

A Value Based Approach to Organization Types

Towards a coherent set of stakeholder-oriented management tools

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Biographies:

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Abstract:

This paper describes a set of ideal type organizations in a developmental sequence. As these descriptions are based on Spiral Dynamics (or Emerging Cyclical Levels of Existence Theory -ECLLET), the types are labeled as Order, Success, Community and Synergy.

Per type the author elaborated on the underlying value system and relating institutional structures, such as leadership role, governance and measurement format. As a summary, a Transition Matrix is presented which indicate the paradigm shifts per discipline/department, as manifested in the subsequent ideal type organizations.

As Order and Success generally describe the majority of corporations in Western Economies, the latter two types introduce new approaches to more innovative – and more sustainable/responsible – ways to doing business. Based on Community Values, the author introduces a new measurement format which is the foundation for a systemic and coherent set of management tools to be used in a stakeholder approach. These tools relate to the strategic, tactical and operational tasks of management and have been developed by researchers of the ECSF consortium. The set includes two tools which are generic: the Strategic Sustainability Scan (Strategy) and the Sustainability Matrix, which is a self-assessment tool (tactics). Three operational tools are context and industry specific: These are the Community related Responsive Business Scorecard and Benchmark Format for measuring and monitoring sustainability performance and a methodology – a Management Information System – to generate information on people, planet and profit in order to provide data for the set of key performance indicators.

Keywords

Scorecards, Business Balanced Scorecard, Responsive Business Scorecard, self-assessment, monitoring, measuring, benchmarking, RBS, Corporate Sustainability, Corporate Responsibility, CS-R, Community driven organization, ECSF, European Corporate Sustainability Framework; Spiral Dynamics

Abbreviations

ACCA	the Association of Chartered Certified Accountants
CS	Corporate Sustainability
CS-R	Corporate Sustainability and Corporate Responsibility

ECSF	European Corporate Sustainability Framework
ECLET	Emerging Cyclical Levels of Existence Theory
RBS	Responsive Business Scorecard

§ 1. A ‘multiple level-view’ on Business Practices

Introduction

Van Marrewijk and Werre introduced in the May-2003 edition of the Journal of Business Ethics a multiple level approach to CS-R. They ‘colored’ a generic definition of CS-R into a set of more specific definitions matching the development, awareness and ambition levels of organizations: CS-R was either oriented to compliance; success and entrepreneurship; community or synergy. The motives for implementing CS-R – the drivers behind CS-R – may range from obedience; financial success, personal esteem or risk reduction; idealistic choices or searching for system innovations and together-win solutions.

In this paper van Marrewijk elaborates on the impact of phase-wise development patterns on business practices, mainly by developing ideal type organizations, based upon four core value systems defined by professor Clare W. Graves. Per ideal type various organizational aspects are described briefly, such as the leadership role, governance issues and measurement format.

As integral part of the community type organization, the author introduces the Responsive Business Scorecard. This format lays the foundation – the common ground – for a systemic and coherent set of management tools to be used in a stakeholder approach and based on Community Values.

As a summary, the Transition Matrix is presented, indicating the paradigm shifts per discipline/department, as they have developed in each of the ideal type organization models.

The second part of this paper focuses on the development of a coherent set of practical stakeholder oriented business tools which relate to the strategic, tactical and operational tasks of management. These tools have been developed by researchers of the ECSF consortium. The set of tools includes two tools which are generic: the Strategic Sustainability Scan (Strategy) and the Sustainability Matrix, which is a self-assessment tool (tactics). Three operational tools are context and industry specific: These are the Community related Scorecard, a Benchmark Format for measuring and monitoring sustainability performance and a methodology – a Management Information System – to generate information on people, planet and profit in order to provide data for the set of key performance indicators.

§ 2. Ideal-type organizational structures based on Spiral Dynamics

2.1. Introduction

Clare W. Graves’ is the founder of the Emergent Cyclical Levels of Existence Theory. His successors, Beck and Cowan, renamed it “Spiral Dynamics” and successfully introduced Graves’ academic achievements to a wider audience. Based on extensive empirical research Graves, who was professor in psychology and a contemporary of Maslow, concluded that mankind has gradually developed eight core value systems so far. Each level of existence – constructed around a core value system – provide its own hierarchy of needs. Values are considered as coping mechanisms to meet specific challenges and to structure institutions in order to influence behavior. A value system is a way of conceptualizing reality and encompasses a consistent set of values, beliefs and corresponding behavior and can be found in individual persons, as well as in companies and societies. A value system develops mainly

as a reaction to specific environmental challenges and threats: the systems brighten or dim as life conditions (consisting of historic Times, geographic Place, existential Problems and societal Circumstances) change.

