

Leonardo Executive Learning Journey

SUSTAINABLE LEADERSHIP & CULTURE

Frank Brueck
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Better Futures+

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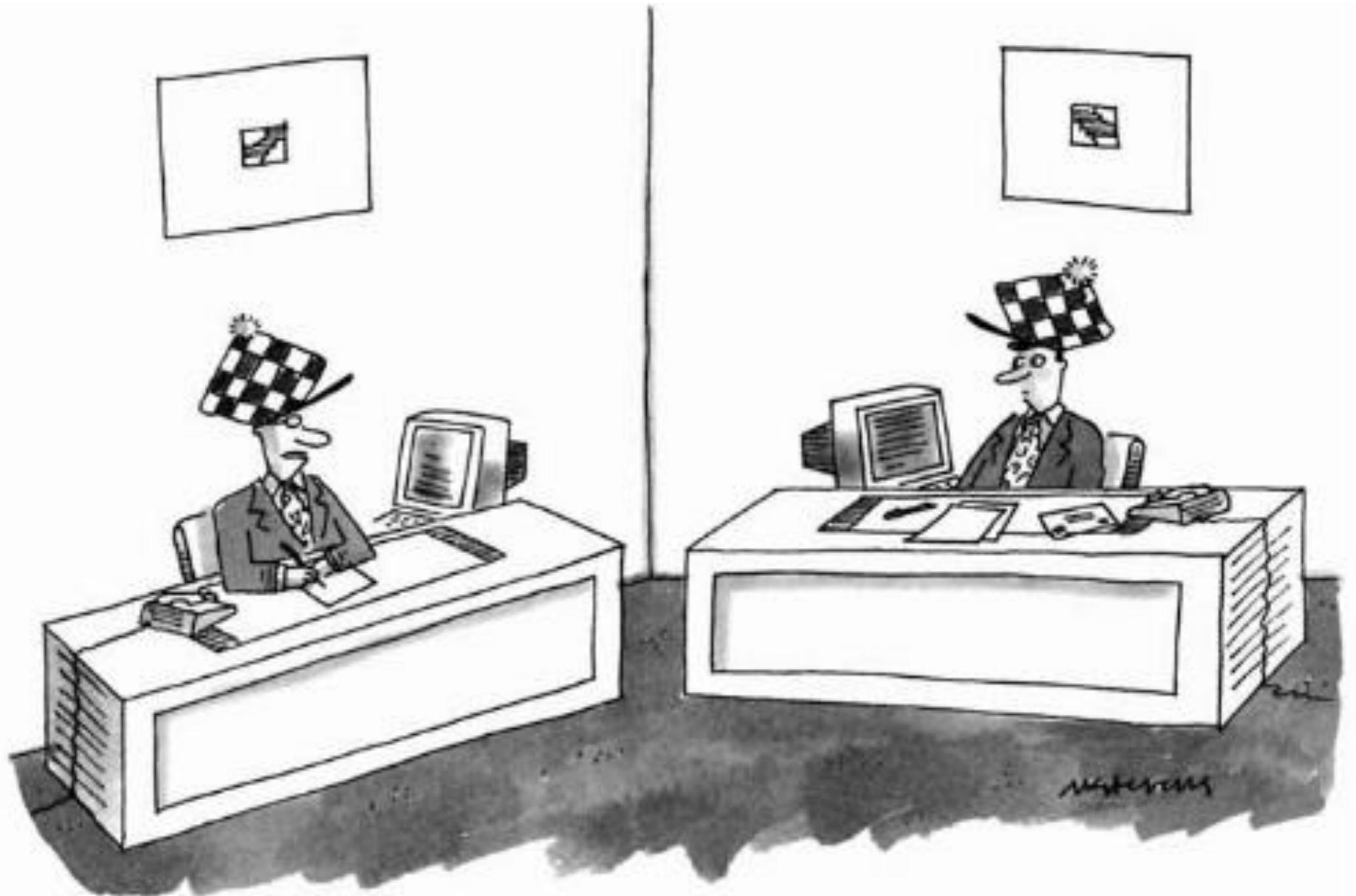
**WEST
LONDON
BUSINESS**

Net Zero Cultural Change

Today's agenda

- The principles of corporate culture
- Examples from the photos on organisational culture
- Reflections on values and basic assumptions
- Cultural change models
- IKIGAI - the purpose of leadership
- Your leadership and organisational survey results
- Alternative ways to change organisation culture
- Q & A/ Reflection questions
- Suggested readings for the week

No Change For Change's Sake



"I don't know how it started, either. All I know is that it's part of our corporate culture."

Transformation Towards Flourishing

In order to evolve a flourishing state, changes on different levels of the organization need to occur:

INDIVIDUAL LEVEL

Changes in mindsets and behaviour are the nucleus for all organisational change

ORGANISATIONAL LEVEL

Changes in culture, processes and practices

EXTERNAL LEVEL

Engagement of external stakeholders in decision making processes

WHY DEAL WITH CULTURE?

“Culture is the **collective programming of the human mind** that distinguishes the members of one human group from those of another.

Culture in this sense is **a system of collectively held values.**”

– *Geert Hofstede*

“Culture is the **deeper level of basic assumptions and beliefs** that are **shared by members of an organisation**, that operate

unconsciously and define in a basic ‘taken for granted’ fashion an organisation's view of its self and its environment.” – *Edgar Schein*

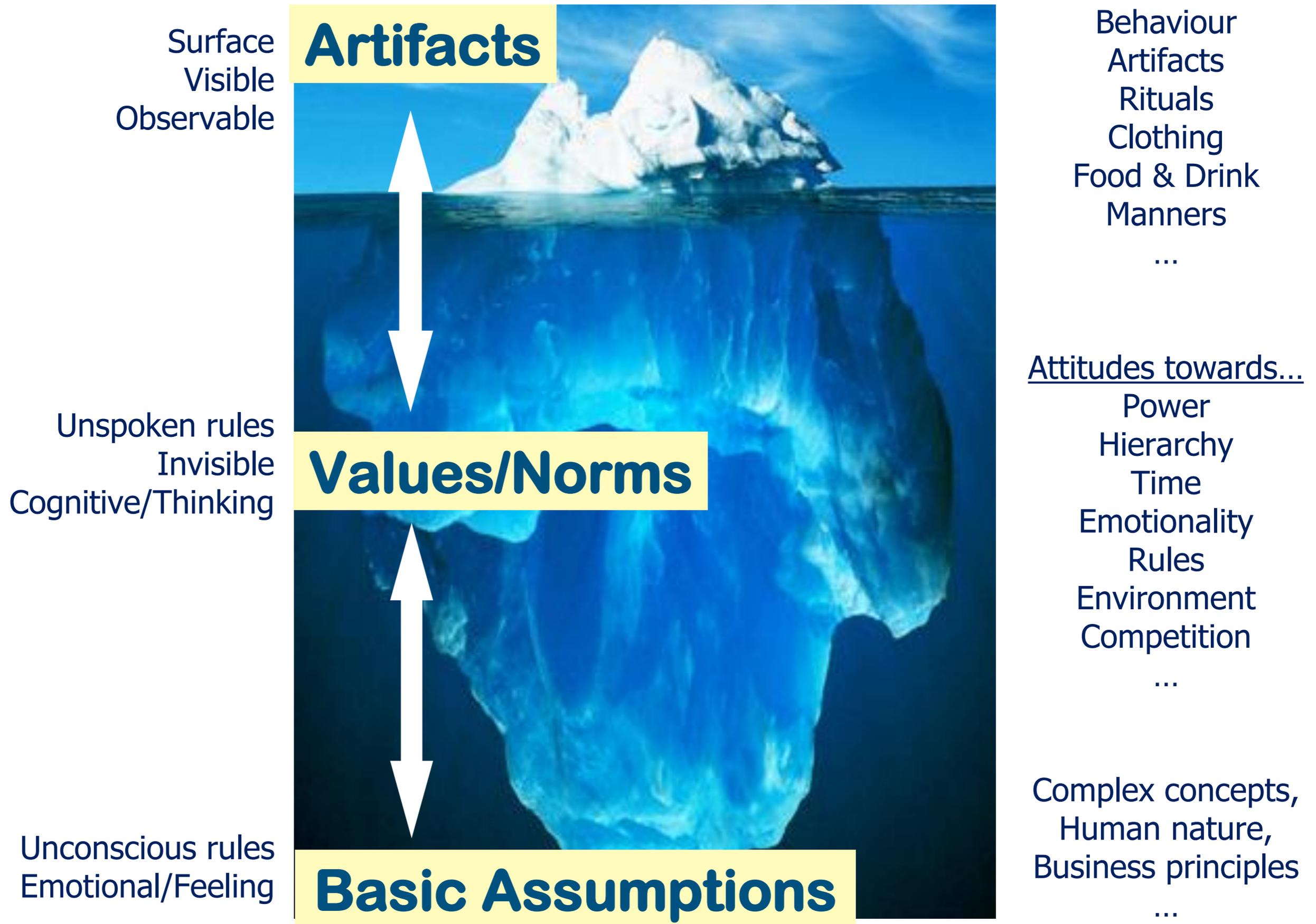
“Culture is a **typical orientation system** consisting of symbols... **influencing perception, thinking, valuing and behaviour.**”

– *Alexander Thomas*

CORPORATE CULTURE Influences:

Strategy, Structure, Processes, Motivation, Identity, Leadership style, Learning, Human relations, Perception of Performance, External Relations...=> **the entire organisation**

Iceberg Model of Culture



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Culture in Your Company - Photos

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Culture in Your Company

Imagine your best friend would start in your company tomorrow:

What would you tell them (in confidence) about how things are REALLY done around here?

