Leadership as Enabling Function for Flourishing by Design

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Abstract

This conceptual paper alerts the reader to the urgent need to address the most pressing challenge and opportunity of the 21st century, namely leadership that enables flourishing for all forever. This concept paper suggests a heuristic for the reader and supplies a working model of leadership as enabling factor for flourishing that arises from a survey of the literature around leadership development as well as a brief review of the literature on flourishing. It also incorporates a new and unique flourishing by design model that serves as an exemplar of leadership as enabling factor for flourishing for all forever. To resolve the wicked problem of a sustainable planet and flourishing for all forever this paper suggests the Flourishing by Design business canvas supported by organizational leadership as enabling function in a business organization as a complex adaptive system. The paper also lists some early exemplars of this leadership as enabling function for flourishing but highlights the need for more research around organizations and leadership that foster flourishing by design.

The research limitations subsist around the small number of organizations that have situated flourishing as a design feature and purpose of the organization as a whole. There are many organizations that claim sustainability as a motif alongside profits and people, but the shortcomings of sustainability, as an addendum, are now clear. The planet is still in grave danger, and by extension, so are we. We need to undertake quasi-experimental research in which leadership development praxis incorporates the element of flourishing by design and then action research through which the outcomes can be measured, modified, and ongoing improvements iterated into the organizational design.

This paper suggests a different mindset and skillset for leadership, and by implication, leadership development. Our ongoing research into "Seeking Best Methods for Leadership Development," through our Round 1 Delphi survey has uncovered the elements of Human Capital, Social Capital, Structural Capital, and Self Leadership, as core elements desired by global CEO's as necessary for an effective leadership development program. What we did not probe for, and need to probe for, is the element of "Flourishing Capital," or the degree to which the leadership might be developed to serve as enabling function for flourishing for all forever.

This conceptual paper blends current leadership development research with current research using the flourishing business model canvas to suggest a new leadership approach in which flourishing is core to the organizational design. The paper highlights the reality that there are, as yet, only a small number of organizations and leadership that have conceptualized and implemented the notion of flourishing by design and that a great deal more research and implementation needs to occur to prove the validity of the model.

Introduction: From Leaders Who Promote Sustainability to Leadership that Enables Flourishing

We have entered the 21st century with a keen awareness that there are great new vistas of opportunity, coupled with complex problems, problems we have come to term as “wicked” problems. This term “wicked” refers not to any moral dimension of a problem but rather the notion that a wicked problem is defined as a problem “where facts are uncertain, values in conflict, stakes are high, decisions are urgent, and an extended peer community is required for the resolution of the relevant issues (Gough et al., 1998).” A tame problem is an instance of something that has happened before and so it is resolvable through a defined series of actions or practices (Herrick and Pratt, 2011). A Wicked problem on the other hand involves four components (Herrick and Pratt, 2011):

1. Complex interactions between socioeconomic and ecological systems
2. A multidisciplinary framework
3. Multiparty resolutions
4. The problem understanding and problem resolution are concomitant to each other since wicked problems often have multiple and conflicting criteria for solution.

The “wicked” problem discussed in this article is the issue of sustainability, and more specifically, the role of leadership in designing organizations with the potential to move beyond sustainability to the potential of flourishing for all forever. Sustainability is one of the most pressing leadership issues of the 21st century, as King states (Roberts, 2010):

*Sustainability is the primary moral and economic imperative of the 21st century. It is one of the most important sources of both opportunities and risks for businesses. Nature, society and business are interconnected in complex ways that should be understood by decision makers. Most importantly, current incremental changes towards sustainability are not sufficient – we need a fundamental shift in the way companies and directors act and organize themselves.*

This article seeks to suggest evolution from the static notion of “sustainability,” which often serves as an “add-on” to a leader’s agenda (Marshall, 2011: 273) to the notion of “flourishing” as integral to the strategic design of an organization and intrinsic to the leadership processes within an organization (Paraschiv et al., 2012: 407). The concept of leadership that enables flourishing for all forever calls for leadership as social capital, in which all of the leadership processes within an organization synergize around the mutually agreed upon goal of sustaining the possibility for all to flourish in the workplace and for all other humans and all other life to flourish on our planet forever (Crews, 2010; Harley et al., 2013).

So it is in this brief paper that we discuss the wicked problem: “Can leadership enable the possibility for flourishing for all forever by changing the organizational design, the organizational raison d’être, including its very definition of success, and if so, what type of leadership is required to do so?”

