The Fuji Declaration
Igniting the Divine Spark for a Thriving World

THE FUJI DECLARATION IN ACTION: BUSINESS

The Business Sector Path Towards a Civilization of Oneness with Diversity

by:

Lori D. Kendall, Ignacio Pavez, Lili Bao, and Chris Laszlo, Ph.D.

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Ignacio Pavez, Chile

Lori D. Kendall, USA

Lili Bao, China

Advisor:
Chris Laszlo, Ph.D.

CASE WESTERN RESERVE UNIVERSITY

Cleveland, Ohio: United States of America

Study Overview

In the Spring of 2014, The Secretariat of The Fuji Declaration sought background studies in four spheres (the economy, politics, media, and business) to show the achievability of its goals for humanity as expressed in the Fuji Declaration, provisionally titled at the time, "AWAKENING THE DIVINE SPARK IN THE SPIRIT OF HUMANITY: For a Civilization of Oneness with Diversity on Planet Earth." The Declaration points to the possibility of a worldwide shift in consciousness from materialism-centered sustainability to full-spectrum flourishing.

This report presents the background study in the sphere of business. It outlines the path toward a Civilization of Oneness with Diversity as it is being shaped and advanced by business. It offers clear evidence that the purpose and organizing principles of business are evolving from a worldview of tribalism, scarcity and mindlessness to one of interconnectedness, respect for all living things, and the divine spirit of Oneness.

In this study, we show:

- The role of what we term *positive institutions* to awaken the divine spark in the spirit of business
- Generative organizing to awaken the divine spark in the spirit of organizational citizens
- Benevolent leadership to awaken the divine spark in the spirit of business leaders
- Business as a force for good: why and how companies engage in positively contributing to society and earth.

Our findings are built on a theory construct developed in earlier research by the authors: *the arc of interconnectedness* that highlights the evolution of business towards oneness. The study identifies a profound shift in the evolutionary process of business. We call this shift *the ontological threshold* because it embraces a deep transformational change in the underlying logic of business to one that contributes to awakening the divine spark of humanity.

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HOW BUSINESS HAS CONTRIBUTED TO THE PROBLEM

"There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits—so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud" — Milton Friedman, American Economist and Nobel Laureate.

When Friedman wrote these words in a 1970 article for the New York Times, neoclassicists in the liberal tradition were shaping a coherent set of economic theories that shaped financial activity, government policies, business paradigms, and public debate for the next forty years. These theories centered primarily on: (1) the individual as the unit of analysis; (2) utility and rational choice theory; (3) transaction costs as an efficiency-driven set of relationships between agents; and (4) an acceptance of hierarchy as a control mechanism to produce output in the most efficient means possible through centralizing management and decision-making (Moe, 1984).

The Fuji Declaration business sector study suggests that the heart of the problem is ontological. It proposes a construct that we call the "arc of interconnectedness" in which there is a clear divide separating two paradigms of organizational thinking. The first paradigm holds that business in the larger role of society is a utilitarian system with the assumption that individuals and companies will do the right thing because market forces will create the necessary opportunities for doing so. The second paradigm is grounded in connections and bonds between individuals and community, echoing what Martin Buber distinguished in I-Thou (1923), for not just close ties between individuals within a small familiar network (Putnam, 1995) but a connection and an awareness of the various expressions of life at a deep physical, emotional, and spiritual level.

We argue that there is a significant divide between these paradigms to explain the anticipated evolution of business. Understanding this divide is critical to our ability to shift ourselves as well as the role of business from utility maximizing to that which fosters: (1) our deep sense of interdependence and interconnectedness with each other; (2) the intersecting stakeholder relationships between the various actors, institutions, and organizations where businesses operate; and (3) the natural and social environments that support the functions of the business and in turn are supported and are regenerated by the businesses themselves (Ehrenfeld & Hoffman, 2013; Laloux, 2014; Laszlo & Brown et al., 2014).

The study is organized as follows. First, a theoretical framework of the study is introduced that establishes the basis for understanding emergent business models of human flourishing. Next, we walk through what we learned in our investigation, and we conclude our study with a final reflection on why we have reasons to be hopeful for the future of business as an agent of world benefit.

