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# Where Do We Go From Here? Is Responsibility Sustainable?



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In this special issue we have brought together a veritable “dream team” of thought leaders, and rising stars, from academia, consulting and the c-suite to address the “Leadership Imperative for Sustainability and Corporate Social Responsibility.” Clearly, the decisions and actions of individual leaders matter to the social performance and long-term viability of their organizations. Ultimately, activities such as formulating sustainability policies, engaging in community outreach programs, supporting social causes, or seeking alternatives to disruptive layoffs are the result of managerial decisions, and so are activities that are widely considered unethical, such as bribery, fraud, environmental pollution, and employment discrimination. While corporate executives are constrained in their ability to engage in these activities by corporate governance regulations, company policies, and the law, they have some degree of discretion in their choices. David Waldman, a noted leadership scholar, put it succinctly: “Firms do not make decisions pertaining to responsibility or CSR; leaders do.”

It is striking, then, that relatively little is known about the ethical dilemmas and leadership challenges facing business leaders in the CSR and sustainability arenas as well as the factors that promote and constrain their decision-making with regard to CSR, sustainability, and organizational ethics. The goal of this special issue is to fill this void by exploring sustainability and responsibility at multiple levels (individual, group, organization, as well as the national and supranational context) and from various angles (e.g., corporate governance, organizational ethics, and shared leadership perspectives). The topics addressed range from how to structure volunteerism programs to shift executive mindsets, to how to design organizations for sustainable effectiveness, to grounding our current thinking in the historical roots of CSR, to best practice governance mechanisms, to the special needs of emerging markets. The common theme that emerged is that it all boils down to leadership. But this begs the question, “what is leadership?”

## WHAT IS LEADERSHIP?

Historically leadership has been perceived as a role occupied by an individual who projects downward influence on subordinates or followers to achieve organizational goals. For certain, this perspective is critical when it comes to sustainability and responsibility. There has been a growing recognition, however, that influence is the core of leadership and that influence can be exerted downward, upward or horizontally both inside and outside organizational boundaries. This new perspective has typically been described as *shared* leadership, denoting the shared imperative we all have for the sustainable responsibility of organizations.

In addition, there has been recognition that part of the responsibility of being a leader is to show concern for the needs of various types of stakeholders of the firm, including employees, consumers, the environment and so on. This requires a deep understanding of the complexity of the economic, social, and environmental issues facing today’s corporations, as well as an ability on the part of the leader to build and cultivate sustainable, trust-based relationships with a diverse range of stakeholders, to emotionally connect to these stakeholders and understand their needs and expectations and to effectively respond to their legitimate demands and, ultimately, to create “shared value.”

There are many reasons for the shift in thinking of leadership solely as a role to leadership as an encompassing social process. First, the populace is ever more educated and prepared to lead, whereas in the past education was simply for the elite. Second, information is much more readily available for individuals and groups both inside and outside of formal organizations to enable them to have informed opinions in order to exercise leadership and influence. Third, there is a growing awareness that there is a real tradeoff between short term survival and long term sustainability.

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At the heart of responsible shared leadership is the matter of who has a voice versus who is silent.

## SILENCE VERSUS VOICE

When it comes to sustainable responsibility we can extract one essential feature from all of the lessons from the various contributors to the special issue into that of silence versus voice. Table 1 highlights some of the key drivers of both silence and voice from individual, social and structural characteristics. The key, however, is that formal leaders are in a position to leverage each of these components to enable organizational voice from the myriad organizational constituents in order to facilitate sustainable organizational responsibility. Accordingly, Table 1 and the text below are meant to be illustrative, rather than exhaustive, when it comes to mechanisms for discouraging inappropriate organizational silence while encouraging appropriate organizational voice.

### Individual Characteristics

The individual characteristics’ underpinnings of silence range from profound and nearly insurmountable issues to relatively straightforward solutions. The profound psychological reasons for silence concern personal characteristics, such as severe fear or timidity. It seems a bit beyond the scope of most organizations to directly address such profound issues, as they are most likely best left to professionals who are experts on such matters. Nonetheless, leaders do have a duty to reduce fear of speaking up if someone sees something that jeopardizes sustainable responsibility.

Other psychological reasons for silence include such things as self-confidence and lack of communication abilities. These are quite easily addressed through training for skills directly

related to task responsibilities or specific to communication skills. Panda Express, for instance, has created a corporate university—University of Panda—to provide education to employees on how to confidently and competently express their voices, in order to be heard. The program has led to innumerable positive changes for the organization.

