

# A Conceptual Model of Innovation in the Sustainable Enterprise: Some Implications for Institutional Arrangements and Managerial Capabilities

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## Purpose and Structure

Transition to ecological sustainability will require new types of products and services. It requires new innovation processes. What do these processes look like and what challenges do they present to companies in terms of institutional arrangements and managerial capabilities?

- Definitions
- Framework
- Implications

<http://europa.eu.int/comm/research/growth/pdf/etan-report.pdf>

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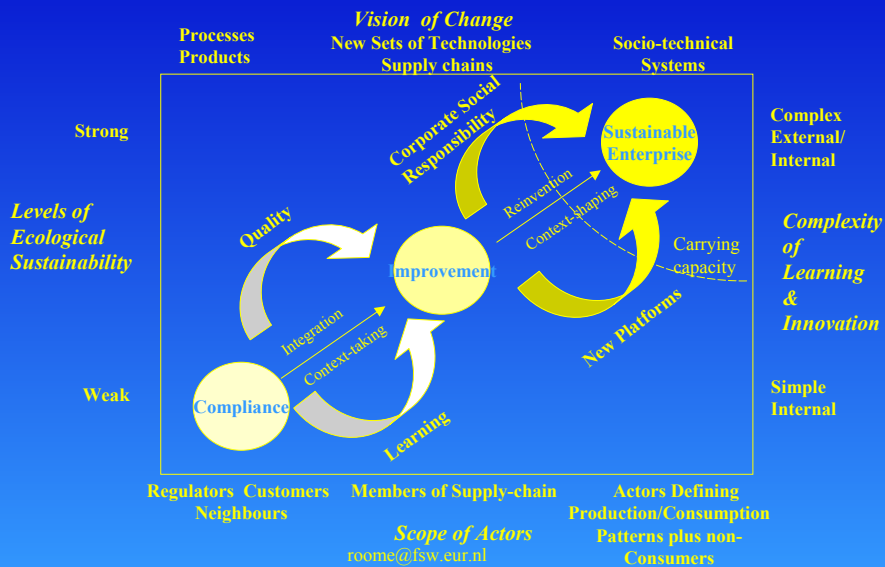
## Distinguishing Weak and Strong Sustainability

- Important to distinguish between weak and strong sustainability
- Weak sustainability is based on competitiveness while improving environmental performance and recognising social concerns – it often arises through increment [context taking win-win]
- Strong sustainability is about being competitive within environmental limits and social constraints - innovation paradigm that recognises carrying capacity [context shaping innovation]

## Characteristics of Strong Sustainability

- Design and innovation process
- No company can bring this about on its own
- It is a form of joint social and industrial experiment
- Future oriented
- Centred on ‘open-ended learning and change processes’
- Spans technological, organisational, social and environmental issues

# Conceptual Model of Innovation for Weak and Strong Sustainability



## Key points

Involves:

- Corporate responsibility [application of principled management]
- Creation of 'platforms' of engagement
- Focuses of 'systems' change

## Tasks of Platforms in Learning for Strong Sustainability

- Vision-setting about new production/consumption systems
- Understanding systemic reality [context of choice and interrelationships within envisioned systems]
- Creative tension between rhetorical ‘vision’ and present reality as a spur to innovation
- Identifying and prioritising points of leverage for organisational and social change
- Supporting learning and change required at many levels and interfaces [eg: R&D/Strategy - Company to Company- Company to other social actors]
- Learning from these experiments - meaning and practice

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## Champions of Learning and Innovation

Strong sustainability requires organisational managers able to champion and facilitate these processes of ‘open-ended’ social and organisational learning and change that make up innovation

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# Competencies for Sustainable P&S Development

- Facilitating multi-actor visioning processes
- Connecting [different] communities of practice in innovation guided in their 'search' by principles of sustainability
- Establishing the trust needed for new sustainable [multi-actor] communities of practice to emerge
- Coaching - helping others [to learn and also unlearn what is good but not adequate]
- Supporting formation of new organisational collaborations
- Communicating meaning, supporting sense-making
- Reviewing performance and revisiting vision and practice

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# Implications for Change

Sustainability involves many different parts of an organisation and different actors/groups in society. It demands rare skills:

- Systemic knowledge [incredibly rare]
- Single loop and double loop learning occur simultaneously with a need for deuterological learning [learning how to learn]
- Support for weak and strong sustainability at the same time
  - Need to take small steps [that build confidence of members of communities of practice]
  - Experimenting with more radical innovations that test new paradigms
- Platforms for creativity of [technological] innovation matched innovative organisational/social structures [collaborations] and rules [institutions] that enable systems change to be effected

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# Issues

- Platforms must enable new technological and social settings to be negotiated and envisioned, including [for example] taxes & incentive structures, that better reflect local needs & circumstances & desired new systems
- Who has the capacity to establish platforms?
- Who possesses systemic knowledge?
- Who can operate to the principles of 'strong' sustainability [carrying capacity, precaution, anticipation etc]
- Can the interests vested in unsustainable practices be unlocked?
- Do we have LCAs type procedures to permit assessment of the social and environmental impacts of new systems in relation to carrying capacity?
- Where is there the training/education for this combination of 'soft' and 'hard' skill

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