership’ in the traditional sense. The primary characteristic of such systems is that their behaviour is not directed from a local source, but that unpredictable interactions give rise to emergent properties and system-level characteristics. The appropriate response to dealing with a complex system is not to further centralize power and control, but to bring distributed, system level thinking to a distributed, system-level challenge. It may help to view leadership not only as a behavior of individuals, but as a system level behavior as well – be it at the group level, organization level, industry level, economy or society level. One respondent described the most effective kind of leadership as that which “creates an energy field in the company”, so that *leadership behavior is exhibited even when the formal leader is not present*. Leadership

behavior is the capacity to balance contending concerns, synthesize the contribution of diverse resources, and innovate to create new sources of value.

The key role of the leader is to develop broad-based capacity to in the organization for leadership behaviour, and then embed that behavior in aligned organizational systems. Two kinds of alignment in organizational systems are ‘horizontal’ and ‘vertical’. Horizontal alignment means that organizational processes (management processes such as business planning, HR processes, communication processes) hang together as a coherent, self-reinforcing system, and vertical alignment means that they are aligned to some higher purpose (such as strategy) or ideal vision (such as sustainability). Embedding leadership behaviour into organizational systems means taking characteristics we normally ascribe to individuals – the ability to balance, synthesize, innovate – and create ways to infuse our systems so that the organization exhibits these characteristics continuously. A system that behaves this way exhibits ‘organizational’ or ‘distributed leadership’. In addition to individual leadership behavior, we are viewing leadership as an organization-level property, similar to concepts such as ‘organizational learning’ or ‘organizational identity’ (Whetten and Godfrey, 1998).

Insights of our preliminary investigation:

We can summarize the discussion on our initial investigation into these three insights and attendant research questions.

1. The cross-level relationship between stakeholder concepts (at the organization level) and sustainability concepts (at the societal level) makes it difficult for organizational leaders to internalize sustainability in their organizations. Sustainability therefore is rarely explicitly present in their management systems or leadership development activities.

Research question:

How can the societal ideal of sustainability be accommodated into organization level thinking frameworks in a way that clearly connects corporate goals with societal goals?

2. In beginning to explore what is the role of *leadership* in service of *sustainability*, we found, not an answer (yet), but an equally intriguing question: what is the role of *sustainability* in

service of *leadership*? The concept of sustainability provides an organizing frame for leaders to attempt to arrest the complexity of their operating environment; it offers a meta-objective, a frame large enough to hold the whole picture.

Research Questions:

What model of leadership most effectively mitigates the ‘problem of leadership’ as defined by Freeman (2000) and others? What model of leadership most effectively connects individuals to the broader purpose of organizational activity to reduce individual alienation?

3. Given the traditionally hierarchical structure of North American organizations, we expected to find a highly conventional view regarding the need for top-down leadership to guide the movement toward more sustainable practices. We found in our respondents a growing perception that the issues confronting leaders are becoming more complex (in terms of emergent, unpredictable effects), and that the distributed nature of organizational challenges calls for a like response. In general we found that *executive leadership* (i.e. from the CEO) was viewed as perhaps *necessary* (and maybe not even that, by some), but *certainly not sufficient* if organizations are going to successfully address the challenges inherent in a multi-stakeholder focused firm with an eye to the ideal of greater sustainability.

Research questions:

What are the dimensions of ‘distributed leadership’? What factors work to enhance or inhibit the development of distributed leadership?

Future Research program

The leadership for sustainability portion of our future research program holds these objectives for study:

- 1) To explore means in which the societal level of sustainability can constructively be incorporated into working frameworks for organizational leaders. We believe this will be abetted by connecting firm actions more synchronously to actions of other stakeholder organizations outside formal firm boundaries (e.g. along value chains, or with community organizations).
- 2) To advance the study of *distributed organizational leadership*, with a dual focus on the social and cognitive aspects of individual leadership, and the components of leadership as a distributed characteristic of organizations. Specifically, we aim to construct, test, and

communicate a viable model of *leadership for sustainability*, centered on managing in the complexity of new economy dynamics.

- 3) To draw clear linkages between the processes of *leadership for sustainability* and their influence on the systemic properties of organizations (e.g. learning, adaptation, responsiveness), and the concrete implications for organizational management systems.
- 4) To help Canadian organizations (business firms, government bodies, and civil society organizations) raise their capacity for developing *leadership for sustainability*. Our work will influence and advance executive education agendas for the future in both academic and organizational settings.

We contend that organizational systems are strongly influenced by the way that senior leaders attend to and frame issues, challenges, and opportunities in the operating environment. At the same time, we contend that senior leaders are not all-controlling, and that the direction they set is ultimately shaped and influenced by the complex interactions among components in their organizational systems and those in the operating context. As such, we are viewing 'leadership' processes as both localized at the senior level, and as distributed characteristics of organizations. This perspective will be particularly relevant when we examine the systemic organizational implications of our research in the latter stages of the program. It is our contention that in a distributed, pluralistic economy, leadership as a concept and as a practice must also be distributed, diffused, and de-centralized throughout the organization. It is necessary, but not sufficient, to have leadership capacity at the executive level and other formal leadership positions. An organization that is infused with *distributed organizational leadership* is one that has such capability embedded at all levels as a distributed characteristic of the firm. Precisely what elements comprise *organizational leadership*, and which factors work to build it, will be the focus of our future research.

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