All entities - including organizations - will eventually have to meet the challenges their context provides or risk the danger of oblivion or even extinction. If for instance societal circumstances change, inviting corporations to respond and consequently reconsider their role within society, it implies that corporations have to re-align their value systems and all their business institutions (such as mission, vision, policy deployment, decision-making, reporting, corporate affairs, etcetera) to these new circumstances. The quest to create an adequate response to specific life conditions results in a wide variety of survival strategies, each founded on a specific set of value assumptions and demonstrated in related institutions and behavior.

The development of value systems occurs in a fixed order: Survival; Security; Energy & Power; Order; Success; Community, Synergy and Holistic life system. Each new value system includes and transcends the previous ones, thus forming a natural hierarchy (or holarchy).

As relevant for the corporate business world, we only focus on four core value systems, for which we use the color codes, introduced by Christopher Cowan, the co-author of Spiral Dynamics. The selected systems are Order, Success, Community and Synergy, i.e. blue, orange, green and yellow. The transition zones between core value systems are also not included in the analyses.

Below, four business contexts and features of ideal type organizations are presented, each referring to four core value systems of Spiral Dynamics. Each context is introduced by the underlying value system, its dominant worldview and related, often psychological explanations, which brings forth supporting institutional arrangements and structures.

1. Order (Absolute Order – Blue)

Introduction of the value system

Before mankind experienced Order, it was able to function at three previous levels of existence characterized by the Survival, Security (bonding order) and 'Energy & Power (powerful self). Historically, loose tribes evolved to clans, seeking refuge in kinships, rituals, holy ancestors and mystical nature. The value system supporting Security can also be observed in the mother and child relationship, in feelings of pride and belonging and in the identity of organizations. Its color code is Purple.

Freeing themselves from kinships and family ties, people gradually experienced ways of expressing themselves guiltlessly and selfishly, so as to find immediate pleasure and avoid shame in a world of domination, threats and ego. Power & Energy - indicated with Red - can be easily recognized in feudal states, in perseverance when the going gets tough and in negative manifestations such as in traffic (road rage), hooliganism and the 'party animals'. Red lacks the capacity for long term sequential thinking. They feel no guilt, only the need to gratify impulses and senses immediately. Individual persons tend to manifest these energies especially when they are young (set limits and they will test it!) or in adverse times (CEOs, admirals). These manifestations relate to an environment with limited possibilities, with a shortage of sources, provoking entities to fight in order to gain control and get their share.

When people learn to transcend the self, experience consequential thinking, they are able to live up to 'higher ideals', find pride and fulfillment in their work and accept sacrifices now so

as to obtain rewards later. New values emerged that matched a quest for order, meaning and purpose. History have shown empires transcending the feudal states. Christianity, communism, armies and bureaucracies represented absolute order, providing a master plan that puts people in their proper places. Impulses are controlled through discipline, guilt and punishments. The rightful authorities seek order and stability and succeed in making their people believe to sacrifice their selves for future rewards. People ‘with a lot of blue’ live by the book. They try to comply with the laws, regulations, procedures and agenda’s that structure their lives. Life is relatively simple: for each problem there is a proven practice and a guidebook to help them solving it, step by step.

Organizational features associated with Order

These organizations have a clear purpose, often explicitly or implicitly founded on principles, which often find their background in history and religion. Organization-wide there is a strong sense of moral duty.

Organizations are structured in strict bureaucracies, with the status of each individual linked to its position in the hierarchy. The archetype leadership activity is ‘managing’: formulating top-down planning schemes and policy deployment, determining control systems and budgets and designing and maintaining procedures and a clear division of tasks.

Taylorism is an approach typically linked to Order. His principles of standardization, specialization, maximization, concentration and centralization are typical features according to which business is run. Furthermore, the Deming’s Quality Circle and other traditional quality tools as well as optimalization techniques and resource allocation are applied in order to economize on costs and expenditures.

Focusing on the various departments within an organization, one can observe that the production system is based on internal priorities and mainly technology-oriented in order to create economies of scale and vertical integration. They often dominate or try to include the supply chain within the hierarchy. Innovations are often of incremental nature and mainly apply to product development.

