

# The Veritas Group

PDF generated August 05, 2011

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## Sustainability: the New Way Forward for Organizations – Part 3

by Ariane David PhD - Thursday, December 09, 2010

<http://theveritasgroup.com/2010/12/09/sustainability-the-new-way-forward-for-organizations-%e2%80%93-part-3/>



### What Sustainability Means to Organizations

How does the issue of [sustainability](#) translate to organizations? Of course, who would argue with the notion of a business becoming completely sustainable in perpetuity? In actual practice, though, we see that need to do things very differently from the way in which we've been doing them.

It's especially difficult when we were able to achieve a high degree of success in the non-sustainable model. Looking at the three pillars of [sustainability](#), the [environment](#), the economy, and social development helps us see what needs to be done.

In terms of the environment, businesses must work towards being waste/pollution/depletion neutral. According to Ray Anderson, the founder and CEO of Interface, the largest carpet company in the world, and one of the greenest businesses, we need to go from "extractive to renewable, wasteful to waste free, abusive to benign, fossil fuels to renewable energy, and exploitive to collaborative."

In terms of organizational economy, rape pillage and plunder is no longer a sustainable business model.

We need to come up with a financial model that takes into consideration all the bottom lines, not only the financial bottom line. For example, today most companies calculate cost of production as labor, materials and overhead. But what about the cost of the pollution by products of manufacturing from the standpoint of clean up, health, and quality of life of the community?

### Who Benefits, Who Pays, and Who Should?

What about the cost of depleting non-renewable resources such as fossil fuel? The cheap cost at which we are extracting it now does not reflect the high, perhaps prohibitive cost, of extraction in the future nor does it consider what will replace it when it can no longer be extracted. Thus, the actual cost of goods must include ALL the costs, including those that have historically been shifted to the community.

These costs must also be considered when we calculate the price to consumers: at retail an item that sells for two dollars might really represent an actual cost of ten dollars, the difference being paid by members of the community in the form of taxes, health and other costs.

In organizations social justice translates into the understanding that we no longer can choose between employee well-being and profits, nor do we need to. This means providing employees with an environment in which they can experience work satisfaction, meaning, personal growth and learning, where they are compensated fairly in relation to the pay of top managers.

## **Ray Anderson of Interface – Mission Zero**

Here's the ultimate sustainability story that will demonstrate what sustainability principles can do for an organization. In 1994, when he was 60, Ray Anderson of Interface carpet company read Paul Hawken's book, *The Ecology of Commerce*, and had a startling experience, that the resources of the earth, belong to all life on earth equally, yet he and his company had become successful by taking more than their share and by using it in a way that harmed the environment.

Through this awakening he realized that in order to benefit himself, he was literally stealing from the rest of the world and from future generations. This so stunned him that he created "Mission Zero" – zero waste, zero emissions, zero use of non-renewable energy in his company by 2020.

He embarked on a program of research and development aimed at altering all of his manufacturing processes to put Interface on track to meeting his goal of sustainability.

Part of his program was to create a culture which would allow employees to participate in this wonderful adventure. He invited ideas from the rank and file, rejecting none without consideration. He encouraged employees to participate in the formation of strategies and goals.

Employee satisfaction was and is a high priority. As a result Interface attracts and retains the very best talent and employee productivity is high. Employee engagement and affinity, two very important factors in productivity, are high at Interface, while absenteeism is low.

According to Anderson, the benefits to Interface of social sustainability include reduced operating expenses including lower energy costs, greatly enhanced reputation/customer attraction/good will, employee retention leading to lowered recruitment, training and knowledge retention costs, and higher productivity.

This year Interface is right on track to its goal, Mission Zero. Greenhouse gas emissions were down by 80% while profits doubled. Fossil fuel consumption was down 62% and water consumption was down 60%.

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## Sustainability: the New Way Forward for Organizations – Part 2 of 3

by Ariane David PhD - Tuesday, December 07, 2010

<http://theveritasgroup.com/2010/12/07/sustainability-the-new-way-forward-for-organizations-%e2%80%93-93-part-2-of-3/>



Fibonacci Rays  
New International Quilts

Systems Thinking

If we want to understand [sustainability](#) we have to start with systems thinking.

### Back Up from Our Hyper-focused View

Systems thinking involves backing up from our hyper-focused view of our activities to see the larger system of which we are a part.

