

Sriven Naidu describes a new type of collaborative leader required for the complex interdependent systems in a global economy and resource-constrained world

Developing collaborative leaders

“Human capital” can be thought of as a measure of the “ability to perform labour so as to produce economic value”. However, abilities that were previously human capital may be liabilities in a new, resource-constrained context.

Imagine a group of human explorers settling on an island called “Terra”. Every young adult is taught to hunt the animals in the forest. This increases the community’s collective “ability to produce economic value”. Since the island has abundant flora and fauna, the settlers are lulled into calling this new home “the land of plenty”.

While training expert hunters increases the community’s welfare initially, this will not always be the case. Over-hunting soon occurs and leads to diminishing returns – or even extinction of the most valuable species that underpin the economy and life on Terra.

Once this over-hunting stage has been reached, training more expert hunters no longer adds to human capital. To sustainably continue producing economic value, human capital must be rebalanced with other forms of capital. The island’s wild animals are natural capital. The security and harmony of the community is its social capital.

As individuals, our voracity is “mismatched” to today’s environmentally constrained world. Before humans became so numerous and technology so powerful, our spear-yielding ancestors with unrestrained appetites for consuming resources achieved better “individual fitness” for survival and reproduction than their rivals who showed more self-restraint.

In matters of consumption, self-restraint does not come naturally to the hunter-gatherer mind that their modern-day descendants still possess. (See “The evolutionary mismatch hypothesis: Implications for psychological science”. *Current Directions in Psychological Science*. Li, N. P., van Vugt, M., & Colarelli, S. M. (in press.))

This mismatch leads to the “tragedy of the commons” concept popularised by ecologist Garrett Hardin in 1968. Hardin revived a passage from William Forster Lloyd, a 19th century Victorian economist. Lloyd had crafted a cautionary parable on the effects of unregulated grazing on common land (colloquially called “the commons” at that time).

To ensure collective survival, social norms emerge in each community. For example, it is taboo to kill young or pregnant animals in many hunting communities.

On the island of Terra, the need to train and organise “forest rangers” to constrain excessive hunting by “poachers” soon emerges. The average individual’s chances for survival increases if the society he or she belongs to adopts norms that result in enhanced “group fitness” for survival. In the present day, regulators and policy-makers are like “forest rangers” and may, for example, oversee financial markets or business sectors. Their jurisdiction may be national or international. Unfortunately, experience shows they have limited influence in a globalised economy with complex interdependent systems for food, water and energy – which in turn affect security. An article



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about research at the New England Complex Systems Institute describes how corn has become simultaneously food, biofuel, and the subject of financial market speculation which the researchers show led to numerous food riots (<https://www.wired.com/2011/10/food-price-rises/>).

Traditional forest rangers such as regulators can only do so much. Management education has begun to train new varieties of more ecologically-conscious rangers. Cross-disciplinary ecological consultants, Greentech engineers, CSR and sustainability reporting professionals are just some examples.

Unfortunately, this is still not enough because the real world is far more complex than our imaginary island of Terra.

To better appreciate the real challenges involved, we need to add the following layers of complexity to Terra:

Cultural friction

Imagine another human community arrives and settles on Terra after the explorers. This subsequent community consists of farmers who plant crops and rear domesticated animals. They appoint consensus-building leaders according to their customary procedures. In contrast, the explorers are led by an hereditary chief.

Governance transition

Over time, both communities have interacted and learned to appreciate the strengths of each other's governance practices. As a result, each community is continually evolving its own governance.



Paradigm transition

A group of disgruntled hunters have left the explorer camp to live at the edges of the forest, upriver from the farming community's land. They hunt game indiscriminately and are growing in numbers rapidly. They have no malicious intent. They simply do not understand why they cannot hunt without restraint as their elders did.

How might all the communities pursue a prosperous co-existence on their shared Terra? A new type of collaborative cross-cultural leader is required to help. He or she must:

- anticipate plausible crisis scenarios
- build effective coalitions for collective governance
- co-create a compelling shared vision
- diffuse know-how and new social norms
- over time, shift every stakeholder's paradigm towards the shared stewardship of Terra.

To equip such leaders, future-oriented thinking such as the scenarios practised by Royal Dutch Shell and adopting a complexity "lens" for understanding systems seem to be two useful mindsets to develop. Especially in cultures where such mindsets are uncommon.





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The facility to rapidly “codeswitch” between different cultures (whether professional, national, the culture of government, private sector or NGOs) is also worth developing. This ability is crucial to collaboration and innovation. The “curricula” will continue to evolve and new useful topics will emerge.

The pedagogical approach for developing requisite skills and more expansive mindsets will be a crucial challenge. Assembling a varied group of senior participants from diverse nationalities, political systems and sectors, and building a mutual support ecosystem would be a very effective approach. To develop skills to a sophisticated level (in areas such as communication and negotiation), these participants must work on actual problems. This should include identifying and engaging a coalition of diverse stakeholders to begin addressing this problem. This may appear resource-intensive. A programme with participants from the same country, same background or with the same generational challenges would be temptingly cheaper to run but, as Warren Buffet cautioned: “Price is what you pay, (whereas) value is what you get”.

Since sustainability benefits organisations in all sectors, every organisation can benefit from investing in developing such senior leadership.

There are probably no final solutions to complex challenges, only processes for continually discovering new solutions. Among the various types of leaders needed for multinational enterprises, we will need many more of the kind who inspire commitment to mutually respectful dialogue and continual negotiations.

Our world is too interdependent to think in terms of survival of individuals or distinct groups. “Group fitness for survival” may soon mean “humanity’s fitness for survival as a single indivisible group”. The process-focused approach proposed here is a positive vision for a new norm of collaborative leadership and governance.

At stake is nothing less than ensuring a sustainable future for the generations that will follow us.

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