The people department is mainly an administrative unit, while the employees fulfill their tasks provided by line managers. Corporate behavior can often be characterized as authoritarian and custodial¹. The market strategy is primarily a supply push approach, charging consumers a price based on integral costs plus a justifiable margin.

Success in Order is measured in terms of material wealth. The traditional scorecard format, relating to Order, is the annual financial report organizations have to show to Tax Authorities, the Chamber of Commerce or the Stock Exchange, in case the organization is publicly listed. The format is determined by law and carefully described by accountancy boards, such as the ACCA. See figure 1.

Organizations in Order expect governments to provide clear legislation and subsequent enforcement, which is effective and visible (law and order). Business’ role in society is more or less independent and social welfare is the exclusive responsibility of the state. The ‘license to operate’ is applicable to organizations who are compliance-driven, thus matching Order.

Certain things are best done in the ‘blue way’, such as maintenance, bookkeeping, energy production and transport. The banking system and court’s practices, the judge and jury, are embedded in Absolute Order, as much as private companies rely on a basic blue fundament:

¹ Davis (1967): Authoritarian refers to the authority of the CEO (or minister), and the custodial (paternalistic) on the organization as a whole securing the (basic) needs of the employees.

"a deal is a deal". Contracts are important ways to conclude arrangements between people and organizations.

Furthermore, many public services flourish within a hierarchical environment, but fail once these services are privatized and left to compete within a market environment.

With too much emphasis on values such as discipline, one truth, loyalty, duty, guilt, conformity, justice, obedience and orderliness the blue way attracts adverse effects such as:

- Limited problem solving capacity and reluctant creativity;
- Suffocating rules and procedures for employees and customers;
- Planning and regulation is more important than the objective;
- One truth, one right way, always categorical.

These omissions created the seeds for a new value system to emerge. It awaited the right circumstances to change paradigms once more. Instead of being what you are meant to be, more and more people longed to be who they could become.

2. Success & Entrepreneurship (The Enterprising Self – Orange)

Introduction of the Value System

When you are born a 'dime' the Enterprising Self knows how to grow into something larger and gain control over its destiny. Success is the new name of the game in an environment offering plenty opportunities to compete, win and make things better and better.

In Success multiplistic thinking evolved offering many options and choices. In Order, people compared to the standard, but here they benchmark themselves against competition and the number one. People with a lot of Orange recognize change is the nature of things, creating new niches and introducing new technologies, enhancing life for many.

They work hard - preferably make others work hard for them - and risk time and money (not their life, as in Red) to achieve prosperity and material gain. They seek out the 'good life' and abundance, rather than rewards Hereafter. The expression 'keep up with the Joneses' is typically Orange.

Organizational features associated with Success and Entrepreneurship

In a world with plenty of viable alternatives for progress, prosperity and material gain, organizations realize that change is in the nature of things and (personal) success the name of the game. Both people and organizations act in a calculated way while striving for autonomy and independence, seeking for progress and success with the best solutions. If they are allowed to, they try to master nature and exploit its resources.

In organizations they make use of an active hierarchy, with informal and pragmatic lines of communication. Through typically Orange values such as image, quality, innovation, productivity, creativity, career advancement, enterprising and control companies are result-oriented through improvement, stimulating a desire to compete and to become better.

The archetype role of leaders is the Entrepreneur: discovering niches as opportunities for success, putting together new 'combinations', creating the necessary means and enjoying the fruit of their labor. Burton Klein's *'Happy Warrior'* and Schumpeter's "*perennial gale of creative destruction*" are classic illustrations of the entrepreneurial drive behind capitalism.

Success in this context is primarily measured in terms of money and commercial assets. With production building forth upon traditional – blue – ways, organizations tend to focus on the marketing efforts in trying to gain market share. Related practices such as communication, and advertising are also important activities in Success, with often pretending and 'make believe' as its underlying intentions. 'Window dressing' is invented in Orange!

Organizations engage with suppliers in a market environment, with contracts primarily based on prices and secondly, on specific quality requirements. Product development takes place, especially diversification, moreover Orange gained the competences to enhance process innovations and apply them in the context of quality management.

