

Progressive Business Leaders' Inner World

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Humanities for Business

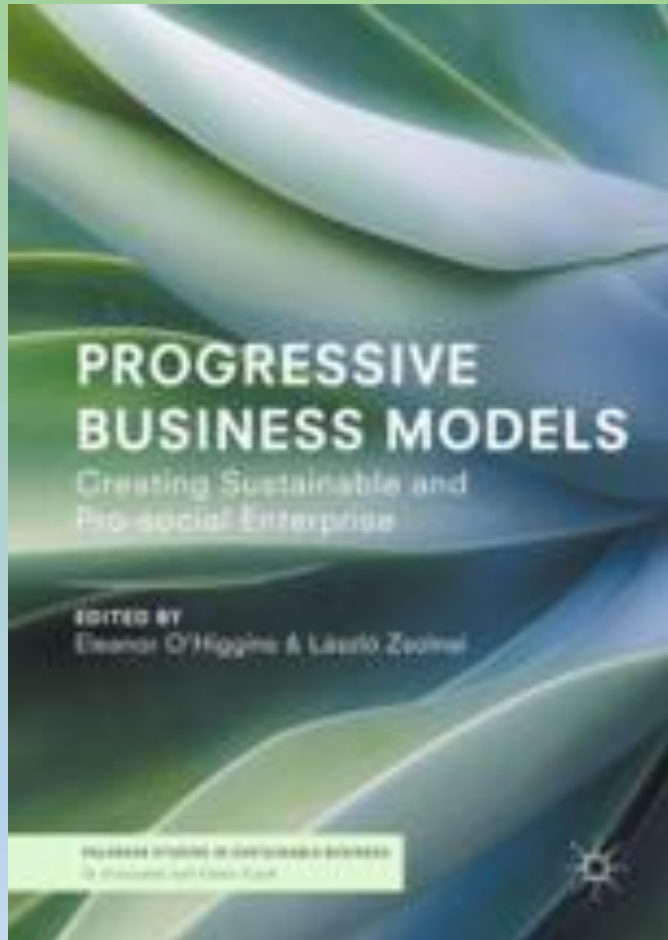
Princeton University

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Outline of Session

- What are progressive leaders?
- Our project: The inner world of progressive leaders – using a narrative and a repertory grid approach
- Shaping leadership – defining moments
- Conclusion

How to follow up *Progressive Business Models* (2018) by O'Higgins & Zsolnai, (Eds.)



11 cases of Progressive Business structured as narratives, depicting the past, present and potential future of the enterprise, including the challenges.

Our Project: Explore Progressive Business Leaders' Inner Worlds – Their Mindset

- Understand and describe how progressive leaders perceive their environment, their lived experiences and work in practice
- Methodology: listen to the leader's narratives and elicit their mental models, (not necessarily selecting the same progressive leaders)
- Use ideographical studies to construct ideal and collective 'cognitive maps'

Progressive Business Leaders

- Based on chapter, E O'Higgins & L Zsolnai ***Future Earth Leadership***, in *Ethical Leadership in Troubling Times*, published late 2019
- Premises of mainstream business and Anthropocene
- Contrast progressive business models definition and characteristics
- Progressive business leaders examples
 - Paul Polman, formerly Unilever
 - Yvon Chouinard, founder of Patagonia
- Progressive leaders in the time of COVID, and beyond?

Mainstream Business Practice

- Based on neoliberal individualism, with ethics and CSR tacked on
- Myopic decision making:
 - Prospect theory – preference for smaller but certain gains, but larger uncertain losses over smaller certain ones – take on low probability risks, even if catastrophic outcomes, viz. Deepwater Horizon and other BP disasters
 - Discounting in space and time – value here and now over future discounted things – Future Earth...

Antidote: Progressive Business Models

- Ecologically sustainable
 - Ecological integrity
 - Positive ecological value
- Future respecting: Conserving for future generations
 - Options
 - Quality
 - Access
- Pro-social
 - Contributing to capabilities → freedom and well-being of people

Business Models

- Progressive business embodied in new business models
- Innovative configurations and ways of doing business
- Interrelated components of business models:
 - value proposition – for the buyer
 - target market segment
 - cost structure and profit potential
 - structure of value chain – how offering is created and distributed
 - position of firm within its value network
 - strategy of the enterprise, positioning in competitive space

Common Characteristics Defining Progressivity

- Exponential
- Sustainable/Circular/Frugal
- Embracing paradox
- Integration – systemic
- Socially oriented – not just economic
- Stakeholder oriented
- *Committed leadership*

Effective Business Leader?