THE THEORY BEHIND AN AWAKENED BUSINESS

New perspectives in business are challenging the paradigms of the industrial era (Ehrenfeld, 2008; Senge, Smith, Schley, Laur, & Kruschwitz, 2008) to see sustainability as "the possibility that humans and other life will flourish on the Earth forever" (Ehrenfeld, 2008: 49). This new understanding of sustainability —called "sustainability-as-flourishing" (SAF)— has allowed the emergence of new types of business, which are created and organized to have a positive impact in the world (Cooperrider & Godwin, 2011; Ehrenfeld & Hoffman, 2013; Haigh & Hoffman, 2012; Laszlo & Brown et al., 2014).

Positive institutions: awakening the divine spark in the spirit of business

Business as the most powerful and dominant institution in society (Bakan, 2004; Gladwin, Kennelly, & Krause, 1995), is a good starting point to understand (and change) the multilevel dynamics that are in play when thinking about a flourishing world (Hawken, 1993). New approaches have been developed to craft business as positive institutions (Thatchenkery, Cooperrider, & Avital, 2010). According to these approaches, businesses are not primarily focused on maximizing shareholder returns or reducing harm, but on creating prosperity and well-being in the whole system in which they operate. Those positive institutions assume a greater purpose and responsibility for the whole, embracing a greater sense of connectedness and care (Ehrenfeld, 2008; Eisler, 2007; Laszlo & Brown et al., 2014).

A key feature of positive institutions (in the business context) is the commitment to reconcile the profit motive with making a positive impact in the world (doing well by doing good), an idea which has been captured by the concept of *sustainable value*: "a dynamic state that occurs when a company creates ongoing value for its shareholders and stakeholders" (Laszlo & Zhexembayeva, 2011: 42). Paradoxically, companies that embed sustainable value (adopting the seemingly opposite goals of profit and care) at the core of their business strategy are likely to perform better than the average in the industry (Laszlo & Zhexembayeva, 2011; Mackey & Sisodia, 2013; Porter & Kramer, 2011; Sisodia, Wolfe, & Sheth, 2007) because the changing context of the business environment (declining resources, transparency and rising expectations) has created new business risks and opportunities in every sector of the economy (Laszlo & Zhexembayeva, 2011).

Furthermore, the evolution of business —as an embedded system within society— has allowed us to witness the emergence of new organizational forms which have come to compete not only on the quality of goods and services, but also on the ability to produce positive social and environmental change. Those types of organizations, usually referred as "hybrid organizations" or "benefit corporations" (Battilana & Dorado, 2010; Haigh & Hoffman, 2012; Honeyman, 2014), are considered examples of positive institutions and are called "sustainability-driven", because they have demonstrated the capacity of for-profit companies to develop generative and mutually enriching connections between business, communities and the natural environment" (Haigh & Hoffman, 2012).

Recently, the conceptualization of the hybrid organization has been expanded to not only create benefit to society, but to raise the level of consciousness in all of humanity. In doing so, these companies have been devoted to enhancing our sense of connectedness —to one's own life purpose, to others, and to the natural world— in order to truly embrace SAF. These types of companies, referred to as "flourishing organizations", highlight the importance of intentionally elevating our individual and collective consciousness in order to reflect these elevated states of the mind to the world (Laloux, 2014; Laszlo & Brown et al., 2014; Senge et al., 2008).

Generative organizing: awakening the divine spark in the spirit of organizational citizens

Traditional business practices have been focused on performance and effectiveness (Cameron & Quinn, 2006; Denison, 1997; Kotter & Heskett, 1992) with the purpose of maximizing financial returns. Positive institutions however, are conceived not just as *performative* entities (focused on effectiveness), but also as *transformative* ones (focused on positive impact). Consequently, these types of companies show different patterns of individual and collective behaviors, which are focused on making our world a better place to live in.

Positive Organizational Scholarship (POS) has been a major stream of knowledge and practice devoted to understanding those organizational dynamics. POS research "focuses explicitly on the positive states and processes that arise from, and result in, life-giving dynamics, optimal functioning, or enhanced capabilities or strengths" (Dutton & Glynn, 2008: 693). Hence, the three core aspects of a POS perspective, as described by Dutton & Glynn (2008), are closely related to the SAF perspective. Those three elements are: (1) concern with flourishing; (2) focus on the development of strengths or capabilities; and (3) emphasis on the generative, life-giving dynamics of organizing.

