So You Want to Change the World?

A Dialogue with Wayne Visser

Extracted from a dialogue with Masters students from the University of Waterloo, Canada, on the topics of sustainable business and transformational change.

What have you found to be the most effective ways, in terms of both speed and impact, to go from thinking to action in a business context?

The most effective methods I have found are:

1. ***Find competitors or benchmarks that are moving ahead of you***. Appealing to companies' competitive nature is often a good way to get action. I saw this first hand when I produced the first ranked benchmarks of companies on sustainability in South Africa many years ago. And there are great cases - like Timberland (vs Nike), Seventh Generation (vs SC Johnson) and Tesla (vs General Motors) - where smaller companies have used this approach as a catalyst to get others to move to transformative practices.
2. The corollary is also true: ***find competitors or benchmarks of cases or companies that have got into trouble for falling behind***. So occasional use of scare tactics (which we call contingent liabilities when we talk about them rationally in business) can sometimes also be effective. For example, BP lost 50% of its value in 50 days after the Gulf of Mexico Deepwater Horizon disaster and it is costing them $62 billion (so far). Volkswagen will pay $15-35 billion following its Dieselgate scandal for cheating on emissions.

From a slightly more conceptual angle, I have found Beckhard's formula for change to be very helpful.

> For change to happen, R (Resistance to change) < (must be less than) D (Dissatisfaction with the status quo) x V (Vision of what is possible) x F (First concrete steps).

Figuring out which of these factors is weak or missing - and strengthening it - is another way to ensure that transformative change is successful.

Finally, it comes down to leadership. Finding a transformative leader who buys into your vision for the future is key. But it doesn't always have to be the person at the top. According to the theory of Distributed Leadership, there are leaders at every level of organisations. This is where my research on the 4 types of Purpose-Inspired Leaders applies. For change to be effective, you need a combination of Expert, Facilitator, Catalyst and Activist types.

Ultimately, for change to be triggered, do individuals require experiencing a level of discomfort, dissatisfaction, or cognitive dissonance?

I like that you related dissatisfaction to cognitive dissonance. I'm always asked whether we need to wait for catastrophes and crises before we will change. Often, yes, but we can also have a crisis of consciousness, where we feel out of step with the emergent norms in society. This drive to belong and to be in tune with the prevailing wisdom is incredibly strong - and we should use this to our advantage in sustainability. The more we can spread the message that sustainability is the new-normal, and that anything else is just un-cool and dumb, the more we will see "Joe/Jane public" unconsciously switching.

How do you address changing the systems in developing countries?

A lot of my work is with developing countries (and I was born and lived for many years in Africa). What I find is that the recognition for an active role for business in society is strong, but they are trapped in the philanthropic mindset. What I have found helpful are the following approaches:

1. ***Appeal to the values of the society***, whether cultural (e.g. "ubuntu" or "humanism" in Africa) or religious (e.g. "zakat" or "wealth tax" in Islam). Often these values match very well with the philosophy of social responsibility and reminding business people acts as an effective catalyst.
2. ***Focus on social entrepreneurship***, which is often strong in developing countries. They say necessity is the mother of invention and it's true. Many people have to be creative just to survive - and there are lots of cases of entrepreneurs using their creativity to tackle social and environmental problems.
3. ***Appeal to the global aspirations of the large companies*** (we call this "explicit CSR, e.g. compliance with global sustainability standards to access international markets), but focus on local benefits for SMEs (we call this "implicit CSR", e.g. improving customer access to your products and services).

How to change a society which does not believe in sustainable development? And what is beyond sustainable development?

I do think we suffer from a communication problem on sustainable development. These days, I speak much more about future-fitness (including my 5-S framework of creating a more safe, shared, sustainable, smart and satisfying future), which everyone can agree on and about integrated value creation, which speaks the language of business better. So we need to change the messaging to something desirable.

Sustainability, as my colleague Michael Braungart would say, is boring!

So what comes after sustainable development? There is a "thrivability" movement, which I like. My sense is that we will have to be focused more on Regeneration - so the regenerative economy, regenerative business, regenerative politics, etc. - applying to our sense of personal meaning, community and the environment. And the poet in me would say we only need to focus on discovering, honouring and protecting the "beauty of life".

How do you order people to consumer less, in a free market society, where consumption is the norm, and it is even something to chase?

According to most research, governments and customers tend to follow, not lead. So we need leadership from social movements (led by scientists, activists, consultants, progressive mayors, pioneering businesses, etc.) to change the norms of society, after which governments and customers will follow. My other observation is that we should not try too hard to convince people to consume less (although that would be a good thing), but rather to consume differently, i.e. choose products and services that are regenerative - to their wellbeing, communities and the planet.

