Diversity and Sustainability as a New Base for Leadership

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**Abstract:** Current developments in contemporary society require a fundamental re-discussion of some commonly accepted "truth". This paper highlights some critics of economic, societal and environmental aspects relevant to sustainability. Analysing these three aspects affecting individuals and society makes us consider the different beneficiaries, their knowledge sources and management. Our paper discusses a new type of leadership in our uncertain world by shifting the focus from economic, societal and environmental aspects to regarding the beneficiaries as well: the individuals (Me), the organisations (We) and the society (All). Experiences built under changing circumstances require less and less focus on knowledge transfer and more on knowledge exchange. Basing ourselves only on knowledge sources (from scientific (trustworthy?) sources) is questionable and needs reconsideration. The importance of exchanging experiences among managers and leaders shows the need for life-long learning. The use of information/knowledge is becoming more relevant than its ownership. Moving the focus to use and interpreting knowledge is a differentiating factor that forms the basis for creating value. In cooperation, where decision-makers share ownership and communicate their interpretations, we explore a new role for the “we” (the organisational value), compared to the traditional orientation where organisations only fulfil individual (shareholder) value or alike. Our finding lead to new forms of equity, where the chances for success are equal, regardless of educational level, gender or cultural background. A sustainable society for everyone requires a broader view of reality than only for the privileged ones. It is also a different approach to striving for diversity. For sustainability, as the world’s ability to host our successors, managers and leaders should not limit themselves to traditional certainties, like intellectual property, value and ownership.

**Keywords:** Leadership, Stewardship, Diversity, Sustainability, Me-We-All, Life-Long learning

1. **Change, the Thing we can be Certain of**

1.1 **Developments**

Since the world exists, change has always been happening in society, forming human life, economies, and technologies (Beck, 2006). Changes are the results of long-term developments which require collaboration and shared values. Values also change with the developments. In history, during the hunter age, people understood the importance of cooperation to survive, while in the warrior age, divides between kings and enslaved people appeared. Craftsmen age gave more chances for talents and those working hard, and mechanisation resulted in mass production, opening access to products and services to more people than the privileged ones. Industrialisation has changed the importance of man by using electric power. The increase in wealth due to mechanisation and technical innovation developed the service industries, and internationalisation opened various multinational cooperations. Knowledge exchange and knowledge industries impact education, and science became the fundament of industrialism and modernisation. All these developments leave their footprints on society, the economy and the environment. They change people’s behaviours, attitudes and values.

Today’s society operates in an open, even more evolving, dynamic landscape of culture, values and technology. When a technology approaches barriers, a new technology will be invented to solve it (Abcouwer et al., 2022). In line with this, Kurzweil (2014) predicts that such paradigm shifts did and will continue to become increasingly common, leading to "technological change so rapid and profound, it represents a rupture in the fabric of human history". He believes the Law of Accelerating Returns implies that a technological singularity will occur before the end of the 21st century, around 2045, which may suggest a faster and more profound change in the future accompanied by equally profound social and cultural change.

Change is of all times, and the implicit need of people striving for a new equilibrium is also of all times. However, we realise that in the last decades, modern technology has been speeding up this process indefinitely. Such continuous processes reach for new equilibriums and immediately plant the seed for the next challenge. The challenges we face in this speeding up are unpredictable and unknown, so our thinking and approaches must be new. In this ever-changing environment, people are challenged to continuously explore new ideas, create connections and strive for progress while keeping their values. People, families,
organisations, and governments must adapt to the speeding changes, creating an environment full of uncertainties. Change is the thing we can be certain of.

1.2 Concepts

This paper relies on many concepts we developed in our previous research, such as the Adaptive Cycle of Resilience (ACoR) model or the ‘Me-We-All approach’. We find it essential for managers and leaders to govern their organisations in any circumstances our changing dynamic life brings.

The “Want-Must-Can” dilemma (Heene, 2002) seeks a new balance within what we want, must and can do in a changing environment. Organisations regularly face changes, and according to Prigogine and Stengers (1987), it creates instability, (threatening) chaos and perpetual motion. For optimal functioning, after each challenge, a new equilibrium must be developed.