Within the field of POS, an important concept for understanding organizational dynamics from a strength-based perspective is positive deviance (Spreitzer & Sonenshein, 2003, 2004) which is defined as "intentional behaviors that significantly depart from the norms of a referent group in honorable ways" (Spreitzer & Sonenshein, 2004: 841). The concept of positive deviance is helpful to re-think the organizing processes towards SAF because it offers a more precise way to understand what a positive institution is. Accordingly, a positive institution can be defined as an organization that carries out an *intentional strategy* (i.e. voluntary by nature) that moves the company *beyond the traditional way of doing business* (i.e. beyond legislation compliance, efficiency, and shareholder value creation), in order to produce a *positive impact* (i.e. honorable behavior, focused in creating good rather than avoiding harm) in the system that supports —and is impacted by—the company's operations.

In alignment with this definition (Cooperrider & Godwin, 2011), positive institutions are centers that "elevate our human strengths, connect and magnify those strengths, and then ultimately, serve to refract more wisdom, courage, love and other human strengths onto the world stage." Thus, they develop a generative process of organizing, and give a purpose to organizational members that help people to experience the wholeness of the systems of which

they are a part, which in turn helps them to embody more conscious decision-making processes that enhance the positive impact of the company in the world.

The organizing processes for building a culture of oneness, characterized by a network of nurturing relationships, is essential to understanding the internal dynamics of the organization that allow the creation of common good. In this regard, David Cooperrider and colleagues have been pioneering the creation of a theory of change based on elevating human virtues and/or strengths (Cooperrider & Godwin, 2011; Cooperrider & Srivastva, 1987; Cooperrider & Whitney, 2005; Cooperrider, Whitney, & Stavros, 2008). The organizing processes under this approach for change are described as "the cooperative co-evolutionary search for the best in people, their organizations, and the world around them. It involves the discovery of what gives 'life' to a living system when it is most effective, alive, and constructively capable in economic, ecological, and human terms [...] It involves the art and practice of asking questions that strengthen a system's capacity to apprehend, anticipate, and heighten positive potential" (Cooperrider et al., 2008: 3).

In alignment with the Fuji Declaration, this theory of change is helpful to understand the organizing processes that sustain the harmony of the whole, because it is based on affirming the divine spark of every human being to create flourishing organizations. This approach assumes that organizations are centers of human connectedness that nourish the human spirit. Thus, the conceptualization of organizational life is based on a renewed understanding of the nature of the human being (compared to traditional approaches) and authenticity, purpose, and interconnectedness to others and to the natural environment (Ehrenfeld, 2008; Laszlo & Brown et al., 2014).

Finally, organizational theory has evolved to increasingly consider spirituality as a human experience that can be cultivated and enhanced as part of the organizational life (Duchon & Plowman, 2005). Recent research in this area has shown that spirituality in the workplace has several benefits, like the enhancement of employee well-being (individual health perspective), the elevation of the sense of interconnectedness and community (interpersonal perspective), and the cultivation of purpose and meaning at work (philosophical/transcendent perspective) (Karakas, 2010). As such, workplace spirituality provides a clear path to enhance the capacity of an organization to embrace a holistic development of employees, which will in turn, help cultivating a generative process of organizing that continually —and consistently— frees the human spirit towards oneness.

Visionary alchemists: awakening the divine spark in the spirit of business leaders

Central to the development of positive institutions is the role of organizational leaders, because they are called to initiate —and sustain— the necessary transformations in business to create a thriving and prosperous world. For addressing that ideal, organizational leaders (at any level) have had to depart from traditional ways of conducting business (i.e. mechanistic and

hierarchical relationships), in order to capture the essence of the human being (i.e. our divine spirit) as a way to enact the organizing principles towards SAF.

In doing so, they had to learn a new set of leadership skills, which are closely related to personal development practices. Some of those skills are: to continually renew themselves at work, to engage people from the heart, to elevate the strengths of a person for harnessing his/her highest potential, and to create an elevated purpose for every organizational member (Boyatzis & McKee, 2005; Boyatzis, Smith, & Blaize, 2006; Cameron, 2013; Covey, 2005; Dutton, Spreitzer, & Achor, 2014; Fry, 2003; Laszlo & Brown et al., 2014; Whitney, Trosten-Bloom, & Rader, 2010).

