Sustainability, Learning and the Social Footprint

Mark W. McElroy

Executive Director

Center for Sustainable Organizations

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CENTER FOR SUSTAINABLE ORGANIZATIONS

Innovating for Sustainability

Can there be sustainability in the world, given the current state of organizational learning?

My Talk Today

- An epistemological theory of sustainability expressed at the enterprise or organizational level

- Some normative propositions (i.e., what OL ought to do about sustainability)

- A critique of what OL has done so far

- An introduction of *The Social Footprint Method*

An Epistemological Theory of Sustainability

First, Why Discuss Sustainability Here?

- Two reasons:
  - The mainstream conduct of business as we practice it is arguably unsustainable — and as the dominant human institution on Earth, is putting human well-being at risk
  - The field of OL is uniquely qualified to address the problem in ways that it hasn't fully realized yet

- My thesis — in order to be sustainable, an organization must have two things
  - Knowledge of its impacts in the world
  - An organizational capacity to learn and innovate in response

- Most organizations have neither, and OL can help!

Why an 'Epistemological' Theory?

- Because it identifies knowledge and learning as critical success factors in sustainability performance (necessary but insufficient)
  - Must also have (1) the will or desire to function sustainably, and (2) the resources required to do so
- Our theory rejects the view of knowledge as 'the capacity to take effective action' — knowledge is not by itself, enough; we must have other things as well
- Still, we must have knowledge as a basis for taking action of any kind….here we can think of action as knowledge in use, and also of knowledge as a type of human and social capital, vital for sustainability

Some Normative Propositions

What Should OL Do to Help?

- First, if what we want is behavior in business that is sustainable, then we must have knowledge production systems that inform us of our impacts in the world, and such knowledge must be as close to the truth — if not *actually* true — as possible

- Second, we must have organizational learning systems in business that are themselves sustainable

  – That produce knowledge that actually helps us to adapt

  – That are consistent with the manner in which people in collective settings are naturally predisposed to learn, and which do not interfere with such predispositions

What Should OL Do? (cont.)

- Where missing, organizational knowledge production systems that produce <u>knowledge</u> about the impacts of businesses in the world must be created re:
  - Social impacts
  - Environmental or ecological impacts
- Where missing, organizational <u>learning systems</u> that are consistent with natural patterns of learning should be established
  - "Authentic" = Consistent with self-organizing patterns of learning (CAS theory) — agents adapt through T&E learning
  - Truth-seeking in their orientation (truth as a regulative ideal)

Some Possible (OL) Interventions

- Knowledge production re: sustainability performance
  - Measurement and reporting tools that assess impacts on natural or ecological capital, *and which bring them to light*
  - Measurement and reporting that assesses impacts on human, social and constructed (or built) capital — what we call *anthro capital — and which bring them to light*

- Sustainable learning or innovation systems
  - Strategies aimed at achieving authentic patterns of learning as inspired by understanding of CAS theory and evolutionary epistemology
  - "The Sustainability Code", a policy model for cultivating learning-related conditions in organizational settings (see CSI's website for copy of this)

My Own Views….

- Sustainability-related knowledge production tools:
  - Should be threshold-based:
    - Impacts on natural capital should not exceed supply
    - Impacts on anthro capital should not fall below demand
  - This is the <u>capital theory</u> of sustainability, one of many possible conceptual commitments that must be in place
  - "Footprint" tools good example of this (workshop tomorrow)

- Sustainable learning systems:
  - Best achieved by adherence to Fallibilism, not Justificationism — there is no truth with certainty, only beliefs and claims that survive our tests and evaluations
  - Organizational learning must be structured, accordingly
  - People tend to self organize around knowledge production in pattern-like ways — help them do so, non-deterministically

A Critique of OL

OL's Performance Thus Far

- Sustainability-related *knowledge production* tools
  - Conceptual commitment to a core sustainability theory or model is fuzzy at best, equivocal
  - No threshold-based tools advocated or proposed for sustainability measurement and reporting (capital-based, or otherwise)

- Sustainable *learning systems*
  - The issue of truth versus falsity is virtually missing from the OL literature — doesn't truth matter to the quality of action?
  - No treatment of competing models or patterns of learning that can serve as target environments for OL interventions
    - What are the competing theories of how OL happens?
    - Where is the discussion of competing theories of truth?
    - Without such theories of OL, how can we possibly achieve it?

OL's Performance Thus Far (cont.)