The Adaptive Cycle of Resilience (Abcouwer et al., 2020) is a method to understand an organisation’s situation in a world facing unforeseen developments and uncertain future(s) and help to overcome the challenges. It highlights the importance of adaptivity in the cyclical development of an organisation recognised by four quadrants. The infinite cycle starts from an assumed ‘Equilibrium’ state, where relatively small disturbances appear, which we want and can deal with. However, when external influences severely disrupt this equilibrium, the organisation climbs to the ‘Challenge’ quadrant, where managers, leaders (and their teams) face uncertainty and are forced to search for new solutions. This leads to the ‘New Combinations’, where awareness, leadership and governance are crucial. After determining several options for the case, the most suitable solution must be chosen to reduce uncertainty. The transition to the so-called ‘Operationalisation’ quadrant requires innovation capacity. It is challenging because we cannot predict whether the final choices will be successful. The model suggests tips and tricks on what managers and leaders can do in the different quadrants.

Figure 1: Developments and the Adaptive Cycle of Resilience (Takacs & Abcouwer, 2021)

We also identified some traps we could fall into.

- Lock-in, when management does not see the crises or challenges coming
- Poverty, when they lack the creativity to come up with new solutions
- Isolation, when they cannot convince the organisation to initiate the change
- Rigidity, when there is resistance to change.

The ACoR model mainly focuses on going through disruptive change, whether on an individual, organisational, or societal level, with a repetitive short-term change trajectory. However, it emerges to care for long-term developments and their effects on Earth.

The ‘Me-We-All’ approach (Abcouwer et al., 2022) considers all stakeholders of the developments, including the world around us. The guiding principle is that everyone works to leave the world in a better shape, guaranteeing a sustainable future.

As the world changes, an important question arises about individuals’ and organisations’ role in society. It forms the context in which any development will take place. Society, or in a broader sense, our world, will always last longer than any individual or organisation. So, striving for short-term welfare cannot be an objective in the long run. We need to find a balance between individuals and their organisations within the given context.

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Based on the awareness that individuals cannot exist without organisations or society, we must pay attention to how we can align individual behaviour in an organisational context to reach objectives above the personal level. Our aim should be to contribute to an inclusive and sustainable society where everybody and the world will survive. We must ensure that future generations live a life where well-being is more important than the current focus on individual welfare. A way is by balancing the needs and responses of ‘Me-We-All’.

Managing and leading our lives or the organisations in such changing and unstable circumstances is challenging (Lunenburg, 2013; McMillan, 2010). Managers and leaders handle short- and long-term challenges where predictability is not obvious. This article introduces how managers and leaders of organisations can sustain their successes by being open-minded, accepting, mindful, resilient, adaptive, and keep on learning. But first, we formulate some criticisms about the current developments.

2. Critics, Which Make us Strong

In recent decades, under the influence of Anglo-Saxon thinking and neo-liberalism (Blair, 2003), we have mainly focused on individual interests and pursuing higher personal prosperity. However, as the current widening divides show, this development started to derail. Illustrative examples include the ever-increasing economic, 1st/3rd world, gender, race, and many other divides (Herrera, 2016) that impede a normally functioning society. Consequently, under the strong emphasis on individual well-being, organisations primarily focus on fulfilling the particular interests of shareholders and their employees. Even government organisations pursue personal interests instead of the societal ones which they are established for. Although, we should be aware that organisations are artefacts represented by individuals and their needs. The ‘Me-We-All’ approach explores a new balance between individual and societal interests made by people working in organisations. Reaching a new balance requires openness, determination, awareness and a profound paradigm shift.

Current developments in contemporary society require a fundamental re-discussion.

2.1 Questioning “the Truth”

Today’s society is based on some commonly accepted “truths” (Sheldrake, 2012; White, 2013), which were developed in the age of industrialisation and continued during the information age, where technology forms the basis for life and economy. Post-industrialisation opens and interconnects the world, aggravating the disparities between the “haves” and “have-nots”. Egoism, consumerism, carelessness, money orientations, deceptions and exteriors, fast fashion, traffic and pollution, wasteful industries and households, justice, bribes, power, control and hierarchy, or virtual lives are only some of the results of the changes in the post-modern society. As society develops, many side effects appear, such as pollution and inequality. Values, therefore, are of great importance in our lives.