In alignment with the business challenges of the 21st century, new leadership models have been developed with the aim of sparking the generative interactions that will allow business to become a positive institution. One of those leadership models is called spiritual leadership, which was created to specifically address the spiritual component of human interaction in organizations. This model entails two main components: "1) creating a vision wherein organization members experience a sense of calling in that their life has meaning and makes a difference; and 2) establishing a social/organizational culture based on altruistic love whereby leaders and followers have genuine care, concern, and appreciation for both self and others, thereby producing a sense of membership and feel understood and appreciated" (Fry, 2003: 695).

Another important model is called benevolent leadership, which was created with the purpose to offer a theoretically sound basis to create common good in organizations. Benevolent leadership is defined as "the process of creating a virtuous cycle of encouraging, initiating, and implementing positive change in organizations through: a) ethical decision making and moral actions, b) developing spiritual awareness and creating a sense of meaning, c) inspiring hope and fostering courage for positive action, and d) leaving a legacy and positive impact for the larger community" (Karakas & Sarigollu, 2012: 537). This leadership model is unique because of the way in which it defines —and integrates— the patterns of behavior that characterizes leadership practices aimed to create common good. The benevolent leadership model constitutes a solid basis for the creation of societal welfare.

Business as a force for good: why companies engage in positively contributing to society

The historical evolution of the field of business in society has shown that, despite the differences among the several streams of research that constitute the field (e.g. corporate social responsibility, corporate citizenship, corporate sustainability, social issues in management, and corporate environmentalism, among others), there are some common elements that would help an understanding of why —and how— business organizations positively contribute to society. In particular, there are three elements that are closely interlocked and act interdependently when configuring business as a force for good (Pavez & Beveridge, 2013): 1) value generation logic, 2) forces or drivers of business practices, and 3) stages/levels. The first two elements (i.e. value generation logic and forces) have been used by scholars to explain *why* companies engage in

using business as a force for good, whereas the third element (i.e. stages/levels) represent *how* business implement and accomplish the creation of common good (Pavez & Beveridge, 2013).

The *value generation logic* refers to the underlying assumptions that people hold behind the motivation to be involved in SAF strategies. Those logics have been classified as instrumental (profit logic), normative (social logic), and integrative (combination of social and profit logics). The instrumental or profit logic assumes that companies are instrument for wealth creation and that is their crucial responsibility. Thus, SAF strategies are considered means to the end of profits. Companies that follow this approach are involved in SAF strategies because they believe it is good business (Laszlo & Zhexembayeva, 2011; McWilliams, Siegel, & Wright, 2006; Wallich & McGowan, 1970). The normative or social logic assumes that the relationship between business and society is embedded with ethical values. Under this logic companies should put their ethical obligation above any other consideration, even if it damages their financial returns. Consequently, companies that follow this approach decide to implement SAF practices because they believe it is the right thing to do (Garriga & Melé, 2004). Finally, the integrative logic reconciles the two dialectical logics previously mentioned (social and profit). Under this approach people feel a deep desire to do good for society, but the financial health of the company is equally important. Companies that follow this approach support the idea that wealth creation is the mechanism by which companies, under the forces of the current economic system, should use to create societal welfare (Gladwin, Krause, & Kennelly, 1995; Haigh & Hoffman, 2012; Honeyman, 2014).

The *forces* represent the drivers of business practices towards SAF. Those drivers could be internal or external, and are helpful to understand why companies engage in SAF strategies (Swanson, 1995; Wood, 1991). Internal forces represent the individual and organizational motivations towards SAF strategies (e.g. the moral responsibility and personal values of decision-makers, the social values of the company, the organizational identity, and the internal capabilities of the firm, among others) (Clarkson, 1995; Hart & Milstein, 2003; McWilliams et al., 2006; Sharma & Henriques, 2005; Sharma & Vredenburg, 1998; Waddock, 2008). External forces, on the other hand, are the factors that trigger the implementation of SAF strategies, which are beyond the boundaries of the company (e.g. pressure from civil society, legal regulations and industry standards, among others). They typically represent what is expected of business in terms of normative legitimacy (Suchman, 1995; Wood, 1991), as well as the mechanisms — coercive, mimetic and normative isomorphism— that produce similar practices and structures across other organizations (Campbell, 2007; Delmas & Toffel, 2004; DiMaggio & Powell, 1983).

