Universal Sustainability: The Next Form of Competitiveness

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EXECUTIVE SUMMARY

The operating framework of universal sustainability holds the key to unlocking the next wave of business innovation and growth. It also promises to reconnect economic competitive organizations and policy makers with that of the community in ways that have been lost in an age of narrow management approaches, short-term thinking, and deepening divides among many of society’s institutions. It is within this paper that I layout the context of universal sustainability, and its promise of a new model of capitalism, and that of a new form of competitiveness, that cuts across current disciplines. It is this new model, this new construct of universal sustainability that may shape the next form of competitiveness.

Keywords: Sustainability, Economy, Competitiveness, Global Society, Changing Workforce.

INTRODUCTION

It is my premise that universal sustainability goes beyond the concept of sustainability, which has a primary focus on the environment, conservation, and preservation, as seen through the lens of the social and ecological consequences of economic activity. Universal sustainability, in concept and by function, touches on all aspects of the human existence, and, through the application of science and research, this new economic and social discipline seeks to explore the universe in which humans live and from which they seek to continue to explore.

The concept of sustainability is concerned with preservation and that of the environment. Universal sustainability offers a more comprehensive economic competitive framework for improving the current 21st century global society.

The process framework that is contained within universal sustainability touches on all aspects of human existence and is thus reflected by the following essential components, such as: A society’s economy, education, environment, political systems, social structure, science, technology, global society, and that of the universe of which the earth is part (see chart #1).

CHART 1
Universal Sustainability Definitional Framework

My definition of a universal sustainable society is that which strives to understand the universe and its resources for which it uses, preserves, seeks to explore, and exist within.

Should my definition of universal sustainability be accepted, we, all of us, will become 21st century transformational thinkers, concept developers, and infra-structure builders of the highest order, with the provocative objective of coming together to safeguard nature’s elements and man’s best. This will, I believe, require, at the very least, a formal process of 21st century visioning, which will incorporate the current as well as the future state of our universe, including all of its promises and challenges.
So what does this mean? What am I implying? What is universal sustainability in reality?

Based in part on my current research pertaining to the global changing workforce and its impact on shaping the next economy, and on my associated travels to India, Sri Lanka, Taiwan, Japan, South Africa, as well as other important world economic centers, I have observed that the current economic, educational, political, and social crisis has moved the world toward a more structured consideration of a new global governance system.

This movement for such active reform, as with the current policies of addressing the current global economic crisis, cultural differences, and political discourse, may take a clear, and a more sustained commitment to a new set of values by most of the world’s peoples and leaders; more so by the newly formed and developing collaborates and political systems that have a focus on the formation of a more global sustainable society. That is, in addition to the reality that the world’s leading economies are facing a crisis related to the vulnerability to most economic systems of booms and busts.

Such factors as rising income inequality, unsustainable governmental obligations, climate change, political restructuring, poverty, in effective educational systems, and a widespread erosion of the public trust, has led, in many countries, to policy makers responding by recommending the borrowing from the future on a massive scale, in an attempt to address the shortest of the present.

In addition, climate change and the larger issue of environmental sustainability are another challenge in which the balance of our actions of today and that of our responsibilities to the future is out of sync. One does not have to look far to find evidence of depleting fishing stocks, accelerated extinctions of species, water shortages, and atmospheric changes to realize that we are using up the earth’s natural resources at a rapid rate.

I pose the following question. What will this depletion mean for the future generation? An additional question could be. How much more is feasible without destroying the natural and social environment? And thus, how much more is fair to the people who will follow the present generation.

Yet borrowing from the future in this way shows our inability, or our refusal, to assume responsibility for the impact of today’s choices on tomorrow’s prospects. Therefore, when we look at our values and institutions, I would suggest, that we seek to bring about a better balance between the present and the future.

Further, it is my premise that there is a need to adapt institutions to both the new and to future realities, such as reforming governmental ability to strengthen governance systems, reducing economic inequality, understanding and accepting diversity, raising educational levels, and further improving social and environmental processes.