To address this wicked problem, namely, the capacity and ability of leadership to systematically and consistently create the possibility for all to flourish forever by changing the organizational design based on a new definition of organizational success, this paper begins with a discussion of...
how we might need to move from leadership for sustainable development to leadership for flourishing by design. This is leadership that envisages that all humans and all other life should have the possibility to flourish forever as the raison d’être of the organization’s very existence. This means the organization must systematically strive to be financially viable, generate social benefits and regenerate the environment, and where this is not possible (due to current legal, regulatory, market or other socially defined ‘norms of behaviour’), proactively work to remove these barriers. Following this brief discussion of a movement from sustainable development to flourishing, some examples of this type of leadership for flourishing are highlighted as exemplars of the direction in which leadership practices might move to achieve this outcome. Once we have discussed the exemplars of leadership that seeks to enable flourishing by design, we suggest a model of what enabling leadership in a complex adaptive system might look like and how it might function. The paper then concludes with suggestions for further research with a view to effectively addressing the wicked question: “Can leadership systematically enable the possibility for all to flourish forever on our planet by changing the organizational design, the organizational raison d’être, and if so, what type of leadership practices, skills and knowledge are required to do so?”

As per Ehrenfeld (2000, 2005, 2008,) (Ehrenfeld, Hoffman, 2013) and Laszlo, Ehrenfeld et. al. (2014) you can’t generate, manage for, or create flourishing. We suggest at the outset that “flourishing” is an emergent property of a complex system that is supported by enabling leadership! It cannot be forced, but as with any system, design is paramount. If we do not design for flourishing, we will never achieve it. If we default to the notion that the purpose of business is profit alone, and the type of leadership required for business is a profit driven leadership, then we will accomplish by design, that which we focus on. It is this notion of leadership enabling flourishing that we discuss extensively in the next section.

Our “Wicked” Problem: Can We Develop Leadership that Enables Flourishing by Design?

“Can leadership systematically enable the possibility for all to flourish forever on our planet by changing organizational design, and if so, what type of leadership is best suited to do so?” This is a wicked problem because it is urgent, the stakes are very high, and an extended peer community is called for to resolve the problem, as Clay (2015) highlights:

*Sustainability has got to be something that we all care about. We need groups to collaborate that never have...everybody’s got to work together. We need to begin to manage this planet as if our life depended on it – because fundamentally, it does.*

Enabling a flourishing planet is inherently a leadership issue that takes account of the fact that the planet and its people are being ravaged by forces of hyper-consumerism that fuels resource depletion, climate change, growing poverty, food and water security, and thus raises the urgent call for a different type of leadership, a leadership that moves from depletion to sustainability to thriving to flourishing. These calls emerge within the context of fears that the gap between these problems and our ability to solve them is increasing (Wolfgramm et al., 2013: 649). It seems we need leadership that is, by design, focused not just on sustainability which is somewhat status quo, but on flourishing, which moves beyond the holding pattern of what is, to an imaginative
(Paraschiv et al., 2012) and transformative future of what could be (Wolfgramm et al., 2013). As the 2010 Accenture report of the responses of 50 global CEO’s highlighted (Authors, 2012):

*Leading CEO’s view sustainability as an engine of future growth. As companies turn their sights to new waves of growth, sustainability is a key element in their strategies to grow revenues and broaden their geographic footprints into emerging markets.*

Whilst this evidence suggests that leading global CEO’s envisage sustainability as a core driver for future growth, it seems that translating this perception into organizational design and organizational outcomes requires “unusual leaders and leadership systems” (Metcalf and Benn, 2013). The research is not entirely clear, at this juncture, on exactly what type of leadership is required for a sustainable, or flourishing by design, organization (Galpin et al., 2015). However, the call for this type of leadership in organizations is clarion (Coulson-Thomas, 2013). The distinction between sustainable leadership and leadership designed to enable flourishing is highlighted in the respective definitions of “sustainability” and “flourishing”.

*Sustainability* is defined as (Crews, 2010):

> A business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental, and social developments. ... Sustainability as a concept is based on the integration of three historically separate communities: those primarily interested in profits, the planet, or people.