- Hard charging, quick acting, compelling, charismatic
- Focus on short term results and winning
- Person who must be followed
 - Leadership 'bling'
 - Who is on the red carpet?
 - Who got rich quick?
- **In contrast?**

Progressive Business Leaders

- Taking the lead, taking ownership of progressivity
- Committed to fight for the greater good
- Clear vision and direction
- Reflective before taking action
- Inspire others to accomplish worthy purpose
- Willing to disagree with popular opinion, requires courage, inner strength
- Navigator, systemic integrator – among various goals, multiple stakeholders

Unilever – Paul Polman

- Unilever is a British-Dutch global consumer goods company, HQ in London; Turnover in 2020 was €51 billion, brands sold in 190 countries, with 58 percent of business in emerging markets.
- Employees number 149,000-plus people and 50 percent of managers are women.
- Website states that 2.5 billion people use Unilever products on any given day to ‘look good, feel good and get more out of life’.
- Unilever Foundation – Sustainable Living Plan, 10 years in 2020, includes three main goals: improving health and well-being, reducing environmental impact, and enhancing livelihoods
- → Sustainable Living Report

Paul Polman

- *Unilever has been around for 100-plus years. We want to be around for several hundred more. So if you buy into this long-term value-creation model, which is equitable, which is shared, which is sustainable, then come and invest with us. If you don't buy into this, I respect you as a human being, but don't put your money in our company.*
- Joined Unilever 2009, eliminated earnings guidance, quarterly reporting, rejects hedge funds as investors
- Vision is multi faceted but integrated, encompassing complexity
- Diversified array of businesses and global stakeholder engagements
- Centrepiece is Unilever Sustainability Plan, providing focus from the top to make a profound social impact on people's lives
 - partnerships with Oxfam, Population Services International (PSI, a global non-profit organization focused on the encouragement of healthy behavior and affordability of health products), Save the Children, UNICEF and the World Food Program.
- Responsible Business Awards, London October 2018, outright winner in 2 of 14 categories – Human Rights; Supply Chain Management; 2021 - GlobeScan/SustainAbility Leaders Survey, Unilever was named the number one corporate sustainability leader by sustainability experts in the 2021 Sustainability Leaders survey, for 11th year running.
- Recognized by the UN Global Compact as one of 34 LEAD companies for ongoing commitment to the Ten Principles of UN Global Compact 'for its responsible business, among the most engaged participants of the world's largest corporate sustainability

Paul Polman

- Recipient of many awards, e.g.s.
 - European Business Leader of the year by Wall Street Journal/CNBC (2003)
 - Investor Magazine CEO of the year (2010,2011,2012)
 - Chevalier de la Légion d'honneur (2016)
 - Honorary Knight Commander of the Order of the British Empire (2018)
- Many international positions
 - Former chair of the World Business Council for Sustainable Development
 - selected by former UN secretary-general Ban Ki-moon to be an SDG Advocate, tasked with helping build widespread support for the UN's Sustainable Development Goals; Vice-Chairman UN Global Compact
- PP departed January 2019 after 10 years
- Still active in ESG field; *Imagine* founded July 2019 to help combat poverty and climate change; aims to help companies meet UN global goals for sustainable development.

Unilever Challenges

- Smooth succession to Unilever veteran, Alan Jope, January 2019
 - Protection to workers (even outsourced people), suppliers (€500m), donations (€100m) in sanitising products in COVID crisis
- Implementation, realism of challenging goals, e.g. time frame for halving its environmental footprint while doubling sales has been pushed back from 2020 to 2030.
- Juggling value propositions in diverse markets; Realise value for shareholders, continuing short term pressures, despite 10 year outperformance over FTSE100, especially activist investors
- Existential threats – Takeover by non-progressive business, e.g. abortive attempt by anti-progressive Kraft Heinz (3G Capital), partner Warren Buffett – PP ‘the ugly face of capitalism’
- COVID coping? – drop in personal grooming products; increase in household cleaning, cooking products...

Patagonia – Yvon Chouinard

- Chouinard created Patagonia 1973, a Certified B Corporation, a reluctant billionaire
- 2018 revenue \$700-plus million, 980-plus employees
- manufacturing, repairing, reselling, and recycling products – products should last a lifetime – non-reparable garments are taken back for recycling after reimbursing customer
- 1 percent of net revenues in cash and in-kind donations every year primarily to grassroots environmental non-profits.
- acknowledges that Patagonia is part of the problem. We “make products using fossil fuels, build factories that use water and other resources, create waste and emit carbon into the air. We ship our products around the world in boxes and plastic bags. We consume electricity –using renewable and non-renewable resources. We drive cars and ride on airplanes. As individuals, we consume products... probably more than we need.”

