

# Exploring the Corporate Culture Gap

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## Editors note

*It was with great sadness that we report the passing away of Journal of Futures Studies Consulting Editor, Jan Lee Martin. She died early August from cancer. In late July, knowing that her days were near, she asked that I help set up a foundation of sorts to help support scholars in more effectively communicating the future. Among the projects she suggested was an annual best paper award for contributions to the Journal of Futures Studies. The editors are pleased to announce this award for best article and best essay published in 2011. The Jan Lee Martin Best Publication Award amount will be 500 AUD for the best article and 500 AUD for the best essay.*

*For those who did not know Jan, she approached the future with fascination. When she was given her diagnosis and told she likely only had a few months to live, she responded: "this will be interesting."*

*When I saw her she was calm having embraced the final stages of her life. She did insist that her legacy be of enhancing the capacity of futures studies to communicative more effectively visions, warnings and methods to the general public and political/social leaders. The editors hope that this award will help in maintaining her legacy.*

Sohail Inayatullah, Editor in Chief, Journal of Futures Studies

Moving into the 'third stage' of life - becoming an elder - has been a very interesting period of learning for me, as it is for so many women. And yes, I mean interesting in the Chinese sense. It has been painful and difficult, challenging and rewarding, as I have learned more and more about how little I know. It's not easy to be humbled by your inadequacies after a couple of decades of believing in your own success. But it's immensely satisfying, eventually, to shed the old certainties and begin learning again. Humorist Ashleigh Brilliant puts it neatly, when he says: *'There has been an alarming increase in the number of things I know nothing about'*. That works even better if we read "know" in its fullest sense: understanding it not just as a cognitive achievement but as a holistic way of sensing and relating to the world.

It's fun to imagine starting again, with a lifetime ahead to discover fields that didn't exist when we were children: approaching health and healing through the body/mind; exploring the heights and the depths of consciousness; digging beneath the mental models, values, beliefs, attitudes, ethics that each of us put together into our unique tapestries of identity - and so much more. If we do move

into a period of extended human life cycles (in spite of the ethical dilemmas attached to such a choice) then I hope that the kind of maturity my colleagues now model, at mid-life or more, will by then have become a norm, acting as a sound foundation for the new learning of another decade or two.

And what difference would *that* make in the next century or two? Where will we be, then? Will we have developed a wise society? What will we consider success to be? Will we be happy? Many futurists and thinkers see wisdom and happiness as serious goals for the future. Some, like me, believe that we can achieve these things by learning – learning more about ourselves and our relationships with the various environments in which we live. That kind of learning is difficult, often painful, but always rewarding.

Could we, for example, see the path of the individual as a fractal of human society? Many human lives move from the dependence of childhood through the independence and often arrogant confidence of youth to the interdependence and wisdom of age.

In wider terms, it is tempting to see the past few hundred years as a period of adolescence on a societal scale. With new technology as exciting as a teenager's hotrod, we're off with our metaphorical foot to the floor. Our arrogance has taken us to dangerous places. Denial has acted effectively to prevent us recognising risk until the consequences of our ignorance and arrogance can no longer be denied.

Isn't it time we grew up? Isn't it time for a wiser society? And when we create it, won't we – like so many people in later life – find that the busy-ness of making it all happen is followed by a summer of happiness that satisfies our more important needs?

Umberto Eco writes that the invention of eyeglasses, in medieval times, made a big impact in advancing the field of learning and sharing its benefits because it extended the working lives of scholars, who were reading hand-lettered books and scrolls by flickering torchlight. Of course, it was the oldest, the wisest, the most learned whose work had been curtailed – and then extended. Could a futures focus, with the broader understanding it offers us of our own perceptions and motives and relationships, act as the 21st century equivalent of the eyeglasses of those earlier scholars? Could a change of worldview, a new lens, for the majority of the human population change the future of humanity? I believe it could.

