



Regenerative Business - The Way Nature Intended

Giles Hutchins

Here Giles discusses how 'today's businesses that embrace a living systems logic will be tomorrow's success stories.'

Over the last century, conventional commerce and industry has been a core contributor to our present environmental and social crisis. This mainstream business approach is born out of a flawed logic about how the world works. It is a logic that is being challenged by a growing number of forward-thinking business folk. For example, Ray Anderson, one of America's most admired CEOs, notes, 'we have been, and still are, in the grips of a flawed view of reality – a flawed paradigm, a flawed worldview – and it pervades our culture putting us on a biological collision course with collapse.'

Paul Polman, the CEO of Unilever, leads by example when demanding that business leaders snap out of old thinking about how the world works and move to a new model, a new logic, where the interconnectedness of business, society and the environment is seen as core to purpose-driven enterprise.

Being a passionate environmentalist from an early age, and engrossing myself in Schumacher's *Small is Beautiful* during my teens, I am only too aware of the immense

problems our wrong-headed business logic has created over the years. There is little doubt that our prevailing business logic alienates and undermines not only the majority of its employees through hierarchic control-based thinking, but also degrades our communities and more-than-human world through its myopic short-termism and self-centred greedy intent.

A new paradigm

Yet there is a new paradigm emerging in business which goes beyond mere 'green-washing' PR fluff. It is an embracing of a new worldview: a living-systems worldview for business, with huge implications for us all.

Over the last few months I have engaged with a wide range of thought leaders like the living systems theorist Fritjof Capra, the leadership specialist Prof. Peter Hawkins and the values-based business guru Richard Barrett. I have also engaged with a variety of CEOs and senior managers from a wide range of businesses. I have been heartened to find that many are patently aware of the now desperate need for a radically different approach to how we strategise and organise.

The 'new norm' of business is unceasing transformation, hand-in-hand with increasing stakeholder complexity. Put simply, business-as-usual is no longer an option. In fact, business-as-usual is very much part of the problem.

We now need to cultivate not just a different leadership logic, but also the learning systems that enable our leaders to embrace this new logic amid unceasing transformation and increasing day-to-day pressures.

A Shift of Logic

This short article explores this shift in logic now emerging in many organisations (literally thousands across the globe and rising). This article does not tackle the equally interesting development in business of transforming ownership structures such as a shift from shareholder ownership to membership or cooperative structures for instance. Here, we focus on the leadership and management logic within our organisations, regardless of whether they are shareholder owned, private, non-profit, etc.

The challenge we face today is not simply about digitisation, collaborative ways of working or leaner operations. Something much deeper, much more fundamental, is being demanded of us. As the well-respected business futurist John Naisbitt points out,

'The greatest breakthroughs of the 21st Century will not occur because of technology, but because of an expanding concept of what it means to be human.'

For example, when I asked the CEO of a global chemicals company what their most pressing challenge was, it was the need to transform the psyche of the company to one that embraces eco-systemic thinking where social and environmental drivers are ingrained into day-to-day decision making. For the CEO of a large professional services firm, it was transforming their world-of-work in a way that enables everyone to bring their 'whole-selves' to work so that the organisation becomes more purposeful, vibrant, connected and alive.

For the Head of Strategy of a global bank it was embedding a learning culture that is not just agile and responsive, but purposeful and all together more-human. For the CEO of a global consumer goods company it was to deepen their strategic intent to serve life.

More and more of our business leaders are waking up to the realisation that our organisations are actually living systems rather than machines. That these living systems are intimately entwined with the living systems of society and our more-than-human world.

Regenerative business

And for these living organisations to thrive in times of increasing uncertainty and volatility, they must learn to become regenerative. What do we mean by 'regenerative business'?

'The purpose of life is to live in agreement with Nature' Zeno, ancient Greek philosopher

Regenerative business seeks to create the conditions conducive for life, by operating in ways that embody the natural logic of life.

The control-based characteristics of conventional business separate the work functions from the management functions, creating silo-mentality and hierarchic bureaucracy that relies on a control-and-predict ethos of managing remotely by numbers. The organisation is perceived as a self-maximising machine struggling for survival in a dog-eat-dog world. This hyper-competitive control-based logic is not actually how life is. Vibrant ecosystems flourish through diversity, distributed decision-making, local attunement, and an evolutionary sense of purpose.

The emerging future of business encourages wholeness within ourselves, our systems, and our society. It's a radical departure from the traditional scientific management theory still served-up in many of our leading business schools today.

