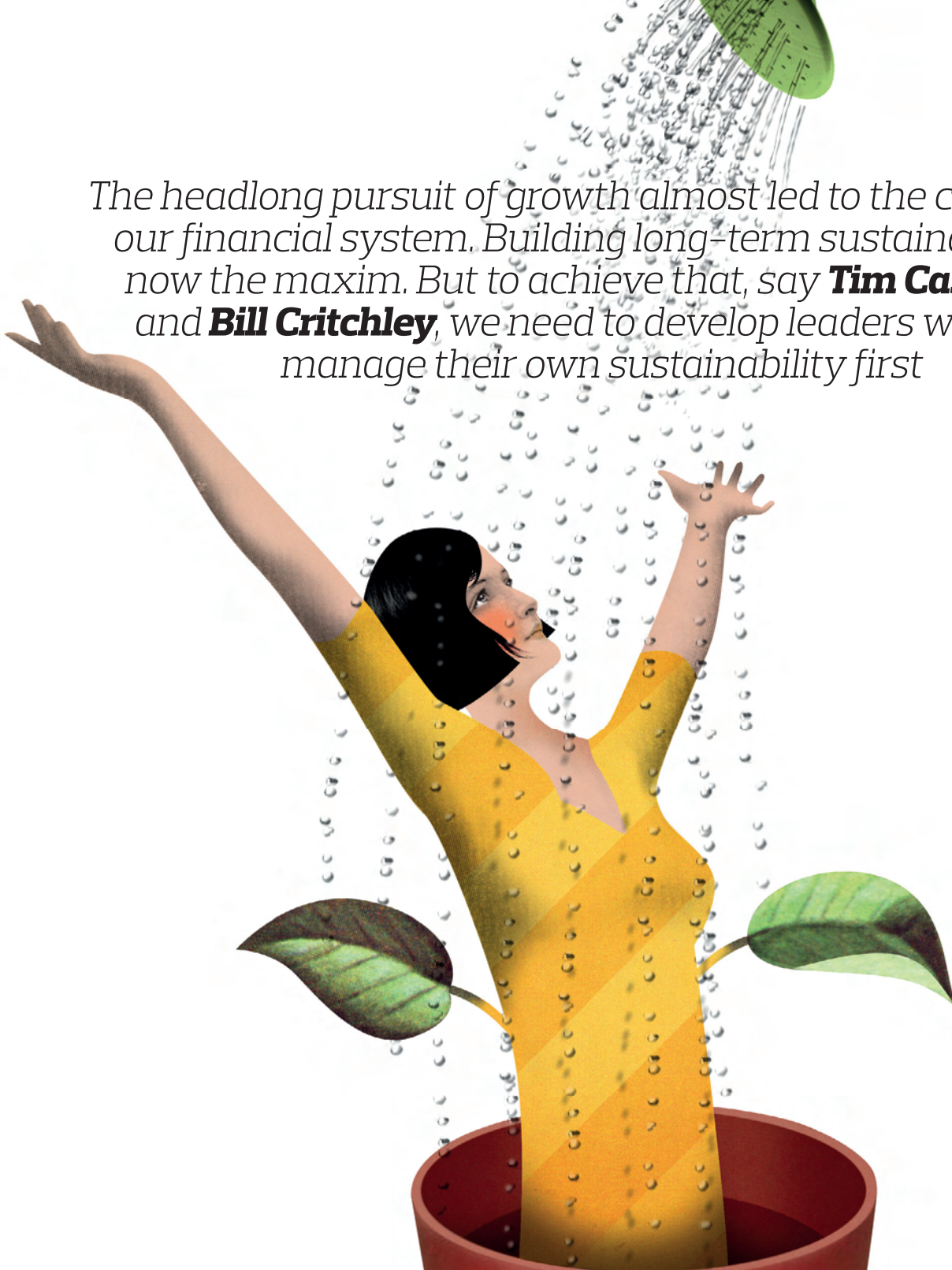


The headlong pursuit of growth almost led to the collapse of our financial system. Building long-term sustainability is now the maxim. But to achieve that, say **Tim Casserley** and **Bill Critchley**, we need to develop leaders who can manage their own sustainability first



PERENNIAL PHILOSOPHY

The fallout from the world financial crisis continues unabated. For the first time since the Great Depression of the 1930s, some of the most sacred tenets of Western capitalism are being questioned in mainstream debate. Chief among these is our most basic assumption that growth is the primary goal of economic activity.

There seems to be a widespread acceptance of the need for corporations to be more responsible as global tenants, to pay more attention to the broader consequences of economic activity and to adopt more sustainable practices.