Patagonia ad on Black
Friday



**DON'T BUY
THIS JACKET**

patagonia
patagonia.com

Chouinard and Successor, Rose Marcario

- Chouinard wary of business – harm and good
- Practicing Buddhist, frugal, a ‘dirt bag’ who lives in the same jacket for decades
- Marcario CEO since 2013 after joining as CFO in 2008, has continued the philosophy of Chouinard.
 - Suing President Trump over reduction of national monument in Utah
- Patagonia hallmarks of progressivity - ecological sustainability, respect for future generations, pro-socialness
- Exponentially different, sustainable/circular/frugal, embracing paradox, integrative/systemic approach, stakeholder socially oriented

The Journey Continues – Leadership is Key

- Exemplar progressive business model companies offer hope that business can offer solutions to our ecological crisis.
- How can the journey to making progressive business models mainstream be facilitated?
- Can a traditional business convert to being progressive?
- What can existing examples teach us about establishing and supporting the existence of progressive companies?
- How can the threats to progressive companies be neutralized?
- Can progressive business survive multiple leadership generations?
Patagonia is an example of best succession planning

COVID-19 – Build Back Better - Resilience?

- Needs moral purpose driven leaders; sensitivity and humanity; fair and ethical; non-abusive; resilience
- Purpose, core questions: Why do we exist? What is success? Social, political, religious, geopolitical, environmental, human, ethical issues now central.
- ‘Once there is enough chaos, the opportunity for new, future-fit leaders to break through can grow significantly. If they do, they may have the greatest opportunity to regenerate, reimagine and reshape capitalism for the better.’
Elkington – Green Swans
- Adopt a 360-degree view, attuned to employees, value chains, and wider society, human communities, agility not open to those focused solely on narrow financial returns.
- Actions/ethics in a crisis determine who the leader is as a person and judgement of her/his company in the future

COVID-19 – Build Back Better?

- Qualities of progressive business leadership more necessary than ever
- Taking the lead, taking ownership of progressivity
- Committed to fight for the greater good
- Clear vision and direction
- Reflective before taking action
- Inspire others to accomplish worthy purpose
- Willing to disagree with popular opinion, requires courage, inner strength
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George A. Kelly (1905 – 1967)

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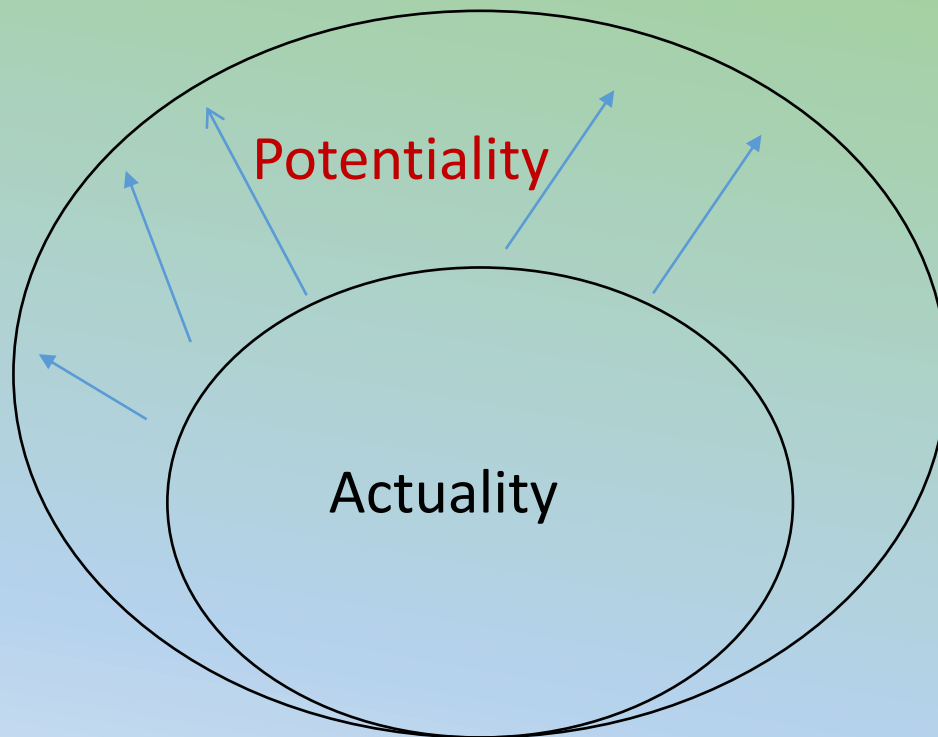


Kelly's Philosophy: Constructive Alternativism

- A person
 - has a great variety of alternatives available to make sense of (or construe) others, herself and the world.
 - is not a victim of the world, but an active construer of her own destiny
 - is in a constant state of flux, act as scientists (or explorer) putting forward hypotheses of what she expects to see, interprets and reinterprets/construes and re-construes the world

Personal and professional development

Kelly's philosophy fits into the development scheme Aristotle assumed for «natural development: '**Flourishing**'. Recently, the same goal is promoted by «positive psychology» (cf Martin Seligman and Mihaly Csikszentmihalyi)– Kelly methodologi implies to extract wisdom from experiences to choose alternative identities



Kelly's two methods – Self-characterisation (narrative method) and Rep Grid

- ***Self characterisation*** is a subjective written account of how individuals see themselves.