It is my view that what is needed is a recalibration, a reset of the current global economic institutions within the framework of universal sustainability and thereby, increasing the capability to improve and strengthen the global economies, and address market failures.

The new form of competitiveness then would be based on the operating framework of universal sustainability (see chart #2).

**REDEFINING SUSTAINABILITY**

The current state of economic competitive organizations has been viewed as a major cause of social, environmental, and economic problems; more so after 2008. Such organizations are perceived to be prospering at the expense of the broader community, for the good of the elite; or as is currently being stated, at the expense of main street so that Wall Street proper’s.

To a large degree, the problem lies with these economic competitive organizations themselves which remain trapped in an outdated approach to the attainment of profit which has emerged over the past several decades.

These economic competitive organizations continue to view profit narrowly, and that is optimizing short-term financial gains in a bubble, while missing the most important customer needs and ignoring the broader influences that could and have determined the organizations’ longer-term successes.
How else could such economic competitive organizations overlook the well-being of their customers, the depletion of natural resources vital to their organizations, the viability of key suppliers, or the economic distress of the communities in which they produce and sell? How is it possible to explain Lehman Brothers or Enron, or Bear Stearns, and the others?

Given the near term projected consequences, such organizational leadership must take the lead in bringing business and society together, as a new economic system, no less competitive, yet, no more destructive to the global society.

My work suggests that there may be a willingness among sophisticated economic competitive organizations and their leaders to recognize that a new model needs to emerge. Universal sustainability offers the guiding framework for these efforts; efforts that remove the social responsibility mind-set, but integrate the requirements of the fabric of societal issues within competitiveness. The solution lies in the principle of universal sustainability, which involves creating economic progress in a way that also expands the definition of profit by including factors for a sustainable society by addressing its needs and challenges in a comprehensive way.

The goal is to have economic competitive organizations infuse success with social progress, such as the development of the factors of Social Indicators for Progress, or through the development of the Human Development Index, which would redefine the current standard of GDP, but add to it. I would think that most, if not all; shareholders would buy into this formula as a return on investment. Now, it’s important that I make clear that my definition of universal sustainability is not social responsibility, philanthropy, or even sustainability as it is commonly viewed. Universal sustainability is a more expanded process by which to achieve economic competitiveness. Universal sustainability is not on the margin of what economic competitive organizations should do at the strategic level, it should be at the center of its competitive strategy. I believe that it can give rise to the next major transformation of economic strategic thinking (see chart 2).

In my work with clients, I have discovered that a growing number of companies known for their hard-nosed approach to business, such as The Coca Cola Company, Johnson & Johnson, Starbucks, GE, the Government of South Africa, AT&T, Atlanta Capital Management, and others, have already embarked on important efforts at universal sustainability by reconceiving the intersection between society and corporate performance. Yet my recognition of the transformative power of universal sustainability is still in its genesis.

The realization of this process will require leaders and managers to develop new skills and knowledge, such as a far deeper appreciation of societal needs, a greater understanding of the true basis of organizational productivity, and the ability to collaborate across profit and nonprofit boundaries. And governments must learn how to develop public policies in ways that enable true competitiveness within the context of universal sustainability.
It is apparent to me, and to many others, that the role of current economic competitive organizations must be redefined along the definition of universal sustainability.

This transformation to the needs and realities of the 21\textsuperscript{st} century should not be based on just individual profit performance of a sole entity, but on employing the universal sustainability framework to reshape capitalism and its relationship to society. Most important of all, perhaps learning how to implement universal sustainability is the best chance to once more legitimize business.

The concept of universal sustainability recognizes that societal needs within a global context, not just conventional economic needs, will define the new markets that are contained in the global 21\textsuperscript{st} century economy. It also recognizes that social harms or weaknesses frequently create internal costs for firms, such as wasted energy, costly accidents in mining and elsewhere, and the need for training to compensate for inadequacies in education, and so much more.

