Enabling Sustainability through Responsible Leadership – An Action Research Project with SMEs

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Abstract

The purpose of this paper is to report the results of a study exploring the practices of responsible leadership in small and medium sized enterprises (SME's). Working with South African SME's from different sectors, the study sought to identify the key aspects of leadership that enable sustainability. The paper defines responsible leadership as leadership that demonstrates an awareness and consideration of the consequences of actions for all stakeholders, as well as actively influencing those stakeholders to move towards more sustainable practices and processes.

Apart from its specific purpose and focus, the paper forms part of a series of three papers, all generated from the work being done with the same cohort of SMEs over a period of 12 months. The project as a whole was titled Enabling Sustainability through Action Research, or commonly known as EStAR amongst the facilitators and participants. The first paper reported on the validity and efficiency of Action Research as a methodological framework for the development of responsible leadership and sustainable business practices. The second paper focused on how a change in organisational practices can simultaneously support environmental and social sustainability. This third and last paper focuses on responsible leadership and reflects on the changes in the personal journeys of the SME managers involved.

As already mentioned, the project adopted an Action Research approach – an approach to research that is specifically concerned with change and, more particularly, with effective, permanent social change.   Narrative analysis was furthermore used to understand how responsible leadership is perceived and defined by the participants in the project.

Based on the work with the participating SMEs the paper reports on how leaders grow in their own awareness, mindfulness and personal accountability and how they perceive, learn to work with and grow with respect to sustainability challenges at three organisational levels, namely;

- macro level, e.g., business legitimacy, stakeholder engagement and social capital development
- mid-level, e.g., brand identity, organisational culture/climate and performance measures
- micro level, e.g., personal interactions and impact on followers' behaviours, attitudes, knowledge, motivation and job satisfaction.

Keywords: action research, action learning, sustainability, responsible leadership

1.   Introduction

Sustainability has become one of the dominant narratives of the 21st century. The most popular definition of sustainability can be traced to a 1987 UN report in which sustainable development is defined as "meeting present needs without compromising the ability of future generations to meet their needs" (WCED 1987). Known as the 'Brundtland' definition the concern expressed here is twofold. Firstly that humanity utilises more natural resources than the planet can supply in a sustainable way over the long term. Secondly, that, as a result, humanity itself is negatively affected in terms of social inequalities in the present as well as passing enormous social and natural 'debt' on to the next generation.

Apart from how sustainability is defined, it is often equated with the conditions in and interdependence of three large comprehensive systems, namely economy, society and environment, and there is a widespread consensus that the whole and the parts are all under stress. The global *economy* battles to find its way forward in the aftermath of a severe recession; global warming, climate change, resource depletion and ecosystem degradation are stark indicators of severe and intensifying *environmental* stress; and the fragility of the *human sphere* is emphasized by a deeply divided and conflict-ridden global society competing for power over and ownership of a limited resource base.

These conditions create a challenging and ambiguous environment for business. Enterprises, big and small, are being looked upon as sources of opportunity and entrepreneurship and creators of wealth and economic progress. Simultaneously they often stand under stringent scrutiny for their negative impact in terms of resource depletion, environmental degradation and pollution and its contribution to socio-economic division. The challenge for business, therefore, is to continue with creating economic value and advancing human progress in ways that are environmentally sustainable and socially responsible. Sustainable development, from a business perspective, may therefore inevitably imply change, but then it should be change that "demonstrates integration of economic, social and environmental goals, draws on economic, social and environmental information and leads to coherent choices" (D'Amato & Roome, 2009:422).

Against this background Maak & Pless (2009) suggest that business leaders should be agents of world benefit, taking an active co-responsibility in generating solutions to problems. The argument is that we need responsible global leaders who are aware of the pressing problems in the world, care for the needs of others, aspire to make this world a better place, and act in word and deed as global and responsible citizens.

Research has begun to create a body of knowledge about these issues, for example, Doppelt (2003) argued that "for an organisation to make this kind of transformation to become truly sustainable, power and authority must be skilfully distributed amongst employees and stakeholders through effective information sharing, decision making and resource allocation mechanisms". This is clearly an issue for the leaders of organisations. Supporting this view Goehrig (2008) has pointed out the role of leadership in creating a sustainable and realistic business environment. He states that to change the business outcome requires changes to existing business structures and highlights the need for the executives, consultants and management leaders to understand and implement new strategies.