I certainly hope so. I'd like to think that my grandchildren and theirs will live in a world where wisdom is valued more highly than material success. It's intriguing to wonder if that would be the inevitable outcome of an extra 200 years of learning.

## Looking Back

It was interesting to be asked to explain how I came to be in futures. The question made me aware for the first time that it all began long before this journey into the third age. A 1940s childhood in New Zealand meant growing up in the postwar optimism of a young country, moving on into 1950s visions of ever more exciting futures. In an age before television (there, at least), a time when helicopters were still futuristic, I was spellbound by picture book illustrations of "the future" featuring high-rise towers, aerial highways, rockets and airliners in the sky. Later science fiction was a

favourite genre, as for so many futurists, because it challenged the way we thought about our world and our culture, offered provocative new ideas. There were stories that turned our societal mores on their heads (sex in public, eating in shameful secrecy); stories that challenged our prejudices (our friendly hero revealed in the final line to be an anatomical horror): stories that shifted traditional notions of time and space in various creative and illuminating ways. They were stories that dared us to think differently.

All these fell on fertile ground. Throughout my childhood, my family had moved from one town to another in step with my father's career. Every few years I became an uncertain new girl again at school - but every few years my whole world was replaced with a new and different one offering fresh experiences at every turn. By the time I was 19 I was ready to make a trip of my own, travelling by sea to England (six weeks in yet another new community) and exploring Europe when we could still hitch-hike in relative safety and live on five dollars a day. That trip and many more since, with their exposure to a wide range of different cultures, simply extended and enriched a pattern of variety that had begun years ago.

Perhaps that was the beginning of my preparation for work in futures - repeated exposure to change, to new places and new ideas.

So what am I doing about all this? What do I see as my task as an elder, the task that all these influences have prepared me to do?

To explain that, I need to add one more piece to the jigsaw puzzle picture, a picture that still, necessarily, leaves out more than it puts in. This piece combines a commercial career with mid-years of marriage, parenting and divorce. These were my "maya" years, years of full engagement with the material world, years that yielded many rewards and a lot of learning. What's most relevant to this story is that they fell within a span of more than 30 years in public relations. This may seem an unlikely seedbed for the kind of values we associate with futures work. Yet this, too, has led me to futures.

It was useful that I joined IBM in 1959 and began to learn just what the digitising of data could mean in a world of electronics and ever-shrinking circuitry. In 1964 I returned to the company in New Zealand from a spell with the UK office, and was invited to take on the job of public relations officer. In those days PR was a field almost as new as computers. There was little chance the company could find someone who knew about both, so I was appointed on the grounds that I knew about IBM and computers and could learn anything else I needed to know on the job.

We knew, in those early days in IBM, that our public relations responsibility was to see that IBM's name was widely recognised and respected. As well as being known as the leading manufacturer of computers IBM also wanted to be known for its social responsibility. It was part of our job to ensure that the company was seen to be a good corporate citizen. Yet many of its actions (organisations are human, after all) failed to demonstrate full commitment to that noble ideal.

## On with the Job

In the years that followed I worked as a public relations consultant, first for others and later in my own company. I found myself, time and again, living and working in that grey space that fogs the difference between intent and action, between espoused values and enacted values, between perception and substance. It now seems that I was observing its dynamics all the time, though I wasn't aware of it then.

I'm not accusing the organisations I have worked with of sinister intent, nor even simple hypocrisy (though I'm sure there's plenty of that around). IBM wasn't asking us to manufacture a specious gloss to cover antisocial activities: just to project a "good image". McDonald's, with its Trust Bank and its Ronald McDonald Houses, isn't seeking to cover up deliberately villainous behaviour in other areas. It simply wants to build community goodwill. Most organisations that put a lot of effort into corporate citizenship programs are not being intentionally deceptive in their endeavours. On the contrary, almost without exception they see themselves as good guys.

But that's no longer enough. Avoiding being a villain, or being less of a villain ("for heaven's sake, we're not making *guns*, we're not selling *drugs*") just isn't good enough any more. There are pressures both inside and outside that drive that point home.