Human Resource Management treats employees as costs and resources, carefully selecting where each person fits best. Employee satisfaction is the crucial standard for HR-performance measurement. HR managers might support its employees with bonuses, various benefits, training facilities and alike, when they are convinced it will lead to higher revenues and corporate success. In the same way, CS-R is accepted only as an opportunity to gain success, significantly reduce risks or enhance reputation, image, prestige and personal esteem. Thus, companies tend to embrace CS-R, the moment CS-R activities are supported with business case evidence.

A commonly applied measuring format, typically matching Success and Entrepreneurship, is the Business Balanced Scorecard, introduced by Kaplan & Norton. Its anchor point remains the financial position of the organization, but it also identifies three contributory elements: customers, people & processes and corporate learning . See figure 2.

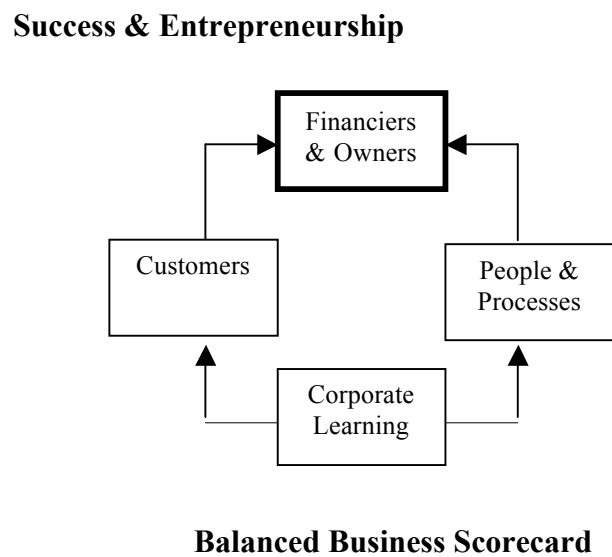


Figure 1.

Figure 2.

Organizations expect from governments to abstain from over-regulating their markets, as these are jeopardizing their profits and interfere with their sense of freedom. Governments should create and maintain 'level playing fields' and allowing companies a 'license to grow'. The voluntary character of corporate sustainability and responsibility particularly must never be violated.

Activities best done in Success are entrepreneurship and activities relating the commercial capacity of organizations such as marketing, sales and promotion.

People with a lot of Orange tend to be pragmatic. This attitude gives rise to ethical issues since the end is more important than the means. With profits gained at the expense of the weaker, the Entrepreneurial system generates dropouts. Tending to elitism, Orange is inattentive to a fair distribution. With a hang to quantity and profits instead of quality and durability, Success created 'customerism' and a huge waste stream. Moreover striving for success often becomes compulsive, leaving orangists no time to enjoy its fruits.

The success of the entrepreneurial way gave rise to a new value system, shortly introduced in the next section.

3. Community (The Egalitarian Order – Green)

Introduction of the Value System

The Purple reciprocity and Orange accumulation of material wealth paved the way for Green redistribution of society's resources among all. The self is once more being sacrificed, but this time in a world where love and belonging are paramount, where everything is relative and 'truth' is a matter of context and the group's needs. Community liberates humans from dogma and greed, promoting a sense of community and unity. Solidarity is felt with the weaker and dropouts, victims of a system exploiting resources and causing an unequal distribution of material wealth.

People and organizations with a lot of Community-sense try to explore the inner beings of themselves or others. They refresh spirituality and seek to bring New Harmony. Generally Community is anti-dogmatic, and since everyone is unique, anti-labeling and anti-hierarchy, but highly tolerant.

Organizational features associated with Community

In Community, the process of organizing has become an end in itself. Not the organization as such matter that much, but a group of people engaged in a process of organizing. It implies the involvement of all others, within and outside the organization. Community values support competences enhancing the ability to involve everyone (engagement) and listen carefully (dialogue). In Community one tend to recognize the human being 'behind' the employee and the customer. As Peter Drucker already noticed in 1952 'when hiring a worker, one gets a whole man': along with the muscles and brainpower comes the emotional and spiritual dimensions. These capacities allow persons to better understand one other, to create a two-way flow of information, turning conversations into dialogues. Teamwork improves, as people are better able to work together.