There is considerable evidence that the leadership role is critical in the implementation of any sustainability development. For example, with regard to environmental sustainability, a key

finding (Branzei, Vertinsky, Zietsma, 2000) is that the higher the corporate environmental commitment perceived by leaders, the more likely the choice of proactive strategy and subsequent environmental innovation. The authors then conclude that eco-sustainable management depends on the continued personal and corporate commitment of leaders toward the environment, enacted in proactive strategy choices and the pursuit of environmental innovation.

In the scholarly literature, much has also been written about ethical leadership which suggests, from a philosophical, normative point of view, what leaders 'should' do (e.g., Ciulla, 2004). There has also been a great deal of work which considers the personality traits that are perceived to be important to ethical leadership and its effectiveness. For example, research has linked perceived leader effectiveness with attributed honesty, integrity and trustworthiness (Den Hartog, House, Hanges, Ruiz-Quinanallia, & Dorfman, 1999).

However, as D'Amato & Roome (2009) argue, the leadership role to integrate sustainability is still unfamiliar territory. Furthermore, there is a lack of clarity about the link between sustainability and the concept of 'responsible leadership.' The latter is often defined in moral or ethical terms, such as "…building, cultivating and sustaining trustful relationships to different stakeholders both inside and outside the organization, and in coordinating responsible action to achieve a meaningful commonly shared business vision" (Maak 2007). Herewith can also be added the view of Pless (2007), referring to responsible leadership as a "values based and ethical principles driven relationship between leaders and stakeholders who are connected through a shared sense of meaning and purpose through which they raise one another to higher levels of motivation and commitment for achieving sustainable value creation and social change" (Pless 2007).

As clear as the ethical connotations of responsible leadership might be, research concerning the organizational aspects of this type of leadership is under represented in the literature. This research project aimed to operationalise these high level concepts. Defining responsible leadership as that which develops and implements sustainability strategies the project examines, in situ, the specific organizational structures and processes that enable responsible leadership.

This research presents a unique opportunity to study these issues within a developing economy. Much current thinking has been developed from a developed economic perspective which often emphasises resource preservation. In the most comprehensive study of leadership and culture to date House et. al. (2004) examined leadership in 62 countries and found clear evidence to show that operational and managerial practices in organisations tend to reflect the societal orientation or culture within which they operate. South Africa has a unique blend of values, incorporating the Afro – Centric (humanitarian principles based on consensus seeking and compassion) vs. Euro – Centric (bottom line thinking, business values of performance and production) which would suggest that perspectives of sustainability and responsibility will be unique. Previous research has already suggested (Visser, 2007) that the relative prioritisation of business responsibilities is different in Africa from classic western orderings, although specific differences have not been substantiated.

In South Africa, historic factors have long contributed to an awareness of responsible practices. The anti-apartheid movement positioned South Africa as fertile ground for values-based considerations. The country's unique history in moving beyond the legacy of apartheid has

obliged companies to address labour, affirmative action and health related issues with much more urgency and vigour than elsewhere, it is apparent that today no business in South Africa can be divorced from the fact that sustainability and social responsibility is entrenched in the business landscape.

Three core documents help to define the connection between sustainability and responsible leadership find support in the South African landscape, namely, the country's constitution, the King Report on Corporate Governance and the New Companies Act. In Article 24 the constitution states that "everyone has the right to an environment that is not harmful to their health or well-being; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation; promote conservation; and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development" (Republic of South Africa, 1996).

The King Report on Corporate Governance in South Africa (Institute of Directors Southern Africa, 2009) takes great care in defining core concepts such as corporate citizenship, corporate responsibility and sustainability. For the latter the report largely relies on the Brundtland definition referred to earlier. The report refers to corporate citizenship as implying "an ethical relationship of responsibility between the company and the society in which it operates" and then follows on to state that companies "should protect, enhance and invest in the wellbeing of the economy, society and the natural environment." What this practically means is expressed in the report's definition of corporate responsibility, namely that it "is the responsibility of the company for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that: contributes to sustainable development, including the health and welfare of society; takes into account the legitimate interests and expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the company and practiced in its relationships. Activities include products, services and processes."

What is even more significant about the King Report (Institute of Directors Southern Africa, 2009) is that it starts off with a chapter on ethical leadership and corporate citizenship. In this chapter responsible leadership is defined in terms of six statements in which it is connected to concepts such as good corporate governance, sustainable business, the impact of business decisions, institutional ethical fitness and a shared future with all stakeholders. These statements also link up to values such as responsibility, accountability, fairness, transparency, consideration for impact, doing business ethically and resistance to compromise.

