

# Leading in a Multipolar World

*Four Forces Shaping Society*

*A White Paper*



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***To create the incentive to think seriously about future strategy, you have to create a deep sense of restlessness with the status quo. You have to help people understand that current success is very impermanent.***

- Gary Hamel (London Business School)

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# Introduction

The purpose of this white paper is to present some ideas and concepts to stimulate your thinking and reflection on what is happening to our world as the result of four major forces of change. At the heart of the paper are potential implications for leadership.

Baseball legend Yogi Berra may have said it best: When giving directions to Joe Garagiola to his home, Berra stated: "When you come to a fork in the road, take it."

Berra's pithy remark aptly sums up the challenges facing leaders today, whether it's working in a manufacturing plant, call center, research facility or government department. It's especially relevant to those who have worked in and become accustomed to the economic might of the industrialized West and its attached benefits – our standard of living.

Leaders aren't sure which direction to take. Should they hope for the best and merely tinker with their organization's plumbing, or should they embrace a rapidly changing world, trusting their instincts and employees, and boldly move forward?

The country that is undergoing the greatest shakeup is the United States. The issue is not that of America's decline, as incorrectly argued by many geo-political commentators, but rather the rise in economic influence and power of new industrialized economies.

So who's on the newly industrialized nations list? The list is long: South Korea, Brazil, India, China, Singapore, Taiwan, Mexico, Turkey.... These countries have worked tirelessly at building their economies over decades. South Korea is an outstanding example of a country which, only a couple of decades ago, was a dictatorship. Now look at its prominence as a recent democratic nation that produces world-class consumer and heavy industrial products. The names Samsung, Hyundai and LG are now part of our vocabulary. South Koreans live on average 26 more years and earn 15 times as much as North Koreans.

And the Chinese? They live an additional 28 years and are 10 times wealthier compared to 50 years ago.

What's been happening over the past two decades is the growing assertiveness of once poor countries. Coupled with this has been an increasingly intimate planet, where people half a



*Coming to terms with a new global order was hard enough after the collapse of the Soviet Union, which went to the heads of many commentators. But the Cold War lasted little more than four decades and the Soviet Union never came close to overtaking the US economy. What we are living through now is the end of 500 years of Western predominance.*

[Niall Ferguson](#) (*Civilization*)



world away from North America want a piece of the wealth action. Facilitated by technology and the West's insatiable need for instant gratification, the traditional have-nots want democratically elected governments to enable a) a voice for the people and b) the path to creating meaningful jobs that produce income and enhanced consumer buying power.

Juxtaposed against this scene is the trend in America, Canada and many parts of Western Europe of the expanding demarcation between the very few rich and the declining middle class and working poor.

America from this point forward will increasingly share its economic power with these new competitors. Plenty has been written about China's rise and its eventual surpassing the U.S. economy in GDP. The GDP of Greater China (including Taiwan, Singapore and Hong Kong) rose as a percentage of U.S. GDP from a mere 12% in 1950 to 90% in 2009. Goldman Sachs forecasts that China will surpass U.S. GDP by 2027; however, that forecast was before the 2008 financial meltdown. China will probably zoom past the U.S. much sooner.

In effect, we're seeing the world evolving rapidly from the singular polarity of the United States to that of multipolarity, where economic power is increasingly shared by countries spread around the globe. Yes, the U.S. spends as much on its military as the next 20 countries combined, or 43% of the world's military spending. And that may be a main part of its Achilles heel in the long-run.

From a global vantage point, a multipolar world is good news, though many Americans wouldn't agree, especially politicians. Canada, which has been nursed by the U.S. for decades, is now trying how to wean itself from America's bosom. Indeed, Canada has been perhaps the world's most naïve middle power country when it comes to globalization and its implications. The business community, for the most part, hasn't seemed to get the message; witness Canada's pathetic investments in research and development. Nortel's collapse almost a decade ago rained down hard on Canada's R&D, given that the company did the most. RIM's (the Blackberry folks) imminent demise will hit Canada hard as well.

Canada, the United States and a number of Western European countries are quickly approaching Yogi Berra's fork in the road. To pick on my own country, Canadians have some tough decisions ahead if they wish to stop the slide in their country's competitiveness and its standard of living.