Finally, the stage models specifically focus on *how* companies integrate SAF from a dynamic and long-term perspective. These models assume that organizations demonstrate different levels of acceptance, understanding and integration of SAF principles at different points in time. They emphasize the dynamic and evolutionary nature of the developmental process towards SAF, during which sustainability-related initiatives become more integrative, sophisticated and demanding. Stage models are generally composed by the elements that help companies to institutionalize SAF, which includes the organizational structure, the organizational

culture, stakeholder relationships and the leadership logic/style (Maon, Lindgreen, & Swaen, 2010a; Mirvis & Googins, 2006; van Marrewijk & Werre, 2003).

THE STAGES OF BUSINESS EVOLUTION TOWARDS ONENESS

One of the purposes of the Goi Peace Foundation research was to uncover the evolutionary process that business follows for contributing to the creation of a flourishing world. Our findings suggest that firms that are the furthest along on this evolutionary journey are creating engagement models within their companies that have the potential to awaken the divine spark of humanity across stakeholders; much like stones thrown into the pond create a ripple effect, or the beat of a butterfly's wings creates a hurricane thousands of miles away.

This is the nature of interconnected, breathing, and organic systems. We cannot understand these models from Western reductionism, or the study of systems in isolation, but can only glimpse the profoundness of their effects from an interdisciplinary system lens. The divine spark is indeed like a ripple in the pond, but in this case, a small force that creates a much larger impact through the sheer force of the multiplier effect.

The Arc of Interconnectedness

Based on a combination of the data of our research inquiry as well as our syncretic theoretical understanding, previous research provided a starting point to represent the stages of business evolution for becoming a force for good (Maon, Lindgreen, & Swaen, 2010b). Our analysis reveals that businesses transform themselves to become agents of societal welfare along two complementary dimensions: business purpose and organizing principles (Pavez, Kendall, & Bao, 2014). *Business purpose* represents the object toward the company exist and/or the intention of founders when the company. Along this dimension it is possible to observe four stages that describe the evolution of business purpose.

At the beginning is the traditional purpose of business (as stated in the law), which is maximizing shareholder value or creating economic wealth. This stage represents the ideas of capitalism in its pure state. The second stage represents an important shift, because it includes stakeholders as an important part the business model. At this stage companies seek to create ongoing value for shareholders and stakeholders without making tradeoffs (i.e. create sustainable or shared value), and they engage in activities oriented to social and/or environmental value (e.g. energy efficiency, waste management, community engagement, etc.) because it is good business.

The third stage represents another important shift in terms of the business purpose because it moves companies from sustainable value creation (Laszlo, 2008; Porter & Kramer, 2011) to the deep desire of doing good in the world as a way to succeed (i.e. creating benefit to human, environment, and social endeavors as a way for the organization to thrive). The mantra for companies at this stage is "becoming a force for good" and/or "being the best company for the world" (Haigh & Hoffman, 2012; Honeyman, 2014). This higher purpose is reflected in business practices such as creating higher quality jobs and improving the quality of life

throughout the communities where the firm operates. Companies that are born with this purpose are created to explicitly address some environmental or social issues.

Finally, the purpose of companies at the fourth stage is to awaken the divine spark of businesses to raise the collective consciousness of humanity. This stage represented the highest and noblest business purpose, because it aligns with the principles of oneness and wholeness that constitutes the basis of an interconnected and flourishing world. This highest purpose is manifested in business practices that strive for wholeness and community, supporting people's longing to be fully themselves at work, and to be deeply involved in nourishing relationships (Pavez et al., 2014). For example, Laloux notes an increase desire of people "to affiliate only with organizations that have a clear and noble purpose of their own. We can expect that purpose, more than profitability, growth, or market share, will be the guiding principle for organizational decision-making" (2014: 50).

The set of *organizing principles* represents the underlying assumptions behind the social processes that shape interactions among organizational members. Those modes of organizing also followed an evolutionary path, which revolves around the nature of human interactions that pervade the organizational design.

The first stage is characterized by an organizing style in which power and hierarchy are salient. Interactions are design to be predictable, efficient and rigid, so they follow a cascade of formal communication/reporting lines from bosses to subordinates. The mental models of production are based on efficiency, so employees are treated as resources to serve the instrumental purpose of the organization of generating profit (Daft, 2012; Lee, 2008).