South Africa's New Companies Act 71 of 2008 requires companies to have a Social and Ethics Committee "to monitor the company's activities with regard to the following five areas of social responsibility: (i) social and economic development; (ii) good corporate citizenship; (iii) the environment, health and public safety; (iv) consumer relationships; and (v) labour and employment" (Rossouw, 2012). Although a Social and Ethics Committee is not relevant for SMEs, reference to this development in the Act offers further information about the thrust for sustainability and responsible leadership in a South African business context.

Much of the published research into sustainability practices investigates large multinational or global companies such as Unilever or Johnson & Johnson (Epstein (2008), Haanaes K. et.al. (2011) as examples. These companies often have significant resources to devote to sustainability issues and see 'operational effectiveness' as the key business benefit of being a responsible business (BITC 2011). The experiences, and perceptions, of smaller businesses in implementing sustainability practices are largely unexplored. They pose special challenges for stakeholders interested in promoting sustainability practices. SMEs, are perceived as having greater barriers to implementing sustainability practices (Collins, et al, 2007:729)

This area therefore merits further investigation, particularly in the light of the fact that smaller businesses represent some 80% of all worldwide enterprises (OECD 2002), are deemed to account for some 70% of the world's production (O'Laoire & Welford 1996), they therefore may contribute significantly to pollution, waste production and energy use.

There are clear differences in what smaller organizations refer to as business benefits (Hauser 2009). 'Employees and the future workforce' is more often seen as the key business benefit for SME's. Therefore in the light of the critical focus on employment in South Africa this study focuses on SME's who are keen to develop sustainability practices. Broad criteria for what constitutes an SME have been applied for this study. Private ownership, less than 1,000 employees, both full and part time, were the broad guidelines.

Against this background then of 1) the sustainability imperative of the 21st century; 2) the call for responsible business practices and leadership in particular and 3) the observation that SMEs represent a neglected area of research in this context, the objectives that steered this study were twofold:

- To examine the attributes of organizations – the structures, processes, cultures and/or resources that are most conducive to, or resistant to the 'enablement' of responsible leadership. Unlike 'best practice' approaches, the study sought to identify the processes and mechanisms that enable and encourage responsible leadership within a framework of a sustainability strategy in South African SME's. This is an under investigated area in the literature and one which will offer practical developmental advice to companies seeking to embed sustainable strategies through leadership.

- Through the study of what South African organizations do currently to promote and enable sustainability, and what could be done in the future, the research contributes to the development of a uniquely South African understanding of the concepts of responsibility and sustainability.

Two papers have already been informed by this study and both are currently under review for publication. The first (Hind & Smit, 2012a) focuses on action research as a suitable methodology for the development and implementation of context relevant sustainable development initiatives and the second (Hind & Smit, 2012b) deals with the study's findings on the sustainability practices developed by the participating companies.

This third and final paper of the study shifts the focus to the SME managers involved in the study and reports on their personal experiences, observations and reflections and offers an indication of how their understanding and practice of responsible leadership changed and evolved as a result of the project.

2. Methodology

2.1 Action Research

The methodology selected for the study was Action Research - a means of conducting systematic enquiry into group phenomena, in this case the challenge for smaller companies of embracing sustainability. This is an approach to research that is specifically concerned with social change and, more particularly, with effective, permanent social change. Lewin, the 'founding father' of action research, believed that the motivation to change was strongly related to action: If people are active in decisions affecting them, they are more likely to adopt new ways. "Rational social management", he said, "proceeds in a spiral of steps, each of which is composed of a circle of planning, action and fact-finding about the result of action" (Lewin 1958). In Action Research, knowledge is produced in the service of action rather than theory and the approach has been extensively explored for both individual and organisational learning (Revans 1982, 1998).

Action research has also been described as research 'with' people, rather than 'on' them (Bradbury 2010). However, it also constitutes a rigorous and disciplined approach to knowledge and theory generation. Reason (2001) describes the objective of this participatory approach of action research as a twofold objective in which, firstly, knowledge is produced that is directly useful to a group of people and, secondly, they are empowered to construct and use their own knowledge. Reason (2001) furthermore states "if one accepts that human persons are agents who act in the world on the basis of their own sensemaking; and that human community involves mutual sensemaking and collective action, it is no longer possible to do research on persons. It is only possible to do research with persons, including them both in the questioning and sensemaking that informs the research, and in the action which is the focus of the research."