What would you tell them (in confidence) about what is REALLY important to leadership and people around here?

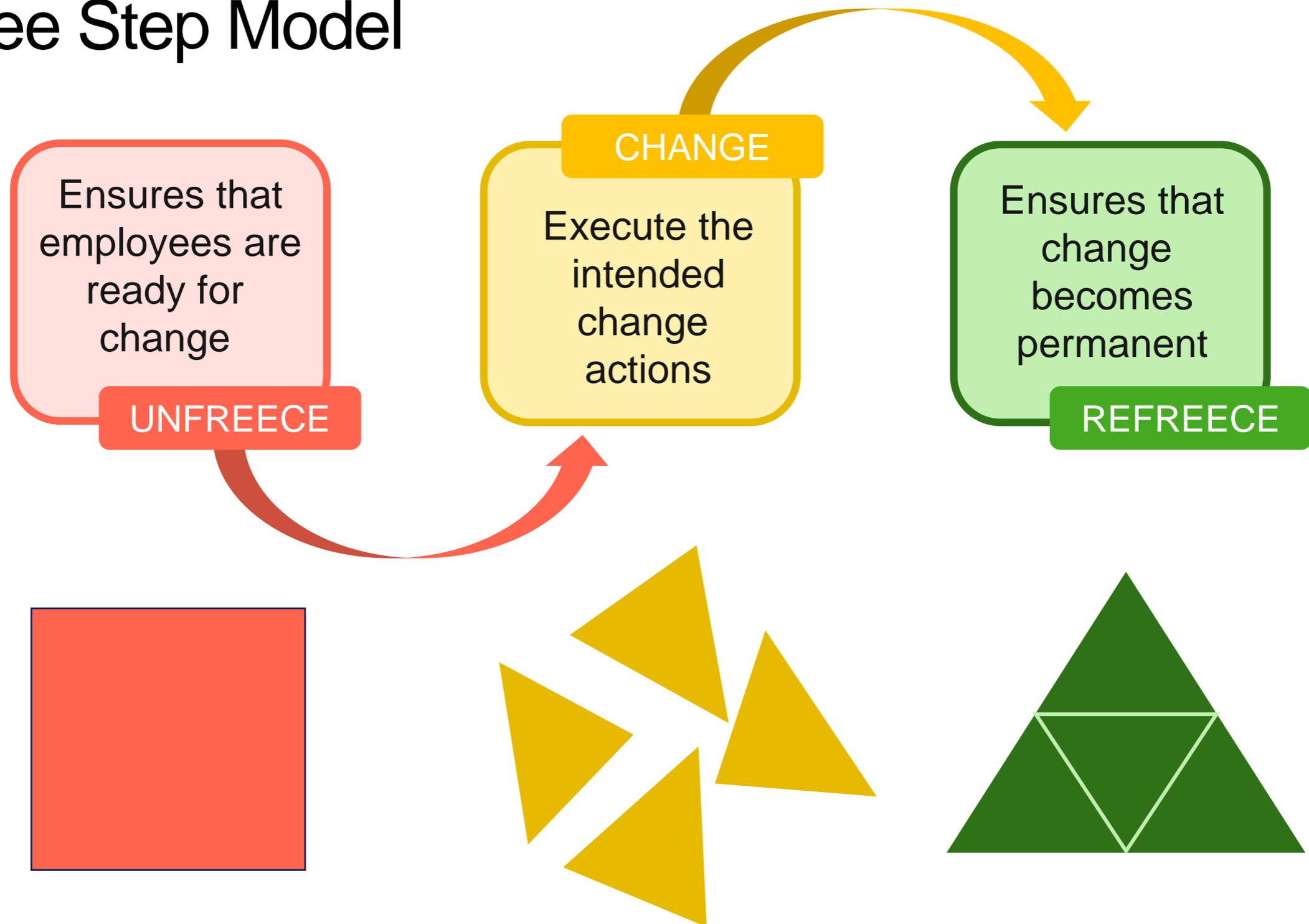
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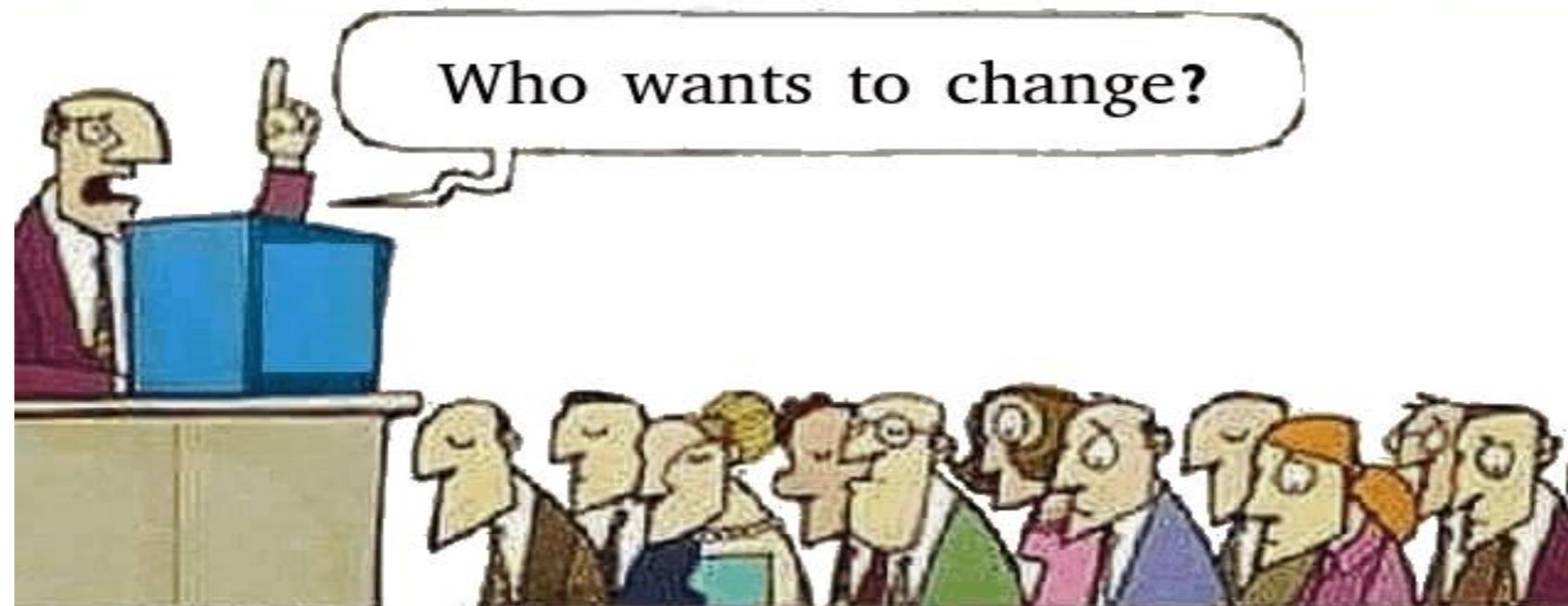
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Cultural Change Models

Three Step Model



Change Resistance



Cultural Change Models

Dealing with Resistance

RESISTANCE LEVEL	PROACTIVE	REACTIVE	RAPID
CLOSED TO CHANGE	Radical Leadership	Organisational Re-Alignment	Downsizing & Restructuring
CAN BE OPENED TO CHANGE	Top-down Experimentation	Process Re-Engineering	Autonomous Restructuring
OPEN TO CHANGE	Bottom-up Experimentation	Goal Cascading	Rapid Adaption
CHANGE FORCE	Weak	Moderate	Strong