**Table 1. The Distinction between Leadership for Sustainable Development and Leadership for Flourishing**

<table>
<thead>
<tr>
<th><strong>Sustainable Leadership</strong></th>
<th><strong>Leadership for Flourishing</strong></th>
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<tbody>
<tr>
<td>A business approach that pays attention to long-term shareholder value.</td>
<td>A movement of individuals that unleashes the human spirit to accomplish profound and powerful outcomes that brings good to all people.</td>
</tr>
<tr>
<td>A reactive approach that is management driven and focuses upon embracing opportunities and managing risk.</td>
<td>A proactive approach that is leadership driven in that it seeks to leverage the best from people to accomplish great outcomes for the good of all.</td>
</tr>
<tr>
<td>An atomistic approach that seeks to align profits, people, and planet in the so-called “triple bottom line.”</td>
<td>A synergistic approach that views the world, organizations, and people, as part of a global complex adaptive system, intricately connected and thus mandating a different goal, a system designed to bring good to all humanity.</td>
</tr>
<tr>
<td>The measurement of success is profit in a way that does not hurt the already weakened global ecosystem.</td>
<td>The measurement of success is a global acknowledgement of the stewardship of all resources in a way that replenishes those resources and brings good to all who rely upon those resources.</td>
</tr>
<tr>
<td>Little attention is given to initial design. Policy is designed to prevent pollution, unethical conduct, and harm with a keen eye to shareholder value. This is management in its fullest form, individuals seeking to maintain the status quo (shareholder value) whilst at the same time addressing the thorny issue of intense resource depletion to do so.</td>
<td>Initial design is everything. The organization is designed to subsist within the broader complex adaptive system in a way that causes all of the elements of that system to flourish in harmony and balance. Passion, not policy, and morality not ethics, drives behaviour and outcomes. This is leadership in its fullest form, individuals influencing a group of individuals to achieve a common goal.</td>
</tr>
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</table>
Flourishing, on the other hand, is defined as (Laszlo et al., 2012):

*Flourishing individuals and organizations go beyond the limited paradigms of incentives, and beyond the usual attempts at employee engagement and positive cultures. They are able to tap into something much more profound, powerful and ever ineffable. They unleash the human spirit. And the challenge of doing exactly that will need to be met by increasing numbers of businesses in the years ahead.*

This paper suggests that we need to develop a leadership approach that urgently moves beyond the notion of “sustainable development,” which may have been adequate in the Industrial era, to a much stronger and innovative leadership approach of “enabling flourishing” to address the needs of a post-Industrial global era that increasingly faces resource depletion, hyper-consumerism, and stark imbalances of wealth and poverty. Table 1 expands on the two definitions above to highlight the distinction between Leadership for Sustainable Development and Leadership for Flourishing.

**What Type of Leadership Is Required to Support Flourishing by Design?**

The themes of “leadership that enables flourishing” are further illustrated in Figure 1 (Laszlo et al., 2012). In Figure 1 Laszlo et al. highlight an approach to leadership that moves through four critical phases in a process of appreciative inquiry that begins with “Discovery,” and incorporates “Design” as an essential element. Each element of the diagram, and its contribution to the notion of “leadership that enables flourishing,” is discussed below.

This diagram highlights the four ongoing (infinite) processes required for “Leadership for Flourishing.” These four processes are discussed briefly below to highlight the type of leadership needed to address the wicked problem presented at the beginning of this paper, namely: “Can leadership create a flourishing planet by changing organizational design, and if so, what type of leadership is best suited to do so?”

**Process 1: Discovery, “What gives life?”** Flourishing leadership is a leadership that should possess situational awareness. Flourishing leadership takes a moment to pause and in a process of discovery to ask the difficult question: “What gives life?” What elements of the complex adaptive system that forms our existence contribute to a healthy and meaningful existence and how do we tap into these elements in a way that promotes not just a sustainable future, but also a flourishing planet that is renewed and rejuvenated by our mutual interaction with it, and with each other? Reflecting on this question of “what gives life,” should then lead us to the next key process of “Leadership for Flourishing,” namely, imaginative capacity.

**Process 2: Dream, “What might be?”** This question begins with the understanding that the world is currently under immense environmental stress, but then moves to ask, “Does it need to continue in this way?” What might the future realistically look like if we could focus on the idea of flourishing rather than just sustainability? Once we have gained an appreciation for what gives life, and envisaged what type of future might best support this ideal of what gives life, we then move to enact the next leadership process, namely, co-constructing the mechanisms and systems to move us towards “what might be.”
Process 3: Design, “What should be?” As leadership understands what gives life, and courageously dreams of how to develop a future in which the planet and its people are replenished and rejuvenated by mutual interaction, this leadership then seeks to incorporate design elements to incrementally move towards this future. This is not the purview of a lone heroic leader (human capital) but rather the sustained co-construction of an intricate and sustainable design emerging from leadership processes within an organization (social capital) (Day and Harrison, 2007). As highlighted in the definition of a wicked problem, “… facts are uncertain, values in conflict, stakes are high, decisions are urgent, and an extended peer community is required for the resolution of the relevant issues (Gough et al., 1998).” An extender peer community is required in the design process to leverage the best that interdisciplinary cooperation can afford (Henrekson, 2014), and to ensure that the interests of the multifarious stakeholders within the complex adaptive system are fairly represented (Arenas et al., 2011).