Some individual characteristics can also form the basis of selection criteria. For example, people high on intrinsic motivation and cognitive moral development are more likely to exert appropriate voice than those focused on extrinsic motivation and low on cognitive moral development, especially when it comes to issues of responsibility. Take Tom Davin, the CEO of 5.11 Tactical, highlighted in the Wassenaar, Dillon and Manz article in this special issue. He is a leader who is very high on intrinsic motivation and cognitive moral development. Ray Anderson, the founder and chairman of Interface, Inc., featured in the article by Hernandez, Noval and Wade-Benzoni in this special issue, is another exemplar of high intrinsic motivation and cognitive moral development. The list of leaders who are much more extrinsically motivated and quite low on cognitive moral development include such people as Bernie Madoff, of the Wall Street investment firm that bore his name, Kenneth Lay, the former CEO of Enron and John Rigas, the former CEO of Adelphia Communications. These latter leaders scammed people out of billions of dollars. In the end, Madoff simply stated “I have left a legacy of shame.”

### Social Characteristics

Some of the most important overarching social characteristics that relate to silence versus voice are cultural characteristics—the values of the group or organization. On the one hand, it is simply the strength of the values that determines the potential for voice to be exerted. For example, the more

**Table 1** Some of the Key Drivers of Silence Versus Voice

Silence	Voice
<b>Individual characteristics</b>	
Fear	Courage
Task incompetence	Task competence
Timidity	Confidence
Communication awkwardness	Communication skill
External locus of control	Internal locus of control
Unclear about own values and predominantly extrinsically motivated	Deep inner convictions and intrinsic motivations
Low level of cognitive moral development	High level of cognitive moral development
<b>Social characteristics</b>	
Weak corporate culture (lack of shared values)	Strong corporate culture (shared values)
<i>Cultural values</i>	<i>Culture values</i>
<ul style="list-style-type: none"> <li>• Face saving</li> <li>• Uncertainty avoidance</li> <li>• High power distance</li> </ul>	<ul style="list-style-type: none"> <li>• Trust</li> <li>• Openness</li> <li>• Low power distance</li> </ul>
Unclear organizational vision/mission	Clear organizational vision/mission
<b>Structural characteristics</b>	
Information asymmetry	Information transparency
Role ambiguity	Role clarity
Tenuous performance management systems	Clear performance management systems
Absence of a code of conduct or lax enforcement	Existence of a code of conduct that is strictly enforced

shared the values are the clearer the signals to all regarding when and how to express themselves, in contrast to ambiguous situations where appropriate behavior is unclear. Take the Mayo Clinic, for example. They focus on three core values; patient care; research; and education. These values are firmly developed and widely shared, and the Mayo Clinic is generally regarded as the best hospital in the world: they are the leaders in both quality *and* cost of patient care; the leaders in cutting edge research; and the leaders in educating both the medical community *and* the public at large. They are an organization that is driven by their core values and they exemplify the notion of sustainable responsibility.

Beyond having shared cultural values, however, the type of values an organization holds also matters. For instance, cultures that emphasize status differences—what is typically termed power distance—are likely to encourage silence, while those that deemphasize status differences are more likely to encourage voice. Similarly, cultures that value avoiding uncertainty and are highly concerned with “saving face” are likely to experience silence from organizational members, while those that embrace openness and emphasize trust encourage the expression of voice.

Finally, clarity of organizational vision and mission are important here. Vision and mission provide a sense of meaning as well as general guidance on how to make meaningful contributions. The less clear the vision and mission, the more likely people are to be silent, whereas the clearer the vision and mission, the more likely people are able to speak up and share their voice regarding how to attain the vision and mission in responsible, effective and sustainable manners.

These are but a few of the more important aspects of the social situation that become important levers of silence or voice. Clearly, there are other components of the social milieu that are important. The purpose here, however, was to highlight some of the more important items to which

executives should attend in facilitating appropriate voice in organizations.