One of the objectives of this study was to offer more general insights into how companies can embed sustainability into their organisational practices and therefore collective insight was sought. Action research was regarded to be an appropriate vehicle for this purpose, particularly because it does not try to create objective findings which can be generalised, but rather it aims to be of use to practitioners by solving problems, answering questions, developing new practices and developing new understanding (Bradbury 2010). A methodology was therefore designed to use a common iterative or cyclical process of investigation, with structured inputs, recordings and reporting.
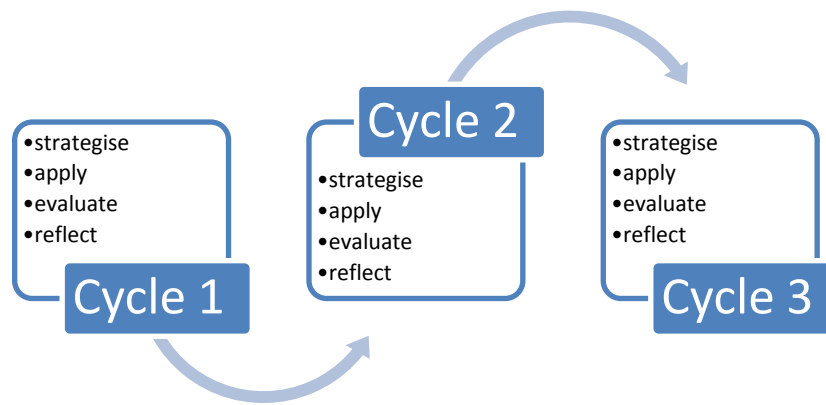
Diagramme 1: The Action Research Process

2.2   Project participants

The research reported in this paper focuses on a volunteer cohort of SMEs, operating in the Western Cape Province of South Africa, who were keen to develop sustainability practices. Twenty-one small to medium sized companies, who showed an interest in developing sustainability practices in their organizations, were identified and formally invited to participate in the project.

Eight companies responded to the invitation and joined and completed the project. These companies covered both the lower and upper ends of the broad SME landscape in South Africa. Broad criteria for what constitutes an SME have been applied for this study. Private ownership, less than 1,000 employees, both full and part time, were the guidelines.

The participants on the projects represented the following businesses:

- A dairy farm and manufacturer and retail supplier of desserts
- A fruit farm and packager
- A retail pharmacy chain
- A software company
- A sugar processor and wholesaler
- A private equity investment company
- A publishing company
- A wildlife habitat conservation trust

In addition to company representatives, the participant group also included two independent consultants currently engaged separately with one of the companies, and a PhD student. These participants acted as project support contacts for the duration of the project.

2.3   Project Design

The project consisted of two phases, the first of which focused on sustainability and the second on responsible leadership. In the first stage of the project each company was required to commit to attending 2 interactive workshops and to self-manage action learning experimentation in the 6 weeks between the workshops. In the second stage the same participants were invited to reflect on their own personal journeys and how they have developed as leaders responsible for developing sustainability practices in their business.

In phase one participants were required to attend an initial 1.5 day workshop designed to set the scene and created an enabling framework for the project. They were furthermore enabled to consider the unique nature of sustainability for their companies and identify their own key issues that they regard as imperative to work on. They were also trained in the application of action research methodology. Thereafter followed and experimentation phase of 6 weeks during which is each company worked with a common action research structure to 'experiment' with their own projects, in their workplaces, supported by a dedicated member of the research team. This phase was completed by a research community workshop where participant companies presented the results of their experiments, their learning about embedding sustainability into their organisations and their future plans.

The second phase of the project was introduced by a workshop four months later, the purpose of which was twofold, namely to solicit feedback on continued progress with participants' sustainability interventions and to invite them to participate in a three month period of personal reflection on their own leadership development in the context of their companies' sustainability journeys.

In both phases of the project narrative analysis was used to make sense of the data, because 'narrative' became the vehicle for each of the companies as well as the participating individuals to express and further develop their in situ understanding of sustainability and responsible leadership. The narrative analysis in this study mainly focuses on written or oral texts through which the emergent themes, which constitute the key findings of the research, were extrapolated.

The interpretive nature of the approach did not seek to analyse the narratives in order to access underlying events but rather to focus on meaning making. Much of narrative analysis (Andrews, Squire & Tamboukou, 2008; Lieblich & Tuval-Maschiach, 1998) is based on the notion that how experiences are reconstructed and interpreted is important in itself.