Kelly was once asked what he would like to be remembered for, and replied self-characterisation: “if you don't know what is wrong with someone, ask them, they may tell you”. This method of inquiry has been influential in the development of narrative psychology.

- ***Repertory grids***

[George Kelly](#) was not only a theorist and a practitioner of his theory. He was also a mathematician, which led him to create [repertory grid technique](#) to explore the ways in which individuals construe their worlds. The technique was highly original in combining mathematical (quantitative) and subjective (qualitative) data in the same method of measurement.

Construct vs Concept

- A concept does not need a contrast.
- A construct has a bi-polar contrast. There can be no good without an awareness of what is bad. Some constructs do not have words attached to them. Therefore, construing is not “thinking” or “cognition”. We know some construing because we (can) only “feel” it. Construing takes place at various levels of awareness.
- We cannot know something unless we know what it contrasts. This essential feature made it so different from existing psychologies.

Kelly's Philosophy: Constructive Alternatism

The Centre of PCP (Personal Construct Psychology) at the University of Hertfordshire, UK, founded 1981 by Fay Fransella.

Help persons develop new constructs, re-shape their construct hierarchies, and modify old constructs to better predict events.

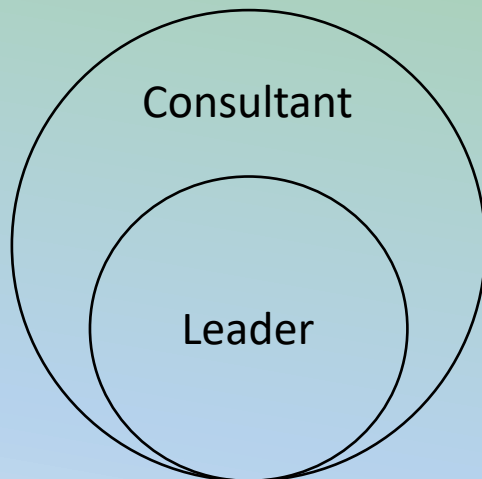
- [*Fransella PCP Collection*](#) held in the University of Hertfordshire's library.

Director of The Centre of PCP: Nick Reed

- Reed was struck by the fact that there were very few large psychological theories, but a great many small theories looking at particular aspects of human activity.
- When he discovered personal construct psychology, he found a psychology which “not only had a comprehensive, integrated theory but was also idiographic and so did not 'impose' pre-packaged 'answers' to the problems that organisations have”
- Reed found that PCP concentrated on identifying and understanding the construing of organisations and then on helping them to change their construing, using 'tailor-made' interventions. Very much a 'case by case' approach and very consistent with the way that lawyers think about things.

Why Use Role Rep Grid?

- 1) To minimize the belief in 'Expert-knowledge' and the view that knowledge transfer is a one-way transaction/'delivery' from the expert, be it the consultant/professor/teacher to the «receiver»/leader.
- 2) be aware of 'Model-Power'-



Model power is the praxis of 'injecting' the consultant's knowledge into the Leaders mind. The Consultant's model & world view/premisses are 'swallowed' by the Leader – with the result that the consultant obtains 'model-power' over the Leader.

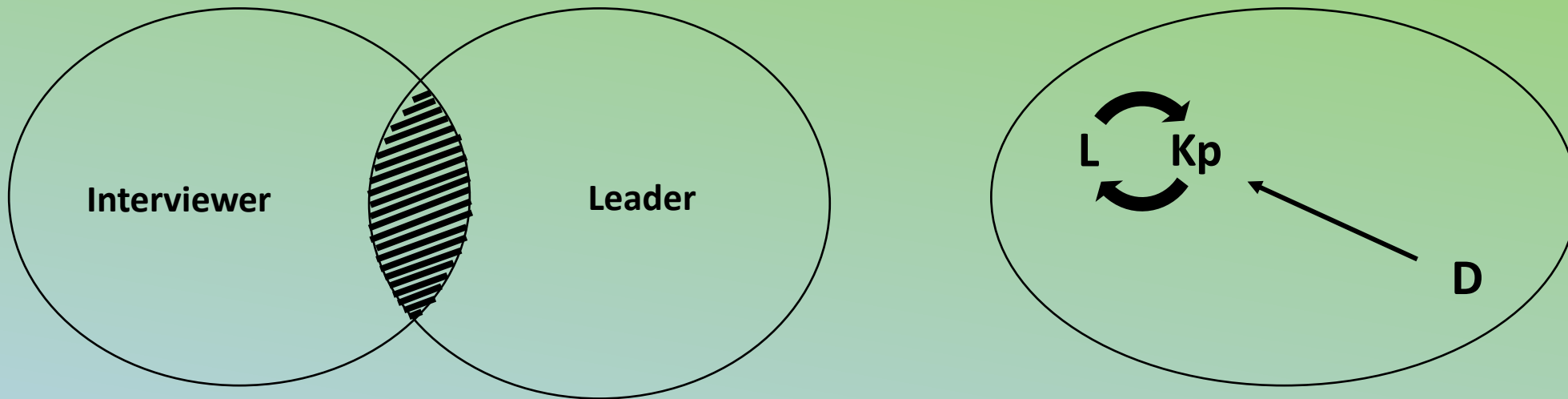
Partnership between Leader and Interviewer