We have focused on a worldview based on individualism within the neo-liberalism approach in the past decades. After World War II this was a practical approach to building the world rapidly. In the Western world, individual welfare contributes heavily to the well-being of society. Meanwhile, the focus was on individual performance, assuming the community gains an advantage when every individual performs optimally. We saw it a logical choice in the reconstruction time after a decline. However, it also carries a risk of imbalance within society. The difference in capabilities and entrepreneurship led to growing discrepancies. It shows a growing wealth gap and a distinction between those with assets and those without (Abcouwer et al., 2022). Economic and technological developments initiate divides that threaten societal outcomes to a great extent. Ownership
divides and wealth -digital - and many more divides make us unable to overcome problems in terms of fair sharing, cooperation, future orientation, etc., leading to a situation in which sustainability is under threat in the long run. It all leads to increasing antagonism between people. If society continues to grow, we can cover this issue, but in a world with limited resources, we also start to see problems arise. Where resources are no longer abundantly present, competition for access to and ownership of those limited resources becomes the next challenge. This phenomenon is evident in international geopolitics. Developments in this political field are apparent. These developments lead to contradictions in which political and economic policies are pursued. Many have cultural differences in values and norms systems espoused by the various power blocs. It shows clearly that reasoning from the perspective of societal benefit from an individual and ownership-based perspective does not work.

2.2 Intersectionality

When we want to understand the root cause of the current societal developments, we need to find the factors causing it. During the last decades, we mainly focused on single causes, such as where the problem originated. It was satisfying to have one reason found, and the search for other causes immediately stopped. (Hollnagel, 2014). But single causes hardly exist any longer. This links closely to the development we see in an organisational setting. For decades, we have been studying organisations as single units, trying to understand the logic of these artefacts. But in contemporary times, organisations are parts of networks, chains etc. In practice, this development requires the identification of multiple causes for current challenges. This approach of looking at differences and challenges within society links closely to the concept of intersectionality (Runyan, 2018), developed in the second wave of feminism around the nineties of the last century. It is based on the assumption that gender issues do not have a single cause. Aside from gender causes, intersectionality helps the understanding of differences that form the base for societal divides.

The socioeconomic divide is related to “You are paid what you’re worth” myth (Reich, 2023), which separates the unpaid workers, saying they are unskilled, from managers and their CEOs, who earn millions for the reasons they are more talented, they create jobs in a “free market”, which is actually under their power. The workers’ productivity is the value that they produce and has been growing for decades, while their wages have not kept pace with their productivity. The myth that you are paid what you are worth ignores power, disregards policies and labour unions, further increasing inequality by shifting power and wealth from workers to owners. False justification distorts ‘Me-We-All’ and further increases the need for intersectionality.

Education has a crucial role in improving awareness, but without restructuring education, no results can be achieved in the fields of inclusivity, diversity, and critical thinking that can foster social cohesion and challenge prejudices. Raising awareness, equity and solidarity can contribute to economic empowerment, which aims to reduce socioeconomic disparities by providing equal opportunities for economic growth, entrepreneurship, and employment.

Also, as a solution, technology and digital inclusion can contribute to equity and inclusivity.

It is now a fact that environmental sustainability is a bare minimum to strive for. Such as adopting a paradigm that emphasises sustainable practices, conservation of resources, mitigating the effects of climate change, and addressing environmental injustices that disproportionately affect marginalised communities. Acting now can ensure that the next generations will still have a place to live and work.

These paradigms should work in conjunction to addressing the divides, as they are interconnected and mutually reinforcing. It requires collaboration and shared values among ‘We’: governments, organisations, communities, and ‘Me’, individuals to enact meaningful change.