*Most Americans are close to total ignorance about the world. They are ignorant. That is an unhealthy condition in a country in which foreign policy has to be endorsed by the people if it is to be pursued. And it makes it much more difficult for any president to pursue an intelligent policy that does justice to the complexity of the world.*

[Zbigniew Brzezinski](#)



To my neighbors to the south, Americans have many inter-connected socio-economic problems to tackle. The moronic behaviors of those sitting in Congress, characterized by service to self instead of service to country, is a major anchor to efforts by the more enlightened who understand what the future holds and who strive to reposition the United States.

When attempting to synthesize what's been happening around the world, from financial collapses to strong economic growth in what were once developing countries to the effects of climate change, one can describe four major forces of change:

1. **Redistributing wealth**
2. **Building networks through social media**
3. **Ageing population dichotomy**
4. **Warming climates, droughts and floods**

Leading in a multipolar world is not for the squeamish. As global competition escalates, it is shifting more and more from company against company, industrial sector against sector, to government against government. China's state-run capitalism is the best example of a national government's drive to financially support its industrial base through subsidies and an unquantifiable program of industrial espionage and intellectual property theft.

Introducing protectionist measures would be a non-strategic, knee-jerk response by Western countries. However, much more is needed from our national political leaders, civil servants and senior business leaders if Canada and its big brother to the south are to get their acts in order. The clock is ticking.

Let's now take a look at each of the four forces.

## 1. Redistributing Wealth

The collapse of the Soviet Union in 1991 shifted the world from two opposing powers to a uni-pole military power. The United States, still a relatively young country, has since then faced the pressures of becoming the world's policeman, albeit with the bragging rights of being the biggest economic kid on the block, replete with a mammoth industrial military complex.



*Rising labor costs associated with full-time employees have put steady pressure on businesses' bottom line. Greater use of contingent workers is a strategy used to ease some of this pressure.*

[Deloitte](#)  
(Contingent Workforce)



During the period of the Soviet Union's hastening implosion, many non-Western countries were steadily building their economies, investing in their people, technology and infrastructure; South Korea and China are two outstanding examples. This pace has continued to accelerate over the past two decades. Western countries (save for some of the intelligent Nordic countries) let their guards down, complacent in the belief that the status quo was untouchable. Canadians became lazy, enjoying their standard of living, courtesy of the United States. In the vernacular of the many, America's post-911 universe took the country on a steep downwards spiral as the federal government racked up huge deficits due to poor fiscal management and exorbitant military and security spending. The result is a massive, exponentially growing national debt.

The manufacturing sector shrank considerably, losing in the process typically well-paid jobs, replaced with call centres and other service-related employment which often pay much lower wages. Business people, public policy wonks and economists claimed that manufacturing was a has-been industrial activity, in contrast to the "knowledge jobs" that the service sector would create. Bullshit.

Those who drank the Kool Aid came to realize that the hype from various think tanks that spouted off the benefits of offshoring jobs to a long list of emerging economies was just that. *Always* find out who is the sponsor of research studies and analyses. Underlying motives need to be smoked out to verify the credibility of so-called expert projections.

The genie of an emerging multipolar world can't be shoved back into the bottle. It's striking when one looks in the rear-view mirror of the past 22 years. The intertwined nature of geo-political, economic, technological and environmental events has taken the world to where it is today. To have one country at the apex of military and economic prosperity, not to mention disproportionate resource consumption, is not healthy for our planet. Many would disagree with that statement; many, many more would agree with it.

A world characterized with increasingly distributed wealth is more democratic when it comes to economic power (yes, political democracy is slipping globally based on recent analyses). Citizens in such countries as Indonesia, Vietnam and Brazil are more enabled to lead decent lives. Out of a population of 1.3 billion people, China has a middle class estimated at 300 million, and growing. That's the population of the United States. One of China's priorities is to shift from a reliance on exporting manufactured goods to the West, to meeting rising domestic consumer demand.



*Considerable innovation is occurring in China in both the business-to-consumer and business-to-business sectors. Although breakthroughs in either space generally go unrecognized by the broader global public, many multinational business-to-business competitors are acutely aware of the innovative strides the Chinese are making in sectors such as communications equipment and alternative energy.*

[McKinsey&Company](#) (A CEO's Guide to Innovation in China)



Before one comments that these countries, along with dozens of other emerging economies, have significant gaps between the haves and have-nots, I point you to the United States and its deteriorating condition. Anyone recall the 99 Percent? Canada, incidentally, has one of the fastest growing income disparity gaps in the world.