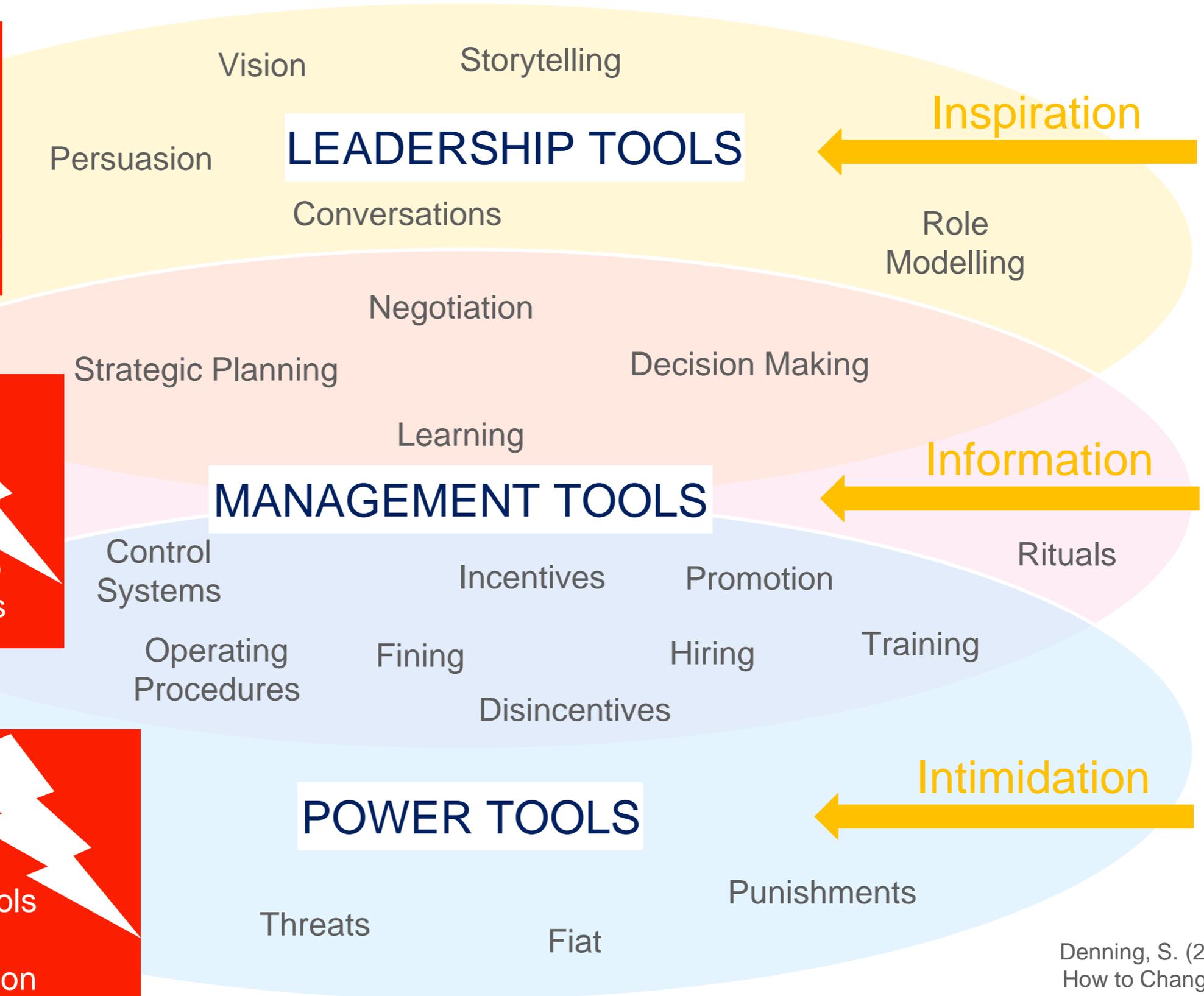
Cultural Change Models

Tools of Change

Mistake #1:
Too much power
Too little leadership

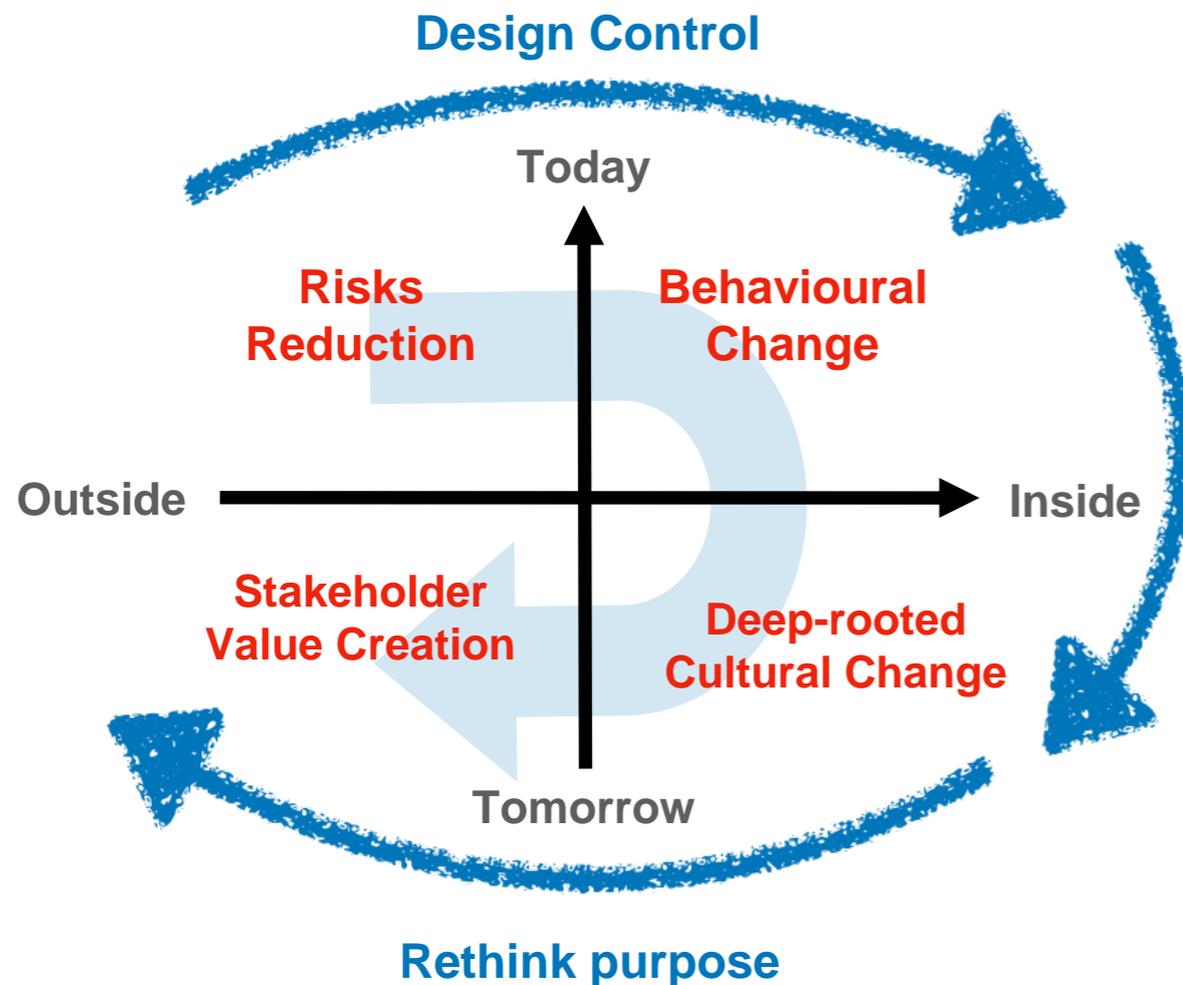
Mistake #2:
Vision not backed up
by management tools

Mistake #3:
Using power tools
without clear
definition of vision



Cultural Change Models

Development of new organisational cultural traits



Norms, Behaviors and artifacts.
Visible, tangible.

Personal Values and Attitudes.
Less visible, but can be talked about.

Cultural Values and Assumptions.
Usually not visible at all, often held subconsciously, rarely (if ever) questioned in everyday life.