2.3 Collaboration and Shared Values

Values, the sense of right and wrong, can help us grow and develop. They help us make decisions and create the desired future. Individual values show how people live their lives and what they consider essential for their self-interests. They support one’s fulfilment. Relationship values in any organisational setting, whether in families, friendships or an educational or work environment, reflect how people relate to others. Social values show people’s relations to society, such as respect, empathy, acceptance, care, loyalty, responsibility, honesty, etc. Recent developments result in practising fewer values, leading to carelessness, greediness and discrimination. Today’s generations grow up lost in their values affecting future generations even more. Changing our attitudes is needed at all levels: in persons (Me), communities and organisations (We) towards including it ‘All’.
Leaders are responsible for approaching organisational changes with a positive, enthusiastic and growth mindset, where growth and development must be revised. They must collaborate and adapt their business practices to market changes, including taking responsibility and showing examples to people, communities, and other organisations. In our dynamic world, they must prepare for unexpected scenarios and search for new technics and technologies in a way that fulfils many interests, including what people and the world need.

Intersectionality considers different aspects and looks at problems with a broader view to identify equal ways for everyone. When decisions consider all stakeholders, ‘Me-We-All’, they can intersect to reach resilience, sustainability and dynamics.

3. Renewing Leadership

The critics named earlier suggest that in the uncertain world we live in now, we have to renew the ways our managers and leaders think and act. Our world needs more careful and responsible management, who can change in every aspect, and who is assigned the responsibility to shepherd and safeguard the economic, societal and environmental valuables of others. Such new leadership is called stewardship. Leaders act with stewardship in mind while actively caring for their organisations’ future. Renewing leadership towards stewardship will result in benefits in the organisations (We) and the society (All) but also at the level of individuals (Me).

3.1 Focus-Shift

We see many actions to tackle the above divides. Some are given top-down binding initiatives, like the European Charter of Human Rights declared in 2000, which came into force at the end of 2009 and still needs to lead to closing the divides significantly. Others are local initiatives ending up in international actions.

New leaders must understand that shifting focus from ‘here and now’ to a broader and longer perspective thinking will result in a sustainable present and future for the people, the organisations, and our environment.

The stakeholders and the beneficiaries a leader with stewardship must consider are beyond the business activities but also the effects they have on the world around it, looking at values, ethics, and morals.

Stewardship guards all resources (time, money, goods and services) with the human responsibility to care for and manage the natural world. Ownership, responsibility, accountability, and reward describe managers and leaders with stewardship. They search for solutions to transform ownership, governance, and finance by reconsidering the criticised “truths” accepted by society and redesigning the organisations’ operations.

Shifting leadership to stewardship requires learning. A leader who is consciously involved in life-long learning should easily reach stewardship. Those who care for their organisations also pay attention to their people. Knowledge is power, and more and more the value and the primary source for individual and organisational development. Previous research highlighted the importance of knowledge exchange, which is necessary for successful learning and management. The use of information and knowledge is becoming more relevant than its ownership. Experiences built under changing circumstances should focus more on knowledge exchange, although disputes around ownership have increased. Recognising and valuing human capital and building trust and security in the organisation can be a gain for both the individuals and the organisation - and once we recognise the importance of stewardship, - also for the world. Leaving ownership of information and focusing on building new knowledge and practices together leads to questioning and revising accepted (scientific/”true”) knowledge sources, also characteristic of innovative leaders. To set a favourable environment in the organisation, hierarchy must be changed to trust, cooperation, learning, security, inclusion, equality, flexibility, inspiration, and renewal. Moving the focus to use and interpret knowledge is a differentiating factor that forms the basis for creating value. Stewardship, backed by wisdom, is conducive to a service mindset. Leadership alone is less likely to invoke cooperation and collaboration. (Dell’Era et al., 2020) In a cooperation, where decision makers share ownership and communicate their interpretations, we explore a new role for the “we” (the organisational value), compared to the traditional orientation where organisations are for fulfilling the shareholders’ value or interest.

Organisational values cannot be the guiding principles, purposes and directions anymore but something the members create and shape with the consideration of ‘Me-We-All’.

3.2 Creating Different Values

All value creation and measurement models agree that the most critical enablers are the leaders, who rely on people, shared goals, partnerships and resources. They use specific processes to reach results, affecting
people, economy and society. Measurements considered the legal barriers: the fields where the actions can take place, and the economic and societal results. Realising from disasters and threats that the past centuries did not consider nature and the environment, new measurements have to be added. Today, many people claim more sustainable actions, which are more ethical and consider ‘Me-We-All’, as explained earlier.