With a redistribution of wealth, driven by a global rebalancing, come new threats and alliances. Canada is now just beginning to understand this shift, marked by Prime Minister Harper's signing of several billion dollars of trade agreements with China in early February 2012. The United States, despite its continued importance as Canada's biggest recipient of its exports, has turned inwards since 911, creating growing uncertainty for Canadian business. East Asia and South America are the two most promising markets for Canada.

(On the China theme, read this recent article from McKinsey & Company entitled [A CEO's Guide to Innovation in China](#).)

It's unfortunate that it took 20 years for the federal government, under both Liberal and (now) Conservative governments to realize that being joined to the U.S. hip on trade matters is short-sighted. Now the Government of Canada is playing catch-up, but as the saying goes, "Better late than never."

Two big unanswered questions remain, which have major implications for the world's economy:

- 1) What is America's future in the medium-term once the November 2012 Presidential election has passed?
- 2) Does the European Union eventually implode, refocusing on a core member group of wealthier countries? And what would that bring?

## **2. Building networks through social media**

The economy's inter-connectedness has been driven heavily by technology. In the span of less than a decade social media has been responsible for shaking up not only how business operates but also in helping citizens in totalitarian, state-run countries empower themselves. Governments in these countries have been caught off-guard. Witness the rapid changes that occurred from the Arab Spring which gained momentum in early 2011. The ensuing violence was seen around the world, along with the victories.

Perhaps, as some observers have suggested, too much credit has been given to Facebook, started by Mark Zuckerberg in a university dorm room in 2004. Twitter may have played a more important role, if not at least an equal one. The point to keep in mind is that some countries, such as Syria (at the time of writing) have "unplugged" the Internet while it slaughters its

citizens, leaving reporting to the outside world to incredibly brave Western journalists. Sometimes old-fashioned methods outperform new technologies.

The rapid growth in social media is exerting pressure on business and government on how they serve customers and citizens. While not the focus of this white paper, social media is rapidly changing how organizations function. And with this comes tensions between older and younger generations, in which Gen Y (19-31) embrace technology and virtual collaboration. Baby Boomers (46-65) are trying to adapt to this change, struggling with such dated concepts as “bums-in-chairs = productivity.” (For more on this topic read my e-book [Leadership and the Inter-Generational Divide](#)).



### **Collaboration Co-creation Co-production**

These three Cs are quickly changing how we think and act. As just alluded to above, Gen Y can be thanked for the role it is playing here. For far too long, companies and governments have dictated how employees and citizens should think and behave. Our (Canada and the U.S.) primary saviour for the future is embracing *collaboration*, *co-creation* and *co-production*, because from these people-driven processes comes INNOVATION, the lifeblood of a society and its economy.

Attempts to compete in government-subsidized business inducements to locate plants, or reducing wages and workers’ rights, lead to a downward spiral from which a nation may never recover. It’s a literal race to the bottom. This is what is happening in America, where numerous states have legislated union-killing Right to Work acts, or where states out-bid one another with insane enticements. What the heck is going on here?

*We think a more open and connected world will create a stronger economy with more authentic businesses that build better products and services.*

*We expect governments will become more responsive to issues and concerns raised directly by all their people rather than through intermediaries controlled by the select few.*

**Mark Zuckerberg**  
(Founder, Facebook)



It’s ALL about INNOVATION. Social media and technology, combined with the ingenuity of people, can make a huge difference in how a nation addresses global competition.

With **collaboration** people come together, whether face-to-face or virtually, to make a positive difference in whatever field or area in which they are working to improve. It could be healthcare, public policy or manufacturing.

China gets it, as noted in the McKinsey & Company article cited above. If you haven’t clicked on the link already, be sure to do so and read this excellent article. China’s four main priorities for innovators are: *promoting collaboration, understanding Chinese customers, retaining talent, and creating a risk-taking culture.*

The power behind **co-creation** is that when people collaborate and put aside their egos and differences, amazing things can happen. Nothing is more powerful than a shared vision, which propels a group of people forward.

From this emerges **co-production**, where collaboration and co-creation are now producing new policies, products or services for consumers and citizens.

The power of the three Cs is to help redefine what *connectivity* means, a word that has become superfluous because of its overuse in day-to-day conversation in the past. What's most exciting is that society is still in the infant stage of what social media and technology offer to help improve society's overall wellbeing, and the tools to assist business and government reach out more effectively to serve customers and citizens. In particular, the potential for quantum leaps in innovation is unlimited.