The second stage is characterized by an organizing style with the underlying assumption that effectiveness and success replace morals as a yardstick for decision-making: "the better I understand the way the world operates, the more I can achieve; the best decision is the one that begets the highest outcome." For these companies, the goal as human beings is to get ahead, to succeed in socially acceptable ways, and to best play out the cards we are dealt.

The third stage is characterized by an organizing style with the underlying assumption that employees are part of the same human family in pursuit of doing good for society itself. The organization endeavors to increase each member's wellbeing while becoming a force for good in a broader context (i.e. the principle of caring in action) (Haigh & Hoffman, 2012; Honeyman, 2014). Personal values and beliefs of top management and all intersecting stakeholders hold that doing good for oneself and for others (environment included) is integral to how the firm is organized to act.

Finally, the fourth stage is characterized by an organizing style that transcends caring to yearn for wholeness (Laloux, 2014). Here, companies strive to bring together the ego and the deeper parts of the self; integrating mind, body, and soul; cultivating both the feminine and masculine parts within; being whole in relation to others; and nurturing our relationship with life and nature (Kofman, 2013). Oftentimes, the shift to wholeness comes with an opening to a transcendent spiritual realm and a profound sense that at some level, we are all connected and

part of one big whole (Laszlo & Brown et al., 2014; Scharmer & Kaufer, 2013; Senge, Scharmer, Jaworski, & Flowers, 2005).

The organizing principles previously described are closely intertwined with the business purpose that characterizes each stage. This suggests that they represent two evolutionary axes through which companies evolve to become positive institutions; one representing the contribution of the company to society (purpose) and the other one the principles behind the social processes that shape organizational practices (organizing). Consequently, we argue that we should look at the evolution of business toward wholeness through the framework, "The arc of interconnectedness" (Pavez et al., 2014).

This evolutionary path begins with shareholder value (the dominant paradigm), evolving to sustainable value (creating value for shareholders and stakeholders simultaneously), then the organizing principle and purpose of the sustainable/social enterprise (business as a force for good), to ultimately transcend and become a flourishing organization (business that spark the divine spark of humanity).

Notably we found a profound gap in terms of the worldview that dominates the first two levels (shareholder and sustainable value) and the last two (sustainable/social enterprise and flourishing organization). We called that gap "The Ontological Threshold", because it embraces a deep transformational movement that completely changes the underlying logic of business. That movement is based on a totally different conception of the nature and relations of being, which goes from a mechanistic and fragmented worldview based on seeing humans as separate and selfish to a holistic and interconnected one in which we are part of the Oneness of the world and in which caring for others and for future generations is an essential quality of being human (Pavez et al., 2014). We will discuss the implication of that gap after we present our findings.

The institutionalization processes towards Oneness

The two axes that frame the model of business evolution illuminate the way (*how*) in which business embodies each evolutionary stage of "the arc of interconnectedness." In other words, each shift in purpose and organizing results in a different set of frames around the institutionalization processes that a company follows to become a positive institution. We divided the institutionalizing processes into four categories, as shown in Table 1.

Table 1. Institutionalization processes towards wholeness. Adapted (Pavez et al., 2014)

Stages / Levels	Purpose	Organizing	Institutionalization			
			Structure	Stakeholders	Leadership	Culture
Shareholder	Maximizing shareholder value	Bureaucracy/ efficiency	Hierarchical	Contractual	Competent manager	Compliance-seeking

Sustainable value	Deliver sustainable value	Effectiveness	Delegated authority	Interactive	Strategic achiever	Strategizing
Sustainable enterprise	Becoming a force for good	Caring	Distributed authority	Partnership	Social innovator	Caring/ transforming
Flourishing organization	Awakening divine spark	Wholeness	Fully autonomous	Integrative	Visionary alchemist	Flourishing

Structure refers to how activities such as distribution of power, task allocation, coordination, supervision, and measurement and reward systems are directed towards the achievement of organizational aims. A company can be structured in many different ways depending of its objectives (purpose) and on the assumptions about the nature of people and relationships within the organization (organizing). *Stakeholders* refers to "any group or individual that can affect or is affected by the achievement of a corporation's purpose" (Freeman, 2010: 46). *Leadership* refers to "the ability of influence a group of a vision toward the achievement of a vision or set of goals" (Robbins & Judge, 2013: 178). *Culture* refers to the pattern of shared —and taken-for-granted— assumptions about sustainability that was learned by organizational members as the company solved its problems of external adaptation and internal integration. To be considered a cultural trait, that form of understanding sustainability should has worked well enough to be considered valid and, consequently, to be taught to new members as the correct way to perceive, think, and feel about sustainability (Schein, 2004: 17).