In external relations, organisations who want to distinguish themselves with a respected brand that carries well into the future will do it best by being, and being seen to be, corporate heroes.

Sadly, although the coming shift in societal values has been clear to many of us for 20 years or more, there are still too few examples of hero corporations. The same old names keep coming up. Maybe this shows how hard it is to live our values in the commercial world. But I have no doubt that times are changing. I've watched it happening for a very long time now.

In fact, it's easy for me to create a timeline from my own experience. When I started in public relations, organisations were judged by what they said about themselves or caused others to say about them. Later a more perceptive, better-informed audience began to look for verification of those words in behaviour, checking out what organisations actually did, and the match between what they said and what they did. Growing demands for transparency and accountability continue to advance this trend. And new pressures today are moving the spotlight still further upstream to scrutinise an organisation's real intent, and the values that lie behind that intent.

When I sold the business of my company in the mid-1980s (it was getting really hard, then, to talk to senior executives about values) I retired to a seaside village to slow down and spend more time as a parent. There I started learning again. After much reading and reflection, my career in corporate communication was overtaken by the futures perspective. The need and the opportunity seemed so urgent that I was driven to a frenzy of activity, from learning, to writing, to working with futurists, to setting up the Futures Foundation, all aimed at building connections between global needs, futures work and the huge power of corporations. It was clear to me that, while all of us have a hand in creating our own futures, it is increasingly the managers of organisations who are creating the future for our bigger and more complex communi-

ties around the world. If we are to create the changes we need, we must reach behind that power and work with it, instead of standing in front of it with a stop sign. Instead of being face-to-face, we need to be shoulder-to-shoulder.

## **Leveraging Change through Corporations**

The work of futurists and others is lifting into attention the urgent physical and social pressures that demand our attention as a global society. Soon even the most reluctant, the most distracted, the most self-interested corporate executives will be forced to focus on the real needs of the community. Meanwhile there are encouraging signs that, at last, high-calibre organisations are prepared to take the lead and identify themselves with community values and community needs. Of course, there are sticks and carrots to help. Those of us who have worked in what public relations people call issue and crisis management have seen the costs inflicted upon organisations who have broken the rules, organisations whose activities fail to meet the expectations of their communities. These "learning experiences" are teaching organisations that there are shrinking boundaries to their freedoms, that like it or not they must take into account the attitudes and opinions of a wider range of stakeholders than the traditional groups they are accustomed to respecting.

There's nowhere to hide any more. Whether you're Exxon or a US president, a uranium miner in outback Australia or an oil company in Nigeria, the world is watching what you do and how you do it. Companies now pay dearly for failure to meet community expectations, and those expectations are increasing. Communities are remembering that they legitimise the activities of organisations. More and more are asking questions about the basis on which any organisation should be licensed to exploit the global commons or to act in a way that damages basic human rights to fresh air and water, to clean oceans and to "right livelihoods". As social and environmental pressures increase, so will community pressures intensify, becoming more insistent that organisations meet the needs of the community. The sticks come in the form of bad publicity (sometimes enough to break an organisation), tightened regulations, product rejection, staff dissatisfaction, lack of respect in the marketplace and a host of other negatives. Carrots, on the other hand, are on offer to organisations willing to change their behaviour to reflect the values of their stakeholders, internally and externally. They include opportunities to attract top talent, win the attention of the surging ethical investment community, create the kind of highly energised, positive culture that generates outstanding performance, and enormous opportunities to create new products and services for a growing market with new consumer values.

For those organisations that don't want to see themselves as donkeys, prodded by sticks and attracted by carrots, there is the ethical dimension in which they can opt to make the right choices because those are the choices that ought to be made. Are these the organisations of the future? Will they avoid the sticks and win the carrots, and survive when others die? When stakeholders can see quite clearly that what an organisation says is backed by what it does, and that in turn is in line with clear intent – and that, in turn, meets real needs – then (and increasingly, only then) will it win their trust. Without that trust, it will become more and more difficult to operate at all.