Narrative data was collected from 5 sources;

- Research notes taken at the opening workshop of the project
- Visits to each of the companies and interviews with leaders involved in the projects
- The workbooks, one for each of the two phases, completed by participants
- Presentations made by participants at the final workshop of the project
- Research notes taken at the final workshop

3.   Findings

3.1   Finding from phase 1: enabling sustainability through action research

Whilst the focus of this paper is on responsible leadership and therefore concentrates on the second phase of the EStAR project, the findings relevant to this phase will only make sense against the background of what transpired during the first phase of the project.

Hind & Smit (2012a) report in their paper on methodology that Action Research indeed provided the structure and support for participants to develop a context and business relevant understanding of sustainability whilst at the same time empowering them with a framework for developing and implementing business related change initiatives. Two further

observations that are specifically relevant for this paper are the following: 1) the early identification of the importance of leadership commitment in driving sustainability in a business; and 2) a set of six characteristics for management behavior identified by the participants, namely:

- questioning business as usual;
- identifying stakeholders, and understanding their roles and interactions;
- building internal and external partnerships;
- engaging in dialogue and balancing competing demands;
- respecting diversity; and
- taking a strategic view.

In their second paper, namely the one that dealt specifically with the sustainability relevant dimensions of the project, Hind & Smit (2012b) summarise participants' experience of implementing sustainability in their businesses as follows:

- A high level of specificity and focus about what actually needs to be done, by whom, and by when. A general commitment to 'be more sustainable' is ineffective.
- The buy in and commitment of senior leadership and/or the board is critical.
- There is a need to involve all stakeholders, and responsibility should not be delegated either upwards or downwards. Mutual and shared responsibility needs to be adopted.
- People must be prepared to, and commit to, doing things differently; open mindedness is a pre – requisite for change.

From the above it is evident that 'responsible leadership' already emerged in phase one of the study as a critically important driver sustainability practices in business. What is of pertinent importance here is, firstly, that it emerged in the context of an action research approach, and therefor identified by the participants themselves, and that it, secondly, emerged amongst SMEs where there seems to be a lesser expectation about the prevalence of such concepts.

3.2   Findings from phase 2: enabling sustainability through responsible leadership

Similarly to the first phase, participants were also issued with a workbook at the beginning of the second phase of the EStAR project. The workbook offered an opportunity for participants to reflect on developments in their personal leadership journeys parallel to the sustainability agendas that were evolving in their businesses. The workbook created structured space for reflection on experiences, questions, plans, meaning, learning and actions. This was followed by a round of personal interviews with participants wherein the focus of the conversations was directed by six questions. The table that follows states the questions and highlights some of the most pertinent reflections and comments coming from the participants.

Table 1: Responsible leadership interview summaries

Interview questions	Participant responses
How would you describe your experience of keeping the leadership logbook?	• It was a bit of a chore, but it required honesty. • It's a good tool – if you don't write things down you forget. • It forced me to think and exposed what I had not done. • It allowed for the recording of thoughts and ideas and brought further refinement. • A good discipline that helped to keep focus and to distill the essence of the journey.
How have your leadership capabilities grown/changed through the experience?	• I became more structured, more considerate, less gut feel. I need to give and take more feedback, people like to be asked, involved and taken seriously. • I have discovered my strength and weaknesses. One of my weaknesses is doing things on my own. We often don't give younger people chances to explore themselves and their roles and to develop. • The project has forced me to think about the way in which I spend my time and my personal leadership. My management has become very exclusive, I don't get to talk to my partners about business issues. • I grew in my ability to influence and engage external stakeholders and in doing team building and teamwork. • I have now more comfort with the concepts and vocabulary of sustainability and responsible leadership. • I have realised that I should let new people run with it whilst I nurse the vision from the back. • How I feel and what I do have implications for 300 other people's experience of their work. My example is important.
How has your understanding about leading for sustainability developed throughout this second stage of the EStAR project?	• Now everybody is seeing business opportunities in sustainability, this works because we are a small company – changes can come about through 5 minute chats here and there, but we are now more structure about getting input from everybody. • Motivation plays a big role, if you have to do a project you have to encourage people all the time, say thank you and well done, you need to inspire people, that's also important. • The concept is still very much at the forefront of my mind, through the original project there is a bigger awareness – it's happening slowly, not a specific drive. • Influencing by creating sound business objectives today to ensure the universal continuity and growth for future generations by way of solidifying triangular link .. between people, planet and profit. • The need to influence others, to have visibility, to develop relationships, all these things add up over time, buy in is critical, you can't force people to do this. • I have realized the visionary piece is very important, but actually leading it – you need a more traditional leader, need to stick within the boundaries. The sustainable piece is the vision then you just need good managers. • My default, personality wise, is in responsibility. I have always fought for what is right. A leader is somebody with a good gut, developed through responsibility and hard work.
What advice would you give to other leaders as they take their organisations on a journey to	• Include everyone. This is not a solo journey, but you must start by being fundamentally ethical and responsible, you must believe in it really, not just a thought for the day.

