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Roland Deiser in Conversation  
with Henry Mintzberg

## Rebalancing Society

DLQ's co-publisher, Roland Deiser, caught up with Henry Mintzberg for this issue. Mintzberg, now in his 80s, is one of the great shapers of management thinking over the last half-century, with his acclaimed books on the weaknesses of management education, the fallacies of strategic planning, the real life of managers, and more. In the last decade he has turned his attention to more macro issues.

### **Roland Deiser**

Henry, you've always been a maverick in that community of business scholars – I think about *The Rise and Fall of Strategic Planning*, or *Managers, not MBAs*. But over the last few years you have been passionately writing about 'rebalancing society'. How did you get there? What made that passion come true?

***I've always been very aware of the dysfunctions of how we teach management - that we take inexperienced people, put them through two years in an MBA program, and then imagine that they're capable of managing organizations.***

### **Henry Mintzberg**

I wrote about management and all that, but I always had that predisposition to think about those broader issues. As I say in the book, *Rebalancing Society*, I visited Prague in 1991. And the thing that struck me, particularly in the United States, that they kept talking about the triumph of capitalism - and it didn't look to me like that at all. I've always been suspicious of this idea that this was a battle between communism and capitalism - and that capitalism won. It seemed to me that communism largely collapsed under its own dead-weight. We didn't recognize that it wasn't capitalism that triumphed, but some kind of balance in society that triumphed back then.

This thing about 'capitalism triumphed' struck me and I started to keep notes like I do. And I have these boxes that are about this big, and I started throwing notes into those boxes. And when two boxes were full of notes and articles and things that I found, I opened them up and wrote an initial pamphlet, and then turned that into the book.



**RD** So, you shifted your perspective - from the company or the business level to the political level, right? It's not about business schools or strategy. It's really about the large-scale challenges we face on the planet and in societies.

**HM** Yes. But I've always been very aware of the dysfunctions of how we teach management - that we take inexperienced people, put them through two years in an MBA program, and then imagine that they're capable of managing organizations.

**RD** We're having this conversation because this issue of *Developing Leaders Quarterly* is on Driving Sustainability. And your rebalancing society approach is sustainability on a really large, global scale. You are talking about rebuilding society.

**HM** Yes. And sustainability is threatened. We've got three superpowers that are back to the Cold War, in a way. One of them – China - is out of balance on the side of the public sector, one is out of balance on the side of the private sector – that's America, and one is out of bounds on the side of the plural sector, namely Russia, with its nationalism. And this is dangerous. We're just watching and doing nothing about what could be disastrous.

**RD** Before we go into this, it may help to explain a little bit what the plural sector is, how you think about that. Because not everybody might have read your work on this.

**HM** You can say it's my label for civil society, or what people call the not-for-profit sector, or the community sector. It's basically organizations and associations that are largely community-based. Their key defining character is that they are owned neither by governments, nor by investors. We've got huge numbers of not-for-profit or community organizations, associations, civil society - whatever you want to call them. And yet, we don't recognize the sector as a sector.

In fact, the sector suffers from a plethora of names. I think you need a label that is on one level with public and private. So, I came up with Plural, as the third one, next to Public and Private. It's got a huge variety of organizations; we need to recognize that. And once we do, maybe we can start to recognize that balance must be across all three sectors. Tocqueville wrote in the 1830s about associations being the key to American democracy. And he meant literally what I'm calling the plural sector.

***Tocqueville wrote in the 1830s about associations being the key to American democracy. And he meant literally what I'm calling the plural sector.***

**RD** You also talk about movements, social movements. And you mention in your book that there are also movements like the Nazis or, maybe more contemporary, the Proud Boys or the mob that went for the Capitol on January 6.

**HM** And they're also the plural sector, yes. It's not wonderful. But there are enough people organizing in that sector to overwhelm them if they got their collective act together. If I meet Greenpeace, or Greta in Stockholm



- the first thing I say to them is if you're worried about climate change, then put your energy into rebalancing society, because we will get nowhere until we rebalance our societies.