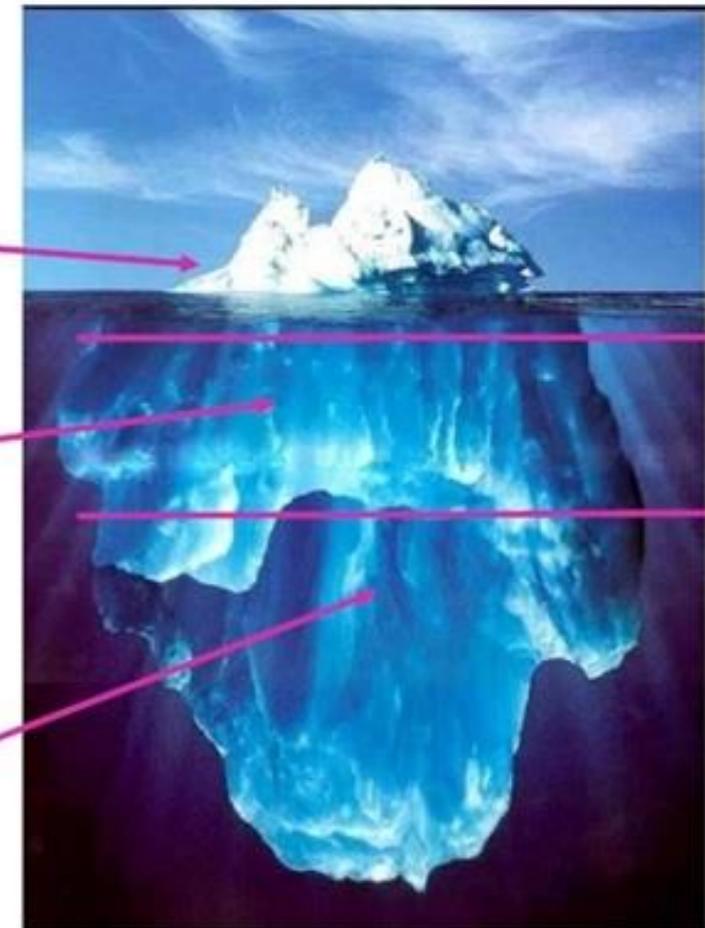
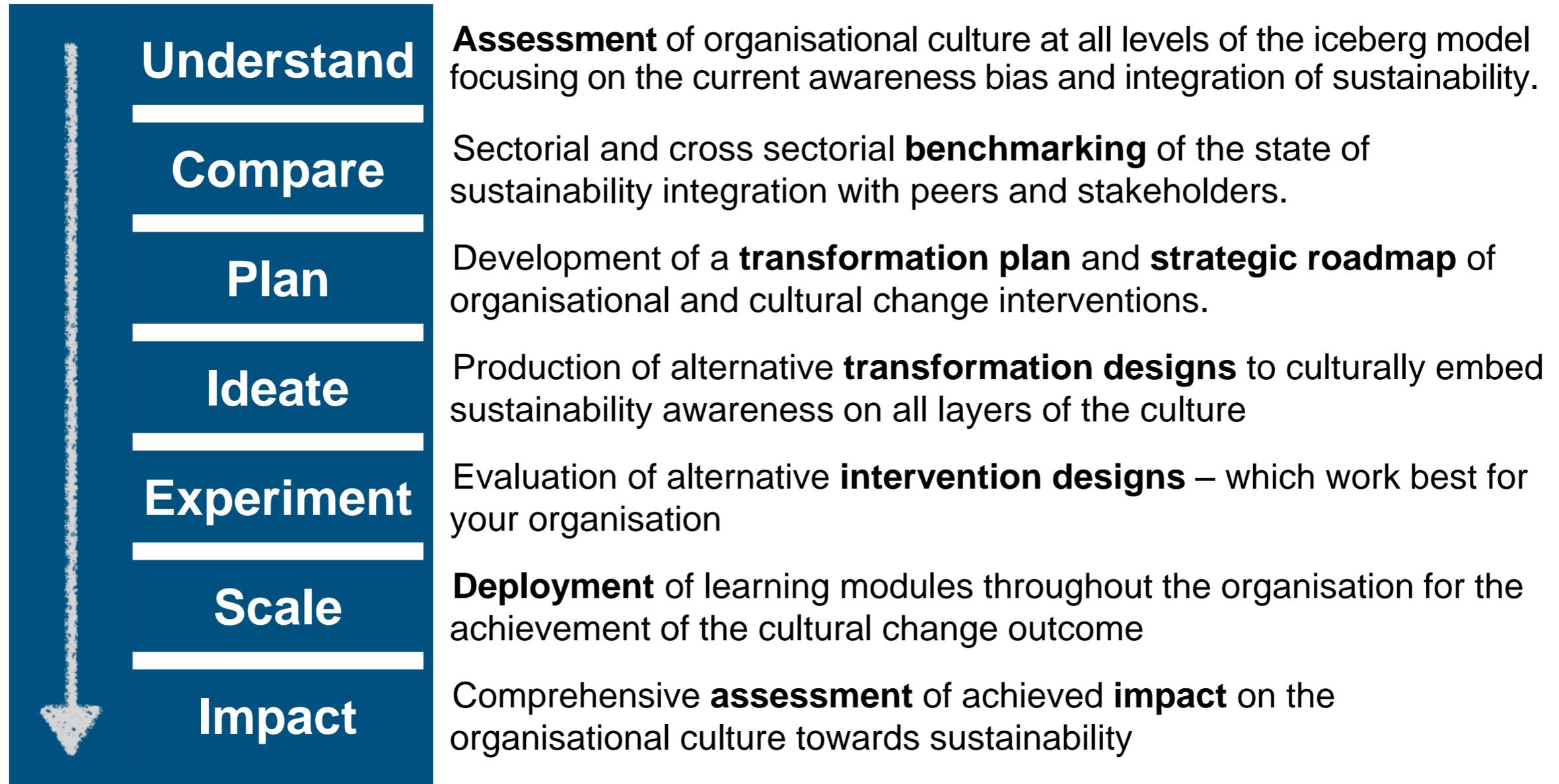


Image by R.A. Clevenger

Cultural Change Process



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Original IKIGAI Dimensions



IKIGAI in Business?

INDIVIDUAL LEVEL

The **PURPOSE** of working life.

OR

The **REASON** to go to work.

CORPORATE LEVEL

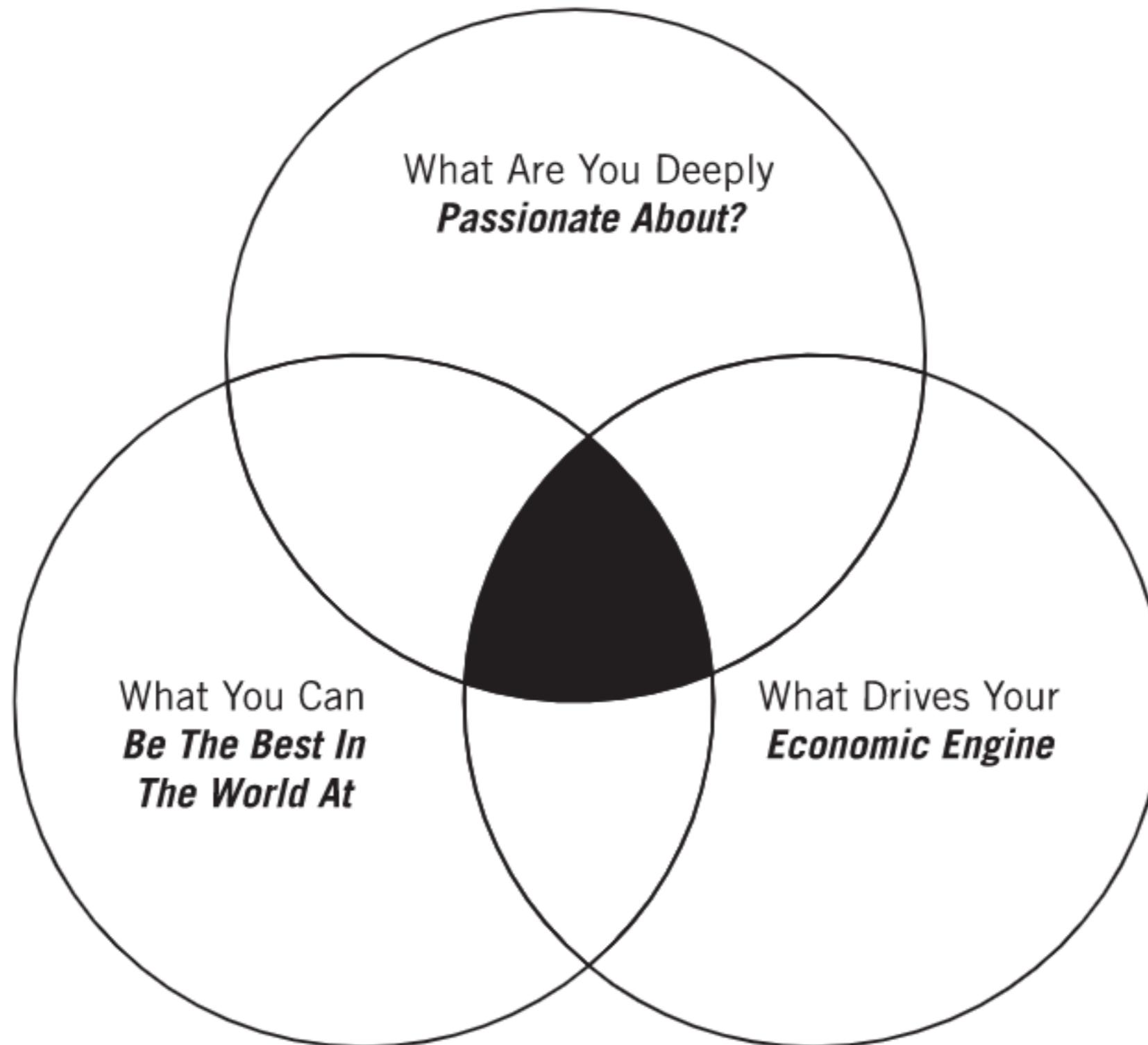
The **REASON** why we do business.

OR

The **PURPOSE** and **MEANING** of
business activities.

