

THREE SHIFTS TO REMOVE INTERNAL BARRIERS TO SUSTAINABLE INNOVATION

Leading organisations are increasingly aware that internal, invisible barriers to sustainable innovation, such as mindsets and worldviews of individuals, and the values and habits of cultures, are more significant than the visible, technical barriers. Coaching is one of the most effective means to overcome those barriers, and is increasingly being used as a tool to facilitate innovation and generate competitive advantage.

Here, we explore three findings that support these assertions, and describe how coaching can be effective in turning internal barriers into opportunities.

Firstly, our research supports the assertion that inner (i.e. psychological, emotional), outer (i.e. behavioural), individual (i.e. 'my') and collective (i.e. 'our') development are linked. Stronger recognition of that link changes what activities organisations prioritise for sustainability. For example, corporate staff are now using their professional skills in charities, and being coached through this work as a transformational leadership programme. The most important impact on the corporate side is on individual's values and understanding because these are recognised as more critical limiting factors in development and leadership, at an organisational level, than any lack of skills or knowledge.

Secondly, organisations that see sustainable innovation as an opportunity, know that they must take their individuals and the whole organisation to the next level to take advantage of it. This means creating new markets, new innovations, and play an active role in transforming society. Leading this kind of shift means that organisations no longer just look competitive advantage based on the internal resources of the firm. Instead, organisations start to look to the opportunities for innovation in the changing external context, such as the pressure to produce new products for emerging markets, or seeing the opportunities in escalating commodity prices.¹ It is the capability of individuals and teams to understand the external context, question the assumptions prevalent in a sector, take new perspectives, and think long-term, that provide the source of advantage. These capabilities can be facilitated through coaching, and are found in later stages of individual and organisational development which are characterised by an ability to act effectively in the face of increasing complexity.² The below quotes from our surveys and interviews support these points:

"We intentionally generate coaching conversations around self, relationships, and complex systems (all of which are central for addressing the deeply personal and inherently systemic nature of sustainability) - so the benefits include an expanded 'systemic consciousness' and an 'increased capacity to innovate together' where there was once divides." Anonymous response from survey

"Sustainability portfolio is really a key enabler to getting individuals to think long-term. And behave with long term in mind. In terms of good coaching being able to draw these things out of you and enabling you to pull back or pull up from what you are doing... [they] are very strongly linked." Interviewee W

Thirdly, research finds that those organisations that are value-driven still make more money than others, however not by making profit the driver of their business.³ Coaching typically involves guiding coachees to reflect on their values, visions, and develop new habits and behaviours that demonstrate greater alignment with their everyday behaviours. Acting with increasing integrity, and being driven by values has been shown in research⁴ to be a characteristic of the 'best' companies. Developing more ethical practices has also been correlated with better financial performance. Research has shown that organisations that engaged in training around ethics performed better than those that only disclosed their ethics.⁵ For example, some of our interviewees had first-hand experience of the positive, mutually reinforcing relationship between an expanded sense of concern and responsibility, and enhanced profitability.

Sustainability Inside-Out

"...I think the piece we are bringing in now, which we are calling sustainable economic growth, is that our product can help other individuals have better lives...Now we ask 'How can our products and solutions make everyone else's lives better?' That's good business anyway, and actually that will turn on anyone in the company: 'Hey you can make more money out of this'. Now for us...this is a serious business opportunity. Interviewee V

We have observed that sustainability initiatives in leading organisations are increasingly focusing on transformational and systemic change rather than incremental improvements. It is these links between transformation, a focus on removing internal, invisible barriers, and the shift to new levels of individual and organisational development that highlight how coaching can be a critical tool for innovation and sustainability.

What we have shown through this research is, with all other external factors being equal, the capability, culture and leadership development of individuals and teams in the organisations can be the difference to an organisation's integration of sustainability, and competitive advantage. Organisations at the leading edge are embracing the opportunity to drive innovation through shifting their culture, and the values and mindsets of employees. Those that are still focused on technical fixes and policies are missing an opportunity to leap ahead of their competition. Through this research we have identified many means and benefits of using coaching to appropriately facilitate these transformational shifts in different organisational contexts.

Neela Bettridge and Andrew Outhwaite are co-authors of the research.

To order a full copy of this research report contact [Fiona Banyard](mailto:Fiona.Banyard@article13.com).

E: fionab@article13.com

T: +44 (0)20 8840 4450

W: www.article13.com

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¹ Article 13, (2007), 'From Competitive Advantage to Social Innovation', [Online]. Available: http://www.article13.com/A13_ContentList.asp?strAction=GetPublication&PNID=872 [2008, 16.06.08].

² Stagen, R. and Thomas, B. (2006), 'Next-Level Leadership' [Online]. Available: <http://www.stagen.com/perspectives/next-level/> [2008, 16.06.08].

³ Binns, P. "Corporate Ethics - Are you the next Enron?", Bath Consultancy Group [Online]. Available: <http://www.bathconsultancygroup.com/content/view/256/56/> [2008, 16.06.08].

⁴ Collins, J. (2001) *Good to Great: Why Some Companies Make the Leap . . . and Others Don't* New York: HarperBusiness, 2001.

⁵ Ugoji, K, Moir, L. "Does Business Ethics Pay – Revisited", Institute of Business Ethics [Online]. Available: <http://www.ibe.org.uk/DBEP> [2008, 19.08.08].



Article 13 Ltd 71a The Grove, London, W5 5LL

T: +44 (0) 208 840 4450 **F:** +44 (0) 208 566 4738

E: info@article13.com **W:** www.article13.com

Registered in the United Kingdom No. 03624247
Registered Office: Canada House, 272 Field End Road
Ruislip, Middlesex HA4 9NA