What are the implications of this shifting perspective for how organisations function, and consequently how they are led? And what light does the recent crisis cast upon what to avoid? How did the very bright, capable people who led some of our apparently most successful businesses become reckless and bring about such a massive collapse? What can we learn about the nature of organisational culture and the quality of leadership that resulted in such behaviour?

While the recklessness of the financial services industry seems to have been pivotal, our research suggests that the crisis was the culmination of a far wider malaise affecting how organisations operate, what leaders do, and how they are developed. By and large most leaders – and most academics, teachers and consultants in this field – believe leadership is about being in control of an organisation in the singular pursuit of maximising financial return. This belief is based on the twin assumptions that businesses are like machines which leaders can “drive”, “re-engineer”, and “leverage”, and that the main purpose of business enterprise is to maximise profit.

Both of these assumptions are now being rigorously questioned. Businesses are increasingly seen as participants in a wider ecology with responsibility for minimising their environmental impact and improving their contribution to social welfare.

Associated with the “machine” view of organisations is a belief in control, whereby unilateral decisions – or decision-making by a small inner circle – are the norm, even on business activities involving significant risk. After all, if I am in control, what need is there to consult others? Moreover, it is all too easy for leaders to extend this illusion of control to believing they can predict and control the consequences of their decision-making for society as a whole. This has had disastrous consequences.

Our initial research into personal and career sustainability, which started more than eight years ago, was published in a book by Tim Casserley and David Megginson in 2008¹, before the financial crisis reached its climax. This research illuminated the dynamics in the relationship between leaders and their organisations that can either lead towards long term, sustainable success or business failure and derailment. We looked at:

- ◆ the dimensions of organisation culture that can influence more – or less – responsible approaches to careers;
- ◆ what successful leaders do – and don’t do – that sustains them and their careers over the long term;
- ◆ the patterns of behaviour associated with pursuing work unsustainably.

Then, between October 2008 and September 2009, as Edge Equilibrium, we ran a programme for high-potential leaders from WNS Global Services, Novartis, PricewaterhouseCoopers, McCann Erickson, BG Group and UBS. This experiential programme in sustainable leadership was called Leading from the Edge. It confirmed our findings, and provided deeper insights.

We believe that our findings form the basis of a paradigm shift in the way we think about how leaders are developed. It is an approach that centres on leaders exercising a duty of care for their own sustainability as well as that of the wider business and the society of which they are a part. It is as concerned with leaders learning the lessons of sustainability – paying attention to their own “healthily selfish” needs as a prerequisite of effectiveness – as it is with improving their performance.

We call this approach “developing sustainable leadership”, and it works at a number of levels:

- ◆ the personal level of sustaining personal psychological and physiological health;
- ◆ the organisational level of sustaining a work environment in which people are enabled to flourish and realise their own potential in the service of organisational purposes they see as worthwhile and congruent with their own sense of personal purpose;
- ◆ the sociological level of playing a responsible part in the broader community;
- ◆ the ecological level of sustaining the environment.

By contrast, the current paradigm sees leadership largely as a set of skills or competencies. The twin

How leaders develop: old vs new paradigm

Current paradigm	Sustainable leadership
Concern with performance	Concern with human sustainability as prerequisite for performance
Identify skills or competencies	Foster and integrate core individual processes of reflection on action, psychological intelligence and physiological well-being
Modify leaders’ behaviour based on these competencies	Negotiate engagement between core processes and culture of organisation
Leadership is drilled into people via off-job training	Leadership emerges from reflection on action in dealing with real-life adversity
Focus on the development of one-size-fits-all set of competencies; no attempt to adapt these to leader’s specific context and challenges	Focus on the quality of the relationship between the individual leader’s core processes and the culture of the organisation

ILLUSTRATION: BRETT RYDER

activities which underpin most leadership development are identification of competencies followed by behaviour modification. The assumption is that performance can largely be defined and achieved by combining knowledge and skills with experience, assuming the “right” attitude and appropriate motivation. We believe there is little correlation between much leadership development activity and effective performance.

There has been a recent move towards “self awareness”, partly stimulated by Daniel Goleman’s work on emotional intelligence², but this tends to be seen as another competence, and as a soft skill that is forgotten as soon as the economic climate gets tough. It’s interesting to note that Goleman has also attempted recently to widen the perspective by introducing the concept of “ecological intelligence” (see “*Gaia Education*”, PM 15 July).

Our research shows that performance derives from an integration of three core processes: reflection on action (learning through doing); psychological intelligence (having a clear sense of personal purpose and an awareness of personal assumptions and motivations); and physiological well-being (effective management of stress and sufficient self care).