Every major trend in society, it seems to me, is in the direction of things getting worse, not better. The trends in the plural sector are massive, disorganized, and very significant, but they are nowhere compared to the overall trends. Look at economic globalization, for example. John Kenneth Galbraith wrote a book about countervail-

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ing powers; that when the large American corporations built up, the unions built up as a countervailing force. There is no countervailing force to economic globalization now, certainly not the United Nations, certainly not any particular nation.

Climate change is the best example, or take income disparities. We talk about it incessantly. And it doesn't change. It gets worse. It gets worse, and nobody addresses the major issues. Whether it's climate change, or populism, or the decline of democracy, or income disparities - whatever it is, they're all moving in the wrong direction. I'm stunned at how stupid we are, that we don't recognize this and stand up to it. That's why I wrote *Rebalancing Society*. It enables us to move forward in a consolidated way. Have you seen the website [Rebalancingsociety.org](http://Rebalancingsociety.org)? That's the next step. A call to action, what to do.

**RD** I think you're super strong in diagnostics, Henry. And most people will subscribe to virtually everything you say here. The question is, what is the therapy? What I hear you saying, at the end of your book, is that the solution is the "power of two", you and me. We have to stand up, we've got to be responsible and do our part. Is there more to that? Or is that it? What about governance structures on a global scale?

**HM** Yeah, I'm working on something. I've blogged about it. About the D24. The Economist ranks countries on a democratic index every year. Full democracies, flawed democracies, hybrid regimes and autocracies. 24 countries are full democracies, out of 180, or so. They're mostly small, Norway is first, the Scandinavian countries are in the top five, New Zealand and Germany's there, Britain's there, Canada's there. Japan is the largest of the 24 - and it's only the 11th largest country in the world by population. So, the 10 largest countries of the world are not there. We have a G7, and a G20 - all of them big, powerful countries. Maybe we need a D24. The 24 democratic countries that can stand as a counter to these big aggressive, largely bullying countries - and particularly stand up to the three superpowers. So, I published a piece called *Superpower Corrupts*, about the superpowers and the D24.

***Who consolidated that? Nobody consolidated that. Everybody consolidated that. Same thing with Eastern Europe. It wasn't just Lech Walesa, in Poland, it wasn't just people knocking down the wall in Berlin, it was everything together. The time was right, and people just did it.***

On the website, I talk about three stages of change. Stage one is some commitment to a belief system - the declaration of interdependence that people sign. Stage two are local actions, community actions. And stage three is consolidation. And I thought, how do you consolidate? How do you get all the NGOs that are worried about climate change to consolidate around rebalancing society? I figured that the most important thing I could do at this point is to study social movements that have been successful. Eastern Europe in 1989, the American Civil Rights Movement, the quiet revolution in Quebec, etc.

The most interesting one to me is the Reformation. Here's this obscure monk.

He writes these theses down on a sheet of paper and he puts it up against the door of an obscure church. I don't know what followed in detail, but his students saw it, took it down and used the social media of the time – namely the printing press - to circulate 300,000 copies, leading to the Reformation, to Protestantism, and so on. Who consolidated that? Nobody consolidated that. Everybody consolidated that. Same thing with Eastern Europe. It wasn't just Lech Walesa, in Poland, it wasn't just people knocking down the wall in Berlin, it was everything together. The time was right, and people just did it.

**RD** But there was also a context that eventually led to that. People just had enough with all the corruption that went on in the Catholic Church, where you could pay off your sins. Arab Spring is another good example. But on the other hand, we can see the dark force beat back. We've got now in Egypt not such a great regime. We've got Syria, where people rose up - to what result?

**HM** Yeah, well, Quebec changed dramatically. Quebec was the most locked-in Catholic place you can imagine, and it's probably the most progressive place in North America today - the first one to accept gay marriage, and so on. Christianity didn't go away, despite the Reformation. It superseded the Catholic Church. The Civil Rights



Movement was largely successful – which doesn't mean it's finished. And then, yes, you have the Arab Spring, that reverted right back, all kinds of countries reverting back. You have to go by what works.