sustainable growth?	- Need to stay together, to focus, make sure you know what your vision is and communicate it. Listen to one another. Leadership is about giving direction, but also about listening to those underneath you, to get new ideas. - Not to wait or look for the big bang – eat the elephant slowly – but make sure you implement good ideas when you have them. - Involve all staff members in formulating sustainability policies. Senior management should take a leading role to drive this agenda. Engage with external stakeholders. - Get buy-in from all stakeholders, create a joint mental model, become specific through specific resource oriented projects and drive the connection between responsible leadership and good business. - Celebrate small successes, don't do comparisons with bigger, more successful enterprises. Have patience. - Leadership is about setting an example, being consistent and showing courage. A leader is somebody with good "gut" who develops good systems, takes calculated risks and works hard. It is important to maintain faith in yourself.
What are your key remaining challenges?	- Clients! Most people we work with are fundamentally unsustainable –there's a lot of waste, no · planning, monitoring, people overshoot deadlines, clients often don't understand the knock on effects of their practices on others. - We're in crisis control mode every day and it's not the right way to do things. - Getting the ideas across to the team – it's not difficult but we just need to do it, engage others, we mustn't get so restricted that we can't move forward, it needs careful decision making. We need to begin to measure cost benefits from energy saving, waste cutting measures, etc. - Continuity, engagement and a precise reporting system. - To develop youngsters/youth, by providing an opportunity for them to have a more successful future. - This is not always easy, but you need to do your homework to be able to filter information to know what to do. I want to farm on this farm as sustainability as possible for as long as possible.
What resources or support would help you to further leverage the shift towards sustainability and responsible leadership?	- Workshops, coming together, looking at the latest thinking, not being alone. This is a big issue for small companies who are short of time and money. - We need more decision makers – a management team to oversee things, at the moment we 6/7 people leading a business of about 120, we are bogged down with admin and can't really focus on what we're good at. - A body to take responsibility, we can brain storm it, but somebody needs to actually do it. - Funding to host workshops / seminar with other investment stakeholders in the impact investment space . - Occasional, informal check-in discussions between leaders. - Would like support network, not just in Ceres but also in South Africa, to share with and learn from others. A get together of once or twice per year will be inspiring and helpful.

The following observations can be distilled from the above:

- Mindset: The project (EStAR) introduced a different way of thinking, processing and doing for the participants. Action Research as methodology, through the workbook as vehicle, availed them with an opportunity for guided and structured reflection. This brought mindfulness, focus, discipline and momentum in their journey of leading for sustainability.

- Boundaries: SMEs most often originate as owner-manager businesses and, as a result, core leaders are from the beginning used to resource scarcity and occupied with all aspects of the business. The leadership challenge here seemed to be one of "expanding boundaries" to include others in decision-making, entrusting them with responsibilities, appreciating their ideas, etc. Both the internal team as well as the external stakeholder networks seemed to have grown in prominence and importance for these participants. The lesson seems to be that sustainability demands a team approach that taps into the energy of relationships, the diversity of talent and value of social capital in stakeholder relationships.

- Skills: Participants reported about being comfortable with new vocabulary, a new emphasis in conversations, giving and taking feedback, self-reflection, importance of motivation and encouragement, influencing others, developing relationships, leading in the light of vision, the ability to fight for what is right. Leading for sustainability seemed to have called these skills forward, focusing them on a common objective and honing them for greater effectiveness.

- Attitude: Participants recorded changes in themselves described by words such as structured, considerate, example, appreciation, patience, ethical, responsible. It seems that the project introduced a new mindfulness and awareness about self and others, about the present and the future, about society and the environment. The demand for profitability and success does not disappear in the face of sustainability, but the disposition of the business leader changes to one that deals with the ambiguity and tension in a different way, taking on the responsibility with an attitude of constructive involvement.

- Constraints: Time, money, people and information are commodities that can be low in supply for SMEs. The participants in EStAR, though, discovered the power of a supportive network and the encouragement provided by the stories of others.