Process 4: Destiny, “How to empower, learn and adjust/improvise?” Flourishing leadership works hard at designing for the future that could/should emerge, but with the realization that design alone is not enough. Flourishing leadership also needs to provide the mechanisms and resources to empower the design, as well as the space to adjust and improvise when elements of the design prove to be difficult to implement, ineffective, or untenable.

Laszlo’s 4D cycle renders a useful heuristic for leadership to approach the possibility of enabling flourishing by design. In the next section we suggest a tool that is currently in development and is constantly being deployed and improved through a process akin to Laszlo’s cycle. We see this tool as a useful framework for leadership within organizations to enable the potential of flourishing by design.
An Example of a Tool to Support Leadership for Flourishing by Design

A helpful example of a tool to enable leadership for flourishing is the Flourishing Business Model Canvas (Figure 2). This a collaborative visual design tool that, by providing a common language for an organization’s stakeholders, allows them to effectively work together to describe their enterprise’s business model and imagine future preferred ones.

The Flourishing Business Canvas is the most recent result of an on-going program of action and design research being conducted by an international team, all members of the Strongly Sustainable Business Model Group, hosted by the Strategic Innovation Lab at OCAD University. The original version of this canvas is summarized in Jones and Upward (2014), and the original research that defines the language used by the canvas is reported in Upward and Jones (2016), and is based on the earlier profit oriented business modelling language (Osterwalder 2004) and the very popular collaborative visual design tool derived from it, the Business Model Canvas (Osterwalder, Pigneur 2009). The Flourishing Business Canvas shown in Figure 2 is currently subject to an ongoing program of field evaluation and testing around the globe (www.FlourishingBusiness.org).

Figure 2. The Flourishing Business Canvas, v2
(© Antony Upward / Edward James Consulting Ltd., 2014  All rights reserved. www.FlourishingBusiness.org. Used with permission.)
A business model is defined as a description of an enterprise at some point in time (past, present, future) that describes “how a business defines and achieves success over time” (Upward & Jones, 2016). To provide such descriptions the language used by the canvas includes all the elements needed to describe any business model for any enterprise – irrespective of the organization’s definition of success: from maximizing short term profit, through sustainable development, to sustaining the possibility for flourishing.

The Flourishing Business Canvas is useful because its language incorporates the necessary and sufficient elements and their inter-relationships that are indicated by a trans-disciplinary review of the science needed to describe a business model that enables the possibility for the enterprise itself and all its stakeholders to flourish – the relevant natural, social, economic, management and psychological science. These elements, introduced below, allow leaders of organizations whose definition of success includes sustaining the possibility for flourishing, to effectively collaborate with all their stakeholders to design the achievement of this outcome into the fabric of the business, something that Coulson-Thomas suggested as creating “exciting opportunities for Entrepreneurs” (Coulson-Thomas, 2013).

For organizations whose definition of success are not aligned with enabling flourishing, the canvas provides a useful diagnostic, enabling leaders to identify gaps, risks and opportunities that moving their business model towards this goal might offer. This is of particular importance as the implications of climate change and other elements of the Global Problématique (Ozbekhan 1970) mean ‘business as usual’ becomes ever less financially viable.

**Figure 3: The contextual systems of any business**
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Exploring the elements of the Flourishing Business Canvas in turn: First it places the business, from the outset, within its full set of scientifically defined contextual systems: the environment (the planet, all life and all associated processes), society (people as individuals and collectively – our culture and technology), and economy (revenues, costs and profit). This is Leadership for Flourishing at its best because questions of sustainability and flourishing are not an addendum once the business is running, but are incorporated into the design of the business enabling the possibility that it can integrate the achievement of financial rewards, social benefits and environmental regeneration.
Second, as shown in Figure 4, the Flourishing Business Canvas recognizes there are four “perspectives” on any business, directed from the four elements of Kaplan’s Balanced Scorecard (1996). This enables the canvas to model “the logic for an organization’s existence: who it does it for, to and with; what it does now and in the future; how, where and with what does it do it; and how it defines and measures its success” (Upward, Jones 2016).