Addressing societal harms does not necessarily raise costs for economic competitive organizations, because they can innovate by creating and using new technologies, operating methods and management approaches, and, as a result, increase their productivity and expand their markets.

Such unleashing of creativity, as observed by me and Marvin Winitsky, JD, Ph.D., a few years ago pertaining to our work on unleashing organizational creativity within GE and Harris Bank, could even be of a material benefit.

Universal sustainability is not just about personal values, nor is it just about sharing the value already created by economic competitive organizations. Instead, it is about expanding the total pool of economic and social opportunity, within, I would suggest, the construct of universal sustainability.

\section*{COMPETITIVENESS AND SUSTAINABILITY}

Although the roots of universal sustainability grew out of the sustainability movement, universal sustainability should be considered the next generation of sustainability. Universal sustainability goes beyond sustainability and its foundation on the “Triple Bottom Line,” as it was introduced in 1987 by the Brundtland Commission in Europe.

Universal sustainability’s foundational roots are with the social and competitive nature of the American economic competitiveness system and with the health of the communities that surround it.

The concept of universal sustainability can also be defined as policies and operating practices that enhance the competitiveness of the economic competitive organization, while simultaneously advancing economic and social conditions in the communities in which the universal sustainability process framework is applied.

Universal sustainability focuses on identifying and expanding the connections between societal and economic progress. The concept rests on the premise that both economic and social progress must be addressed to attain the highest returns on profit.

In the social sector, thinking in this way is even less common. Social organizations and governmental entities often see success solely in terms of the benefits achieved or the money expended. As governments and NGOs begin to think more expansively, I would suggest that their interest in collaborating with economic competitive organizations will inevitably improve.

I would suggest that the operational concept of universal sustainability resets the boundaries of capitalism. By better integrating economic competitive organizational success with societal improvements, it opens up many ways to serve new needs, gain efficiency, create differentiation, and expand markets.

The ability to apply universal sustainability in both advanced economies and that of developing countries should be equal though the specific opportunities will differ, as was my experience in South Africa when setting the strategy for the transformation of the South African Post Office and Post Bank, where the issue, in part, was to reduce operating cost, while
preserving employment; solution, my team put forth a strategy for growing the South African Post Office and Post Bank throughout southern Africa.

**CHART 3**

**Building Blocks to Universal Sustainability**

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<thead>
<tr>
<th>Governments and NGOs Think More Expansive</th>
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<tr>
<td>Governments, NGOs and Economic Competitive Organizations Redefine The Next Economy</td>
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<td>Universal Sustainability Framework Will Reset the Boundaries of Capitalism</td>
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**THE PROMISE OF UNIVERSAL SUSTAINABILITY**

A global society’s needs are large: health care, educational services, better and more housing, improved nutrition, help for aging populations, job development, and greater financial opportunities for the poor, as well as for the middle classes, in addition to less environmental damage, greater representative governments, and the acceptance of diversity. Arguably, they are the greatest unmet needs in the current global society and all fall within the realm of universal sustainability.

In advanced economies, the demand for products and services that meet societal needs is rapidly growing. Food companies that traditionally concentrated on taste and quantity to drive more and more consumption are re-focusing on the fundamental need for better nutrition. Starbucks, a former client, continues to re-invent the Starbucks experience both culturally, environmentally and nutritiously, and the market adjustment by Kentucky Fried Chicken of offering grilled chicken as a more healthy choice thereby improving revenues, are just two examples.

But equal or greater opportunities arise from serving underserved communities and developing countries, as I continued to witness during my most recent travels in India and Sri Lanka. Though societal needs are even more pressing, these counties have not been recognized as viable markets to the extent that the demand curve would suggest.

As Professor Carl Van Horn, Ph.D., the director at the John J. Heldrich Center for Workforce Development, has noted, similar opportunities await in nontraditional communities within advanced countries, such as in my in the United States.

We, at the John J. Heldrich Center, have learned that poor urban areas are America’s most underserved market, with a substantial concentrated disposal purchasing power estimated to be $600 to $800 billion dollars annualized.