So a futures perspective offers a new way for organisations to rebuild their relationships with their host communities. Some organisations will do too little, too late. Others will take the lead, create new markets and new opportunities and win the support of their stakeholders by the fact of doing so, and the way they do it. I think the gap between these two kinds of organisations is a very, very important "corporate culture gap". In a natural process of succession (success-ion?), organisations of the future will be those which have shown leadership in the present.

### Measuring Performance

For all these reasons, many organisations have been taking a long, hard look at the way they measure and report their performance to stakeholders. It has become clear that the old focus on dollar profits is not enough any more. John Elkington's handy phrase, "the triple bottom line", has worked its way into boardrooms around the world and is being used enthusiastically even by executives who don't really know what it means. But at least it's in the language. And it isn't too difficult to understand the idea that social and environmental performance should be reported as well as financial performance.

This trend runs in parallel with the wider challenge to GDP as a measure of national success. A new study from the Australia Institute, for example, shows that the costs of economic growth in Australia have largely outweighed the benefits. Using its own set of measures, the Genuine Progress Indicator, as an alternative to GDP, the Institute argues that national wellbeing has risen by only 3.6 per cent since 1996 while GDP has increased by 13.4 per cent.

Director Dr Clive Hamilton says that because GDP measures only expenditure on goods and services, it is too narrow an indicator and gives a profoundly misleading picture of changes in national wellbeing. This echoes the work of alternative economist Hazel Henderson, whose books and articles have been challenging the GDP for many years. For example, she pointed out long ago how curious it is that the GDP fails to show any debits.... the cost of industrial accidents, environmental pollution, resource consumption are not taken off the GDP. On the contrary, all too often they go *on* to it! "In contrast, the GPI measures [goods and services] plus 20 other factors that influence the wellbeing of Australians, including the social costs of unemployment, overwork, problem gambling, land degradation and crime" Dr Hamilton said.

"The rationale of the GPI is that, while consumption expenditures are an important component of wellbeing, they are only one part of the full picture. Trading off more pollution for cheaper electricity, accepting longer hours and reduced job security for faster employment growth and diminishing the stock of environmental assets to provide a short-term flow of goods may have increased GDP but these policies have failed to deliver the improvements in wellbeing that they seemed to promise.

"Unless we have better measures, governments will continue to pursue policies that keep indicating growth while the wellbeing of Australians is going in the opposite direction."

Corporate policies, too, might be very different with new measures that unmask distortions and take a wider view.

Any company can maximise short-term profit if it doesn't care about protecting product quality, customer relations, staff morale and other factors that create value. But they can't sustain that profitability. If we take a wider view of corporate success we see a very different picture, and that picture is coming into sharp focus for leading organisations right now.

They are recognising that measuring profits without exploring the real cost of those profits is to risk making policy decisions based on poor information.

New models for performance reporting also reflect a growing demand from stakeholders for greater accountability from organisations. More people want to know more about the organisations they are working for, the organisations they are buying from, the organisations they are investing in.

This shows we will have to change the way we compete for top talent and elicit top performance. It signals a significant shift in the consumer marketplace for the future. And it suggests we may find ourselves reviewing our entire performance measurement and reporting regimes:

- We already know that organisations in the knowledge economy can't force their employees to be creative: the shift from perspiration to inspiration also means a shift from material incentives to less tangible motivations like shared goals and values.
- The profile of consumer markets is changing. Researchers Paul Ray and Sherry Anderson estimate that the emerging culture already includes 26 per cent of US adults – about 50 million people. European studies and local estimates suggest similar numbers. This is a major market with new values.
- The rapid growth of socially responsible investing means that more organisations will want to show how they are helping to meet the real needs of the community, rather than measuring their own performance on the single dimension of dollar value to shareholders.

All this signals a very different operating environment from that enjoyed by respected "captains of industry" for decades past. Could it mean that the legitimacy of profit-making is itself under challenge?

