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**Where will we find the leaders to make the changes we need?**

Jonathan Gosling and Jean-Paul Jeanrenaud\*

Berlin, summer 2010: A summit meeting of corporate leaders, with a keynote from Narayan Murthy, Founder and President of Infosys, the Indian software services company that now challenges market leaders IBM, Fujitsu and Accenture. Mr Murthy stressed the absolute priority of reconfiguring the ways in which our economies work, and called on corporations to set an agenda a pace for change that governments will follow. The message was underscored by the CEOs of Wipro, Deutsche Telecom, the Bundesbank, Saint Gobain and Lufthansa. Business leaders get it – but their businesses are not changing fast enough, and if they really intend to push governments towards systemic reform of world trade and regulation, they are not succeeding. Why not? A clue was offered at the same summit meeting, in breakout sessions, where company managers and business professors discussed practical steps to take. Time and again they struggled with the language of sustainability; and never far away was the idea that sustainability means, first and foremost, the ability to maintain the business, its employees, and its returns to shareholders. To seriously contemplate anything other than ‘business as usual’ is just too difficult for those responsible (and held accountable) for producing the goods and services on which we all depend. Leadership is important, but it is not enough: somehow, we have to develop the will and the skill to change the way we do business, right at the managerial heart of it.

Over the past few decades, the corporate footprint has changed in size, impact and nature in response to ever evolving market conditions. In the early years of industrialisation, most companies were operating in local markets and meeting the needs and expectations of local stakeholders. At this scale they retained a tangible connection to the communities in which they were based, and had a relatively small impact on biodiversity and the environment. However the in-built drive for innovation and growth impelled capitalist enterprise (and state-supported globalizations) to permanently and often brutally upset agrarian and feudal communities, and in so doing created needs for education, transport and care that governments were ill-equipped to deal with.

However, in the first half of the 20th century, governments increasingly expanded their capacity to meet the demand for public and social goods with growth in healthcare, education and infrastructure provision. All these social goods were treated by firms as ‘externalities’; that is aspects of the social environment on which they depended, but were not directly responsible for.  Much like the natural environment, they were simply ‘there’. The state assumed responsibility for these; along with national security, law and order and all the other conditions of social life. Although companies accepted the need to pay taxes towards the maintenance of these conditions, individual firms were free to act in their own interests as if they were individual persons: in fact, the format of the joint stock company makes altruism more difficult for a firm than it is for an individual. At the same time markets drove companies towards meeting – and stimulating - the demand for more consumptive lifestyles.

The role of governments as social service providers reached its zenith in the post-war years, particularly in so-called developed regions. Sine the 1980s this has been weakened as the provision of public goods and social welfare – such as pensions, transport, energy, water and sanitation services – have increasingly been transferred back into the private sector. At the same time the capacity of many governments in developing countries to meet demand for these public services has stagnated. In these emerging economies, companies benefiting from the increased reach afforded by globalisation, are using local resources to provide goods and services to lucrative developed markets, without filling the public service void left by governments. [EXAMPLE] This physical separation between the producers and consumers, and the relentless concentration of benefits in the richer countries, creates a ‘stakeholder relationship gap’  that is the root of many of the corporate responsibility concerns that exist today. The contribution of corporations to the social contract is almost ubiquitously measured in terms of a narrow focus on short-term shareholder value instead of value creation for society as a whole.

In 1960, the richest 20 per cent of the world’s population accounted for 70 per cent of global GDP, while the poorest 20 per cent controlled 2.3 per cent – a ratio of 30:1. By 2005, the richest 20 per cent controlled 85 per cent of GDP, while the poorest accounted for only 1.1 per cent – a ratio of 80:1. [REFERENCE] What we see in reality is the gap between rich and poor widening and, globally, a rise in violence in response to growing inequity. The have-nots also want what the haves have. In our view, all sectors of society, including corporations, have a collective responsibility to reverse these trends of environmental degradation and social breakdown: in reality, there are no externalities. This view is supported by MORI (2002) research, which found that 80 per cent of respondents felt that business has a responsibility to society beyond the simple generation of profit. As Henry Mintzberg wrote in the Financial Times, ”Corporations are social institutions: if they don’t serve society, they have no business existing”. [REFERENCE] In parallel with this widespread feeling that business has a responsibility towards society that it has yet to fulfil, it is worth noting that companies’ perceptions of their own relationships to society as a whole are evolving.

This is an encouraging change. Certainly, in WWF, we are fortunate to be working with pioneering companies like Lafarge, Ikea, Nokia, NSN and others that have made a strong commitment to reducing footprint and operating sustainably.

Box: Climate Savers - Mobilizing Companies to Cut Carbon Dioxide.  Leading corporations are partnering with WWF to establish ambitious targets to voluntarily reduce their greenhouse gas (GHG) emissions. By 2010, the Climate Savers companies will collectively cut carbon emissions by some 14 million tons annually – the equivalent of taking more than 3 million cars off the road every year. By increasing efficiency, Climate Savers companies are saving hundreds of millions of dollars, proving again that protecting the environment makes good business sense.