Third, as shown in Figure 5, the Flourishing Business Canvas relates the contextual systems to these perspectives, highlighting what is unique to any enterprise’s business model vs. what is shared with the rest of the economy, society and the environment.
Finally, as shown in Figure 2, sixteen “blocks” indicate the concepts that are necessary and sufficient to describe any business model (Derived from the literature introduced in Upward, Jones 2016). The blocks can be considered as questions posed to an organization’s stakeholders about their current or future desired business model. When designing a future business model, if these questions are answered in light of the organization’s chosen definition of success, and if the answers are informed by our best understanding of how to realize that goal, the result will be a business model that is more likely to enable the desired outcome. By visual position each of the question blocks are inter-related to the necessary combinations of the contexts and grouped by one of the four perspectives. This encourages the response to each question to be considered from the point of view of the relevant context(s) and perspective.

The sixteen questions are introduced as follows:

1. **Goals**: What are the Goals of this business that its Stakeholders have agreed? What is this business’s definition of success: environmentally, socially and economically?
2. **Benefits**: How does this business choose to measure the Benefits that result from its business model (Environmentally, Socially, Economically), each in relevant units?
3. **Costs**: How does this business choose to measure the Costs incurred by its business model (Environmentally, Socially, Economically) each in relevant units?
4. **Ecosystem Actors**: Who and what may have an interest in the fact that this business exists? Which Ecosystem Actors may represent the needs of other humans, groups, organizations and non-humans?
5. **Needs**: What fundamental Needs of the Ecosystem Actors is this business intending to satisfy or may hinder? See Max-Neef (Max-Neef, Elizalde & Hopenhayn 1991) for an introduction to “fundamental human needs” and their “satisfiers”.
6. **Stakeholders**: How is each Ecosystem Actor involved in this business? What roles does each ecosystem actor take? Examples: customer, employee, investor, owner, supplier, community, regulator.
7. **Relationships**: What Relationships with each Stakeholder must be established, cultivated and maintained by this business via its Channels? What is the function of each Relationship in each Value Co-Creation or Value Co-destruction relevant for each Stakeholder?
8. **Channels**: What Channels will be used by this firm to communicate and develop Relationships with each Stakeholder (and vice versa)? Examples: Retail, Face-to-Face, Internet, Phone, Email, Mail, Transport
9. **Value Co-Creations**: What are the (positive) value propositions of this business? What value is co-created with each Stakeholder, satisfying the Needs of the associated Ecosystem Actor, from their perspective (world-view), now and/or in the future?
10. **Value Co-Destructions**: What are the (negative) value propositions of this business? What value is co-destroyed for each Stakeholder, hindering the satisfaction of the Needs of the associated Ecosystem Actor, from their perspective (world-view), now and/or in the future?
11. **Governance**: Which Stakeholders get to make decisions about: who is a legitimate Stakeholder, the Goals of this business, its value propositions and its Processes?
12. **Partnerships**: Which Stakeholders are formal partners of this business? To which Resources do these partners enable this business to gain preferred access? Which Activities do these partners undertake for this business?

13. **Resources**: What tangible (physical materials from one or more Biophysical Stocks, including fixed assets, raw materials and human beings) and intangible Resources (energy, Relationship equity, brand, tacit and explicit knowledge, intellectual property, money – working capital, cash, loans, etc.) are required by this business’s Activities to achieve its Goals?

14. **Biophysical Stocks**: From what ultimate stocks are the tangible Resources that are moved, flow, and/or transformed by this business’s Activities to achieve its Goals? As per laws of conservation of matter, **all** tangible Resources remain biophysical stocks somewhere on our single shared planet irrespective of this business’s Activities (past, present and anticipated future).

15. **Activities**: What value adding work, organized into business processes, is required to design, deliver and maintain the organization’s Value Co-creations and Value Co-destructions in order to achieve this business’s Goals?

16. **Ecosystem Services**: Ecosystem services are processes powered by the sun that use Biophysical Stocks to create flows of benefits humans need: clean water, fresh air, vibrant soil, plant and animal growth etc. Which flows of these benefits are required by, harmed or improved by this business’s Activities? For an introduction see World Business Council for Sustainable Development (WBCSD)’s Corporate Ecosystem Service Review v2.0 (Hanson et al. 2012).