This last process is all but ignored in most development programmes, or seen as a “nice to have” add on, while our research suggests that it is of equal importance to the other three.

Importantly, it is the integration of these three core processes, followed by their engagement with the culture of the organisation, which constitutes effective leadership development, generates sustainable leaders, and is more likely to create sustainable organisations.

‘Effective leaders need to define for themselves which aspects of the culture they feel committed to. What will they sign up to? What do they seek to change?’

PART 2

HALLMARKS OF SUSTAINABLE LEADERSHIP

1 Reflection on action

It is one thing to act, and management is largely associated with “doing”. It is quite another to reflect seriously on action and hence to learn. This idea, of course, has a long pedigree. What we are talking about here is leaders finding the time and the space to regain a sense of perspective, by reflecting on their experiences and on what they hear from others. This inevitably means giving up old leadership assumptions about being in control and, instead, taking the time to reconnect with those around them who have unique insight into what is really happening in the business.

2 Psychological intelligence

This more recent focus in leadership development currently is largely addressed through the use of psychometric instruments that purport to provide profiles of personality, preference, aptitude and so on. What these do not substantively address are two core psycho/sociological questions:

◆ Personal purpose

If we ask a leader “What is your purpose?”, the initial response is often incomprehension. If you press them to think about what kind of society they want to create for future generations, what kind of organisation they want to create for their employees, what effect they want their organisation to have on the environment and so forth, they may wonder what all of this has to do with their job as a leader. We suggest that it has everything to do with their job as a sustainable leader. Rather than unthinkingly conflating their own purpose with the commercial aims of the organisation, responsible leaders need to think about their personal purpose, because that is likely to provide a deeper source of conviction and resilience when the going gets tough.

◆ Motivation

In our experience, all motivations have a shadow side, or neurotic potential. For example, the desire to succeed is clearly a valuable source of energy, but it can tip over into a desire to succeed for its own sake, to the exclusion of all other considerations, and at the expense of others. Such neurotic motivations usually have their roots in early experiences and are never sustainable in the long run. They frequently lead to individual burnout, and/or create toxic work environments.

3 Physiological well-being

There is overwhelming research evidence that neurotic motivation (invariably unconscious) often combined with over-identification with the organisation (lack of sense of personal identity) gives rise to



physiological stress levels that are unsustainable in the long run.

Long-term consequences may be sleep problems, alcohol dependency, burnout as well as increased likelihood of cardiovascular disease, type 2 diabetes and so on.

4 Negotiated engagement

Effective leaders also play an active role in determining how they engage with the culture of the organisation, actively bearing in mind their individual core processes (1-3 outlined above). In essence, this means they need to define for themselves which aspects of the culture and conditions they feel committed to. What will they sign up to? Which aspects are they willing to live with? What do they seek to change?

This portrayal of the leader as powerful agent in relationship with the organisation is the final hallmark of sustainable leadership. It challenges the idea that leaders can be developed effectively in isolation from their social context and, in so doing, invalidates most mainstream, programmatic leadership development activity. It also rejects deterministic notions that leaders are purely at the mercy of powerful forces in their environment, including the culture of their organisation. It makes the relationship between the organisation and the individual leader central to the effectiveness of leadership development.

Spectrum of individual sustainability

We asked 100 high-flyers, from 29 different countries, to tell us about their experience of severe stress at work, as well as their perception of how their organisations responded, during a three-hour, audio taped interview. Subsequent analysis of these “stress stories”, combined with survey data and follow-up interviews with participants a year later, identified a range of behaviours:

◆ **Burnout:** Individual outcomes such as job burnout and depression are at the negative end of the spectrum. Some 20 per cent of our research population manifested all the classic symptoms of burnout: overwhelming exhaustion, distress, disillusionment, dysfunctional attitudes to others, addictive behaviour and a reduction in performance and productivity.

◆ **Joyless depletion:** A far larger proportion demonstrated some of the symptoms of burnout. These people were not at risk of actually burning out, but they were in a permanent state of sleep debt, and followed highly addictive work styles. We call this state “joyless depletion”. They were also prone, among other things, to reckless decision-making. Although some organisations create conditions that foster irresponsible approaches to work and career, we found that individual leaders also make choices that lead them down this road. These choices are driven by a susceptibility to unthinking confluence with their organisations’ objectives, and a lack of reflexive ability (see below). These leaders with less sustainable approaches to work and career tended to have a sense of purpose rooted in a need for recognition, fame and career success.