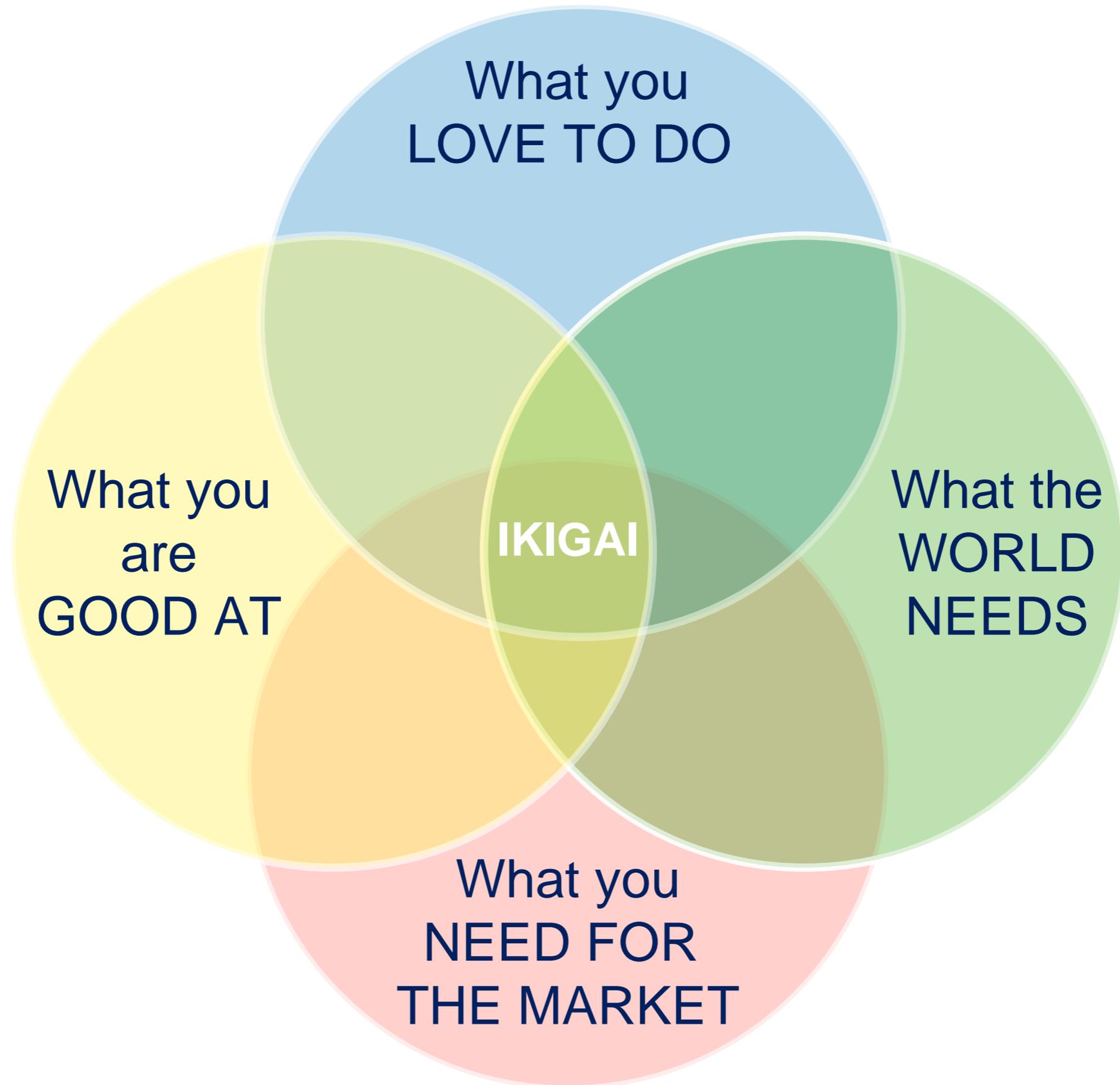
Iki = Life
Gai = reason

From GOOD To GREAT – Really?



Collins, J.C. (2001).
Good to Great. Why
Some Companies
Make the Leap... and
Others Don't. William
Collins : UK.

Four IKIGAI Business Dimensions



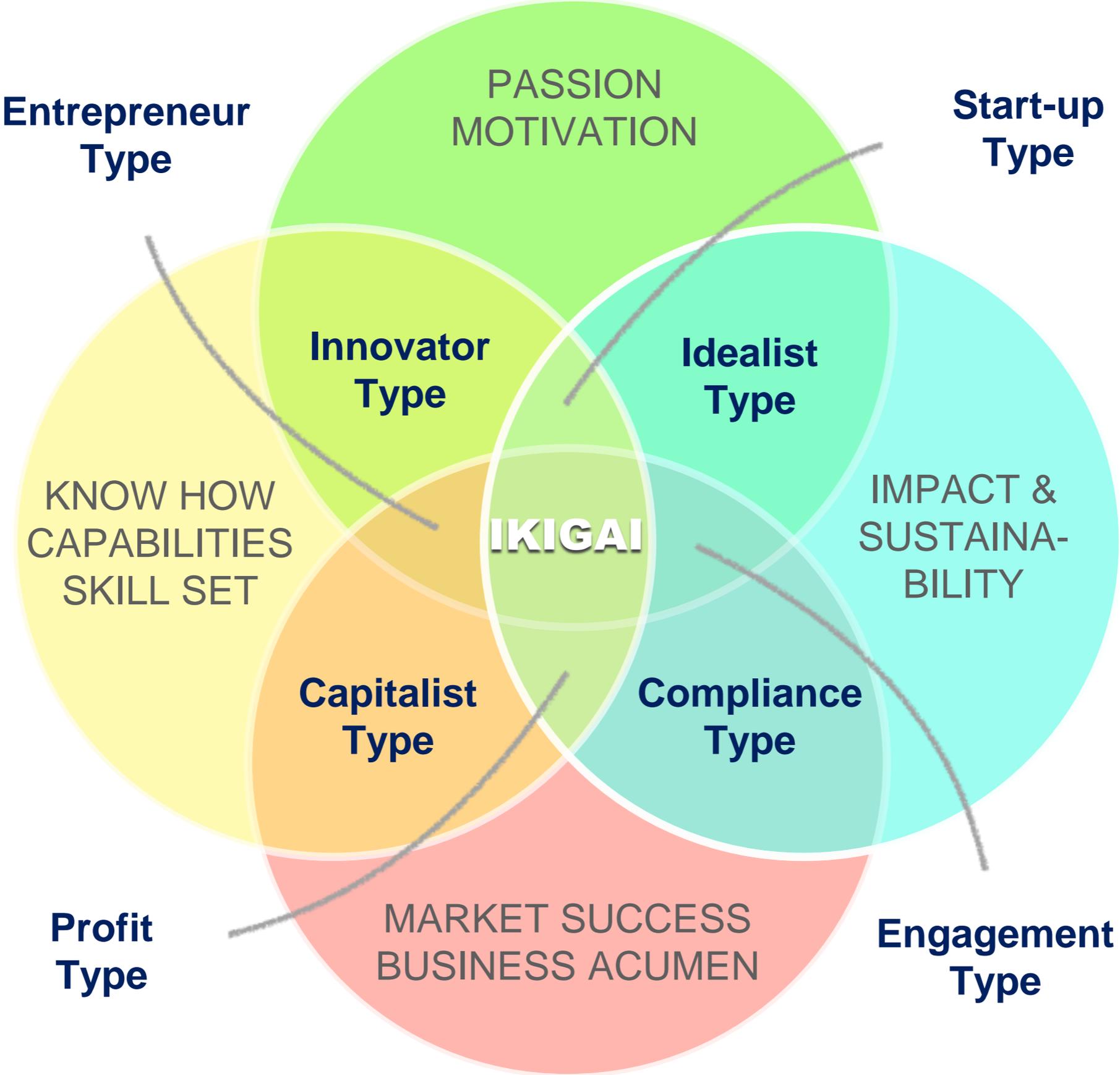
IKIGAI Leader Types



Characteristics of an IKIGAI Leader

- **Work-life balance** - Dynamism and success without stress
- **Humility and modesty** - Sharing the praise for good results
- **Respectful, non-exploitive leadership**
- **May experience individual state of flow** – enabler of collective flow
- **Able to establish trust** – both internally and externally
- **Guarantor of reliability** – being firm and authentic
- **Self-transcendence** – overcoming the limits of self-interest
- **Team orientation** - focus on collective well-being
- **Good adaptability for change** – being change champion
- **Not loosing sight of performance** – financial, environmental, social

IKIGAI Business Types



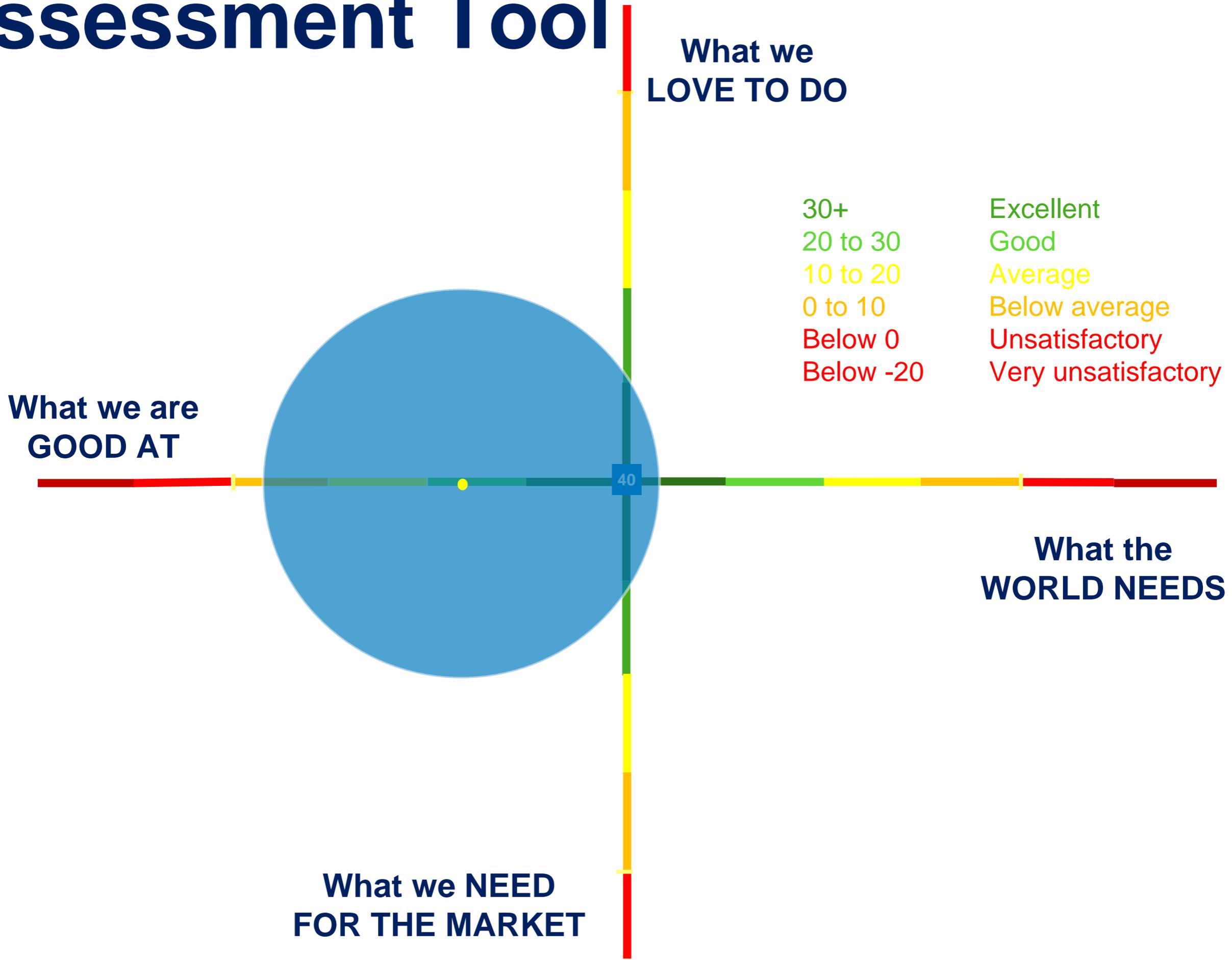
Characteristics of an IKIGAI Corporation