Persons and organizations with a lot of Green are convinced that individual achievements alone are not sufficient to adequately confront the challenges Community Organizations are facing. In Community one believes that cooperation beats competition: 'together we stand strong'. Fairness is a highly regarded value, both in the supply chain, especially when suppliers come from emerging economies, and in the pricing policy towards customers. Success organizations mainly exploit their own resources and existing competences in trying to become better and better, while Community organizations learn to collaborate first internally and secondly by engaging with outside stakeholders. Examples for increasing internal coherence are quality orientations shifting from process to organization-wide, a people-driven philosophy and significantly improving workplace culture and practices. The newly acquired skills in dialogues and teamwork, support the engagement with outside stakeholders such as customers, suppliers, and neighborhood representatives. The engagement primarily commences as a consequence of corporate responsibility, expressing that the organization is accountable for its impact on others. By effectively working together with internal and external stakeholders, thus tapping into their competences and capacities, organizations find new opportunities to boost their performance. This time with respect to the triple bottom line: people, planet and profits.

The archetype leadership style in Community is 'coaching' – the servant leader. The servant leader, a term coined by Robert Greenleaf, implies a state of being, not doing: the first and important choice a leader can make is the choice to serve, without which one's capacity to

lead is profoundly limited. According to Senge (Jaworski, 1996: xv), “only when the choice to serve undergirds the moral formation of leaders does the hierarchical power that separates the leader and those led not corrupt”.

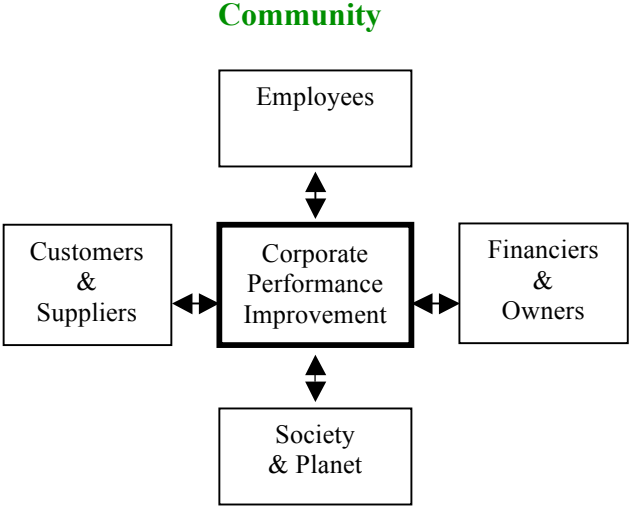
Instead of providing solutions, managers should allow the group to create the answers. With typical values such as consensus, conflict avoidance, teamwork, equality, participation, honesty, openness, being a decent person and harmony, decision making in the context of Community is an - often time consuming - group process. Once the decision is reached, the buy-in is guaranteed and implementation can be done quickly. This type of consensus oriented decision-making implies that a new type of corporate governance structure has emerged, including a new role of management, a flat organization structure and shareholder value being balanced against the interest of other legitimate stakeholders.

In Community Organizations, the term Human Resources is no longer applicable to employees, and their satisfaction as indicator is surpassed by the level of trust which (ought to) exist between management and employees, between employees and among stakeholders such as customers, suppliers, shareholders and neighbors. Human Potential Management is more appropriate, indicating its emphasis on the development of individual employees and the recognition of employees being assets in stead of costs.

The focus on the material and commercial assets/competences are fading somewhat in favor for the socialization (Hardjono, 1996) among employees and other stakeholder groups. Organizations that recognize that only collaboration will lead to espoused performance levels tend to adopt Community values. They become more stakeholder oriented.

A few steps can be identified: the first step will be the recognition of stakeholders and those that are able to represent their genuine interest adequately. Than there is a process of engagement; nice, sincere and communicative. They try to identify *what* the stakeholder want and what the organization can offer. In order to manage the stakeholder’s expectations and to monitor their own progress with respect to their goals and especially their commitment to specific stakeholder groups, an organization functioning primarily in the Community context need a measurement format aligning this stakeholder orientation.

Since, the ECSF researchers have concluded no such measurement format exists, they created a new format: the Responsive Business Scorecard. This format includes four stakeholder groups, each with an interactive relationship with a fifth entity, the organizations itself. See figure 3. The box in the middle – Corporate Performance Improvements – functions as an anchor point linking Community with Success, as much as Financiers and Owners linked the Balanced Business Scorecard with the Financial Report (Order)



Responsive Business Scorecard

Figure 3.