As mentioned the Flourishing Business Canvas may be used to describe the business models for enterprises whose definition of success range from primarily profit-seeking, through enabling sustainable development to sustaining the possibility for flourishing. This is achieved through the inclusion in the sixteen questions of all nine elements of a business model understood to define the “rationale of how an organization creates, delivers and captures value [measured financially]” (Osterwalder, Pigneur 2009). These nine elements of a business model understood to enable financial profitability were introduced in the earlier Business Model Canvas (Osterwalder, Pigneur 2009) based on the earlier work by Osterwalder (2004). The relationship between the sixteen questions that may describe a business model that enables flourishing, financially, socially and environmentally, and the nine questions that describe a financially profitable business model are described in Table 2.

**Exemplar Organizations that are Striving to Enable the Possibility for Flourishing**

There are significant legal, regulatory, market and current social norms that act as powerful barriers to organizations systematically pursing goals related to enabling the possibility for flourishing for all forever. Indeed at this time there is only one benchmark for recognizing whether or not an organization is, based on the available trans-disciplinary science, sustaining the possibility for flourishing in its current operational business model, the Future Fit Business Benchmark (Willard, Kendall 2015), and this is acknowledged to be in an early albeit active stage of development and testing.
Table 2: The Inclusion of all the Elements of Financial Profitability from the Business Model Canvas in the Flourishing Business Canvas

<table>
<thead>
<tr>
<th>Flourishing Business Canvas Question (1-16)</th>
<th>Relation to questions from Business Model Canvas (1-9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goals</td>
<td>(Not included – objective of the elements of a business model described using the Business Model Canvas is to describe how financial profits are to be achieved, largely focused on the short)</td>
</tr>
<tr>
<td>2. Benefits</td>
<td>“[Financial] Revenue Streams”</td>
</tr>
<tr>
<td>4. Ecosystem Actors</td>
<td>(Not included)</td>
</tr>
<tr>
<td>5. Needs</td>
<td>(Not included)</td>
</tr>
<tr>
<td>6. Stakeholders</td>
<td>“Customer Segments” (i.e. those stakeholders from whom financial value is extracted directly or indirectly, as measured by Financial Revenue Streams)</td>
</tr>
<tr>
<td>7. Relationships</td>
<td>“Customer Relationships”</td>
</tr>
<tr>
<td>8. Channels</td>
<td>“Channels [to / from Customers]”</td>
</tr>
<tr>
<td>9. Value Co-Creations</td>
<td>“[Positive] Value Propositions” [from which value can be capture, uniquely measured in financial units]</td>
</tr>
<tr>
<td>10. Value Co-Destrucitons</td>
<td>(Not included)</td>
</tr>
<tr>
<td>11. Governance</td>
<td>(Not included)</td>
</tr>
<tr>
<td>12. Partnerships</td>
<td>“Key Partnerships” (i.e. those that have a financial cost required to secure the resources and undertake the activities to deliver the Value Propositions)</td>
</tr>
<tr>
<td>13. Resources</td>
<td>“Key Resources” (i.e. those that have a financial cost)</td>
</tr>
<tr>
<td>14. Biophysical Stocks</td>
<td>(Not included)</td>
</tr>
<tr>
<td>15. Activities</td>
<td>“Key Activities” (i.e. that incur a financial cost)</td>
</tr>
<tr>
<td>16. Ecosystem Services</td>
<td>(Not Included)</td>
</tr>
</tbody>
</table>

However, many leaders are already recognizing the business opportunities and reduction in material business risks that genuinely striving to enable flourishing can bring. It is encouraging to note that there are established organizations, and emerging organizations, that serve as exemplars of the type of Leadership for Flourishing suggested in this paper. These organizations have embarked on the journey illustrated in Figure 1 above. This leadership for flourishing process is suggested as a journey because these organizations and their leadership are creatively seeking new ways to move from a myopic focus on shareholder profits to an expansive and systemic view of a flourishing planet in which shareholders profit through the movement towards flourishing.

In our work with leaders, in order for them realize the value of choosing to sustain the possibility for flourishing as an aspiration goal, that they:

- Join organizations such as the Business Alliance for Local Living Economies (Business Alliance for Local Living Economies (BALLE) 2012) or Transition Towns (Hopkins 2011)
- Gain 3rd party verified certification of their social and environmental performance against the best-practice informed Benefit Corporation Impact Assessment standard (B Lab 2008), joining nearly 1500 others who have already done so.
• Baseline the continuous improvement of their social and environmental performance by taking the free on-line Benefit Corporation Impact Assessment survey, a step now taken by nearly 30,000 businesses.

