Thinking about culture

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Sustainability is not about being 'green'. It's about the shift from a perception of separateness to one of nestedness, which would change the entire value system of business, its behaviours and the consequent outcomes.

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The theme of this event is Sustainability. Building an economy that is sustainable. By which we mean, living our lives In a way that doesn't damage the planet or compromise the right of future generations to live their lives to the full.

In the over-developed world - and that includes modern Ireland - we're not minding either of these critical factors at present. Ireland is part of the systematic tearing apart of the web of life, and yes, we are borrowing from future generations to satisfy the material needs of this generation.

But all of that is well known in these circles, and has been mentioned already this morning. The message is clear as it is stark: If we want our species to survive, we have to change our ways.

Albert Einstein is quoted as saying that you can't solve a problem using the same thinking that caused the problem. And we'll never change the way we do things, until we change the way we think about the way we do things. Including the way we think about sustainability.

Sustainability is not just about being green. Or recycling. Or even going organic. It's *all* of these things of course, but at a fundamental level, it's about how we choose to perceive the nature of our relationship with each other and with the world around us. In short, it's a cultural issue.

And culture isn't inevitable. It's a choice we make. At the heart of every culture, there's a Big idea that shapes the way we think about things.

There's a great deal of difference for example, between the perception of the world seen through the eyes of the planet's few remaining indigenous or tribal peoples, and the view from inside the culture of the global consumer economy.

Indigenous people would say "we are here for the Earth", whereas the consuming people would say that the Earth is here for us. While these two perceptions are complete opposites, each is valid in relation to the core idea and set of beliefs and values at the heart of each culture.

The Big Idea underpinning a culture is the story of who we are, what kind of world we live in, and what we are supposed to become.

This story defines our relationship with the world. It tells us what is important. What to focus our attention on. It tells us not only what to think, but *how* to think, and it produces a perfectly predictable outcome in terms of culture.

So, the question "How Do We Build a Sustainable Economy?", might perhaps be better phrased as How Do We Steer our *Culture* Towards Sustainability?

How <u>do</u> we do this? Well, a good place to start is to try and understand what culture is and how it's created in the first place.

We could define culture as "the collective norms and customs, values and principles, shared by a particular nation, people or group". A dry enough definition that simply adds up to the outward *evidence* of who we are and what we stand for.

The culture we experience - whether in the more obvious, tangible form of structures in concrete and steel, social and government systems and so on....

or in its less obvious, *in*tangible manifestation in laws and regulations, and the way we live - all of it is merely the physical outcome of something much deeper and more powerful.

It's a bit like an iceberg. The part we experience is the visible part, the outcomes and actions we see and experience around us.

But hidden under the surface is the larger and more important part - a set of values, beliefs and assumptions that inform the choices and decisions that lead to those outcomes. That's what *creates* the culture.

So, the ornate cathedrals that took hundreds of years to build, or nuclear bombs and war on terrorism, or a malfunctioning educational or health service, don't suddenly appear from nowhere - they are the predictable outcome of a set of values and beliefs and assumptions.

I often ask people to put themselves for a

moment inside the walls of a monastery, and then on the dealing room floor at the stock exchange. Totally different cultures, driven by a different purpose or story, based on different values and beliefs.

It works like this: We have a set of assumptions and beliefs about the world.... that influence our values... that influence our behaviours .... that shape our culture.... that in turn affects our attitudes and beliefs about the world. It's a circular dynamic: we contribute to that which we absorb.

And whether we're talking about the culture of a nation, a family, an organisation, your business, my business... it's exactly the same. At its core, is a set of beliefs and assumptions and values, revolving around a Big Idea - the story of who we are, what kind of world we live in, and what we are supposed to become.

So, if we want to steer our culture towards sustainability, or indeed any other goal, we have to engage with the components of culture, and in particular, the Big Idea or story that holds it all in place. The stuff below the surface.

We won't make it by tweaking around with the mechanics on the surface - the visible, tangible bits. If we want to make real progress, we must work on the fundamental drivers of culture.

And if we want to make the kind of global shift towards sustainability that's so urgently required, we must especially address the underlying culture of business, because that institution has now become the dominant shaping influence on the planet.