- Systems thinking agenda:
  - Entirely legitimate, but has been geared mainly, if not exclusively, towards the production of models _for_ learning, as opposed to models _of_ learning
  - Thus, it is used to help us understand how systems function at the operational or business processing level of behavior, but not at the level of collective learning or knowledge processing — it supports learning, but is not _about_ learning
  - Organizational learning systems can, in fact, be modeled as complex, dynamic systems that we can strive to achieve
  - Thus, systems thinking can be used as a tool for defining target states for sustainable innovation and learning, the second condition I listed as a requirement for sustainability
  - Still, OL has rarely, if ever, done this

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The Social Footprint Method

Sustainability Quotients

- Sustainability claims, one way or the other, invariably reduce to assertions about what the impacts of an organization have been, compared to what they ought to have been (i.e., according to some standard of performance, such as an environmental limit)

- Thus, they are comparisons between <u>descriptive</u> knowledge claims, and <u>normative</u> knowledge claims

- We can represent this as the quotient of "is" claims over "ought" claims (i.e., "Sustainability Quotients")

- They are epistemological constructs!

Sustainability Quotients (cont.)

$$\text{Sustainability Performance} = \frac{\text{A measure of what the organizational impacts on vital capitals } \textit{are} \text{ or } \textit{have been}}{\text{A measure of what the organizational impacts on vital capitals } \textit{ought to be} \text{ or } \textit{have been}}$$

Sustainability performance is the quotient of *is* over *ought*

A Quick Ecological Example

$$\text{Sustainability Performance of Company XYZ} = \frac{\text{11,000 gallons of fresh water were used in a given year}}{\text{No more than 10,000 gallons of fresh water should be used per year}} = 1.1*$$

*For ecological quotients, scores of > 1.0 are *unsustainable*

A Quick Social Example

Sustainability
Performance of =
Company XYZ

$$\frac{\text{Helped create and/or maintain educational resources for 2.5\% of the local population}}{\text{Should help create and/or maintain educational resources for 2\% of the local population}} = 1.25*$$

*For societal quotients, scores of $\geq$ 1.0 are *sustainable*

Social Footprints

- Sustainability is about social impacts, not just ecological ones (e.g., the triple bottom line) — a gap exists
- At CSI, we set out to create a tool that would:
  - Help an organization produce knowledge about its impacts in the world, in the social arena, in particular
  - Help operationalize the triple bottom line (i.e., close the gap)
  - We call it the _Social Footprint Method_
- A very deliberate attempt to apply the epistemological approach to sustainability I have described here
- The subject of the workshop I will be conducting tomorrow

Recalling the question we started with:

Can there be sustainability in the world, given the current state of organizational learning?

Answer: I don't think so. As long as OL fails to provide itself/us with a theory of how human collectives learn, how can we expect its various strategies and interventions to have impact?

Summary

Summary (1 of 3)

- OL is uniquely qualified to address sustainability issues in business — *it has the epistemological basis*

- Two requirements for organizational sustainability clearly establish the relevance of OL:
  - Knowledge of its impacts in the world
  - The capacity to learn or innovate (i.e., adapt) in response

- Normative implications:
  - Must have knowledge that is true or close to true
  - Must have learning systems that are, themselves, sustainable — *sustainable innovation* processes — since some patterns of innovation are more *authentic* than others

Summary (2 of 3)

- OL's contribution to sustainability has not been as full and robust as it could be
  - No clear commitment to a core sustainability theory
  - No tools advocated for sustainability measurement and reporting (i.e., for knowledge production about impacts in the world)
  - No rigorous treatment of the issue of truth versus falsity
  - No treatment of competing models or patterns of learning that can serve as target environments for OL interventions
  - No acknowledgment of the epistemological literature, which is clearly applicable to knowledge, learning, and action in organizational settings as precursors to sustainability

- OL's contribution (cont.):
  - Re: systems thinking and related models, they have been too narrowly applied _for_ learning, but not _of_ learning, despite the fact that collective learning behaviors manifest in the form of complex, dynamic systems with pattern-like regularity to them
  - Knowledge _of_ them is vital to OL's capacity to create, support, strengthen, and reinforce them
  - Organizational learning must, itself, be sustainable

- Sustainability claims can be expressed in epistemological terms: as quotients of _is_ claims over _ought_ claims

- _Social Footprint Method_ can help show us the way!

Thank you!

Mark W. McElroy

Executive Director

Center for Sustainable Organizations

www.sustainableorganizations.org

mmcelroy@vermontel.net