### 3. Ageing population dichotomy

Turn on the TV news, read your favorite newspaper or magazine, or go online to read the news, and you'll probably encounter a story about our ageing population, or at least a story linked to it.

Most Western countries are facing long-term problems because of a greying population. But so too are Japan and South Korea. Canada and the U.S. are among the more fortunate because of immigration and the higher birth rates of immigrants. About 80% of Canada's population increase has been due to immigration, in contrast to the U.S. where it's been the result largely of natural increase.

The point is, steadily ageing populations in the long-term present huge problems to national governments. For example, in 2025 the first Baby Boomers will reach age 80, with the youngest being in their early sixties. Canada's low fertility rate will mean that lower numbers of youth (relative to the past) will replace Boomers in the labor market. Indeed, by 2025 it will be only immigration that will stop a decline in the country's population.

Healthcare and how it's funded is the most frequently mentioned issue in the news. As people age, the ratio of those working who pay into the tax system to those dependent (children and seniors) starts to get squeezed. The bad news is that as we get into our senior years, as our



*The leadership challenge emerging from an ageing population is enormous—but it's not impossible. Within organizations, managing and leading in the context of a four inter-generational workforce is not for the faint-hearted. Generation Y, creamed by the Great Recession, has Generation Z on its heels.*

James Taggart  
[\(Leadership and the Inter-Generational Divide\)](#)



knees and tickers give out, we start placing inordinate strain on the healthcare, and indirectly taxation, system. Who's going to pay the escalating healthcare bill?

Compounding this ugly scene is a crappy labor market for youth and Generation Y. On top of this is an increasingly difficult situation for older workers (50-plus), whose wages are getting squeezed and whose adaptability to new technologies often presents challenges. Furthermore, the job scene—or lack thereof—is pushing more young people to either remain at home or to move back home in an effort to keep their economic heads above water.

It's not a pretty situation, and unfortunately an ageing population cannot be reversed. It is what it is. And it's entirely predictable, the one time that economists can hold their heads up high.

So what do we do? Moan about the problem?

Human capital development (fancy economist speak for education and training) is a nation's most valuable asset. We've heard the "people are our most valuable asset" mantra for years in organizations. Those organizations that need to espouse this are likely the least to actually practice it.

We can't change the fact that our population is getting older, with the attached problems. However, what is within our control, both at the national political level and at the organization level, is how we respond to the challenge. Rather than tolerating the barriers that have become erected between the generations, especially the wall that has sealed Baby Boomers unto themselves, much more work needs to be done to build bridges based on respect and understanding across Gens X and Y, Baby Boomers, the Silent Generation and the Greatest Generation.

If you haven't already, click on this link to read my e-book [Leadership and the Inter-Generational Divide](#). And for more on the challenges of an ageing population and its effects on organization, read my e-book [Workforce of the Future](#).



*What we have been living for three decades is frontier capitalism, with the frontier constantly shifting location from crisis to crisis, moving on as soon as the law catches up.*

Naomi Klein  
[Shock Doctrine](#)



## 4. Warming climates, droughts and floods

We hear every day about the problems facing Mother Earth, whether it's melting polar icecaps, droughts in the Southwest United States or Northeast Africa, or violent storms that lash out suddenly, destroying property and killing people in their wake. More and more people are paying attention to their nutritional intake, researching food sources and the implications of

genetically modified foods (GMO). Our population, especially children, are showing greater food intolerances. Something's going on here.

The growing concern about the impact of humans on Mother Earth is gradually imposing pressure on national (and local) governments to do something through policy measures. However, the response is typically reactive.

The business community, as an entity, may be seen as dispersed along a long continuum, from doing nothing to half-hearted measures to being fully engaged in living sustainable business practices.

My personal view is that many, if not most corporations, don't get it. Somehow the perception is, "why should I give a crap about the environment? The scientists contradict one another. As a company, our number one priority is profit."

Wrong.

I'm not a communist. I'm not a socialist. I believe in a capitalist economy, but one with rules and a level playing field. And above all, if we don't care for our planet, we won't get a second chance.

We've witnessed "capitalist" companies fall like flies in the wake of global competition or scandals involving corruption, the latter of which involving too many to name since 2000. What has not been adequately communicated is firms that have embraced what is called the [Triple Bottom Line](#):

- Economic Sustainability
- Social Sustainability
- Environmental Sustainability

Yes, there are many companies around the world that are actually practicing a triple bottom line approach to business. I'll name just three for the sake of brevity. Let's take a quick look at them.