Appropriate attitudes



Interviewer	open and communicative humble and experimenting (debating and reflecting) listening and exploring loosening and tightening	Leader
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Attempts to create real dialogue and guiding the Leader to reflect on her/his own Personal Constructs



The Interviewer and researcher have some common knowledge but both dispose different mindsets. The challenge is to stimulate the Leader (L) to reflect on his own personal knowledge (Kp) within a certain domain (D)

Defining Moments and Leadership

- **A Defining Moment** is a concept that can explain many peoples' turnarounds or mind-shifts.
- It may be experiences defined as **calling**:
- ...” a transcendent summons, experienced as originating beyond the self to approach a particular life role in a manner oriented toward demonstrating or deriving a sense of purpose or meaningfulness, and that holds other-oriented values and goals as primary sources of motivation (Dik and Duffy, 2009 p 427).
- Example:

The great Norwegian serial entrepreneur **Hans Nielsen Hauges** (1771-1824) experienced a spiritual breakthrough which became the starting point of his extraordinary and successful life project. He was working in the field as an uneducated peasant plowing and singing when he had a very strong experience of God's presence and grace. He described it as:

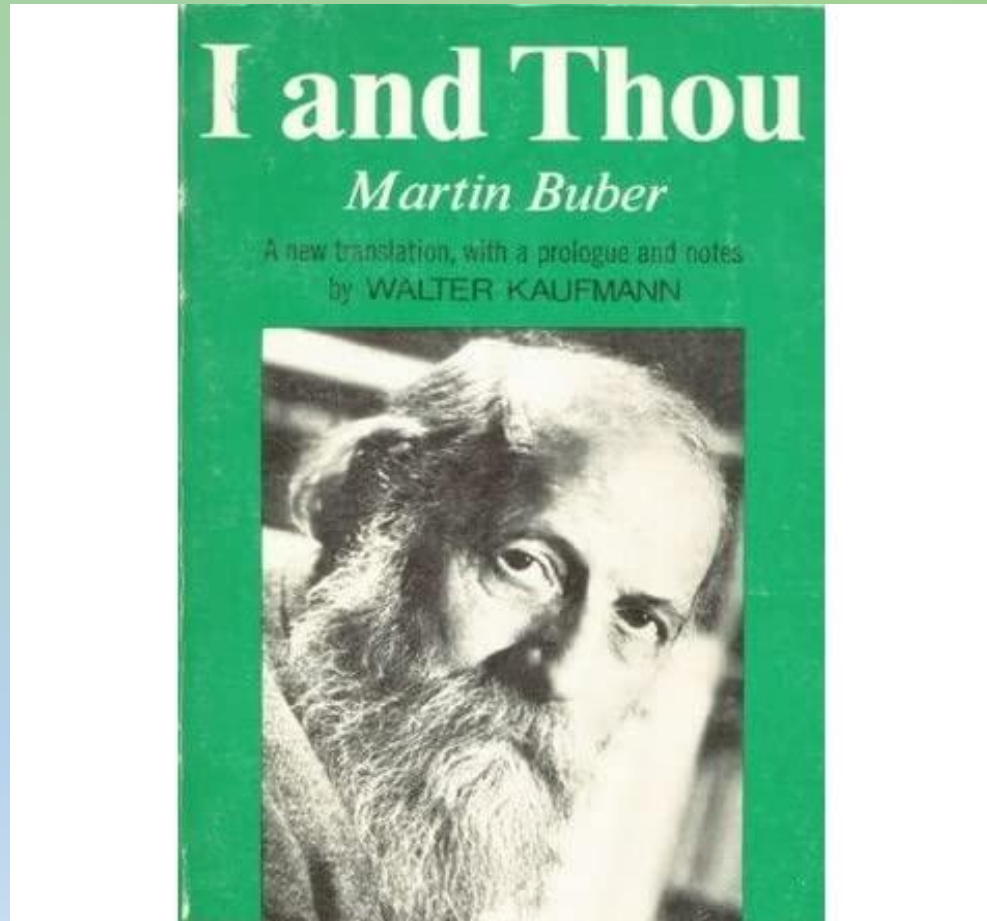
- “It resounded in my inner being...to love God and my neighbor”

Defining Moments from Humiliating Experiences.