What the above tells about responsible leadership will be addressed in the next section.

4.   Discussion

4.1   Responsible leadership as a normative and relational concept

In a study on 'Leadership Strategies for Sustainable SME Operations' Kerr (2006:32) states the following: "The SME leader has the responsibility to become more aware of environmental and social sustainability issues, of the pressures that have the potential to affect the enterprise and of the sources of resources and partnership networks available to it." This certainly happened with the SME leaders in the EStAR project. Parallel to the sustainability journeys that they have introduced in their companies, they have gone through a development trajectory of growing awareness of their own leadership roles in the process combined with

the realization that they need the encouragement, wisdom and advice of others to sustain their focus, energy and progress.

The question that we still need to answer, however, is what this tells us about 'responsible leadership.' What is responsible leadership about and what is it for? Maak & Pless (2006:1) answer the question by stating that "responsible leadership is a specific frame of mind promoting a shift from a purely economistic, positivist and self-centred mind set to a frame of thinking that has all constituents and thus the common good in mind too." Further on they refer to attributes that are the hallmarks of a responsible leader, namely "insight and foresight, empathy and listening skills, self-knowledge and a sense of community, moral imagination and a morally sound values base." The EStAR project certainly offers evidence of SME leaders that found in the notion of sustainability a higher level of purpose for their businesses (Hind & Smit, 2012b). Whereas some entered the project with a more internally focused understanding of sustainability as the "imperative to stay in business" and others with an understanding that sustainability is "something beyond business that you attend to if you can afford it" they have as a result of this project shifted to a position of understanding their businesses as being contributors to the common good in a web of stakeholder relationships. Hence we have observed in the interviews, as reported in Table 1, the emergence of a different consciousness about the skills required when one chooses to lead from a disposition of responsibility, skills that include both a renewed sensitivity about their personal impact and an inclusivity with respect to others.

Maak & Pless (2006:50) go further and regard relationships as the centre of leadership. Responsible leadership, they say "is about building and sustaining trustful relationships to all relevant stakeholders by being servant, steward, architect, change agent, coach and storyteller – by serving, supporting and caring for followers, by making them partners on a leadership journey towards building a truly sustainable business, contributing to the development of others, and to the common good." The metaphors by which responsible leadership is defined here are different, they do not highlight individualistic or heroic perceptions of leadership. Instead they represent an understanding of leadership that explicitly includes others, internally and externally, on a journey towards increasing the common good. The discoveries by the participants in EStAR seem to suggest that responsible leadership is leadership that demonstrates an awareness and consideration of the consequences of actions for all stakeholders, as well as actively influencing those stakeholders to move towards more sustainable practices and processes. "Awareness and consideration of consequences of actions" seems to point in the direction of guiding values whilst "actively influencing stakeholders" seems to point in the direction of change towards a more desirable of sustainable state of affairs. Responsible leadership, one can conclude, embraces both ethics and transformation.

Some examples from the EStAR project help to highlight the above:

- The publishing company changed from "making their business sustainability" to "making sustainability their business" and with that the company redefined its sense of purpose, its branding approach and its stakeholder orientation.
- The pharmacy moved from "considering a take-back-old-medicine project" as a worthwhile service to the general public to an imperative of "what we sell stays our responsibility" combined with active stakeholder engagement to get the initiative implemented.

- The investment company was always intent upon the sustainability credentials of its portfolio companies, but grew even stronger in the understanding of its responsibility with respect to the balance between expecting a return on investment and investing in the ability of an investee company to deliver such an expected return.
- The conservation trust rediscovered the importance of stakeholder engagement in pursuing its environmentally oriented objectives, realizing that even a morally undisputable cause as represented by a strong torch bearer needs stakeholder support, collaboration and inclusive decision-making.

4.2   Responsible leadership as expanding circles of commitment

Maak & Pless (2006) unpack the challenges in responsible leadership in five categories: diversity, ethics, trust, stakeholders and values. Regarding the latter they identify four value circles, namely individual, interpersonal, organisational and societal values.   All the specific values which they identify in each circle are of less importance for the purposes of our argument here. What is helpful, though, is to observe that in the expanding nature of the model from circle to circle stakeholder complexity increases, thus also increasing the demand for focus and alignment in the exercise of responsible leadership.

A similar approach is to be found in the work of Roberts & Coghlan (2011) where they refer to concentric collaboration. Their model of leadership development contains four concentric circles, starting with the individual and expanding from there to the task, the support systems and the organisational setting environments.