I believe that it is not the *matter* of profit-making that is under challenge now, but the *manner* of profit-making. It is already clear that making profits at the cost of others (outworkers, for example) is no longer seen as acceptable. However profits that are made fairly, meeting real needs, are more likely to be seen as legitimate and win the support of stakeholders.

This question of legitimacy – and recognition of the community's power to grant or withhold it – is warming up as a corporate issue. Growing pressures in our physical and social environments are likely to bring it to the boil.

Whether that's good news or bad news depends upon your point of view.

Herd organisations may see the increasing demands as a nuisance. Leading organisations will see them as opportunities.

Paul Hawken points out in *Natural Capitalism* that only about 1 per cent of the materials and energy used by the US economy in production ends up in durable products: the rest is trash within weeks. Clearly that's unsustainable. We have to invent new ways to make things. Who is going to own that market? Are they creating it now?

We now know that we have to cut human impacts on the planet and restore natural assets. Whether it is tree-planting to reduce salinity or water filtration for domestic use, there'll be a host of new products and services. Who is going to own that market? Who is designing those products and services?

The future of food is a topic that invites exploration from anyone in agriculture or food technology or hospitality. For a number of reasons, from health to hysteria, it makes sense to anticipate a continuing shift to natural food production, to more diverse food products, to new forms of preservation, packaging and distribution. Who is going to own that market?

The future is full of challenges. But it takes only a simple flip to see that challenge as opportunity.

Perhaps the starting point is redesigning what we see as success, leaving behind outdated ideas and adopting new ways to measure our wellbeing. Do we need a GPI for organisations? That, in rather different terms, is what we're suggesting as we introduce organisations to the concepts attached to wider and deeper measures of success – sustainable success.

## Working for a Better World

Of the many alternatives that lie in the future, one popular vision is a world where organisations are collaborative, perhaps as cooperatives. These cooperatives would network local initiatives into global systems designed to protect sustainability and enrich human societies in a way that distributes wealth more effectively than our previous systems have done. Certainly it can no longer be a world in which we continue to allow some groups of people to poison our shared nest for private gain, in which we continue to add wealth to the wealthy and strip basic human rights from the poor and unprotected. Even without making moral judgements, it is clear that that just won't work any more.

But couldn't we do better than that? If we look at the human journey again, seeing the individual as a fractal for the whole, what is the most successful story we see? Isn't it the story of the individual who learns? The person who learns wisdom, who learns to manage himself or herself and the many relationships any individual has with the natural and human environment? The person who is able to enjoy a rich inner life as well as a tranquil outer life with (in the most popular versions of this story) a diminishing need for material goods replacing the traditional need for increasing wealth?

Are we on our long, laborious way, after all, to a happy society?

Riding high on the euphoric spirit of the Olympic Games in Sydney, it occurred to me that when we have stopped being dazzled by information and communications technology; after we learn to manage biotechnology; when we have used new materials technology to meet most material needs; after we develop safe and healthy versions of nanotechnology; we might realise that technology itself is a tool and not a goal. We might then, older and wiser, turn our attention to the wider goals of human wealth and happiness. What would be a "right livelihood" in a society like that? Would it be teaching the inner skills and abilities that help individuals, families and even organisations to move toward that kind of wisdom? Bringing that kind of happiness?

So my favourite vision for the future is of an older, wiser Australia becoming a global centre for the happiness industry – not the short-lived, 20<sup>th</sup> century idea of happiness as denial and distraction, but the wiser, deeper, more enduring happiness that comes from within. And I'm not just talking about tai chi on our beaches, zen at the zoo. Imagine our tourism industry becoming a personal renewal industry; professional development teaching more inner than outer skills; experiential learning in the natural environment replacing an environmental restoration industry that's no longer needed, school curricula that help children to learn how to manage their inner lives.