The changes that are needed are quite substantial: as has often been argues in Resurgence, it will require a growing awareness of the interconnectedness of all life and an increasing ability to learn from and build on the ways that Nature generates, breaks down and renews itself. In reality, human beings are inseparable from the cycles of the natural world and must learn to adapt industrial production processes and develop new materials in accordance with the principles that inform the living planet. Once we acknowledge our dependence on Nature, we will learn to create technologies that maximise benefits to society and the environment by mimicking Nature’s ways. We will move away from the current linear cradle-to-grave model that generates vast amounts of toxic and other waste, to a more sustainable, cyclical cradle-to-cradle system that transforms waste into ‘food’ for other processes and lives.

Where will the leaders come from, to make these extraordinary changes? WWF has been working on this for several years via a short-course corporate programme called ‘One Planet Leaders’. In spite of its success, it reaches too few people to make a big difference. So in the summer of 2009 we asked ourselves  “how can we have a systemic impact on the training and education of mangers, so that it becomes perfectly normal for leaders to approach business on the assumption that we have only one planet on which to live. This is the task we set ourselves, when we came up with the idea of the One Planet MBA: a Masters of Business Administration designed and taught on the assumption that we must find ways to grow and prosper with the wonderful resources that nature gives us. This must be a business training,  therefore, that  is as much about business action as administration.

We have said that leadership is not enough on its own: let’s be more precise. Inspired and inspiring leadership is crucial; and we do indeed need managers who are able to inspire, and to respond to the leadership of others. They should also be well informed, and not too easily carried away by an alluring vision; able to resist leadership, to pause and think, to collaborate with others, to seek guidance and to listen for it in unexpected places. And of course we expect managers to be technically competent to analyse data, direct operations, balance priorities, husband resources and make enough money to sustain the business. It’s a tough job, and as we know from many studies around the world, leaders are always pulled in different directions, seldom have time to consider any one subject for longer than a few minutes, and must react to events at least as much as initiate them. If we hold to an image of the coolly rational controller, or omniscient strategist, we are referring to the analyst and planner, not the manager: real management is messy, relentless, interdependent.

Unfortunately, MBA courses usually train the analyst rather than the manager, and this is the first barrier we have to overcome in developing the One Planet MBA. Business schools are filled with experts in analysis, which is what they want to teach. And of course we will endeavour to give participants a sound understanding of economics macro and micro, of the principles of accounting, and techniques of financial analysis (amongst other crucially important areas of technical skill). But what these technique are used for – their meaning and purpose – is far more than formulaic; it is not our job to tell people what these purposes are, but we must provide the kind of forum in which they can be debated, and the skills to engage in the multifaceted discussions through which we will discover a way forward.

The foundation for all this is that they speak from their own knowledge, (and awareness of ignorance)

So we can delineate three pedagogic tasks; to teach skills and techniques, to form a sophisticated and discursive understanding of the challenges facing the planet, people and businesses; to enhance individual and collective abilities to determine what matters, and to manage appropriate changes (while sustaining continuity). We emphasise the collective in this latter category because no-one does it alone, and we aim to grow a coalition of business schools, companies, NGOs and private actors, linking with the WWF ‘climate savers’.

So to summarise the challenges:

How do we change the MBA while it is running?  An innovation cohort recruited this year specifically to co-create the One Planet MBA. This group of 40 people, equal numbers of men and women, have come from 22 countries to spend a year in Exeter learning about the emerging models for business, and contributing perspectives from their own communities and experiences, and honing their commitment and skills for taking action.

How do we inspire participants to the changes that are needed? Inspire ourselves with the example of others who are making changes – amongst them the WWF ‘Climate Savers’ companies mentioned above.

How do we develop the heart and will, as well as the mind? Encourage the full range of spiritual and idealistic aspiration, as well as material and functional.

How do we train really competent business leaders? Do more than just analysis.

As a part of our evolving engagement with the private sector, Exeter University business School with WWF is pioneering the concept of One Planet Business through the One Planet MBA (OPMBA). The programme philosophy is that we all share the responsibility for both the issues and the required change towards operating businesses within the ecological limits of our one planet. Therefore, OPMBA is being developed to become a ‘Global Partnership for Change’ – to help train business leaders to become more inclusive, supportive and learning.

If we take up this challenge, the new paradigm that emerges will be an expression of a transformed way of being, based on compassion and understanding, and founded on mutual respect. Respect for the earth, respect for each other and for different ways of seeing, doing and being. It will be further strengthened through collaboration, partnership, and a shared vision aimed at building the “fullness of community” that is “…the only hope both for the dignity of the human condition and for our co-evolution with the Earth” (McIntosh, A., 2008, p. ?).

The Earth can be renewed and will once again provide for the needs of all, humans and nature, not just for the few who enrich themselves at the expense of nature and the rest of humanity. We will celebrate natural diversity and embrace a plurality of cultural and spiritual meanings.

Thus, the imperative of the present era is **to BE** rather than **to DO**. In order to **DO BETTER we must BE MORE**. This is not a justification for passivity and inaction; rather it is a call for the intensification of action; but at an interior level. It is a call for interior transformation and growth; an expansion of the human spirit. Through the transformation and growth of our inner being and the liberation of the hidden Self, outer renewal will occur. As Alastair McIntosh (2008) puts it: “Self-realisation is not rocket science. It’s just about getting real. Become yourself. Be yourself! Draw forth the same in others”.

\* Jean-Paul Jeanrenaud is Head of One Planet Leadership Education for WWF International, and co-founder of the One Planet MBA.