- **Expansion of the Potential** – on individual and collective level
- **Long-term Strategies** – strategy not sacrificed for short-term gains
- **Promoting Creativity** – creative positive thinking requires the will to change
- **Collective Flow** – by means of development of capabilities and collective challenges
- **Lived Self-Motivation** – setting own goals and increasing degrees of freedom
- **Strong Value Structure** – strengthen ethics by promoting moral behaviour
- **Optimised Value Generation** – prosperity of internal and external stakeholders
- **Enabling Ikigai Leadership** – promoting flexible leadership on all levels
- **High financial, green & social performance** – indicators on all levels

Empirical *Ikigai* Business and Leader Types

BUSINESS TYPE	LEADER TYPE	GOOD AT	PASSION	WORLD	MARKET
<i>Ikigai</i> Corporation	<i>Ikigai</i> Leader	++	++	++	++
Manufacturer	Doer / Career Person	+	-	-	+
Entrepreneur	Maker / Developer	++	+	-	+
Innovator	Inventor / Innovator	+	+	-	-
Start-up	Initiator / Creator	+	++	+	-
Idealist	Idealist / Visionary	-	+	+	-
Engagement	Activist / Mover&Shaker	-	+	++	+
Compliance	Bureaucrat/Administrator	-	-	+	+
Profit	Executive / Manager	+	-	+	++
Scramble/Erosion	Striver / Aspirant	--	--	--	--

Assessment Tool



Net Zero Cultural Change

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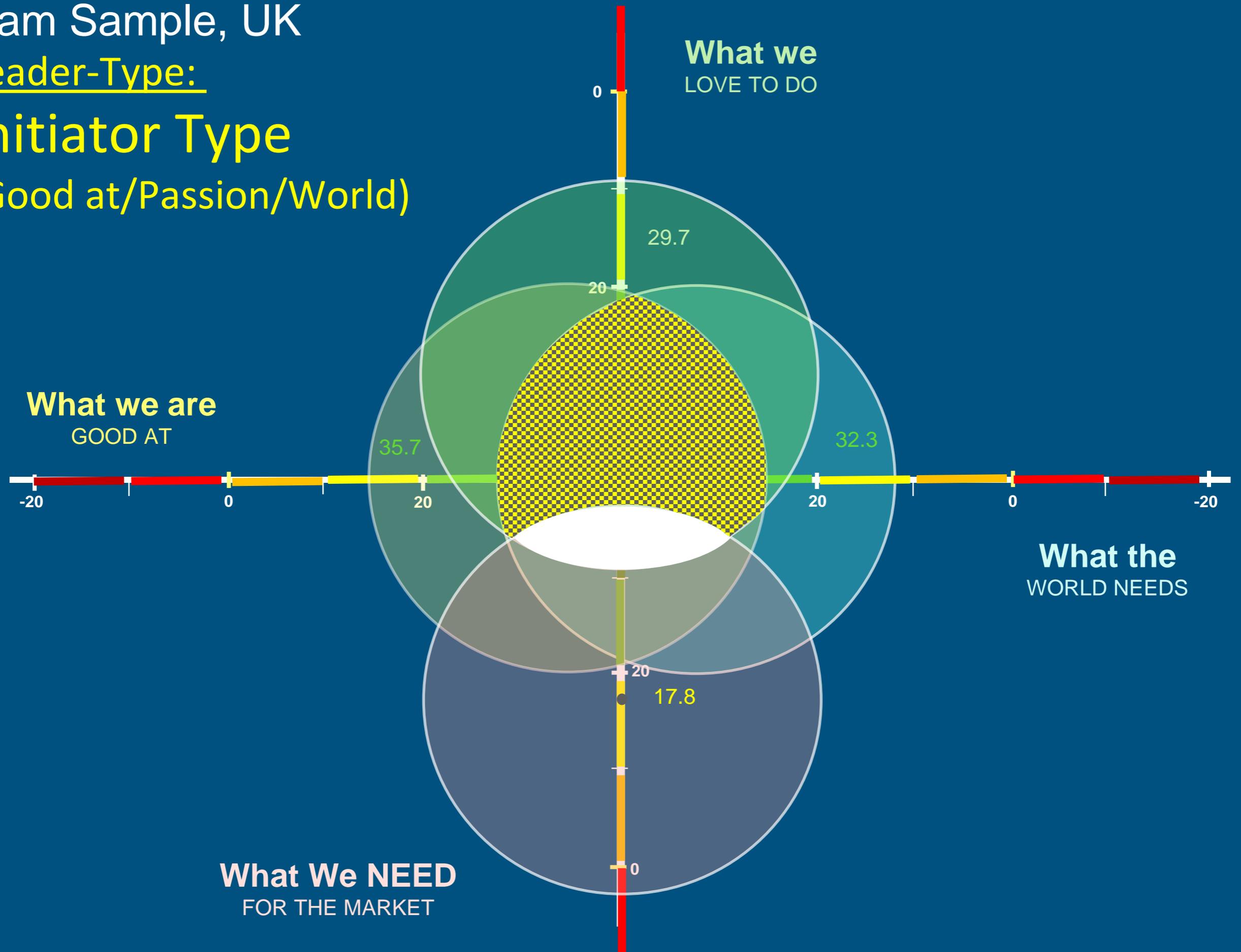
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Sam Sample, UK

Leader-Type:

Initiator Type

(Good at/Passion/World)