The word Responsive emphasize the Communion principle (van Marrewijk, 2003a) and represents its willingness to interact with stakeholders and be accountable for their actions and impact to others. The stakeholder groups are structured in the same format as the Dutch INK Management Model and thus more or less similar to the EFQM Business Excellence Model. The Responsive Business Scorecard differs from these formats because it emphasizes the relationship with the main stakeholder groups and the extent to which these outcomes contributes to the improvement of the corporate goals.

The relationships with the groups can be managed by applying the old Deming learning cycle Plan – Do – Check – Adapt, or more appropriate to Community: Identify – Engage – Involve – Agree – Show.

Trying to be a decent person, nice and loving, are highly regarded qualities in Green. Conflict avoidance, however, also have negative consequences. With criticism smothered by love and judgments made relative to the situation at hand, decision-making risk non-functional and abstract outcomes.

Using each other's qualities for mutual growth, Community is able to create good learning conditions. However, the aura of an expert is badly regarded in Green: consensus is more important than expertise and incompetence is not a reason to be laid off. With rising complexity levels, Community does no longer provide the ultimate solutions to the problems at hand. Furthermore, equality and consensus building may lead to pooling of ignorance. Being confronted by chaos in a world at-risk, typical Community features such as the lack of leadership and expertise and the emotional and economic cost of caring are important arguments to develop new ways to cope with more complex challenges.

4. Synergy (The Integrating Self – Yellow)

Introduction of the Value System

Comprehension, understanding and synergy are the buzzwords of Synergy. A person and organization with a lot of yellow, express itself, but never at the expense of others or the earth, so that all life may continue in the most natural, sustainable, and fitting ways. They recognize the inevitability of nature's flows. They understand that the complexity of today's world cannot be solved within the current systems, as their awareness of broad interconnections grows.

Yellow can find synergy in a mix of conflicting "truths", for it is able to see more colors and uses more senses at the same time. By focusing on functionality and applying competencies to get buy-in from others, Yellow is able to create win-win options, seeking self-interest without doing harm to others and nature.

In discussing ideas, persons with a lot of yellow do not get personalized. They will not say: "These people can't cook", but "This food is not of good taste". Furthermore, in Yellow there is room for authenticity, since internal motivations matter a lot. Existentialism is strong.

Organizational features associated with Synergy

In order to meet its drive - to be, to learn and to discover - persons with a lot of Yellow function best in a network with a strong sense of direction: Yellow demands flexibility and open systems. Values such as insight, long-term orientation, ability to reflect and tolerance for

uncertainty and paradoxes support the drive for self-development and boost people’s ability to learn and apply knowledge. They are able to learn from any source. With a mind that quickly wanders, they have difficulty in maintaining focus.

Larger organizational entities transforming - or breaking up - into network structures, demonstrate the drive behind Synergy. The Hollywood movie scene is a good example of a once highly successful oligopoly which broke up in numerous small professional clusters, who work together in a network for the duration of a project. Not far from Hollywood, in Silicon Valley, we have witnessed a network structure that emerged bottom up, independent professionals clustering into networks, creating the necessary competences to meet the challenges facing Synergy.

The archetype activity in Yellow is the ‘Connected Leader’, who is both ‘visionary’ and able to link the various qualities into one effective and coherent approach. Real leadership is no longer confined to what people *do*, but grounded in who people *are*. An authentic choice *to serve life* increases ones capacity to lead by allowing life to unfold through you. The hierarchy between the leader and the led remains healthy: leadership is never dominating or abusing raw power. The leadership potential can be developed in everyone. It implies identifying the personal responsibility and the alignment between one’s personality and ambitions with one’s role within the network. Therefore, essentially, leadership is about learning how to shape the future (Senge, Jaworski, 1996).

The basic guiding principle between people and their organization is the alignment between collective and individuals needs and motives. Alignment also takes place between the various entities within the network, including the stakeholders. Corporate behavior associated with this context can be characterized as ‘motivational’ (Timmers, 2003). Managers support their employees, often professionals, in order to bring them into the flow, accomplishing both their own as well as their organization’s objectives and creating a feeling of self-actualization.

Employees accept career advancements only when they feel they are competent and when it is a nice job. Typical negative manifestations of synergy-driven people and organizations are the lack of commitment to organization and colleagues. They might appear aloof and uninterested or operate as loners. When they do not get enough interesting work they will abandon their position. Furthermore they are intolerant to rigidity and demands open access to information.