Figure 3: Changing Values (own source)

When leaders change their values towards ethical and sustainable measures, they find stewardship to deal with the critics mentioned above.

- Managers who regard Intersectionality will understand differences, and with tolerance, acceptance, focused education they can decrease any divides, strengthen cooperation of diverse teams, opting for more creative ways of dealing with challenges.
- With education they can improve awareness, build trust and engagement in the organisations, leading to better performance at all levels for ‘Me-We-All’.
- Sharing and caring can reach economic empowerment to steward the organisation’s future.
- Equity and creativity, along with technology and digital inclusion can contribute to an equitable and more sustainable future.
- Considering environmental sustainability is an absolute must. Neither ‘Me’ or ‘We’ or ‘All’ can survive without it.

4. Stewarding our Future

We have seen in this article how the developments have been changing the lives, the chances, the cultures and values of our society, how the focuses from the ‘All’ have changed to ‘Me’, as individual interests and ‘We’, as organisational ones, and how important it is to consider all stakeholders’ interests, accept and use diversity and resilience for a more sustainable society.

4.1 Diversity and Equity

Leadership changed to stewardship plays an essential role in this process. For a sustainable present and future, managers and leaders must acquire the ethical values that form the basis for responsible planning and management of resources. Careful and responsible management considers not only the businesses, but the environment and nature, their human capital, their knowledge and information, their culture and diversity. Stewarding the future is motivated beyond economic values. They build the organisation’s capacity via education and cooperation to act for ‘Me-We-All’. By understanding and making available sources, stewardship helps to build individual (Me) and organisational (We) wealth and contributes to the well-being of the people (Me and We) and the society (All).

Intersectionality also teaches that differences need to be accepted and included. Offering equal prospects and ways to all is not a solution either. Standard paths were created to serve mass production during industrialisation and mechanisation, to provide the majority of solutions for living, working, teaching and access to products and services. The answer in stewardship is something completely different. It “re-norms” and changes standards. It is to offer equal outcomes and other paths that can be unique to many people. It is much more complex to care for individual cases, but letting stewardship enter our views gives power, determination and fair opportunities for equal prospects and outcomes. According to Thomas Sowell (Sowell & Friedman, 1981; Sowell & Weiner, 2010), Diversity, Equity, and Inclusion in practice support discriminatory trends because the practical ramifications of the ideology was not thought through, turning the results the other way around. “Undeserved inequalities call for redress”, he says, where the chances for opportunities and
success are equal, regardless of educational level, gender or cultural background. Believing that with stewardship the abilities of individuals can be useful, they can contribute in their own unique and special way to work out solutions in a diverse problem space. Stewardship facilitates changing Equality to Equity offering everyone choices on accommodating individual differences for equal outcomes. So, not the same shoes for everyone, but shoes that fit the person. Management can ensure equity once they understand the root causes of outcome disparities. Then, they can eliminate barriers to full participation and bring fairness to the procedures and processes. It is also a different approach to striving for diversity. A sustainable society for everyone requires acceptance, trust and a broader view of reality than only for the privileged ones.

Equity, referring to the common stock of the organisations, brings ownership and intellectual property in sight. For sustainability, as the world’s ability to host our successors, managers and leaders should not limit themselves to traditional certainties, like intellectual property, value and ownership. Such open-minded, careful and attentive stewardship will base cooperation in front. Instead of owning solutions, members of diverse teams contribute to results with their abilities and equal opportunities.

4.2 Resilience

The growing dynamics require management to deal with complex settings where the concept of resilience attracts attention. Westley (2002) categorises the current organisational developments by the level of diversity, continuous change, learning and the complex interactions that make them unpredictable. Holling and Gunderson (2002) differentiate two faces of resilience:

- Engineering resilience concentrates on stability near an equilibrium: a steady state where resistance to disturbances and speed of returning to the equilibrium measure the property.
- Ecological resilience emphasises conditions far from any equilibrium or steady state, where instabilities can flip a system (switch) into another regime of behaviour - to another stability domain.