Even now, we know that we are doing more and more with less and less in the material world. We know that, in organisations, emphasis is shifting from the physical and material (production, manufacturing) to the non-physical and immaterial (innovation, design, creativity, relationships). Isn't it logical to anticipate these trends moving further into the abstract? Sir Ervin Laszlo highlights the evolution of consciousness as a phenomenon that has already overtaken physical evolution. Isn't it logical that whole new areas of future products and services will emerge to service this growth?

So to the question I asked at the beginning of this article: what do I see as my task as an elder? It would be nice to say I'm conducting a personal crusade to turn Australia into the world's first happiness economy, but I'm afraid that will have to wait for someone younger and stronger.

The professional focus of my past few years has been on the intersection between the field of futures, and the field of organisations.

Change in the way we manage our societies is clearly imperative and urgent. The greatest impact is made by organisations. Doesn't this mean that the greatest opportunity lies in the reframing of their role in society?

We've seen that the managers of organisations are creating the future for our communities through the choices they make every day. But people who run organisations are not aware of the need for deep change. They're busy doing things. The job of executives is to execute. And they're under pressure to do more, faster, in an accelerating environment. How do we reach them? How can we catch the corporate elbow? How to help them to look over their walls? Alert them to the tidal waves of change that threaten us all at the same time as they offer us wonderful opportunities?

One of my painful learnings when I was in public relations was that it's really hard to change the minds of chief executives, whose traditional perspectives have been reinforced by success. Or did I just learn that I wasn't able to do it? Either way, it clearly needed a new approach.

At the same time, I experienced the isolation of the adviser who's out of step, the consultant who wants to talk about values when clients are interested only in profits. So I talked with some futurist friends, and over a series of meetings (over a number of years) we agreed to form a mutually supportive network which, in turn, would establish a Futures Foundation. The Futures Foundation sees itself becoming a global centre for learning about the future, describes its mission as "inspiring ways to create the future". It is set up to act as an interface between the formal field of futures studies and the managers of organisations, to bring to their aid the tools and skills and methodologies of futures that are most usefully applicable to the management of organisations.

On the basis of experience, our strategic approach specifically excludes trying to change people's minds. On the contrary, our target market is identified as those managers and organisations who are seeking help - the people who have reached the point where they recognise that traditional methods don't work any more and who are ready to work at a deeper level. At the same time we are putting together a learning program for those who want to know more about futures, and planning to link that into formal academic courses. And we are working to set up research and information management systems that will interact directly with learning materials and publications. All of this is being done on a voluntary basis, so we dream of a future when we'll have the kind of resources that will allow us to do it all at the professional level that the importance of this work demands.

We have undertaken consulting assignments ranging from exploring the future of financial markets to developing the creativity of a marketing team. We maintain a busy calendar of events for members and the corporate world, and we are actively promoting the concept of foresight at senior levels in government. Our regular newsletter has just been upgraded to a more professional quality. And our database is about to be turned into a professional resource.

But perhaps the single most important activity is one we have undertaken since the very beginning - carefully building relationships of mutual trust with people inside and outside the organisation, in Australia and elsewhere. Those we value most highly are those with the growing number of organisations which are spontaneously appearing to create what I call the "change community". Paul Ray and Sherry Anderson would call them "cultural creatives". Many of them are actually corporate creatives, who may or may not be located in an alien culture.

Already there is great encouragement to be found in the consistent growth and visibility of the new worldview, of people - and increasingly, organisations - who recognise that the future of humanity depends upon our changing the way we do things. By the time that knowledge becomes unavoidable, even for the busiest corporate executive, it's good to know that a new world will already have emerged that could be the beginning of the shift to a world of wisdom.

And if we have longer life cycles, and if we're fast learners, maybe our grandchildren will be the ones to create a world in which wisdom and wealth and happiness become realistic goals. Even for organisations.

## Correspondence

Jan Lee Martin

## References

An earlier version of this article is an entry into Sohail Inayatullah, ed., *The Views of Futurists: Volume 4 of the Knowledge Base of Futures Studies*. Brisbane, Foresight International, 2001.