§ 3. The Transition Matrix

The ECSF research project developed a transition matrix suggesting the ideal type institutions per value system: see figure 4. (see also van Marrewijk & Werre, 2003).

Principles	Compliance-driven Order (Blue)	Profit-driven Success (Orange)	Care-driven Community (Green)	Systemic-driven Synergy (Yellow)
Values examples	Duty, obedience, loyalty, guilt, discipline, stability, clarity, justice, one truth	Productivity, personal esteem, image, reward, satisfaction, competition	Harmony, equality, consensus, honesty, openness, trust	Insights, tolerance, integrity, long term orientation, systems-thinking
Organization structure	Strict hierarchy; functional departments	Hierarchy, but more flexible; often a matrix structure	As possible, since everybody is equal	A network structure with a common goal, while anchored in previous systems
Decision structure	Top down, while applying the procedures	Top down, but good info from the bottom is	Bottom-up; group decides; sociocratic	Top-down and bottom-up balance; based on under-

	from higher authorities	always welcome		standing of the matters at hand
Main stakeholders	Management and board	Idem + owners, banks, politicians and customers	Idem + employees, volunteers, and neighborhood	Idem + society at large
Neighborhood	Compliance with relevant regulations; charity (<i>richesse oblige</i>)	High visibility projects boosting reputation	Supporting neighborhood development	Together win approach
Leadership style	Manager planning & control; budgets and resource optimization	Entrepreneur: creating service and process innovations; getting things done	Servant leader: act as coach in supporting stakeholders (esp. colleagues) in obtaining the organization's goals	Connected leader: applying long term, visionary approach; achieving buy-in with relevant stakeholders in order to create added value for all.
Communication	Top-down announcement of decisions; codes and procedures	Esp. supporting marketing efforts; seduction	A platform for stakeholders to express themselves; binding	Inspiring people to act in accordance with the vision.
People Management style²	Custodial; Authoritarian	Supportive; Manipulative	Collegial; Participative, supporting	Motivational; Interactive
Dept. People Management	Personnel & Organization: administrative	Human Resource Management: optimization and satisfaction	Human Potential Management: competence development and trust	Human Capital Management: aligning individual and collective interests
Workplace environment	Compliance: meeting physical and safety requirements; Standardization of work	Cost-effective actions to improve employee satisfaction in order to increase productivity and decrease employee turnover	Endeavors specifically to increase personnel well-being; Corporate culture is often considered a major theme	Individual and collective alignment of requirements and facilities, supporting dedication and individual motivation
Safety & Health	Compliance with regulations; Inventory of common problems and systematic response	Cost-benefit appraisals of possible improvements	Management system on safety and health, including socio-psychological dimensions	Pro-active policy, linked with people management (HRM) and custom made arrangements for individual employees
Diversity	Homogenic labor force	Diversity only receives attention when it increases results	Policies for emancipation of women, colored and disabled persons	Women and minorities in management positions (provided they qualify)
Consumers	Company oriented, supply push	Market oriented, but still basically supply push	Discovery of the human being behind the customer	Truly customer oriented: e.g. co-creation, design for all
Prices based on:	Integral cost price plus	Market price/value	Fair price	Perceived value
Suppliers	As few as possible; focus on economies of scale and vertical integration (hierarchies);	Sub-contracting based on strict cost based contracts (win-lose approach); output control	Introduction of co-makership Process control and internal audits	Strategic partnerships (together win approach); Externally verified audits

Figure 4: the Transition Matrix (van Marrewijk & Werre, 2003)

The matrix demonstrates one of the ECSF-conclusions: the paradigm shifts in the various management disciplines match the transformations between value systems, c.q. contexts. The matrix therefore show the main institutions per discipline, per stakeholder, per topic, etcetera, as they correspond with the various contexts (value systems).

For instance, the transition matrix suggested four leadership styles: the manager, the entrepreneur, the servant leader and the connected leader. These roles relate to different contexts/value systems. Furthermore, the latter roles include and transcend the previous ones, so an entrepreneur finds an anchoring in the manager's approach and so on.

§ 4. A new coherent approach to monitoring, measuring and assessing corporate sustainability performance

Introduction

Nowadays, the majority of organizations are functioning predominantly within the range of Order (compliance driven) to Success and Entrepreneurship (profit driven). With a focus primarily at material wealth and commercial assets, most companies have made significant progress in managing their basic processes [logistics, production, sales, etc], maintaining their efficiency and establishing growth with respect to revenues (money), market share (markets) and globalization (territory).