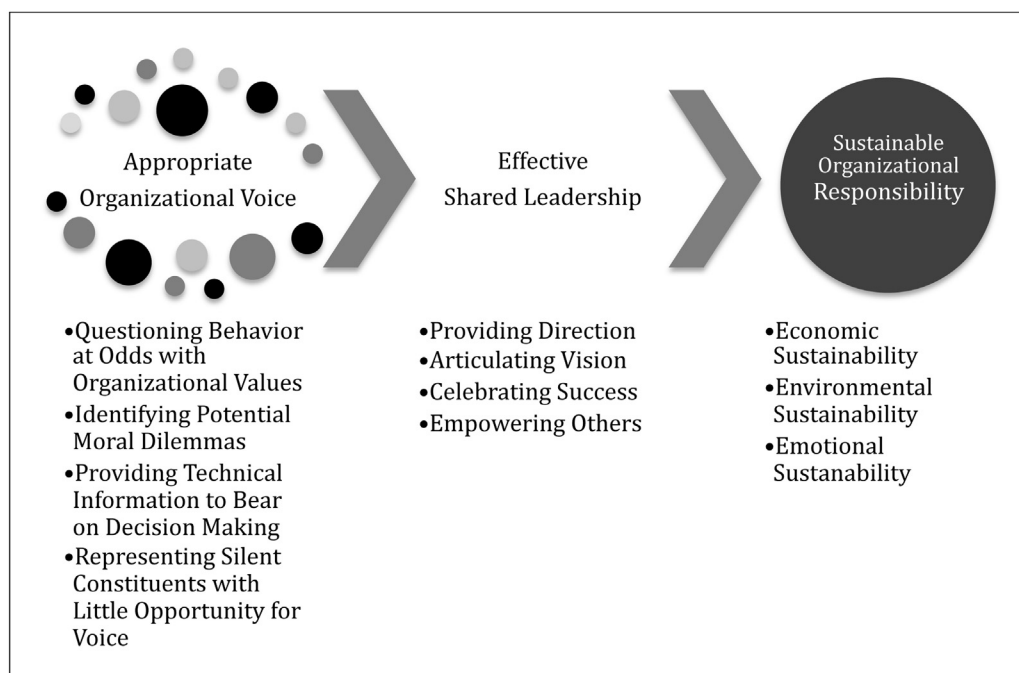
### Structural Characteristics

Organizational structures are also important in suppressing or activating appropriate voice. This was, for example, the fundamental thesis of the Lawler and Conger article in this special issue. Four structural characteristics that are particularly important are information (a)symmetry; role ambiguity/clarity; performance criteria and codes of conduct.

When there is information asymmetry—or lack of transparency—it is difficult for people to know when and how to participate effectively. Conversely, broad access to information enables people to know more precisely how their own knowledge fits into the larger picture and how to voice their opinions and share the lead more appropriately.

Role ambiguity is one of the primary causes of withdrawal behavior at work. In fact, if you have an employee who is not performing the first thing you should do, instead of blaming the individual, is work on developing role clarity for the person. Ask them about their role. Probe for understanding. Help them identify exactly how they fit into the larger picture. It is surprising how “dead wood” come to life with this simple intervention and become active sources of voice for moving the organization forward. Likewise, having clear performance management systems can yield similar results.

Finally, especially in respect to sustainable responsibility, codes of conduct are important. If there is no code of ethical conduct or it is simply a perfunctory document in the file drawer or sub-page of the corporate website, it is not worth the time to create. On the other hand, organizations like Patagonia, discussed in the article by Crooke, Csikszentmihalyi and Bikel in this special issue, or Johnson & Johnson, are examples of companies that take ethics very seriously.



**Figure 1** The Appropriate Voice—Effective Shared Leadership—Sustainable Organizational Responsibility Model

J&J, for instance, has an ethical “credo” that guides all behavior in the organization. The credo is what executives in J&J credit with their effective response to the Tylenol crisis the company faced in the 1980s. Such a code of conduct facilitates the appropriate activation of voice from all corners of an organization to facilitate sustainable organizational responsibility.

### The Voice—Shared Leadership—Sustainable Responsibility Model

Fig. 1 provides a new model that links the appropriate use of voice with shared leadership and sustainable organizational responsibility. The model is meant to illustrate how critical each of these concepts is in ultimately leading to the triple bottom line for organizations. Fig. 1 graphically displays this model, demonstrating the natural flow from appropriate organizational voice, to effective shared leadership, to sustainable organizational responsibility.

Silence, we should note, does not mean that a person or group does not have an opinion. It does not mean that they agree with a course of action. It does not mean that they lack leadership capability. Silence is greatly misunderstood. Silence does not equate to compliance.

There are many individual, social and structural reasons why a person or group might be silent, as discussed above. As an executive, it is your duty to understand these and to determine how to create appropriate avenues for silent constituents, be they inside or outside of your organization, to exercise appropriate voice. We do, importantly, want to emphasize the word appropriate here. There are appropriate times for both silence and voice.

Shared leadership is also a term that can be misunderstood. Shared leadership does not mean abdication of responsibility for leadership from above. Indeed, for shared leadership to thrive, more leadership is required from above. Similarly, shared leadership does not mean that you should

simply encourage a cacophony of immobility. We certainly do not advocate that. Hierarchical leaders are still the stewards of the overarching organizational vision and mission. Accordingly, hierarchical leaders need to help those in other positions develop their appropriate voice to contribute to the effective shared leadership of the organizations.

Organizations generally benefit from greater voice from wider quarters and greater engagement in shared leadership from deeper pockets of organizations. After all, the people confronting the day-to-day realities of their specific positions are far more informed and in a far better position to provide guidance and leadership regarding how to attain sustainable organizational responsibility. The evidence on shared leadership is overwhelmingly positive regarding a wide variety of organizational outcomes across the globe, from China, to Korea, to Germany, to the U.S.A., to Switzerland, to Turkey. In 2014, for example, several meta-analyses were published that demonstrate the clear added value of shared leadership above and beyond traditional, hierarchical leadership. The clear scientific message is that shared leadership is an imperative when it comes to creating sustainably responsible organizations.

### THE BOTTOM LINE(S)

The bottom line is that there are multiple bottom lines—economic, environmental and emotional. It is the fundamental responsibility of hierarchical leaders to attend to each of these bottom line issues with both a concern for the present and a sense of stewardship for the future. After all, it is a moral imperative that we lead sustainably responsible organizations.



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