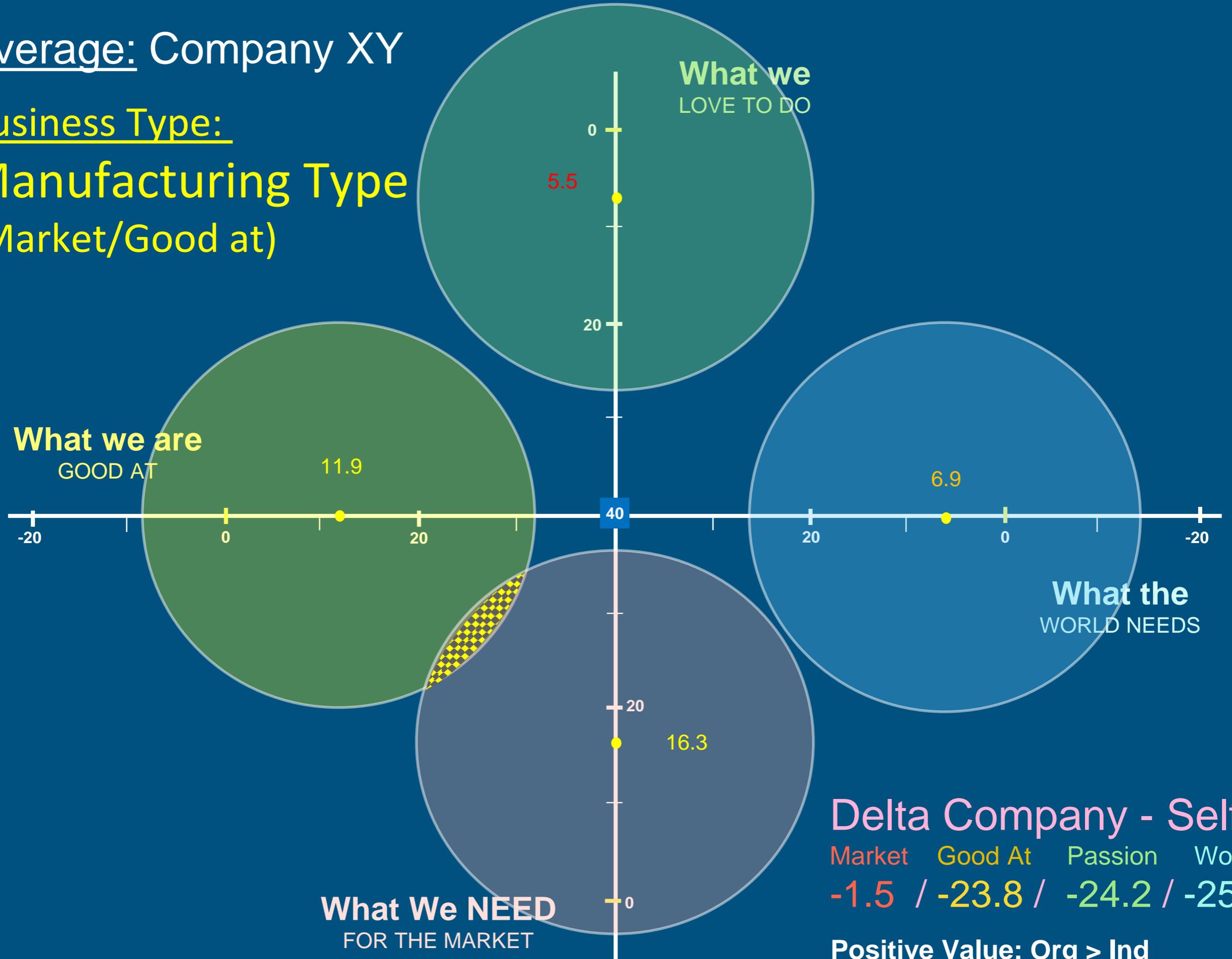
Individual IKIGAI Types

<i>IKIGAI Type</i>	<i>Dominating</i>	<i>Lacking</i>
DOER	Focus on the needs of the shareholders	Passion for the content of work and ethical thinking
DEVELOPER	Practical skills, task orientation and specialization	Social value creation
INVENTOR	High passion for the search of perfection	Economic skills and interest in sustainability
INITIATOR	Creativity and great passion for the job content	Sensitivity for the needs of the market
VISIONARY	Great personal passion and sustainability know-how	Economic know-how and interest for business
ACTIVIST	Development of sustainable aspects of business	Economic sustainability and depth of capabilities
BUREAUCRAT	Risk aversion and working by the rules	Initiative, creativity and passion
MANAGER	Business skills	Passion for the job content

Average: Company XY

Business Type:

Manufacturing Type
(Market/Good at)



Delta Company - Self:

Market	Good At	Passion	World
-1.5	-23.8	-24.2	-25.4

Positive Value: Org > Ind
Negative Value: Ind < Org

IKIGAI Business Types

<i>IKIGAI Type</i>	<i>Dominating</i>	<i>Lacking</i>
Manufacturer	Focus on profit and means of production	Passion & ethics
Entrepreneur	Expert culture	Sustainability
Innovator	Focus on quality and details	Market focus and social impact
Start-up	Great passion	Scalability on the market
Idealist	Transformation agenda and impact focus	Know-how relevant for the market and economic skills
Engagement	Sustainable business model	Economic sustainability
Compliance	Risk aversion and compliance	Ability to innovate and motivation
Profit	Profit orientation	Intrinsic motivation

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EU-Project RESPONSE

- Largest study on corporate sustainability in management funded by EU
- In-depth study of 19 MNCs and stakeholders
 - Including IBM, J&J, Microsoft, Shell, Unilever
- Comparison of CSR interventions with pre-post-measurements in corporations
 - High-level lectures and workshops
 - Relaxation workshops
 - Meditation workshops
 - Control group without intervention

EU-Project RESPONSE

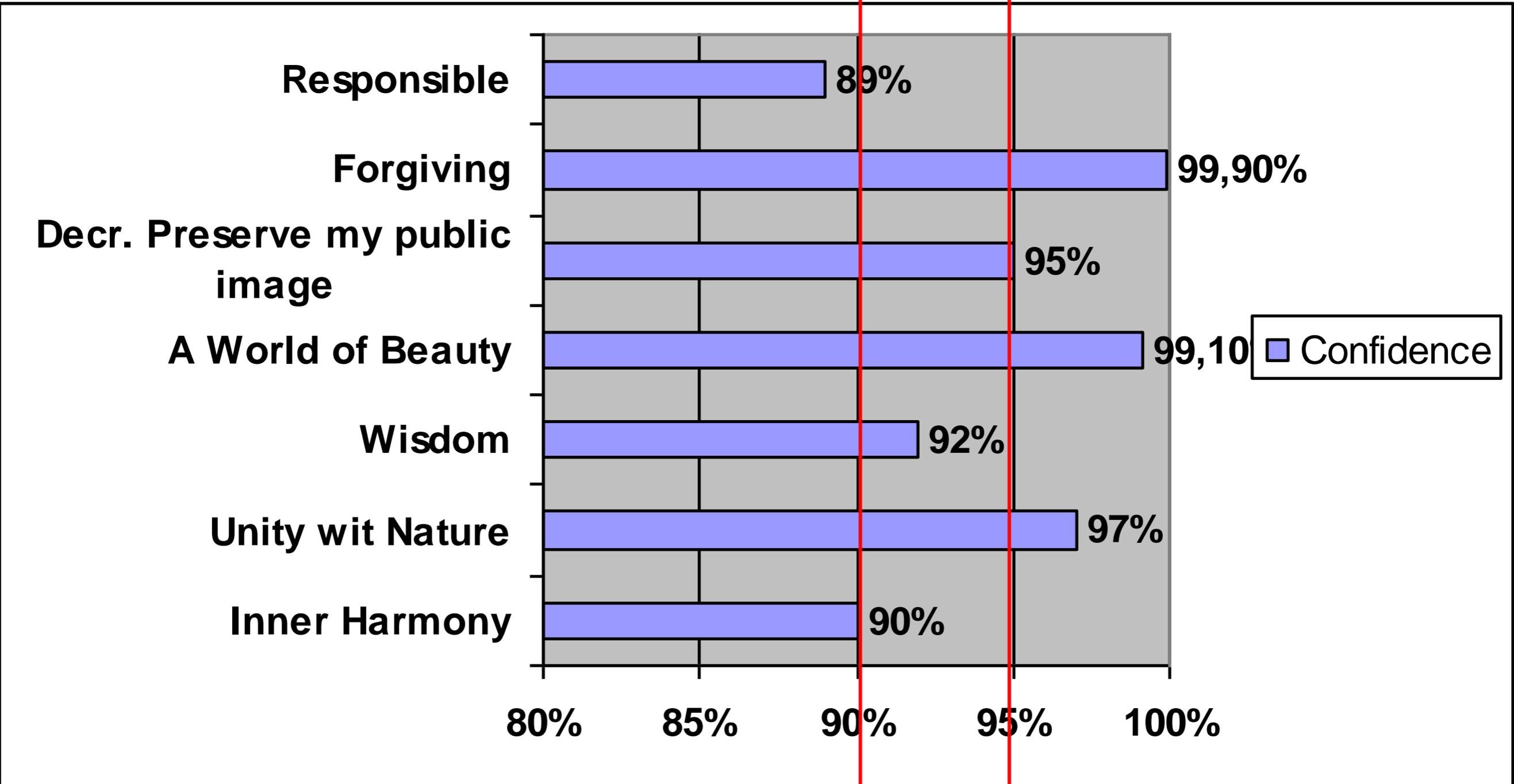
RESULTS:

- **External orientation** of CSR activities is **ineffective**
- **Key is internal change in operations and culture**
- On culture, **current approaches do not work**
- Non-traditional methods like **meditation surprisingly effective**

CONCLUSION:

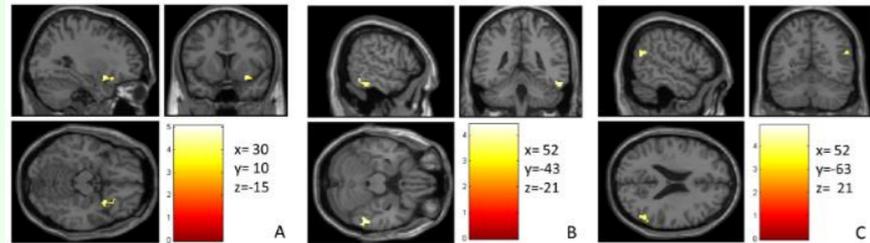
Since meditation showed the fastest and deepest reaching results in changes towards socially responsible behavior by managers (Personal Values, Emotional Traits, Ethical Orientation) **the individual transformation of managers through meditation should become a parallel strand of development in corporate sustainability strategies.**