The measure of resilience is the magnitude of disturbances that can be absorbed before the system changes its structure by changing the variables and processes that control behaviour. In ecology, the outcome of the change is not a central issue to be studied. A new balance will naturally arise. The need for reaching the new equilibrium state out of the disturbance is a natural development.

![Figure 4: Four types of resilience](own source)

However, in a social-economical setting, resilience has two different roles:

- to influence the ability to find a new state of equilibrium. To distinguish this aspect of the concept of resilience Ensor (2011) introduces a third kind of resilience: Social Resilience.
- Engineering, Ecological and Social resilience focus on relatively short-term change processes. But being aware of the long-term flow of changes, we identify strategic resilience: the capacity to adapt and respond continually to an organisation’s ongoing difficulties. It demonstrates the ability to deal with a series of disruptive developments consistently. (Takacs & Abcouwer, 2021)

Combining these four types of resilience brings us to the definition of resilience: the ability of the systems (individual, organisation or even society) to withstand, recover from or adjust to misfortunes or changes in its environment and keep functioning continuously.
The ability to recognise the moment to decide about the current problem-solving approaches that no longer suffice is often underdeveloped in management. As we have seen in the description of the ACoR model, the change between the traditional way of working (left side of the model) to facing challenges (right side) is a separate aspect of organisational change. Unfortunately, this switch often occurs in the so-called ‘gestalt switch’. This sudden flip suggests that we cannot prepare ourselves to switch easily. There is a strong need to invest in recognising the critical signals to know better that the change will come. To realise this change in the short run, is ecological resilience: a process of determining the moment to switch.

Stewardship focuses more on the long-term developments and is an approach to understanding the moment of change and shifting organisational focuses when necessary. Stewarding and working with a diversity of people who are better performing in the different quadrants of the model is also an art of the new leadership for sustainable results. Strategic resilience is the third dimension of the ACoR model. The development requires moving from equilibrium to the next equilibrium and to the next one, etc.

4.3 Sustainable Society

Society, sustainability, and circularity form the overarching principles for the world to survive. This view requires a different perspective on soft elements like culture, values, cooperation and companionship, which gained too little attention in the past decades when individualism was the leading principle. We need to pay more attention to ‘Me-We-All’ and the changing values and objectives of individuals, organisations and communities, not forgetting about our nature to evolve to a sustainable future.

![Figure 5: Meeting personal and societal needs (Abcouwer et al., 2022)](image)

Individuals, organisations and society should consider diversity and sustainability in all their actions and decisions. The short-term goals of individuals must meet with the long-term objectives of our world. Communities and organisations play a significant role in this process. They facilitate the change of individual values towards societal ones and show examples based on their culture created by stewardship.

Reaching traditional goals like profit or growth often refers to questions related to measurable concepts in an absolute way. For example, we can measure the length in meters, weight in kilos, etc. But when we see developments where we formulate goals regarding well-being, sustainability, culture, happiness, health and other immaterial things, making progress takes time to determine.

We find apparent financial, economic, social and other benefits to gain and keep through stewardship, including building a trustful organisation with cooperating people and sharing their knowledge to create a more efficient and sustainable future for ‘Me-We-All’.

5. Conclusion

In our constantly changing time, managers and leaders of organisations must change with the developments. This paper highlighted the significant challenges and introduced an alternative view on the role and basis of leadership in contemporary society. We called this stewardship because diversity and sustainability are the new base for this type of leadership.

With thorough analyses of societal, organisational and individual developments, we suggested that by bringing stewardship in the organisations, we can better:

- balance the different interests of the diverse stakeholders
- understand the need and moment to change
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- find their way out from disturbing challenges
- facilitate continuous development
- be innovative and critical to accepted “truths”
- intersect and overlap social identities and combine different root problems to empower everyone with equal opportunities
- collaborate based on shared values
- renew and facilitate life-long learning.

Stewardship is necessary for every organisation which have plans to be successful in the future. These new attitudes of leaders include respecting and considering diversity, equity, cooperation, resilience and sustainability, as described in the article.

References