- **Mahatma Gandhi** (1869-1948) experienced a humiliating moment at 24 years old, when traveling in South Africa. He was ordered off a train to Pretoria, due to racial discrimination. Gandhi writes:
- “Three train ticket collectors come to his place and said: “Come with me, you have to go on the goods-wagon.” “But I have a first-class ticket, responded Gandhi. “It does not make a difference”. But Gandhi did not give in. Finally, the ticket collectors said. “You have to leave this coupe, or I have to go and get a police officer to throw you off the train”. “Well, do it”, was Gandhi's reply. Then the police officer arrived and took Gandhi in the arm and pushed him out of the train together with his luggage. . “I refused to go to the other wagon, and the train left. It was during winter. He was just sitting down and freezing while his coat was kept in the luggage.”
- Sitting through the night freezing Gandhi made the choice to dedicate his life to the struggle for equal rights for everybody and to serve India

Martin Buber: What is real dialogue?

https://www.goodreads.com/book/show/551866.I_and_Thou



Defining Moments as Results of Pseudo Dialogue

Martin Buber (1878 -1965) experienced a “wake up call” after he got to know that a unknown young man who had visited him, very shortly afterwards took his own life.

Buber described his profound change in attitude, thinking and behaviour as a “conversion”:

He understood that the meeting with the young man was friendly, but **he was not there in spirit**. “I conversed attentively and openly with him - only I omitted to guess the questions which he did not put. I learned that he had come to me not casually, but borne by destiny, not for a chat but for a decision. He had come to me, he had come in this hour. What do we expect when we are in despair and yet go to a man? Surely a presence by means of which we are told that nevertheless there is meaning. (Buber 1965 p 13-14)

According to Buber we are addressed in great as well as small events. **Real dialogue is to guess the question another wish to ask but have not put into words.**

Albert Schweitzer – the Jungle doctor in Lambarene. Nobel Peace Prize 1952.

([https://awcungeneva.com/2016/01/14/albert-schweitzer-reverence-for-life\)-a-universal-ethic/](https://awcungeneva.com/2016/01/14/albert-schweitzer-reverence-for-life)-a-universal-ethic/)



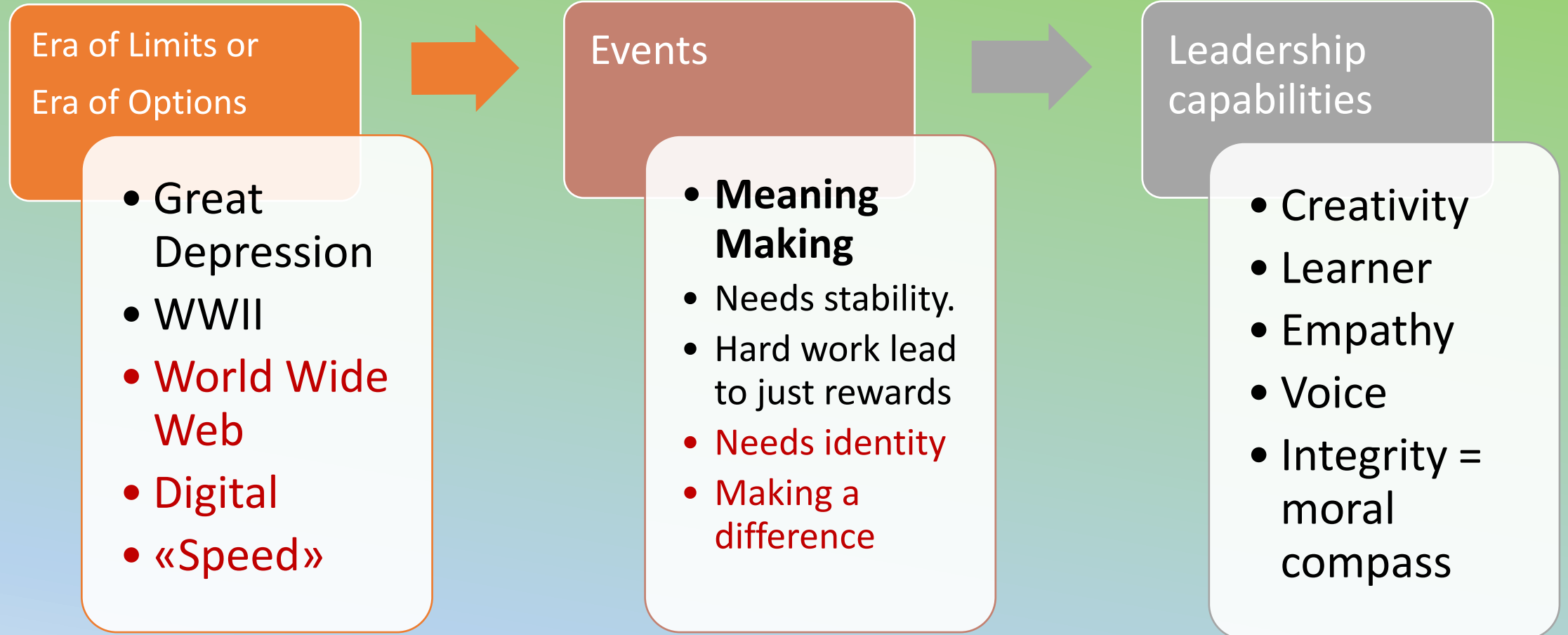
Defining Moments as a Result of the Will to Serve