◆ **Sustainable leadership:** These people had a sense of purpose that was grounded in something deeper

and more enduring than just the achievement of work and career goals, and went beyond the leader’s narrow self interests. They were their own person rather than what others wanted them to be. They were conscious of their lives having some kind of story that enabled them to make meaning of their experience. They also possessed very well developed reflexive ability – making sense of things at an emotional and intuitive level as well as intellectually, and responding in a more visceral way. They were able to step back, look critically at themselves and creatively adapt to changes in their environment.

The organisation’s role

Our research amplifies the importance of organisational context in the development of leaders – particularly culture and work conditions. We identified the key dimensions of culture that are influential in developing a collective sense of responsibility for the success and sustainability of the overall enterprise and its stakeholders. For example:

◆ **Purpose and meaning:** The extent to which the organisation actively encourages individuals to develop their own sense of meaning and purpose, rather than to believe that their outlook and interests are identical to that of the organisation.

◆ **Fearless speech:** The degree to which finding one’s voice and questioning conventional practice is accepted as part of making a career and making a valid contribution to the good governance of the organisation, versus the degree to which the organisation values conformity with organisational norms, and discourages speaking out about what needs to change.

PART 3

DEVELOPING SUSTAINABLE LEADERS

As mentioned earlier, this new approach centres on leaders exercising a duty of care for their own sustainability, as well as that of the wider business and the society of which they are a part. So what does a development programme based on these principles look like in practice?

To be effective, of course, a development “experience” needs to be tailored to meet the specific needs of the organisation and eschews a generic, one-size-fits-all approach. But for the sake of illustration, a typical experiential programme would include:

◆ **Individual inquiry:** the starting point is an inquiry into the three core individual processes described previously. Leaders are asked to assess their personal sustainability as well as the degree to which the culture of their company fosters a responsible approach to work and career. All this is explored using surveys and one-on-one conversations. The conversations focus on the most challenging times during a leader’s career, as well as their experience of being a leader in their organisation. Leaders’ well-being and vitality are examined through a self administered medical test.

◆ **Executive coaching:** Initially the coaching explores the dominant narrative leaders have about themselves as leaders,

and when in the past they might have had an alternative story that better served them and their leadership.

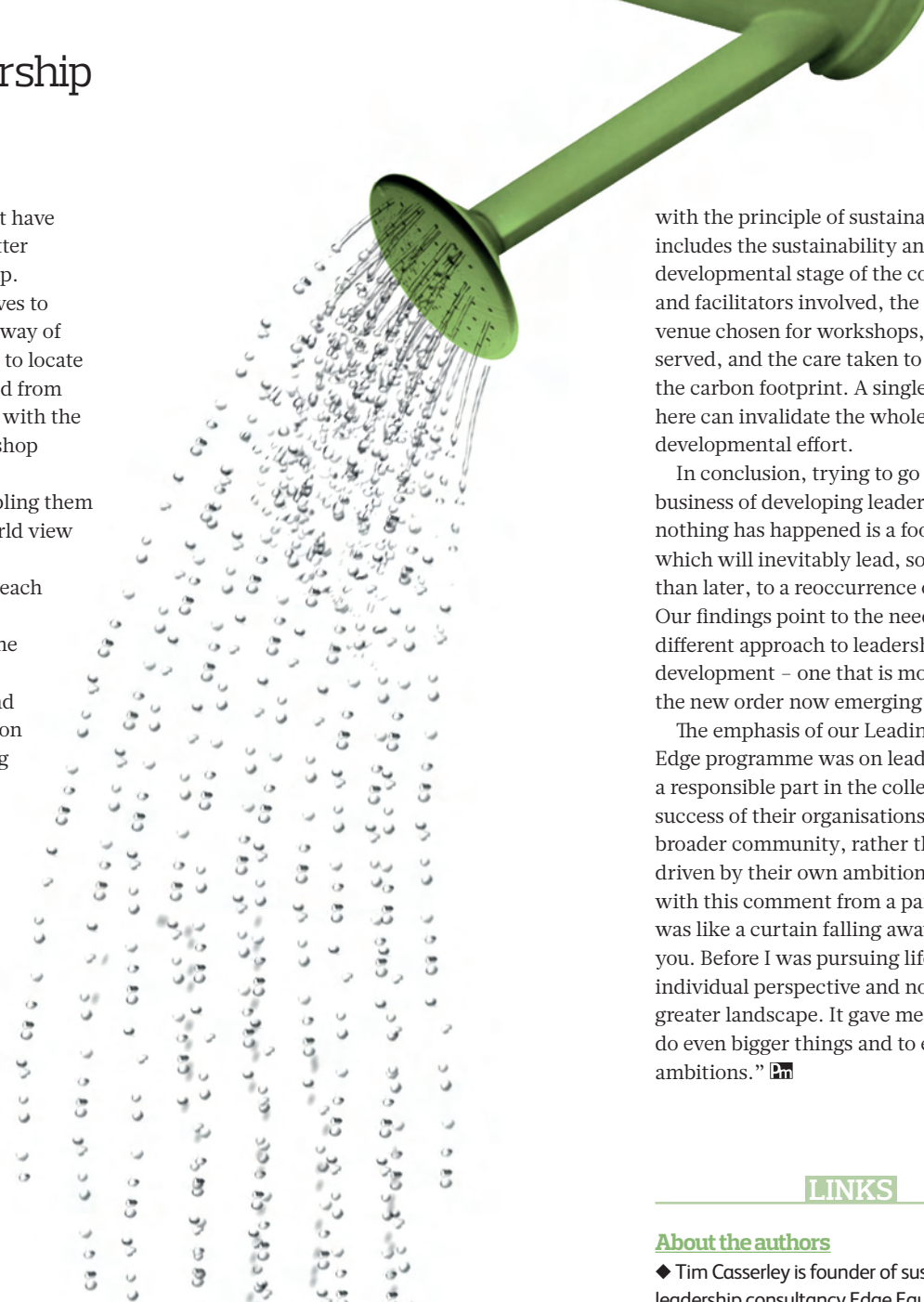
◆ **Residential workshop:** This serves to challenge each leader's current way of being and doing. It is important to locate it in an environment far removed from their everyday existence. Along with the experiential nature of the workshop activities, this serves to "discombobulate" leaders, enabling them to deconstruct their current world view and explore alternatives.