**RD** Well, Henry, we're talking here very large scale, on a societal level. What about we go down just a bit, to the



***The pressure of the stock market is more, more, more – but not more quality, more quantity.***

private sector, as you call it. We know how much greenwashing is happening. But there are also top executives who have the right values - who really want to make a difference. How do you see these serious sustainability efforts and strategies in large companies?

**HM** I'm not one for simple solutions. But here's one simple solution: get them the hell off the stock market! The stock market is utterly dysfunctional. Absolutely. When Apple passed a trillion dollars in stock value for the first time, that was the beginning for the stock market to think - what are you doing tomorrow? We get people building up great companies, and once they go public, the pressure of the stock market is more, more, more – but not more quality, more quantity. Tell me if you think I'm wrong, but the secret to the brilliance of the German economy, despite recent things - I would attribute that to quality, not quantity.

**RD** Well, what you have in Germany is, of course, the so-called Mittelstand. These SMEs with up to maybe 10-15,000 people, 3 to 5 billion revenue, still owned by families who are not going on the stock market. They

have other issues, typical for family-owned businesses, like family dynamics, succession, and all that kind of stuff. But it's a different kind of pressure.

**HM** Exactly. And in Scandinavia, particularly in Denmark, most of the companies are set up as trusts. So, the voting shares are not controlled by the stock market. The same thing with Tata in India. They have publicly listed shares, but they're not beholden to kid analysts who tell them what to do.

**RD** Exactly. This also relates to our work on business ecosystem engagement. One thing that keeps companies from embracing the profitability of their larger ecosystem is the focus on shareholder value that focuses them on maximizing their own profits.

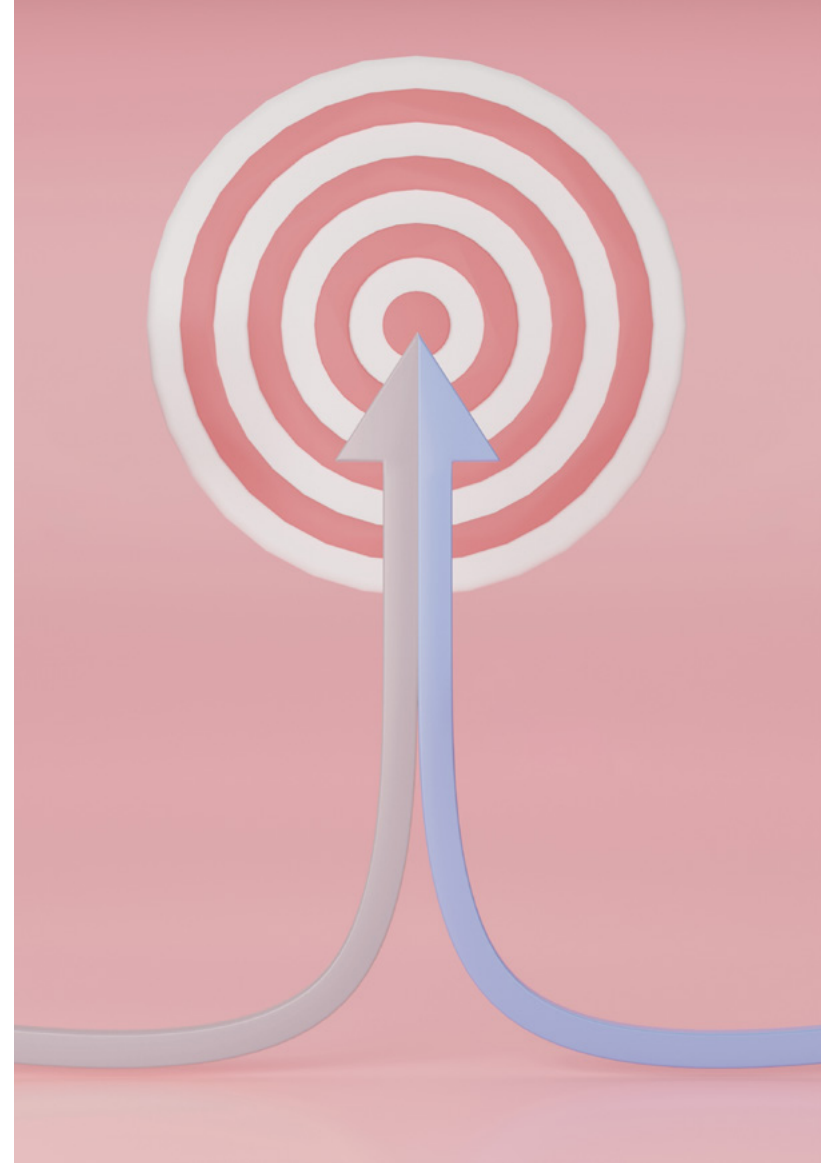
**HM** Yeah. And the other thing is that it brings down the management. Entrepreneurs are committed to their ideas. But as they reach a certain size, professional management is taking over who doesn't have those ideas. So they'd find other ways to grow, manipulate and play games and charge for things that they shouldn't be charging for, nickel and diming their customers, and so on and so forth.