## Mountain Equipment Co-op



*MEC*, as it's affectionately called, is Canada's largest retail outdoor-oriented co-operative. Based in Vancouver, British Columbia, MEC has demonstrated a sustained commitment to environmental and social responsibility since its founding in 1971 by six people. Whether it's constructing green buildings, using recycled fibres in its clothing or getting involved in community efforts, MEC strives to make a positive impact on the planet and at the local level.

Owned by its members, MEC fulfills its core purpose: to help people enjoy the benefits of self-propelled outdoor-oriented recreational activities by providing outdoor gear, clothing and services. It has over three million members, not just in Canada but worldwide.

MEC's mission is to serve its membership in an environmentally and ethically responsible manner. As part of its green operations, MEC pays close attention to how it packages and ships its products. This ranges from reducing the thickness of cardboard to using only recyclable materials to developing vendor manuals with specific packaging guidelines.

The above photo is at the [Westboro store in Ottawa, Ontario](#). A booming success over the past decade-plus, this store is undergoing a large expansion in 2012 to accommodate its rapid growth. And through the design and construction, sustainability is at the core (read the article on the link to learn more).

MEC created its sustainability policy in the late nineties. Of particular interest, the motivation for the policy arose from the grassroots—its membership. The policy that emerged from a consultation process involving members and external stakeholders was based on four pillars:

- 1) Sustainability
- 2) Ethical sourcing
- 3) Community participation
- 4) Advocacy

Three key principles underlie MEC's sustainability policy:

- a) Our planet has a limited carrying capacity, and as a consequence people are dependent on a healthy and functioning biosphere
- b) People meet their needs most effectively in caring communities
- c) A "just" economy requires a society that is equitable and a healthy planet

MEC is engaged in numerous activities and new initiatives. For example, employees are paid to do volunteer community work aimed at outdoor recreation and conservation. To reduce their environmental footprint, employees have bike rooms and lockers to encourage cycling to work. An astonishing 82% of MEC employees take alternate transportation to work, with one third cycling.



*We stand now where two roads diverge. But unlike the roads in Robert Frost's familiar poem, they are not equally fair. The road we have long been traveling is deceptively easy, a smooth superhighway on which we progress with great speed, but at its end lies disaster. The other fork of the road -- the one less traveled by -- offers our last, our only chance to reach a destination that assures the preservation of the earth.*

[Rachel Carson](#)  
(Author, *Silent Spring*)



The Vermont-based initiative, [1% Percent for the Planet](#), encourages businesses to donate 1% of their sales to environmental causes. MEC joined 1% Percent in 2007, increasing its community contributions budget to 1% of gross sales.

MEC has earned attention through its green buildings efforts. The Ottawa Westboro store received rave reviews when it opened a decade ago. MEC's Green Building Program embraces four key principles that are adhered to when a new store is constructed or an existing store renovated:

- 1) **Reduce:** avoid using unnecessary materials
- 2) **Reuse:** incorporate existing materials into the construction
- 3) **Recycle:** integrate existing materials in innovative ways
- 4) **Rethink:** seek out new and improved building methods

There's much more that the Mountain Equipment Co-op is doing to practice corporate social and environmental responsibility. I encourage you to check out their web site and consider becoming a member if you're not already one.

## BMW Group

BMW earned for the seventh year in a row the Dow Jones Sustainability Index Leader award. This is the most influential stock index for companies that are committed to sustainable practices. BMW's award is well deserved, considering the company's long journey to being eventually recognized as a world leader in sustainable business practices. [This video provides a quick overview on how BMW's are manufactured.](#)

The company's voyage began back in 1973, when it appointed an environmental officer; this was a first for the automotive industry first. Over the next four decades, BMW worked systematically to refine its approach to sustainability in a manufacturing environment. In 2009, corporate sustainability was set as a corporate objective.

Committed leadership is essential to maintaining BMW's sustainability journey. The sustainability board, comprising all members of the board of management, determines how corporate objectives are aligned with BMW's longer-term goals.

BMW regularly produces what it calls a [Sustainable Value Report](#). Its most recent report is for 2010, 8<sup>th</sup> edition. The purpose of the report is to demonstrate in a transparent manner to stakeholders how BMW is integrating sustainable practices into its operations, including identifying future challenges.