Unlike the isolated view of systems we held a century ago, we now realize that large systems and the smaller systems embedded in them, and all their parts, are inexorably interconnected.

### Look for Relationships Instead of at Things

When we look for relationships instead of at things, we begin to see cycles of causality rather than [linear cause and effect](#). This means recognizing how intertwined and even indistinguishable causes and effects are, and how effects weave back into the system to become the causes of other causes in an seemingly endless feedback loop.

In systems thinking we seek to uncover and understand the embedded thinking that holds the culture in place, keeps norms “normal” and dictates what is “logical” and “right”. We try to identify the thinking that holds problems in place.

We ask about how our system is embedded in a larger system and how larger and smaller systems affect

each other. We look to see how all the “things” in the system are related, since every part of every system influences every other part.

## **Look at Connectivity Through Time**

Systems thinking also requires that we look at the connectivity of our actions through time: the conditions we have today are the direct result of choices that were made in the past; the decisions we make today will in turn determine where we are in the future.

It makes good sense to make very careful choices now, scrutinizing our vision landscape to see what impact those choices will have in the long run. Granted, this is more of an art than a science, but it can be done.

*Tomorrow in Part 3, I'll discuss [sustainability](#) in organizations.*

## Sustainability: the New Way Forward for Organizations – Part 1 of 3

by Ariane David PhD - Monday, December 06, 2010

<http://theveritasgroup.com/2010/12/06/sustainability-the-new-way-forward-for-organizations-%e2%80%93-part-1-of-3/>



Chihuly Glass  
Seattle Museum of Glass

**What is [sustainability](#)?** Intuitively we know that if something is sustainable it can go on and on without adverse affects on the environment, the economy or ourselves.

[Sustainability](#), **we know**, has something to do with working in such a way that the people, communities or the organizations involved always have what they need to keep on going. An entity can keep on going without adverse effects to any stakeholder. A very simple view of sustainability would be that the larger system does not act adversely on us and we don't act adversely on the larger system. There is no right definition.

**Ray Anderson**, CEO and founder of the largest carpet company in the world, Interface, and named the world's greenest CEO, defines it as, "Take nothing (that is not quickly renewable), and do no harm." So, we get the sense of sustainability as the ability to go on and on.

**Yet clearly the ability** to go on and on is not a possibility with our current practices. UK Sustainability Commissioner, Tim Jackson views sustainability as "shared and lasting prosperity," but he's quick to say he's not optimistic about the possibility of ever realizing it, since, in his view, we've cashed out our hope in favor of unfettered growth.

**Writer Elisabet Sahtouris writes**, "I see Capitalism as a pretty natural (in the sense of evolution biology) juvenile economic mode, acquisitive and creative, but believe it is high time to move into the mature cooperative mode if we want to survive current pileup of unprecedented crises."



**The notion of what sustainability is** has shifted over that last half century. In 1962, Rachel Carson's watershed work *Silent Spring* ushered in an era of growing environmental consciousness and "ecology" (now "[green](#)") became a household word.

**Twenty years later physicist** and systems thinker, Fritjof Capra, wrote *The Turning Point* a book that looked not merely at ecology but also at the relationship among technology, economics and the environment.

**Lately, we have come to realize** that the kind of sustainability required going forward involves even more. While a large part of the model still involves the environment, it equally involves a redefinition of our prevailing economic models, as well as social development including a new understanding of non-sustainable social conditions including poverty, disease and slavery.

**We need to redefine the economy**, because the current system based on growth and consumption presupposes an earth of unlimited natural resources and ability to absorb waste, and the consumers' capacity to pay for it through a reduction in their ability to live satisfying healthy lives.

**In 1972 Bhutan** led the charge on the redefinition of "economy", when the king of that tiny Himalayan nation declared that gross national product would no longer be the defining factor for prosperity of the country, rather that prosperity would be defined by Gross National Happiness, the measure to which the needs of the people were being met. Social development becomes a sustainability issue as sub-standard living conditions lead to social unrest, violence and pandemics.

**Thus the contemporary view of sustainability** is built on three pillars: the environment, the economy, and social justice.

*Tomorrow in Part 2, I'll discuss how this new view of sustainability relates to organizations.*

**The Veritas Group**

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