One-to-one sessions explore each leader's psychological and physiological well-being, and the likely impact this has on their leadership, decision-making and interactions with others, based on the information collected during the inquiry stage. This data can prove to be a wake up call for some. A variety of experiential development activities such as action learning, eliciting a leader's sense of purpose through reflective questioning from peers, guided visualisation, and so forth, deepen insight and help leaders to gain clearer access to their own wisdom.

◆ **Follow-on coaching:** Subsequent coaching builds on the progress made in the workshop, in particular, the leader's emerging sense of personal purpose, how this relates to the organisation's purpose and culture, and what actions need to be taken as a result.

◆ **Action inquiry:** This enables leaders to develop their practice of sustainable leadership back in their local day-to-day environment. Inquiry groups typically consist of six or seven leaders. The group frames the specific questions they want to explore about their practice of sustainable leadership, and agrees how they will go about experimenting with this new form of practice back in their day-to-day lives as leaders. Some weeks later, they reflect as a group on their experience, using learning from their successes and failures to inform their subsequent practice as leaders.

When running a programme to develop sustainable leaders, it's important to ensure that every aspect of the development activity is congruent



'Businesses are increasingly seen as part of a wider ecology with responsibility for minimising their environmental impact and improving their contribution to social welfare'

with the principle of sustainability. This includes the sustainability and developmental stage of the coaches and facilitators involved, the types of venue chosen for workshops, the food served, and the care taken to minimise the carbon footprint. A single mistake here can invalidate the whole developmental effort.

In conclusion, trying to go on with the business of developing leaders as if nothing has happened is a fool's game which will inevitably lead, sooner rather than later, to a reoccurrence of the crisis. Our findings point to the need for a different approach to leadership development – one that is more suited to the new order now emerging.

The emphasis of our Leading from the Edge programme was on leaders playing a responsible part in the collective success of their organisations and the broader community, rather than being driven by their own ambition. We finish with this comment from a participant: "It was like a curtain falling away in front of you. Before I was pursuing life from an individual perspective and now I see the greater landscape. It gave me strength to do even bigger things and to expand my ambitions." 

LINKS

About the authors

◆ Tim Casserley is founder of sustainable leadership consultancy Edge Equilibrium and co-author of *Learning from burnout*. He previously held senior leadership and OD roles with PricewaterhouseCoopers, GSK, Chevron, Texaco, Fujitsu and GE.

www.edgeequilibrium.com

◆ Bill Critchley is a consultant specialising in developing the capacity of organisations for change and innovation. He founded the Ashridge MSc programme in organisation consulting and coaching for consultants, and is a visiting professor at Middlesex University. www.billcritchleyconsulting.com

References

¹ T Casserley and D Megginson, *Learning from burnout: developing sustainable leaders and avoiding career derailment*, Oxford: Butterworth-Heinemann, 2008

² See, for instance, D Goleman, *Emotional Intelligence: Why It Can Matter More Than IQ*, Bantam, 1997