• Design their businesses and products by directly applying the science-based Natural Step Framework for Strategic Sustainable Development (Robèrt et al. 2012), and by using standards and / or benchmarks derived from this framework (Comparison International 2005, International Living Future Institute 2014a, 2014b, 2015)

• Seek financial support from “impact investors” who wish their investments to realize monetary returns in ways that contribute to societal well being and environmental health (B Lab 2010)

A well known example of an organization whose leaders have set an aspirational, and acknowledge long-term goal of sustaining the possibility for flourishing is Interface. Since 1994 has, based on their visionary leader Ray Anderson’s epiphany (Anderson 2000, Kinkead 1999), Interface has been undertaking their Mission Zero program. This program is actively applying the Framework for Strategic Sustainable Development (The Natural Step, Interface 2013) and Benefit Corporation Impact Assessment to “be the first company that, by its deeds, shows the entire world what sustainability is in all its dimensions: people, process, product, place and profits - and in doing so, become restorative through the power of influence” (Interface 2015).

Another example is Patagonia. Through the visionary leadership of their founder, Yvon Chouinard (Chouinard, Brown 1997), Patagonia not only gained an early certification against the Benefit Corporation Impact Assessment standard (B Lab, Patagonia 2014), but subsequently ensured their environmental and social missions were protected into the future by re-incorporating under the recently passed California Benefit Corporation statute. (The Economist Magazine 2012).

What is significant for each of these examples is that despite adopting goals and undertaking activities seen as highly unusual by the vast majority of business people, these leaders candidly acknowledge that they are on a journey towards systematically sustaining the possibility for flourishing, where both their ability to describe their ultimate destination and their journey to get there have significant unknown unknowns.

Given the financial benefits these example companies are accruing (both in terms of sustained and in some cases increases financial profit during trying economic times and in a reduction of reputational and supply chain risk), we wonder what effect would a wide spread mindset shift by leaders from aiming for sustainable development to aim to sustain the possibility for flourishing have on the momentum and outcome of their organizations? As just one example, since flourishing resonates more fluently with every person in the organization than sustainable development as a goal, how much more employee engagement and creativity might be created, as employees realize that, “we are all in this together and this is about much more than creating a good reputation to increase profitability”?

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2 Personal communications with Dr. Bob Willard, member of the B Lab Standards Advisory Council
Developing Leadership that Enables the Possibility of Flourishing

There is a distinction (Grandy and Holton, 2013; Vardiman, 2006) between leader development which focuses on human capital, and leadership development which focuses on social capital within an organization. Leader development seeks to enhance the leadership capacity of an individual by enhancing the self-awareness, self-regulation and self-motivation of an individual. Leadership development, on the other hand, seeks to promote an organizational culture in which leadership processes and emergence are fostered and supported and in which leadership can emerge from surprising places in unusual circumstances. Leadership development, is significantly more contextual in nature than leader development, and seeks to develop interpersonal capacity, social awareness and social skills (Schyns et al., 2012), as well as giving space for self-expression to enable leaders to emerge within the complex adaptive system that is the organization. This social domain of leadership is now germane because no singular leader alone imbibes the inherent full capacity to lead effectively in what Lagadec (2009) terms Terra Incognitae, this new world unknown and uncharted. It would appear that in a post-heroic era leadership will abide in the capacity to leverage all of the elements of strength within an organization, rather than merely the strengths of a singular individual assigned the role of leader, with a view to flourishing emerging from the leadership processes, if flourishing is assigned as the purpose, vision, and goal of the organization. To develop leadership that might support the emergence of flourishing by design, we suggest the development of leadership as enabling function.

It is evident that we have entered a new globalized era in the sitz im leben of organizations (Miles et al., 2010) and that this new globalized era calls for a new type of leadership, different from the leadership that existed in stable environments (Solow and Szmerekovsky, 2006). In this new context organizational burnout is a threat (Probst and Raisch, 2005) unless leadership is designed in a way that allows the system to continually regenerate and self-develop within contexts of hyper-uncertainty and hyper-complexity (Farazmand, 2007). Is there a leadership model that leverages the best the system has to offer by enabling the system to function freely and optimally within the bounded parameters of policy, administration, and bureaucracy - elements that are traditionally understood as inhibitors of agility and reflexivity, and yet components so necessary for organizational effectiveness in a 21st century globalized context? Innovative and enabling leadership is required to balance these tensions of policy, administration, and bureaucracy (austerity) with agility and reflexivity (innovation). As Heifitz (2011) suggests:

In an age of austerity, you are in the business of distributing losses in the hope of generating innovation that will enable you to do even more with less because you have invented a way to do it differently. To lead people to develop new capacity to tackle complex problems that cross boundaries requires a long time-frame. ... It takes time to innovate, to experiment and to capture lessons from failed experiments to run the next one as progress is made, and that means holding people through a sustained period of discomfort during which the innovation, the exploration, the cross boundary conflicts continue to be orchestrated so that innovation emerges, new capacities develop. Leaders have to be able to hold people in a state of productive discomfort. You don’t want people to panic. You want people to keep thinking creatively, even though they are under stress—if you don’t build a head of steam why should people change their ways?
What keeps people from the panic as we address the wicked problem of leadership that enables flourishing? We suggest it is the enabling function of leadership that bounds the organization within the safety of policy, bureaucracy, and administration, whilst also enabling the people within that organization that comprise the complex adaptive system to find freedom to experiment, innovate, and respond to new realities in ways that enable the system to continually accomplish the purpose for which it is designed, by adopting new modalities to meet new challenges, to flourish and support human flourishing for everyone. This enabling leadership, if focussed on the purpose of human flourishing for everyone forever, enables the organization, as a complex adaptive system, to move towards the vision and goal of flourishing. We present a diagram of this model of enabling leadership in Figure 6, below.

**Figure 6. A Model of Organizational Leadership as Enabling Function for Flourishing**

Some key aspects of this model\(^3\) are as follows:

- The leadership serves as enabling function by upholding the administrative, bureaucratic, and policy dimensions of the organization to ensure a healthy structure for ethical and legal compliance, whilst also giving freedom to the members of the organization to creatively accomplish the mission of the organization according to their skills, resource capacity, and culture.

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\(^3\) Prof. Lize Booysen discussed this notion of Leadership as Enabling Function at the 16\(^{th}\) ILA in San Diego, October 2014.
In this model, the organization is seen as a complex adaptive system. “A system is always taken to refer to a set of elements joined together to make a complex whole.” Chapman (2002: 29), suggests that within systems thinking there are three types or categories of systems, we mention the third type highlighted by Chapman for our purposes here, namely: Purposeful or human activity systems. All institutions and organizations fall into this area. Some examples of purposeful or human activity systems include businesses, schools, prisons, and hospitals.

It is within these human activity systems that leadership effectively serves as enabling function. Bellinger (2004) highlights a system as "an entity which maintains its existence through the mutual interaction of its parts." The key emphasis here is one of "mutual interaction," in that something is occurring between the parts, over time, which maintains the system. Within an organization something must be occurring between the different parts to ensure that the system is self-maintaining. Leadership can either function to support this systems wide self-maintenance and growth, or it can actually function in a way that inhibits self-maintenance and growth through a bottlenecking approach to leadership that concentrates power and impedes critical administrative and communication processes of the organization. This systemic, mutual interaction of the many different parts within the organization for the maintenance and strength of the system as well as the accomplishment of the mission for which the organization was designed, is at the heart of the notion of leadership as enabling function. The leadership process within the organization ensure adherence to the policy, bureaucracy, and

**Conclusion and Questions for Further Research**

This paper highlights the idea that there is, indeed, an urgent need to frame the notion of leadership and sustainability by moving to the more proactive stance of leadership as enabling function for flourishing. It is suggested that leadership for flourishing incorporates the necessary elements into the design or raison d'être of the organization so that sustaining the possibility for flourishing for all forever is the focus and goal of every person within the organization. Enabling financial, social, and environmental flourishing becomes part of the organizational culture because it is supported by the leadership processes and design of the organization. This notion of enabling leadership for flourishing leads to the following suggestions for further research:

- What leadership style is best suited to enabling leadership for flourishing within an organization?
  - What competencies would this enabling leadership for flourishing need to possess? (Cosby, 2014)

- What processes within the organization support the leadership in their move to sustaining the possibility for flourishing as the raison d'être? (Avery and Avery, 2015; Galpin et al., 2015; Gitsham, 2012; Klettner et al., 2014)

- How does enabling leadership for flourishing interact with existing Leadership theories such as Transformational Leadership, Servant Leadership, Relational Leadership, Adaptive Leadership, Appreciative Inquiry, and Presencing, each of which have significant overlap and integration with the focus and outcomes of enabling leadership for flourishing?
We conclude this paper where we began. Sustainability is one of the most pressing leadership issues of the 21st century, as King states (Roberts, 2010):

Sustainability is the primary moral and economic imperative of the 21st century. It is one of the most important sources of both opportunities and risks for businesses. Nature, society and business are interconnected in complex ways that should be understood by decision makers. Most importantly, current incremental reductions in our unsustainability are not sufficient – we need a fundamental shift in the way companies and directors act and organize themselves [towards sustaining the possibility for flourishing].

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