Could raising awareness about different types of business models that embed more of a commitment to sustainable development have a significant impact on the short-sightedness of shareholder capitalism?

You are right that awareness of these alternatives is low and poorly understood. When I did my business degree many years ago, we were taught about traditional institutional forms of business, so there is a good rationale for teaching this. And now that there are viable alternatives - like community interest companies (UK), benefit corporations (mainly USA) and others (low profit, limited liability companies, social purpose corporations, social businesses) - they should absolutely be included in the curricula.

A key message should be that these needn't be fringe companies or "mom-and-pop shops". Mondragon is a co-operative that started in Spain and now has revenues in excess of €12 billion and employs more than 74,000 people around that world. And big companies like Ben & Jerry's and Patagonia are now registered B-Corps. Another key debate that should be had is on "fiduciary duty" in traditional corporations - what it means and more especially what it doesn't mean. You may be interested in my interview with Joel Bakan, Canadian author of The Corporation, who explores this.

Should companies abandon the misleading intensity approach to reporting of environmental performance?

You've touched on something very important here. Reporting can be skewed in favour of companies - especially using the intensity emissions/unit produced approach. So, yes, the requirement to report absolute numbers is critical. However, even this can be misleading. Even if I report the absolute emissions or waste, this is usually annual rather than cumulative. So if this goes down a bit, my company looks good, but the environment still has to absorb that additional waste.

This is why I am strongly promoting a Regenerative Economy (or Syndustrial Revolution) approach. Unless we can view production and consumption as part of a living system that is either improving or deteriorating based on our actions, we will never be truly sustainable. To continue with the waste example, if I am producing waste that is biodegradable at levels that nature can deal with, no problem. However, if it's toxic, or non-biodegradable, that waste is part of the problem no matter what the volume.

You may be interested in the New Syndustrial Model presented in my recent Huffington Post article. The challenge therefore is measuring and reporting against the 8 sub-components of this new model of Borrow > Create > Benefit > Return, rather than against the Old Industrial Model of Take > Make > Consume > Waste. This is the subject of a documentary called "Closing the Loop" that I have been filming with Emmy Award winning director, Graham Sheldon.

Are there any countries that have been successful in using fiscal incentives to create change for sustainability?

Taxing "bads" and subsidising "goods" would definitely speed our transition to a sustainable society. There are examples of this. Most renewable energy technologies are subsidised (although often cancelled out by even larger fossil fuel subsidies). In Sweden, they now give tax breaks for repaired goods (rather than new products). Norway has more than 50% of the world's Tesla electric cars, simply because there is a 100% import duty on all other cars and 0% on Teslas. In the UK, there is a landfill tax. In many countries, water quality charges apply to companies' effluent disposal.

These all help, but the key is to get the pricing right. We have to internalise the externalities - and if the price on resources or pollution or poor labour practices is too low, companies have very little incentive to change. For example, the EU Emissions Trading Scheme has a collapsed carbon price of €5-10, whereas research in Cambridge suggests that we need around €100 per tonne to get the reductions of the Paris Agreement. Increased prices are always unpopular, so politicians have to offset them with reducing other taxes (e.g. on income), while having some public support (usually through NGOs).

I am hopeful that - at a certain point - innovation takes over. Government fiscal incentives help to put pressure, so that companies invest in R&D for sustainable solutions. And when the technology starts to mature and the markets start to grow, we no longer have to "nudge" companies or people to choose sustainable options. Solar energy is at this point now (with prices down 98% since the 1970s). As soon as we can show that sustainable is simply better - in quality, performance, coolness, etc. - as Elon Musk has done with the electric car and will soon do with solar roofs, then sustainability becomes the new norm.

Aren't most companies just engaging in a few initiatives that are a small piece of the puzzle and don't entirely solve the problem despite seeming like a solution?

My guide to the issues you are speaking of is Paul Hawken, who says: never expect the beneficiaries of the status quo to lead the revolution. So, the chances are that the "solutions" Shell and others are promoting are smart, defensive initiatives that will allow them to continue to milk the cash-cow of fossil fuels for as long as possible. Their sunk costs cause technological lock-in. Carbon Capture and Storage may become a viable solution in future, but even at current prices, solar and wind are the more obvious and sustainable solutions.

So my advice is always to focus on the innovators, the disruptors, which are unlikely to come from within the industry they are trying to disrupt. It's no co-incidence that Tesla emerged from Silicon Valley, not Detroit - and was led by a software engineer (who disrupted another industry, banking, through Paypal), rather than a traditional engineer who has incrementally improved cars their whole life. Healthcare is being disrupted by tech companies like G.E. and Google, rather than Big Pharma, which has vested interests. Walk away from the incumbents. Follow the radicals!