In Canada, BMW Group has sought [LEED Silver certification](#) for its manufacturing sites. Using green building materials in support of its priority on energy conservation, waste reduction and

water efficiency, the company aims to reduce these three elements by 30%, 82% and 40%, respectively. Also as part of the LEED process, BMW's 95,000 employees will benefit from these innovations:

- Automated glare-reducing blinds
- Employee control of plant and office temperature settings
- Access to natural daylight
- Functioning windows

The result is a workplace that reflects the excellence in the engineering design of BMW's world-class vehicles.

BMW is actively involved in the 2012 London Olympics. It hired Serie, a British architectural firm, to design an 8,000 square foot automotive display room, using primarily recycled materials and water. [Take a look at Serie's design here.](#)

BMW has a lot planned for [the future](#), in both improving the energy efficiency of its vehicles and how they're made, and in producing highly appealing products for a competitive global market.

## Interface Inc.

For those of you who have followed my blogging over the past three years, you're acquainted with the name of the late [Ray Anderson](#), perhaps the greenest CEO yet to inhabit Planet Earth. Anderson died from cancer in August 2011, yet he left a huge positive impact on the planet. His journey in the 1990s from typical corporate CEO to one consumed with radically changing how his flooring company [Interface](#) operated, from its organizational culture to its emissions and effluents, was truly remarkable.

Anderson's aim was a zero carbon footprint. At the core of his work was **innovation**. His vision was one day attaining a state of no environmental impact on the planet as the result of his company's manufacturing operations. He strived tirelessly to reach it. And it was not just a matter of finding new innovative ways of eliminating emissions or integrating waste from floor cuttings back into productive use, but ensuring that employees evolved with changes and that they embraced them. ([Watch this 2006 interview with Anderson to learn about his sustainability journey.](#))

What was so spectacular about Anderson's leadership?



*The status quo is a very powerful opiate and when you have a system that seems to be working and producing profits by the conventional way of accounting for profits. It's very hard to make yourself change. But we all know that change is an inevitable part of business. Once you have ridden a wave just so far, you have to get another wave....becoming restorative has been that new wave and we have been riding it for 13 years now. It's been incredibly good for business.*

Ray C. Anderson  
(Founder, [Interface](#))



He initiated a QUEST process (Quality Utilizing Employee Suggestions and Teamwork), which focused on eliminating waste from cost and measuring workers against perfection. For example, it was found that 10% of each sales dollar went to waste. Between 1994 and 2004, Interface calculated that the elimination of waste represented 28% of its operating income. And from 1996 (his baseline year) to 2008 Interface cut its greenhouse emissions by 71 % in absolute tons! Yet sales increased 66% and earnings doubled. Anderson demonstrated that business could still make money while reducing its carbon imprint on the planet.

Anderson and his management team were inspired in the early years by Janine Benyus' book [Biomimicry](#). His manager of product development was so moved that he took his design team deep into the forest to study nature to determine how floor covering could be produced using nature's design principles. The outcome was new flooring, which when installed has virtually no waste since cut pieces are reintegrated into the production process.

"Everything stays in the flow, the material loop. All of that is basically emulating nature in an industrial system, and that remains our goal," stated Anderson. One of Interface's measures is carbon intensity, the amount of petroleum removed from the earth and then processed through the supply chain to yield one dollar of revenue. The company's carbon intensity fell by one third over nine years, and it closed 39% of its smokestacks and 55% of its effluent pipes.

Anderson used to talk about climbing [Mount Sustainability](#) in Interface's pursuit of sustainability (this link is a short video of Anderson talking about this concept). Understanding how to climb each of the seven "faces" to the peak will yield a zero environmental footprint. His vision of Mission Zero referred to Interface achieving a zero carbon footprint by 2020.

What made Anderson such an intriguing person and exceptional leader was that he was on a never-ending quest to reduce waste and to cut emissions to reach a zero carbon footprint. Although employees have been proud of their collective achievements, Anderson worked diligently at transforming the company's corporate culture to ensure that *all* employees shared in his vision. And despite low staff turnover, it was an ongoing process to ensure that the company's values remained engrained in everyone, and that new employees were quickly brought into the fold.

Ray Anderson exemplified what it means to practice stewardship and to be a true leader in enrolling and aligning employees towards a common purpose and shared vision. He set the benchmark to which executive leaders should aspire.