The societal benefits of providing appropriate products to lower-income and underserved consumers can be profound, while the profits for economic competitive organizations can be substantial.

Indeed, at times, meeting the needs in underserved markets may often require the redesign of products, or different distribution methods, as with my experience with Coke in South Africa, or Starbucks in China. Yet, these requirements can trigger fundamental innovations that also may have application in more traditional markets, and thus create market expansion opportunities that may not have existed prior; so in effect, gaining profit by stabilizing communities, no matter where on the global such communities may be found.

**UNIVERSAL SUSTAINABILITY: THE NEXT FORM OF COMPETITIVENESS**

I have come to believe that the operating framework of universal sustainability holds the key to unlocking the next wave of business innovation and growth. It also promises to reconnect economic competitive organizations and community success in ways that have been lost in an age of short-term thinking and deepening divides among society’s institutions.
Some capital markets will undoubtedly continue to pressure companies to generate short-term profits, and some economic competitive organizations will surely continue to reap profits at the expense of societal needs. But such profits will often prove to be short-lived and far greater opportunities may be missed.

What is now needed is a more sophisticated form of capitalism; one imbued with a social purpose. But that purpose should arise not out of charity, environmentalism, or preservation, but out of a more comprehensive and deeper understanding of competition, economic realities, and universal sustainability.

This evolution of the capitalist model recognizes new and better ways to develop products, serve markets, understand the universe and its resources which it uses, seeks to explore, exist within, and preserve, from which productive economic competitive organizations will be sustained.

Universal sustainability represents a new approach to managing that which cuts across disciplines, because of the traditional divide between economic profits and social requirements.

As a result, few executive managers have an understanding of the social and environmental issues required to move beyond the promises and opportunities offered in universal sustainability, and few social sector leaders have the managerial training and entrepreneurial mind-set needed to implement the universal sustainability operational framework. Most business schools still teach a narrow view of capitalism, even though more and more of their graduates hunger for a greater sense of purpose and a growing number are drawn to social entrepreneurship, but the global market requires an expanded set of skills and insights.

Given what I understand as this new requirement, the business school curricula will need to be broadened in a number of areas. For example, the efficient use and stewardship of all forms of resources will define the next generation of business leadership.

Customer behavior and marketing courses will have to move beyond persuasion and demand creation of the study of deeper human needs and how to serve non-traditional customer groups. And core courses in diversity, diversity management, and cultural literacy must be baked into the curricula.

Broader locational influences on economic competitive organizations’ productivity and innovation should form a new core discipline in business schools. Economic development should no longer be left only to public policy and economic departments. Business and government courses should examine the economic impact of societal factors on enterprises, moving beyond the effects of regulation and macroeconomics. And finance courses should be reset to re-think how capital markets can actually support true sustainability, as presented by the universal sustainability operational framework (chart #2).

There is nothing soft about the concept of universal sustainability. These proposed changes in business school curricula are not qualitative and do not depart from the economic competitive organizations’ ability to be aggressive in the marketplace. In fact, the approach as offered by universal sustainability addresses true comprehensive economic results. In a sense, what I have been describing represents the next stage, as I understand it, for the understanding of investment strategy, capital formation, market segmentation, expanded revenue, profit development, diversity in society, global competitiveness, effective business management, and economic and social sustainability.

Universal sustainability offers economic competitive organizations the operational framework to utilize skills, resources, and management capabilities for economic progress in a sustainable way that even the best intentioned governmental and social sector organizations can rarely match.

REFERENCES


**ACKNOWLEDGEMENTS**

I would like to acknowledge the following:

Nicole Corre, Research Project Coordinator, John J. Heldrich Center for Workforce Development, who provided important research contributions in support of the above article.

Ann Lee-Jeffs, Senior Director Product Stewardship/R&D, Johnson & Johnson Worldwide Environment, who provided important input and reference materials in support of the above article.