What is your guide to sustainable enterprise, in a post-Trump elected world (and has it changed)?

The Trump phenomenon reminds me of that Chinese curse: "May you live in interesting times!" We are certainly living through such a time. While I am totally appalled and opposed to what Trump represents and the way he has sanctioned bigotry, I am slightly less pessimistic than many of my colleagues when it comes to the Trump Effect and this is why:

Most of Trump's campaign "promises" will be broken, either because he didn't mean to keep them in the first place (but he knew they'd made good PR and attract voter support) or because political action is much more bogged down by bureaucracy and accountability than he realises.

We don't know which way the Trump Effect will go. It is just as likely that there will be a strong movement for social justice and environmental sustainability in reaction to his inflammatory and retrogressive position. Trump may, perversely, end up being good for activism and democracy.

The world is not waiting for Trump or the USA to move ahead on issues of human rights (like migration) or climate change (like going renewable). When the science and morality is so compelling and with so much momentum, common sense (and strategic self-interest) will prevail.

Four years (or even eight years) is an incredibly short time in history. Yes, Trump may be able to distract and slow and confuse progress on sustainability (at least in the USA), but he will very quickly be shown to be a dinosaur that was on the wrong side of history.

And to your question, what should business do, my answer is simple: don't get distracted. Stay focused on the medium to longer-term trends and the underlying science. A great guide for this is the Future-Fit Benchmark, which is based on the scientific principles (or "system conditions") of The Natural Step Framework for sustainability. And what also competitors (economies and companies) are doing in the rest of the world.

There are many companies that will be exposed in the next 4-years for their lack of genuine commitment to sustainability. As Warren Buffet once said: "It's only when the tide goes out that you see who's been swimming naked." So this is the perfect time to invest in sustainability, when it is undervalued - knowing that the underlying fundamentals (i.e. the trends and pressures, which will drive the need for sustainable enterprise) remain strong.

Could you please give some advice on how to selectively consume and retain useful information?

Information overload is a challenge we all face today - and it is also true for media around sustainable business. I remember a colleague, Prof Stuart Hart, saying that we shouldn't complain, as this is exactly what we hoped for 20 years ago. And that's true. When I started on sustainability back in 1990, I really had to search and dig for any examples of companies doing anything to respond to social and environmental issues. Today, I struggle to keep up with all the great and inspiring things happening around the world.

So, to your question, how to deal with this flood of content? I think you have to develop filters. For me, it happens in two ways:

I structure my social media so that I am following people whose opinions I respect, i.e. they share content that I believe is most relevant. When you do this right, then the cream rises to the top - the really significant content gets shared by a few of your favourite thought-leaders, which suggests it's worth checking out.

I develop mental filters. Basically, this means having a few screening questions that you always apply, like: Is this from a credible source? Is this really transformative, or just incremental or business as usual? Is this tackling the symptoms or the cause? Does this content relate to my own mission and values, in terms of my career aspirations and life goals?

This all sounds very rational and systematic, but it's actually quite intuitive. Besides, some of the real "ah-ha" discoveries of content are not logical. They might appear random, but I prefer to think of them as synchronistic (as per Carl Jung's concept). A wonderful book that applies this to societal, organisational and individual change is called Presence.

And how do you share information so that people retain and relate to what you're sharing?

I believe there are two keys. The first is to share information that is useful, informative or inspiring. It sounds obvious, but it is easy to fall into the trap of sharing negative or unhelpful "news". Most people want to be empowered by what they are reading, so what we share should be positive, constructive and solutions-oriented. This is why I try to focus on innovation for sustainability.

The second key is to tell (or share) stories. We are no different to our ancestors who sat around a fire and told spellbinding tales. We are psycho-culturally hardwired to love storytelling. I try to do this in my books, articles and blogs. I know facts and figures can inform and educate (and are important), but powerful stories are more likely to inspire others and move them to action.

Concluding thoughts: the opportunity of change

I'd like to end my contribution to this dialogue by reiterating that change is a "multi-player" game, because we are trying to change a complex system. This means that there is a role for lots of different types of people and institutions. I'm privileged to have lived through South Africa's transition to democracy (in 1994) and so I know that transformative change does not come from pulling a single lever.

There were literally millions of actions by millions of people in South Africa and around the world that caused the racist regime to tip onto a more positive path. It will be the same for sustainability - and I already feel the tipping. As the African proverb goes: To go fast, go alone; to go far, go together. We need to go far, fast, so let's do it individually and collectively.

Source

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