**RD** Ok, so it's shareholder value, public listing, the quarterly pressure, and more that works against good intentions. But let's talk about the other side, too, about

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People who don't have mortgages  
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things that inspire. One of the authors of this DLQ issue is Natalie Beinisch, the wife of a Shell executive who is based in Lagos, Nigeria. Instead of settling into a typical life of an expat-wife, she started a circular economy initiative connecting startups, government agencies, companies, and what not, so she can foster sustainability in one of the toughest places on the planet. It's really a very inspiring story. So, you want to get these things more visibility? Is that what you're up to?

**HM** Am I wishing these things more visibility? Yes! I'm writing to raise consciousness about what I see as the prime cause of what's bringing us down. Whether it's income disparities, the fall of democracy, or climate change, or whatever it is. That's where I'm devoting my attention.



***I am trying to reach people who care, I don't care if they're businesspeople, or government, people, or anything else, as long as they care. And they can figure out what they can do in their own institutions.***

**RD** So, what are your hopes? Gaining more signatures on the declaration? Is there a way to inspire or engage also the business community? Is there any relationship you can create with governments or governance bodies?

**HM** Well, I think this kind of change, like the Reformation, starts on the ground, it doesn't start with institutions. Institutions join when there's enough of a movement. So, I am trying to reach people who care, I don't care if they're businesspeople, or government, people, or anything else, as long as they care. And they can figure out what they can do in their own institutions. You know who is my target market? It's people without mortgages. People who don't have mortgages are under 30 and over 70. Because between 30 and 70, the attitude is 'yes, that's a good idea, somebody should do something about that - but I'm busy.' Under 30-people are serious, over 70-people are serious.

**RD** That sounds like a great coalition. I'm super impressed by your passion, Henry. Best of luck. Let's hope in the interest of all of us that the awareness of the plural sector's importance grows and your ideas get as much success as possible.

*The full interview recording is available to our subscribers on the DLQ website. Here we publish edited highlights from the conversation.*

**Henry Mintzberg** is the Cleghorn Professor of Management Studies at McGill University. He is the author of over 180 articles and 21 books, among them *Managers, Not MBAs*; *Simply Managing*; *Bedtime stories for managers*, *Understanding Organizations* – and most recently *Rebalancing society with its website [www.rebalancingsociety.org](http://www.rebalancingsociety.org)*. He twice received the McKinsey Award for best articles in *The Harvard Business Review*. More at [www.mintzberg.org](http://www.mintzberg.org)

**Roland Deiser** is a Senior Drucker Fellow and Founding Chairman of the Center for the Future of Organization at the Drucker School of Management at Claremont Graduate University ([www.futureorg.org](http://www.futureorg.org)). He is the author of several books, articles, and research reports and also serves as the Co-Publisher and Senior Editor of *Developing Leaders Quarterly*.

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