A similar approach seemed sensible and viable for organizing the feedback from EStAR participants regarding their observations about changes in their leadership approach.   The following model or nested hierarchy explains the point.
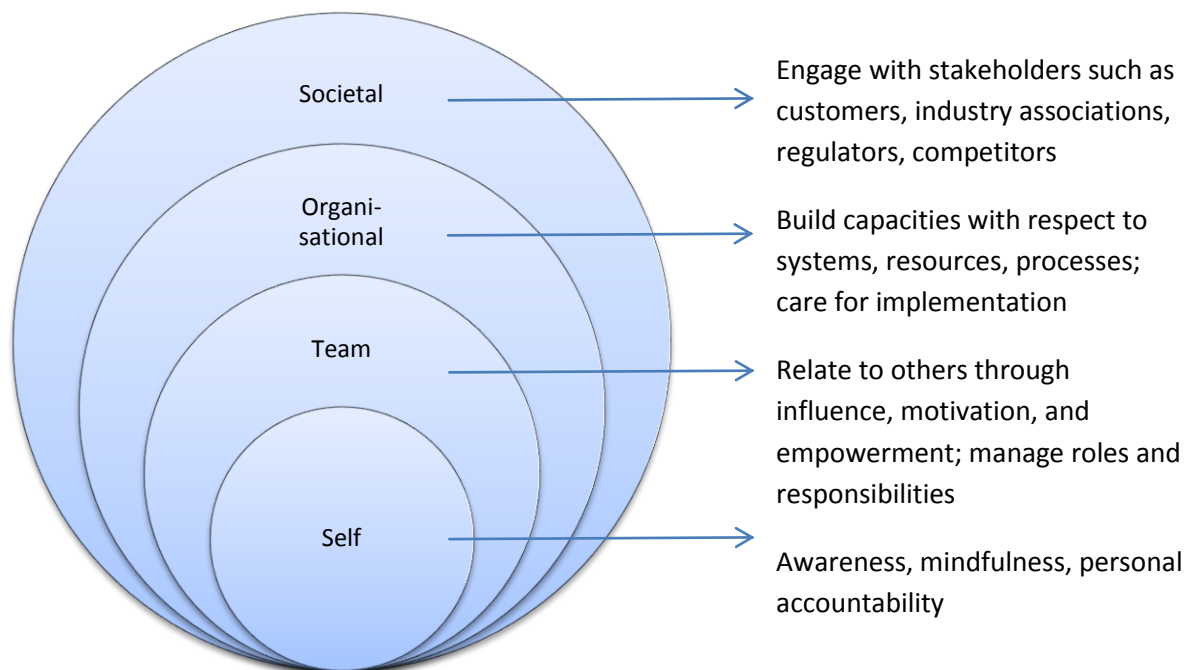

Diagramme 2: Expanding circles of leadership responsibility

What the above illustrates is that the choice for sustainability as a central business imperative is dependent upon the commitment of responsible leaders to embrace a complex and challenging mix of vision, values, processes, systems and relationship. It is a journey that requires character, consistency and endurance.

In conclusion it can thus be said that the EStAR project shed light on how leaders, with respect to sustainability, grow in their own awareness, mindfulness and personal accountability and how they perceive, learn to work with and grow with respect to sustainability challenges at three organisational levels, namely;

- macro level, e.g., business legitimacy, stakeholder engagement and social capital development
- mid-level, e.g., brand identity, organisational culture/climate and performance measures
- micro level, e.g., personal interactions and impact on followers' behaviours, attitudes, knowledge, motivation and job satisfaction.

5.   Recommendations

This research has provided encouraging indications in terms of how responsible leadership, in other words, leadership that enables SMEs for sustainability, can be studied and developed through an action research approach.

Future research should address the following questions:

- What will be needed to support the leadership of these SMEs in maintaining their personal commitment and energy for the journey whilst capacitating their organisations and collaborating with stakeholders to stay on track?
- Will the EStAR approach to the development of responsible leadership for sustainability be appropriate for and replicable in corporate settings, other cultures and a broader range of companies from different sectors such as was the case for the participating companies in this project?

6.   Limitations

The sample for this research was relatively small and cannot be regarded as representative of the SME landscape in South Africa. The ideal should be to make the sample bigger and more diverse. The chosen methodology, however, proved to have been appropriate for this particular group and topic and can be replicated in similar studies in the future.

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