### *The 7 Faces of Mount Sustainability*

1. Eliminate waste
2. Benign emissions
3. Renewable energy
4. Redesign processes & products
5. Resource-efficient transportation
6. Sensitize stakeholders
7. Redesign the business model

(Interface Inc.)



## What Does This All Mean? 10 Leadership Lessons

Stuff is happening out there, folks. There are companies that get it. They'll be the ones that are around 50 years from now. In the section on Warming Climates, Droughts and Floods, I've only provided three small examples of companies that are practicing serious sustainability. For a more robust list, check out [Newsweek's Green Rankings](#), which span both industrialized and emerging economies.

So how does all of this translate into leadership?

I've reached back in time and would like to share with you a post I wrote on August 16, 2010, entitled [10 Rules for Succeeding as a Leader in an age of Turbulent Change](#). I'm only providing the highlights here, so please click the link to get the full goods. I chose this post because it says very succinctly how leaders should behave in a turbulent global environment. We're living in difficult yet exciting times; learn to ride the wave of change.



### **Rule #1: Commit to Your Job.**

There's a saying that people don't quit their jobs but rather their bosses. However, there comes a time when commitment to our work and employers must be reconciled with the propensity to leave jobs when we become frustrated. To commit to your job means aligning yourself with your organization's mission, understanding who are the customers or clients, and determining where you add value. If you find that you're not adding value, then some personal reflection is needed.

*If you're trying to multitask while speaking to one of your staff who has dropped by your office, you send out the message loud and clear that the individual is not important.*



### **Rule #2: Adapt Quickly to Change**

When a big change hits your organization, emulate Superman by quickly shedding your old corporate duds for the new approach. If you can't find a phone booth, any office will do. But the key point here is to understand that your organization is about to go through some whitewater change. By adapting quickly to the change, you'll significantly reduce your stress while simultaneously showing management that you can be counted upon when the going gets tough and ambiguity is the daily challenge.

### **Rule #3: Learn to Focus and Go for Quality, Not Quantity**

In organizational work, multitasking has the negative effect of valuing the superficial and mediocrity. In what has been labeled the knowledge age, in which employees are supposedly knowledge workers, multitasking is dumbing down organizations.

When it comes to leading people, being present is a vital element of effective leadership. If you're trying to multitask while speaking to one of your staff who has dropped by your office,

you send out the message loud and clear that the individual is not important. Focus on what your colleague is saying; at that moment he or she is the center of your attention.

#### **Rule #4: Be a Promise Keeper**

When you keep your promises and commitments to your co-workers, staff and bosses, including those with whom you interact in your community, you're viewed as someone with integrity and whose word is gold. When the situation arises where you're unable to keep a promise, then it's essential to take the time to explain what happened to the person or people who were affected. Refrain from making up excuses; just be up front and people will be much more likely to be understanding. They may even respect you more when they see you admitting a mistake and acknowledging that you're human.

#### **Rule #5: Embrace Uncertainty and Ambiguity—Ride the Wave**

Trying to resist the onslaught of whitewater change is futile. The metaphor of learning to ride the wave is very apt, one that creates a positive and energetic outlook. At the organizational level the effects of globalization—characterized by most work being capable of being done anywhere around the world, thanks largely to communications technology—are having profound effects on workers.

What's important to keep at the forefront is not who's right on the job distribution issue, but rather to identify what YOU control and do NOT control. You control your morale, willingness to learn and adapt, and desire to seek out new opportunities. By assuming the identity of a change master, you'll greatly reduce the stress that's generated when your organization goes through the gyrations of major changes. And you'll signal to senior management that you're equipped and ready to contribute to helping the organization meet its new challenges.



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#### **Rule #6: Be a sponge for learning—and then SYNTHESIZE**

The amount of information is growing exponentially. It's no doubt overwhelming with the massive onslaught of information we must try to absorb. As much as it's important to keep learning and to expose ourselves to new ideas and perspectives, the critical skill to acquire is how to synthesize this data overload.

#### **Rule #7: Own your attitude and behavior**

How often have you seen bosses or co-workers trying to dump their problems on others? What was the effect? Did anyone call the individual on it? What was the response from management? When behavior like this occurs it can have a corrosive effect on the team and even more broadly on the organization. Don't turn a blind eye when you see it happening. Speak up and empower yourself to help correct the behavior. Lead by example.

