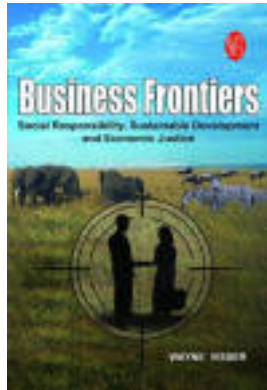


Business Frontiers:

Social Responsibility, Sustainable Development and Economic Justice

By Wayne Visser (ICFAI Books, 2005)



~ 22 CORPORATE SUSTAINABILITY ~

Scenarios for the Future

Rabbit Holes and Boiled Frogs

Being in business these days is a lot like falling down a rabbit hole. The latter, if you remember Lewis Carroll's classic *Alice's Adventures in Wonderland*, is a chaotic and confusing place to be. All the tried and tested rules of the past don't seem to work so well anymore. The formerly familiar environment keeps transforming itself into new, unrecognisable landscapes. Strange, distracting characters have a habit of popping up randomly and then suddenly disappearing. And the clear, rational perspectives that used to spell out solutions keep getting stretched, warped and turned on their head, like the reflected images in a house of weird mirrors.

To illustrate what I mean, the demigod once known as the *shareholder* has mutated into a multi-headed beast called the *stakeholder*. *Accounting*, the time-honoured introspective discipline of counting beans (or gold or money or shares), has been turned inside out and become nerve-racking *accountability* to the big wide world out there. And *profitability*, which used to be a trustworthy financial measure, has multiplied into a *triple bottom line* by blurring together economic, social and environmental performance.

To survive in this whirlwind of chaotic change, companies have become adept at rapidly adapting to dramatic changes. What business has been less skilled at doing is recognizing or responding to long-term effects of gradual changes. In this sense, it displays the classic "boiled frog syndrome". If a frog is placed in boiling water, it immediately jumps out providing it is free to do so. However, if the water temperature is cool to begin with and

then gradually increased, the frog fails to register any threat to its well-being and consequently allows itself to be literally boiled alive.

There are many examples of threats that could boil the corporate toads: creeping income inequality; the spread of HIV/AIDS; marginalisation of certain regions in the world economy; the cancerous burden of Third World debt; alienation of people with low incomes or no jobs; accelerating biodiversity loss; global climate change; rising chemical concentrations in the Earth's water systems; disintegration of cultural identities; and the spread of violent crime among the youth, to mention but a few.

Trading in Fangs for Tusks

At the heart of all of these challenges is one of the most profound drivers for step-change in business and the world – sustainability. Sustainability refers to improving human well-being by seeking a proper balance between social, economic and environmental change over the long term. The old ways, which have dominated for the past century or more, are no longer appropriate for a post-industrial, sustainability-driven society. Sustainability is not only a new scientific, political, social and legal concept, but an entirely new business philosophy based on a new mythology. It requires that business think differently about its role in society and how it goes about what it does.

The changes needed in order for business to survive and thrive in an age of sustainability are so fundamental that they are akin to changing its identity, its underlying nature. At the moment, we believe that the majority of business embodies the characteristics of a lion – an impressive predator. However, the future calls for different strengths, such as those displayed by the mighty elephant – a wise leader. Consequently the question is a simple one: how will today's lion companies change into tomorrow's elephant companies? Answer: they will need to *shapeshift*.

There are numerous associations with lions that make them an apt symbol for today's companies (without wanting to offend lion-lovers): they are appetite-driven competitors, focused on hunting prey and feeding the pride. They rule through power and fear, and their violent ways are generally self-centred. In today's business world, we see similarities in companies acting like acquisitive predators, with insatiable appetites, often with little regard for their impacts on local communities, or the natural environment. They hunt down market share and chase profits, enriching themselves along the way (ever heard of "fat cats"?). They also have the guile to argue that their own growth and success will somehow miraculously "trickle down" to benefit society as a whole, despite growing evidence to the contrary. The zebras are not convinced!

Elephants, by contrast, are a fitting metaphor for sustainable business. They are masters of survival and adaptation, and live in cooperative harmony with their fellow creatures. Elephants are organised in matriarchal herds, which display highly developed social

tendencies and sophisticated communication abilities (including the use of infrasound). They are extremely intelligent creatures, but also display sensitive emotions like affection and grief. Most of all, these gentle giants inspire all who encounter them.

These are exactly the qualities needed in the sustainable companies of tomorrow. Sustainability is about embracing something larger than ourselves, something awesome and inspiring. It is about surviving over the long term, living through many aeons. Sustainability relies on an understanding of symbiosis and cooperative living. It requires extraordinary communication abilities, sometimes even extra sensory perception. Sustainability is complex and requires leaders with great intelligence, capacity for learning and sensitivity. Most of all, it is rooted in compassion, wisdom and intergenerational thinking.

Scenarios of the Future

These analogies of lion versus elephant companies have not just been dreamed up as an exercise in light entertainment. They are a glimpse of the very real future landscape of business that will emerge over the coming decades. Underpinning the sustainability trend are a number of conditions – what scenario planners call “rules of game”. These include:

- The biophysical limitations of the Earth;
- The multiplier impacts of population growth and industrial lifestyles;
- Pervasive poverty and growing resentment among the dispossessed masses;
- Declining ecosystems;
- A techno-scientific boom;
- A communication networked planet; and
- A renaissance in values.