Just as it does in the wider culture outside, the culture of business generally, or a specific business, emerges from the shared ideas and assumptions that shape its purpose (in other words its vision or story), and the values that guide its attitudes and behaviour.

Again, it's always in production, sustained by the continuous acting out of the core beliefs and values inherent in the system. The continuous telling of the story in all sorts of

verbal and non-verbal ways.

The governing idea driving business is one of growth. Continuous growth. And it's only possible to believe this is a good idea if the Story around which the beliefs and assumptions and values revolve, is a Story of separateness. If you don't see the profound connectedness of business to everything else.

This is how organisations generally see their relationship with the outside world. Separate from. Self-contained, *with needs*. At best, it's a tangential relationship.

This is a comfortable Big Idea, because it allows organisations to really believe that the business of business is just business, and matters concerning the community or the environment for example, while they may be important, are not core.

It makes it okay to 'externalise' as much of the costs as possible. To pass on to the outside world the down the line cost of waste and packaging, of pollution and resource depletion and so on - in the interest of maximising the return to the owners and shareholders.

And it allows philanthropy to ease the corporate conscience while the story remains the same.

But this story of separateness, is a false picture of the reality. The *true* relationship between business and that outside world, is one of 'nestedness'.

Its relationship is dependent. With needs, yes. But also with responsibilities, to the wider system. Business is in fact, a wholly owned subsidiary of the community, which is a wholly owned subsidiary of the environment.

And its health and wellbeing, its success and longevity - *and profit* - depends entirely on the health and wellbeing of the wider system.

In systems terms, the subsystem has to work constantly to maintain a dynamic balance with the supersystem it's part of. Like meshed

wheels: when one changes, the others must adapt or there'll be friction leading to break-down.

To switch from a perception of separateness, to one of nestedness, is a *profound* change of story - on a parallel with the paradigm shift from a flat earth to a round earth. Or accepting that the earth isn't after all, at the centre of the universe.

But if we were to achieve this shift, the entire value system of business would change, and so would the behaviours, and consequent outcomes.

When it comes to being socially responsible, if business believes it is <u>separate</u>, it will ask: how should we spend our money? What kind of social or environmental initiatives should we support? How can we clean up our mess?

When we understand that business is <u>nested</u> in, and dependent on, a wider system, we'll ask: How should we *make* our money? How can we make our money in a way that also serves the needs of the wider system? How can we do business *without* making a mess?

When the story is one of separateness and continuous economic growth, we can lobby against carbon taxes for business, our leaders can say things like "we must legislate for the floor not the ceiling". And we put organisations like McDonalds on Socially Responsible Investment lists, because it has a well-managed waste policy.

When we recognise that business is nested in the wider system, we'll ask if this or that product or company should exist at all.

This idea of separateness or nestedness also provides a clue to the loss of meaning and fulfilment found in the Common Purpose research.

People today, are frequently forced to leave their personal values (and therefore an important part of themselves) outside the door when they go to work.

When an organisation's purpose or mission isn't inspiring, or even clear - beyond enriching senior managers and shareholders - or when its values are the values of self-interest, *work has no meaning* for the employee.

And beyond a certain level, it makes little difference how generously they are compensated financially - because long-lasting meaning doesn't come from money. It comes from being fulfilled at a much deeper level. And it comes from work and workplaces that make a real contribution to the wider system. Work that makes a difference.

Ask any nurse. Or doctor.

Business culture won't change until the story supporting the culture changes.

The story of Interface, one of the world's largest floor-covering manufacturers is well known at this stage.

When CEO Ray Andersen set his company the ambitious goal to be the first in the world to transform itself from being a hugely resource-depleting and polluting business to achieving environmental sustainability, and ultimately to be restorative - to put back more than it takes from the environment - the spirit in the workplace changed so completely, that the company took on a whole new and deeper meaning for staff, customers and stakeholders alike, resulting in a massive hike of 1000% in brand value.

The radical innovations were technical, but they emerged from a deep cultural transformation which had first changed the company's perception of its relationship to the wider system. That changed its story, or vision of what is was supposed to become, and that changed its values.

Arthur Andersen also discovered that culture matters in a different way, when its highly respected ninety-year reputation turned to dust in a matter of weeks, because of the values that supported the behaviour that led to its downfall.

So, what is my proposition?