**Rule #8: Be a problem solver. Not finger pointer**

It's easy to identify problems and complain about them. Some people excel at this. The bigger challenge is exploring solutions to problems, and especially doing so in a collaborative manner. When you approach your work from this perspective you automatically start adding value to your organization. Avoid the finger pointers; instead seek out people who want to be part of finding effective solutions for organizational issues and problems. You'll be seen as the person who makes things happen, who fixes problems and, especially, adds value to your organization.

**Rule #9: Practice what you preach**

Treat people as how you like to be treated, whether it's responding to a request for information from another unit in the organization or serving a customer, client or supplier. When others see that you act consistently in accordance with what emanates from your mouth, they'll take you more seriously and respect you for your judgment and views. Aligning what you espouse and what you actually practice is a cornerstone to leadership integrity, one essential to creating a loyal followership.

**Rule#10: Become a barrier buster**

Avoid becoming entrapped in silo thinking, in which people hoard information, reject ideas from other parts of the organization (as well as from outside) and attempt to protect their turf. Rise above this and get known for being a barrier buster who openly shares information, connects people and communicates effectively across organizational boundaries. You'll get noticed by management as someone who understands the bigger picture and is contributing to the organization's mission and vision.

## Wrap Up

I hope that this white paper has provided some useful information and perhaps new ideas for you. Its primary purpose was to provoke thinking and conversation on a subject that has enormous implications for Canada and the United States—indeed, for many Western industrialized countries that have grown lethargic and visionless in recent years.

Enormous opportunity is being generated by new economic players. It is NOT a Zero-Sum game, as some pessimists would argue. However, a multipolarity world, despite its enticements, is only for the hungry in which to succeed. Comfortable-with-the-status quo countries will find their standards of living deteriorating in the coming years. Witness what Greece has been going through. It is a no-holds-barred contest for economic success.

This brings with it demands for new leadership approaches. Top-down, command and control management styles have no place in our new world. It's about collaboration through worker self-empowerment, where calculated risk-taking is a daily endeavour and individual and collective learning is nurtured and valued.

This is not the first time that Canada, the United States or other Western countries have faced a major challenge. Think about the massive changes that uprooted people and their employment when new technologies, at the time, were introduced: the steam engine, electricity, the telephone.

Sure, this time we're facing some new major challenges on top of technology. However, as our friend Yogi Berra once said: *"This is like déjà vu all over again."* JT

## Some Questions for Personal Reflection

- 1) What should the federal governments of Canada and the United States be doing differently when it comes to enabling their respective countries to succeed in a world characterized by increasingly dispersed economic power—multipolarity?
- 2) What should business be doing to ensure they thrive in this environment?
- 3) What should **you** be doing to ensure that you're capable of adapting to this new world?



***Leadership must be nothing less than a creative process by which isolated souls can touch one another to set off sparks of insight, initiative, and social energy to cope with a far more demanding world.***

- (William E. Halal)

## Resources

I've listed below some excellent websites that provide comprehensive information, including a variety of viewpoints on a range of topics. Check them out at your leisure.

Business Exchange: *Management Ideas*

<http://bx.businessweek.com/management-ideas/reference/>

Capture Your Flag: *Interviewing Tomorrow's Leaders*

<http://www.captureyourflag.com/>

Center for Creative Leadership

<http://www.ccl.org/leadership/index.aspx>

Changing Winds: *Your Portal to Knowledge & Leadership*

<http://changingwinds.wordpress.com/>

Fast company

<http://www.fastcompany.com/>

Great Leadership

<http://www.greatleadershipbydan.com/>

McKinsey and Company

<http://www.mckinsey.com/>

Strategy & Business (Booz and Company)

<http://www.strategy-business.com/>

TED: *Ideas Worth Spreading*

<http://www.ted.com/>

The Economist

<http://www.economist.com/>

## About the Author



Jim Taggart is a leadership and organizational learning consultant based in Ottawa, Canada. His professional services include policy research, employee engagement, and knowledge transfer.

Jim worked for three decades with the Government of Canada. His career spanned labor market forecasting and analysis, innovation and competitiveness policy development, and leadership development and organizational learning project management.

A recognized thought leader, Jim maintains a website and blog on leadership and management issues. He holds a Master's degree in economics from the University of New Brunswick and a Master's degree in Leadership and Organizational Learning from Royal Roads University.

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