RESPONSE Results – Personal Values

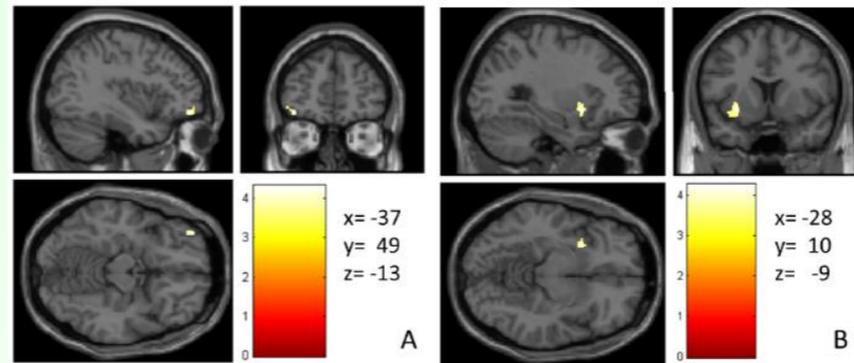


Neuro-Science Results

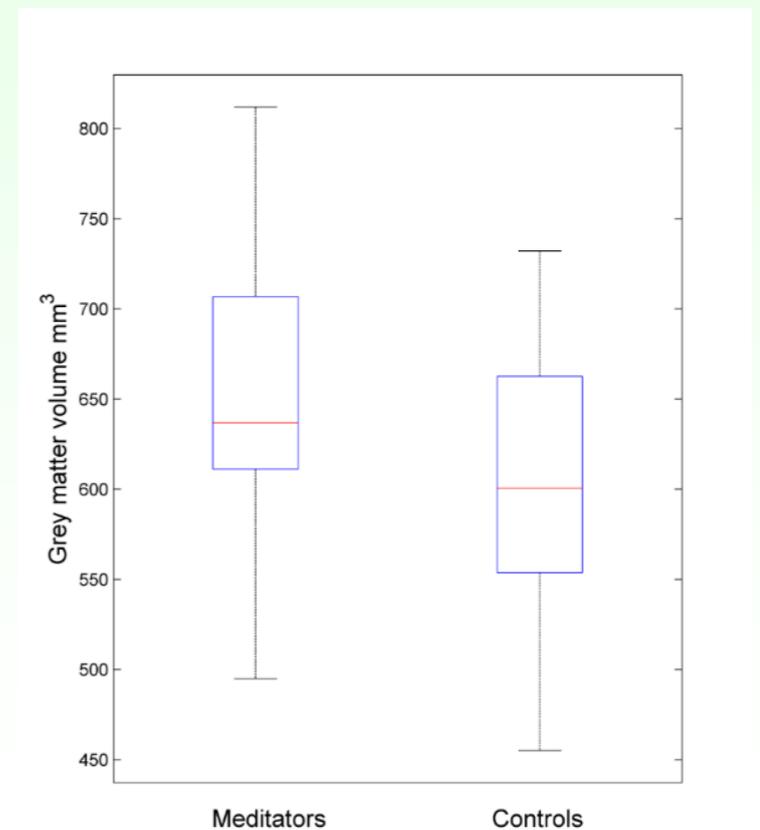
Meditators vs Controls Area of differentiation (1)



Meditators vs Controls Area of differentiation (2)



Statistically significant greater Grey Matter Volume in meditators vs. controls



Significant differences as compared to controls

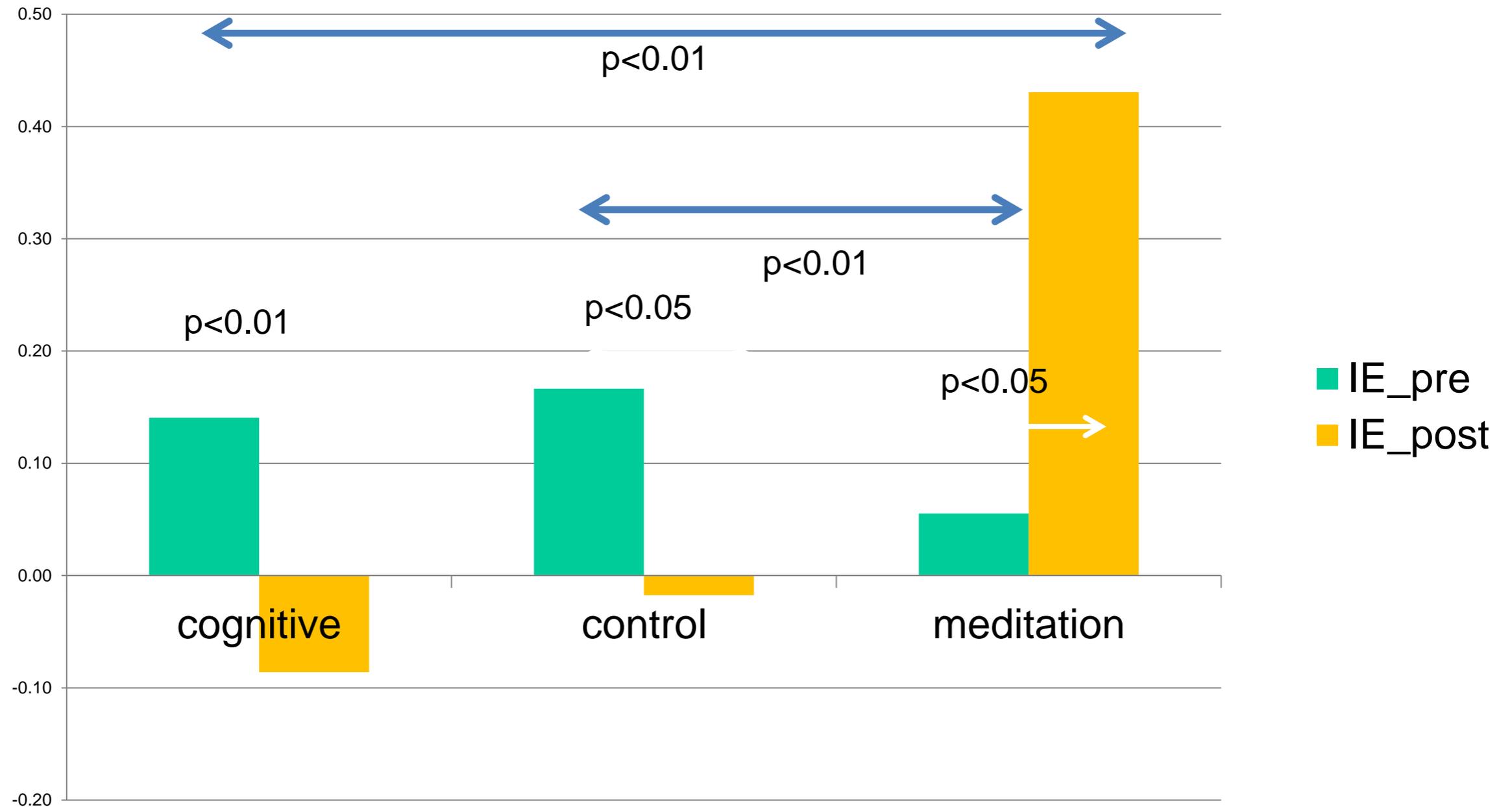
Area of Brain	Potential Correspondence
A- Ventromedial orbitofrontal cortex	Affect and attention control
A- Right Insula	Empathy / Increased Self-awareness (visceral, emotional)
B- Inferior temporal lobe	Enhanced Socio-emotional abilities
C- Angular gyrus	Attention, language

Significant differences as compared to controls

Area of Brain	Potential Correspondence
A- Left Ventrolateral Prefrontal Cortex	Attention / emotional processing
B- Left insula	Empathy / Increased Self-awareness (visceral, emotional)
Overall larger Grey Matter Volume	Enhanced consciousness, potential delay of normal age related decline

Long Term Practice Of Spontaneous Meditation Increases Grey Matter, Sustained Attention, Self-Control, Compassion

Meditation Strongly Enhances Sustainable Conduct - Fishing Simulation



Double Helix of Corporate Evolution

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7 Integration and collective shift towards the Flourishing Organization

Collective consciousness and integration of both evolutionary strands in all processes & structures

6 System level consciousness
Awareness of interdependencies among actors in the system

5 New system of values
Internalized flourishing of responsible, virtuous values

4 Embedding meditative practices
Reflective & meditative processes in day to day business practices

3 Diffusion in the organization
In different department or units

2 Introducing meditative practices
Individually and/or in groups

1 Diagnosis
Assessing overall disposition in terms of L- or J-shape; mindsets; values; business processes and practices



Identity and cultural change 6
Embed system level thinking in the DNA of the organization

Structural change 5
Align governance structures

Stakeholder Integration 4
Include stakeholders in key decision making processes

Internal diffusion 3b
To different departments or units, involving stakeholders

Testing change interventions 3a
Interventions towards CSR and sustainability in pilot studies

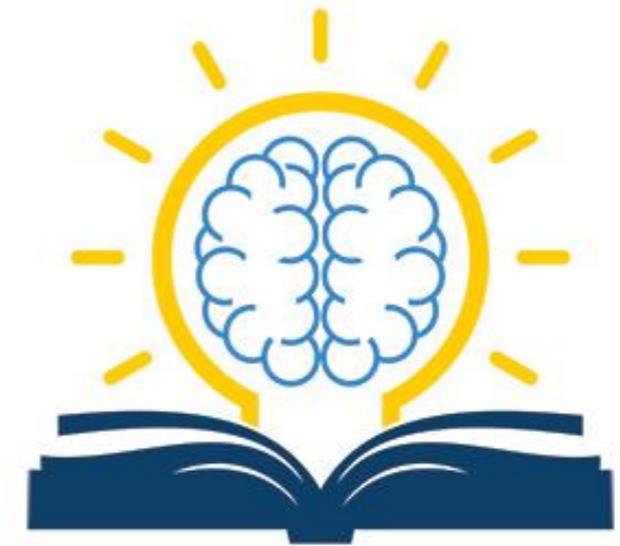
Development of strategies 2
Strategic roadmaps on organizational and unit level

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Q_s & A_s ?

Suggested reading for the week



- 1) [*How do you change and organisational culture?*](#), *Forbes*, 2011
- 2) *Culture Development for Sustainable SMEs: Toward a Behavioural Theory*, *Sustainability*, 2019
- 2) *Ikigai for Leaders and Organisations – the way to individual and collective purpose and meaning* – F. Brueck, 2020

Reflection questions



- 1. Which cultural change model towards net zero could work for your organisation?**
- 2. What would be the drivers and challenges to integrate more sustainability thinking in your organisation?**
- 3. How could you yourself and your organisation still improve towards reaching an *ikigai* state?**