Yesterday's logic is now failing us. Enter, living systems logic: adaptive teams are empowered to make change happen at the local level, to self-organise and attune locally amid an ever changing environment. Leaders do not manage remotely through hierarchy but rather facilitate environments where learning, co-creativity and authenticity flourish. Decision-making is not hierarchical but distributed. The goal is to deliver on the purpose of the organisation, and in so doing a healthy profit follows. The organisation is viewed as a purpose-driven community intimately interwoven within the living systems of our wider world. Nothing is separate from anything else, everything is interconnected. This logic is the logic of how life really is. And it is simply good business sense, as hot-off-the-press research from The Global Lamp Index shows that organisations embracing this regenerative logic consistently out-perform their mechanistic counterparts.

Balancing divergence with convergence

Living systems logic informs us that we need a blend of 'divergence' and 'convergence' to thrive amid volatility.

'Divergence' through the inclusion of a diversity of perspectives from different people within and beyond the organisational boundaries (facilitated through generative dialogue approaches); empowered self-organising teams adapting to their local terrain, freed from cumbersome bureaucracy (facilitated through team dynamics); a participatory and exploratory cultural mind-set (fostered by a blend of appreciative inquiry and heart-based communication methods).

For example, the global network of social-enterprise community centres, Impact Hub, has check-ins at the beginning and end of every meeting for people to centre themselves and share in authentic and purposeful ways. A North American waste company regularly holds stakeholder dialogue sessions with a diverse group of stakeholders to ensure customers, suppliers, local activists, indigenous people, and community leaders are all involved in generative discussions about the strategy of the organisation. A London supermarket, Thornton's Budgens, holds sharing circles every few weeks for all employees, regardless of role, to openly share in an open-hearted and authentic way so that problems transform through empathy into improved ways of working. This helps the organisation deliver on its purpose of putting people and planet first, trusting that profit will follow, while creating a more vibrant work place for everyone involved.

'Convergence' is achieved through: a life-affirming resonant sense of purpose and clear strategic intent that guides and governs the over-arching direction-of-travel; and, a soul-based culture that underpins and infuses the day-to-day meeting conventions, management protocols and behavioural values.

As an example, the financial services provider Triodos makes money work for positive social, environmental and cultural change by investing in projects that enrich our world – all of Triodos's investment projects are open to public scrutiny, with the social and environmental credentials of every investment available online.

The chemicals company Pantheon Enterprises applies conscious chemistry to ensure all its products are biodegradable and non-toxic. It is committed to changing the chemical industry for the better through its conscious chemistry approach. As a culture, it encourages its people to become more empowered by engendering self-organised methods of management and decision-making. The legal services provider IACP's boardroom considers the impact all its decisions have on the next generation, our children, ensuring services to corporate and domestic clients actually transform conflict into breakthrough resolutions.

The 'divergence' provides the vibrancy, creativity and effectiveness, while the 'convergence' provides the mission-driven intent and soulful purpose of the organisation. Both together provide the aliveness, agility and purposefulness for the living system to thrive amid volatility. This coherence within the organisation informs the way it relates with its eco-system of stakeholders including society and the environment.

Regenerative life-affirming business is not a utopian dream; it is how life really is. It is our prevalent practices that are a delusory aberration. The rising interest in the B-Corp movement is symptomatic of this shift happening across the world in our business mind-set. To become a B-Corp companies voluntarily change their legal constitution away from a narrow focus on short-term returns for shareholders to creating value for all stakeholders including society and the environment.

The rising popularity of movements such as Conscious Capitalism, Teal, The Purpose Movement and B-Corps heralds the dawning of a new business logic; a deeper richer consciousness that expands not only our perception of organisations as living systems but also our perception of ourselves as purposeful human beings playing our part in an innately interconnected world.

*Speaker, adviser and author Giles Hutchins' latest book **Future Fit** (2016) is available on Amazon and all good book shops. He blogs at www.thenatureofbusiness.org and is Chairman of The Future Fit Leadership Academy www.ffla.co*

References

Anderson, Ray & White, Robin (2009) *Confessions of a Radical Industrialist*, Random House Business Books, New York.

Schumacher, E.F (1973) *Small is Beautiful, A Study of Economics as if People Mattered*, Penguin Group, London

Capra, Fritjof (2003) *The Hidden Connections: A Science for Sustainable Living*, Flamingo, London

Barrett, Richard (2010) *The New Leadership Paradigm*, Barrett Values Centre

The Global Lamp Index
<http://www.lampindex.com/>

B-Corp <https://www.bcorporation.net/>

Hutchins, Giles (2016) *Future Fit*, Amazon