At the same time, there are key uncertainties - variables that could go one way or the other. They are the pivotal points on which the future swivels. These include:

- The willingness of business to share power;
- The direction of scientific and technological innovation;
- The nature of economic and trade developments;
- The ability of volatile regions in the world to reach stable, peaceful solutions;
- The rate of environmental decline and the time lag of its effects; and

- Manifestations of social unrest; and lifestyle choices.

Given these rules of the game and key uncertainties, which are described in more detail in the book on which this article is based, two contrasting scenarios emerge which serve to illustrate how the future landscape of business and the world could turn out. The actual outcome will partly depend on the options we choose over the coming decade. The two scenarios are *Oases in the Desert* and *Plains of the Serengeti*. Remember, scenarios are stories of what *can* happen in the future – they are *not* forecasts of what is going to happen. Their purpose is to educate rather than prescribe.

Oases in the Desert is where we end up if the lions continue on their path of ascendancy towards global domination. The scenario's oasis image points to pockets of plenty existing in the midst of a desert of deprivation. It is almost as if the excesses of water and lush greenery in the oasis have been sucked out of the rest of the landscape and accumulated at just a few spots. (Some golf courses give one that impression!) Generally, the scenario is the net result of the present lions' tendency to accumulate power and concentrate wealth in fewer and fewer hands (or should that be paws?). Additional consequences are that the majority of the world's population is pushed into a marginal existence and the natural environment is systematically degraded. Only the cats get fatter. All the money that flows into the lion's den never leaves.

In contrast, *Plains of the Serengeti* is where we head for if the lions realise that their game of domination has a no-win conclusion and voluntarily or begrudgingly begin shapeshifting into elephants. The scenario conjures up breathtaking images of the fertile plains of East Africa and the Great Rift Valley teeming with wildlife, all living in a state of dynamic harmony with each other and the natural environment. A rich heritage of biological diversity exists, with even the predators finding their rightful place within the larger community of animals. Hence, although competition still takes place in the society, it is tempered by the more pervasive cooperativeness in Nature which ensures that a healthy balance is maintained. The smaller, more entrepreneurial animals flourish in this setting.

Weighing Up the Options

Having depicted the possible paths that the future can take in two mainline scenarios (only briefly summarized above), we must now consider the options within the control of the principal actors which will increase or reduce the probabilities of either scenario materialising. While we will concentrate on the options facing companies, multi-level shapeshifting makes it essential to bring countries and individuals into the picture. To simplify, there are three basic options for business: *Catwalk*; *Leophancy*; and *The Charge of the Heavy Brigade*.

The first option for companies is to continue down the *Catwalk*. In other words, it's business as usual with the lions on the prowl. Sustained pressure from shareholders and the sanctity of the profit motive will continue the drive towards greater efficiencies, the expansion into new markets and the accumulation of capital. The concept of stakeholders will be acknowledged, but a strict hierarchy of priority will be applied. Directors, shareholders and financial institutions will continue to take precedence over any other group. Corporate executives will rise to the status of kings in a changing landscape of growing disparity. For most business directors and line managers, their actions will remain within the boundaries of the law, but stretch beyond moral reasonability, as they steadily accumulate great fortunes of unshared wealth.

The second option is *Leophancy*. Like sycophants, *leophants* want to be all things to all people – sucking up to the shareholders when it suits them and rolling over for the “greenies” when circumstances demand. They have recognised that some of their lion traits are going to get them into trouble sooner or later and that elephants are beginning to gain favour in the world. As a result, they are just starting to test the water – introducing an environmental policy here, adopting a corporate governance code there, adding a few non-financial performance measures, setting up community forums. They feel an incessant compulsion to justify their every move towards sustainability by saying that there is a business case for it, or that their actions are nothing more than good risk management. Becoming a leophant is not necessarily the easiest option. Like an adolescent tripping into puberty, leophant companies risk looking awkward and ungainly. Their management and staff feel that every decision is now riddled with paradox and uncertainty.

The final option for companies is to blaze a trail for the sustainable future by wholeheartedly and unashamedly joining *The Charge of the Heavy Brigade*. Strength lies in numbers and the greater the number of companies that make the switch from lions to elephants, the less they will be dismissed as mavericks. Their zealous mission will be to show that it is not only possible, but essential, to transform businesses into an elephant-friendly force in society – an agent of change for good. One of the first actions of the elephant pioneer is to shut up and start listening. They quickly establish various mechanisms for comprehensively surveying and understanding the complex needs of their numerous stakeholders. They also put in place a series of indicators to track their corporate performance in terms of these needs. At the moment, the herd of fellow elephant-oriented companies is still relatively small. They therefore find themselves often mingling with NGOs and activists. This network of passionate comrades are their source of inspiration and “insider” information. They give the company clues as to what issues are ticking time bombs and what products are hot prospects for a sustainable future.

A Call to Action and Leadership

So much for our pictures on the future. What about back in the present, in developing countries? Suffice to say that I believe we are immensely privileged. We have inherited a vast wealth of natural resources, ecological assets, cultural diversity, social values and economic potential. More importantly though, we face the tough challenge of sustainability on a daily basis. Our painful experience of poverty, social deprivation and environmental degradation are forcing us to tackle sustainability issues more proactively than many other regions of the world. In 10 years time, let the corporate bushveld echo, not with the roar of greedy lion companies, but with the gentle rumbling of sustainable elephant enterprises.

Source:

First published as an article entitled "Can We Survive the Future? Only if Business Shapeshifts From Lions into Elephants" in *Namaste*, Volume 19, October, 2002.