Business exists in a wider social and ecological context. It exists in *relationship* to everything else.

In recent years, there's been a major shift in the underlying assumptions that govern society. While it mightn't get much publicity in the mainstream media, there is a growing consciousness of the causal link between the rapidly escalating social and environmental problems in the world, and the philosophy of business.

There's a growing feeling that the self-interest values of the corporate world are leading to the destruction of much of the planet's life support systems, and diminishing the social fabric of our communities.

The world is downstairs asking questions, about ethics and values and responsibility and accountability and trust....

At the same time, employers are concerned about attracting and keeping the right kind of employees. Now that the psychological loyalty bond between employer and employee is well and truly consigned to history, 'recruitment and retention' as it's known, is now a major HR issue. Companies want to know how to tap into the deepest levels of their employees' creativity and productivity. And they *want* to be good corporate citizens!

Now I don't know if you can see it yet, but there's an extraordinary opportunity here, for those who read the winds of change.

Major cultural change happens over time and usually it's only obvious in retrospect. But the future belongs to those who can intuit when a sea-change is under way and respond appropriately.

And right now, the world is searching for a new kind of corporate leadership. One that promotes social responsibility, environmental stewardship, and employee fulfilment.

As the proportion of corporate value vested in intangibles continues to increase, many organisations are beginning to see that, far from being a burden, these issues are key ingredients to long-term success, and a rich source of competitive advantage - in keeping staff, and customers, and shareholders.

Finding a dynamic balance between the interests of the business, the interests of employees, and the interests of society, calls for a radical shift in consciousness and perception, within business itself.

A change of story from separateness, to nestedness. From corporate management, to corporate leadership. From self-interest to the common good. And from being profit-driven, to being values-led.

And by that I don't mean profit is unimportant. On the contrary, this is not an anti-profit message. Profit is a fundamental objective of every business, and must remain so.

But in a values-led business, the profit motive is contained in an overarching ethical framework that sets limits to what the organisation will and won't do in pursuit of an extra dollar or euro.

We're talking about deciding what's not for sale. Actually, we're talking about transformation. And organisational transformation begins with personal transformation, and usually begins with a shift in the consciousness and values of the leadership.

In Ray Andersen's case, he was handed a book (Paul Hawken's Ecology of Commerce, as it happens) that utterly changed his view of the world and set him on a personal journey to explore his company's purpose and its impact.

In other words, organisations don't change. People change. And they change by *learning* - about the context in which they work, about the impacts of what they do, and by exploring and experimenting with news ways of working. By investing their time, their intelligence, and their

hearts, in work worth doing.

And slowly, over time, through new experiences their personal values change, and the values of the business change too.

The fact that business has become the dominant shaping influence on the planet, is a two-sided coin. Yes, it has caused, and is causing, huge problems.

But business is also the best placed institution on the planet to make a difference. It has the best brains. It has the money. It has the networks and global contacts. And it's used to winning.

In our collection of small essays, we quote from Peter Drucker's book Post Capitalist Society, in which he says:

"Every few hundred years in western history there occurs a sharp transformation. Within a few short decades, society - its worldview, its basic values, its scoial and political structures, its arts, its key institutions - rearranges itself. We are currently living through such a transformation."

Engaging with this transformation, and helping business culture to evolve towards more sustainable criteria, is the challenge of our age. Indeed, it could be the fight of our lives.

But it's a win-win-win opportunity. By honestly addressing the urgent needs of society and the environment, and the real needs of the people who each day bring organisation into being, there is the potential to rebuild trust and reputation, and therefore corporate value, and deepen organisational resilience by putting the life and heart, and dare I say it, the *spirit* back into the workplace. ||| **dya**

About the author

David Youell is a partner at **downey youell associates** and works with individuals and organisations to address issues of culture and change in the workplace and the community.

He is a qualified Cultural Assessment Practitioner and co-author of *Exploring the Communication Dynamic - 301 Building Blocks to Enrich your Working Relationships*, a desktop companion of practical communication tips and inspirational wisdom. [Oak Tree Press, 1998]

He helped create *Q5 - New Leadership at Work* to prompt a movement for personal and organisational change, in which each of us begins to see our working and professional life as an opportunity to address the critical issues of our generation.

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