- **Albert Schweitzer** (1875-1965) – the Jungle doctor was 21 years old when he decided to devote his life to the service of humanity beginning at age thirty.
- “It struck me as conceivable that I should be allowed to lead such a happy life while I saw so many people around me struggling with sorrow and suffering. “
- As a university student he continued to think continually of others who were denied that good fortune.
- As a 29 years old principal of the theological seminary in Strasbourg, he was not clear what kind of future activities would be his life project. Only one thought was certain, that it must be direct human service...”and “I left it to chance to guide me”. (1990 p 82).
- One morning in the autumn of 1904 I found on my writing table a magazine by the Paris Missionary Society – that the Congo Mission did not have enough people to carry on its work in the Gabon....From that very moment “my search was over.”

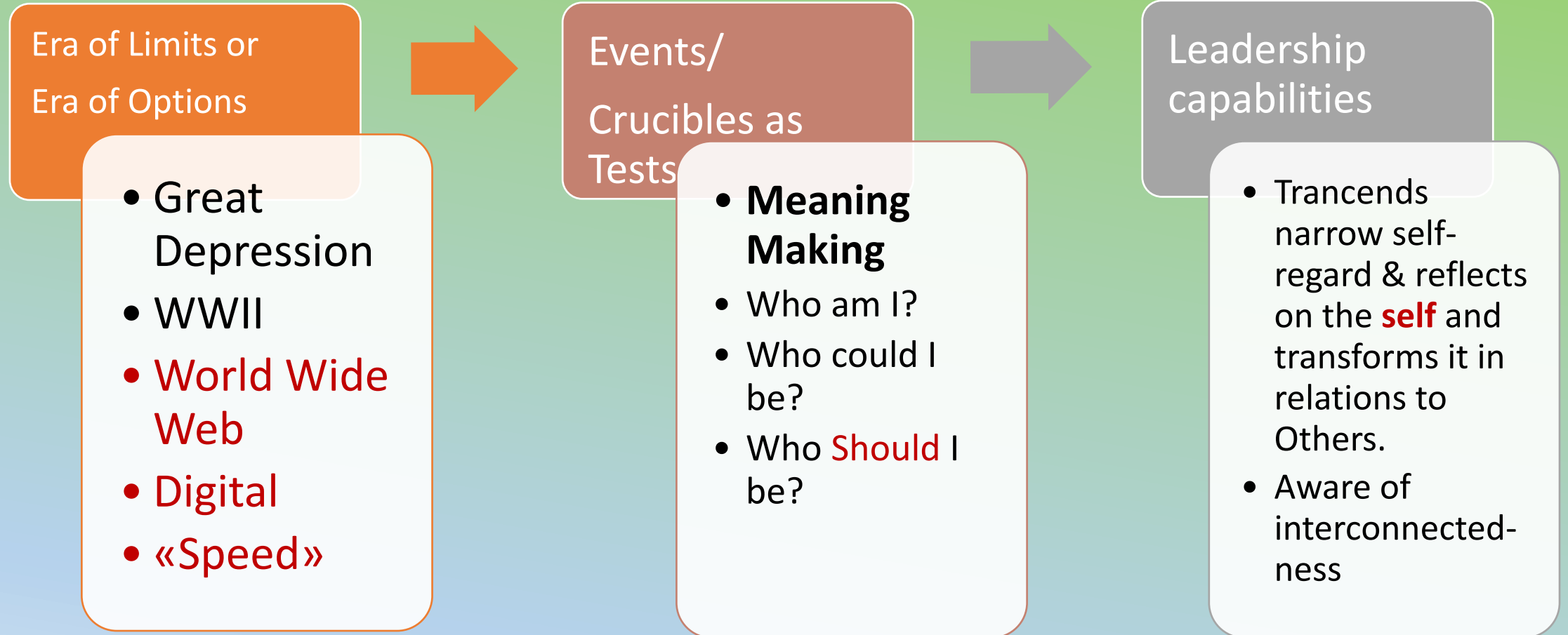
Defining Moments as Crucibles (Bennis and Thomas 2002)

- Crucibles relate to experiences of specific problems or challenges, (deforestation of rain forests, or challenging questions asked by a mentor etc.) Crucibles have positive consequences such as increased meaning, learning and personal growth. (which is not necessarily the outcome of defining moments).
- Defining moments do not necessarily lead to action, but followed by a calling, it will lead to a stronger sense of meaning and stronger internal work motivation.