More and more organizations have touched upon a glass ceiling preventing them from further performance improvement. The bottlenecks have moved from process improvement to systemic improvements: it is the alignment between processes, both inside and outside the organization, that have become the major challenge for many organizations. A more systemic, coherent approach within business operations, between staff and line management, between business units and towards outside stakeholders requests a new way of collaboration. Not satisfaction, but trust has become the most important indicator within the organizational culture and a requirement for establishing effective relationships. Through effective relationships with their stakeholders, companies try to break through these glass ceilings. Their tools, concepts and approaches – once very successful – do no longer support them as they engage with stakeholders, starting dialogues. They need new tools and concepts which match this emerging context.

When for instance an organization adopts a CS-R strategy in the context of Success and Entrepreneurship it needs to include social and environmental indicators into their balanced scorecard and demonstrate how these developments support the success of the organization. However, the ECSF consortium adopted a more ambitious goal and aimed for the development of a systemic approach to implementing and monitoring corporate sustainability and responsibility. Instead of updating the Balanced Scorecard by introducing industry specific social and environmental indicators, ECSF researchers focused at the characteristics of Community and created a new format: the Responsive Business Scorecard.

A coherent set of management tools

The ECSF-consortium has set itself the task to develop a coherent set of tools which match the specific characteristics of the Community Context. The set includes tools for measuring, monitoring, assessing and benchmarking corporate performance and a way of generating the data needed to fill the selected key-performance indicators. This set of tools must be able to show the progress made with respect to sustainability and responsibility and demonstrate the positive impact to the organizations as a whole.

This set includes the following strategic, tactical and operational tools.

The Strategic Sustainability Scan is effective at the strategic level, providing constitutional information (Van Marrewijk & Hardjono, 2003). The quick scan is developed to generate the organization's most adequate situation and context: an online survey leads you through a reconnaissance of the company's market situation, institutional characteristics and worldview. The scan generates a custom-made management references for implementing corporate sustainability and corporate responsibility. A database tracks the various choices and outcomes when executives try the scan at www.ecsf.info (Klein et al. 2004)

The ECSF Sustainability Matrix is a tactical self-assessment tool. The matrix distinguishes four ideal type contexts expressing various ambition levels towards corporate

sustainability, related core value systems and supporting institutional structures, differentiated for the four corporate dimensions [Principles, People, Planet and Profit] and the nine management criteria of the EFQM's Business Excellence Model. By adopting the successful INK quality assessment methodology and consequently applying our SqEME® approach ECSF developed an assessment tool for understanding and comparing sustainable performance (www.ecsf.info).

The Responsive Business Scorecard is an industry specific operational measurement tool. It includes an industry specific list of topics and related key performance indicators. The scorecard is tested in the food processing industry (Van der Woerd et al, 2004).

The SRI-CSR Benchmark Format supports companies as well as SRI Rating agencies, developing benchmark formats to measure non-financial corporate performance. Corporations are currently confronted with a variety of questionnaires, which they have to fill out to make a chance to be listed in attractive SRI funds.

In collaboration with 'screeners' and corporate representatives, the ECSF consortium has designed a basic format, to be applied per industry, which can be aligned with the Responsive Business Scorecard, management information systems and reporting systems (Van den Brink et al, 2004).

The internal Management Information Systems have been developed in line with the fore mentioned RBS, Benchmark and the Sustainability Matrix. Implementing a more complex level of CS-R implies that the management information systems must be adjusted to include social and environmental management information. A basic analyses has been made on the corporate needs for specific information with respect to various objectives [RBS, MIS, Positioning, Reporting, Benchmarking] (Caldelli et al. 2004).

The next papers in this journal will elaborate on these tools. For further information on management tools, please visit the 'toolbook at www.ECSF.info

Acknowledgements

The author wish to thank Christopher Cowan and Marco Werre for supporting me in my drive to understand and comprehend Spiral Dynamics. I also wish to thank Peter Klein and Teun Hardjono, who, on behalf of the Erasmus University Rotterdam, helped in coordinating the European Corporate Sustainability Framework. The author is grateful towards the team leaders of the ECSF research projects: Timo van der Brink, Frans van der Woerd, Lassi Linnanen and Andrea Caldelli for their contributions and remarks.

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