Leadership Development Model (Bennis & Thomas, 2002)



Leadership Development Model (Bennis & Thomas, 2002)



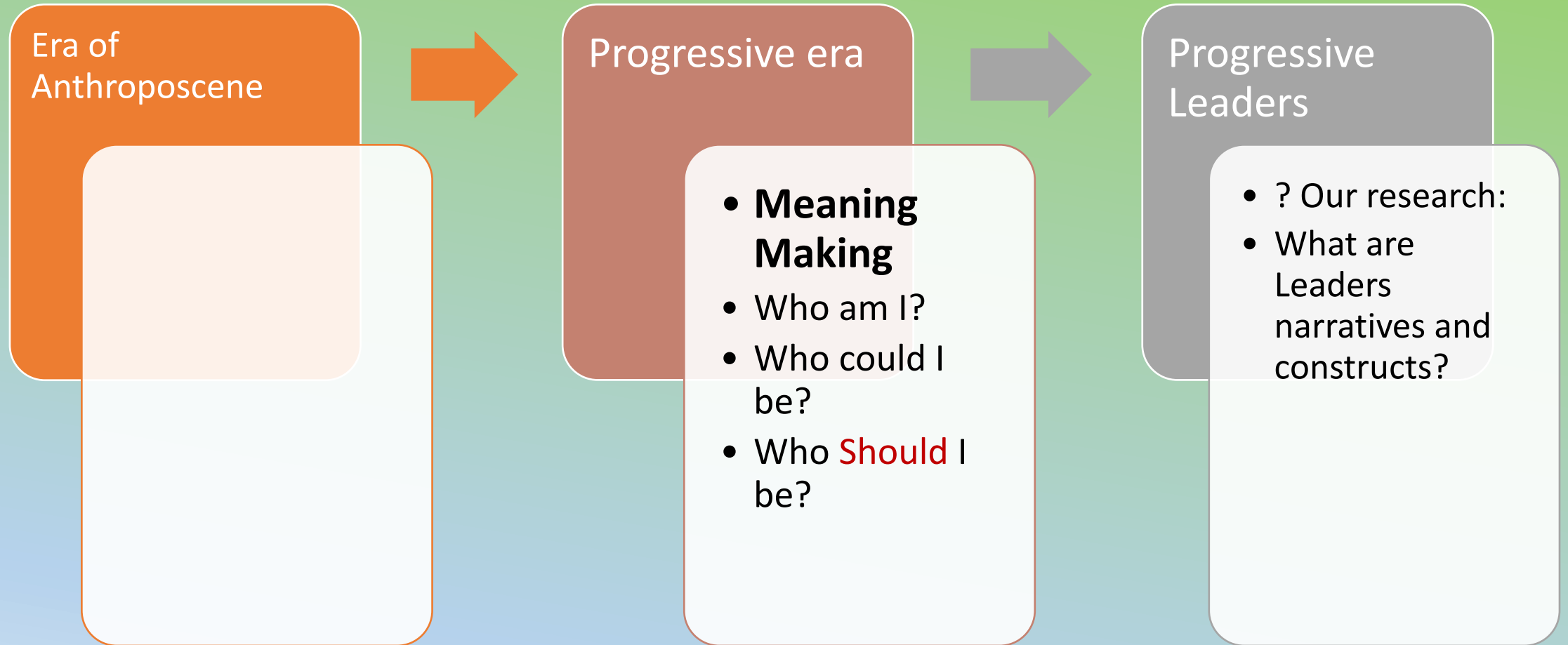
Defining Moments and Leadership

- Defining moments often involve a moral choice and moral courage
- Revealing, testing strength of personal values
- Situation of different pressures – ethical responsibilities, personal commitment, practical pressures
- Defining moments are formative as one influences the next , validates the previous and shapes the following
- Public expression of leaders or would-be leaders

Defining Moments and Leadership

- Compare management training focusing on economic goals and technical values , with management as a mechanistic process, constrained by power structures
- Whereas defining moments demand reflection on means, not just ends, involving fundamental values
- Take an active thoughtful reflective role in shaping our moral selves
- Decisions often made under pressure of some kind – a decision of importance amidst uncertainty, high stakes, self-identity involved
 - → reflection on what is truly important
- Liam's decision – a moment of thinking like a leader – controlling his own moral identity – be deliberative, consider 'sleep test', 'front-page-of-the-newspaper-test'

Leadership Development Model



Defining Moments and Leadership

Thank you for your attention!

- 1) Do you have comments or questions to our presentation?
- 2) Do you (or somebody close to you) have experiences with defining moment(s)?
- 3) What did you do? Did it have any implications in your life?