The process of institutionalization is described in the following section, with examples of real business practices that represent each element at all levels. We will illustrate the tension between the two dialectical worldviews that represent the ontological threshold, and how companies are moving from the fragmented and disconnected worldview to the holistic and interconnected one.

HOW COMPANIES FOLLOW THE ARC OF INTERCONNECTEDNESS

"The way we think about our purpose and approach to the environment can be expressed in the following way: (1) we lead an examined life; (2) we clean up our own act; (3) we do our penance; (4) we support civil democracy [by supporting environmental campaigns and groups]; (5) we influence other companies, including our competitors to engage with us on this" — prominent U.S. clothing manufacturer executive and environmental steward.

What we find in the companies we researched are key institutionalization factors that allow us to see more deeply how businesses evolve from utility-driven purpose and the organizing principles of maximizing shareholder value or driving social and environmental

change only as a means of gaining comparative advantage to a paradigm with an entirely different set of organizing principles and business purpose, to be truly interconnected.

What we find with this understanding is that each shift in purpose and organizing results in a different set of frames around the institutionalization processes that companies follow to become positive institutions. We divided the institutionalizing processes into the following categories: structure, stakeholder, leadership, and culture.

Structure

"How to improve the vitality of people's lives transcends everything we do from our strategic planning process to setting our goals and objectives; to turning those goals and objectives into division strategies rolled into department strategies, and then rolling these into individual goals and objectives. This is how we can integrate it through all of our efforts and assure that we're truly aligned to that particular vision" — CEO, U.S. Products manufacturing firm.

Institutionalization in terms of structure is the process by which a business creates an organizational structure to define and direct activities of the firm to achieve organizational objectives. From Weber's definition of bureaucracy forming the basis of the modern corporation as an organizational pyramid concentrating power and control at the top (Child, 1972) to scholars that describe companies that are fully autonomous structures with power and control in the hands of each employee (Laloux, 2014; Robertson, 2007), structure has a great deal to say about how work is done. Table 2 illustrates how the paradigmatic worldviews of utilitarian and interconnectedness implement structures that serve their organizing principles.

Table 2. Institutionalization: *Structure (adapted from Pavez et al., 2014).*

Paradigm �	Fragmented: "Me"		Interconnected: "We"	
Stages ⎗	Shareholder	Sustainable value	Sustainable enterprise	Flourishing organization
Structure ⎗	*Hierarchical*	*Delegated authority*	*Distributed authority*	*Fully autonomous*
Decision-making	Decisions require correct authority and are driven top-down into organization	Decisions have increasing complexity; top management establish overall direction and delegate downwards	Goes outside pyramidal model to focus on culture, decentralization, and empowerment. Structure evolves to align with being a force for good	Organizations are peer-relationship based on perceiving what's needed versus predefined roles, structures, & activities

Work definition	Procedures established *a priori* for efficiency; deviation not tolerated well	Staff given control and latitude to reach objectives	Employees work in teams to exercise responsibility and authority to define objectives	Employees work independently to define roles, function, and performance
Information flow	Communication flows rigidly from top to bottom	Input flows from bottom up while decisions flow downward	Emphasizes informal communication channels	Communication is a function of one's whole and authentic self
Measuring performance	Financially measured: past performance used to describe future expectations in purely monetary terms	Performance described in terms combining financial data and social / environmental costs to be the best *in the world*	Performance is reflected in social justice and environmental terms: to be a force for good by being best *for the world*	Performance is evaluated on the whole person's growth and org's fulfillment of evolutionary purpose and benefit to the world
Exercise of power	Power is exercised depending on location in hierarchy; amassed at the top	Employees have significant power over task execution	Employees have significant control over role definition and power over task execution	Employees create role definition and task execution
Locus of control	Bureaucracy as controlling function through command and control	Matrix management and project teams are the hallmark of this level of structural evolution	Virtual and self-directed work teams replace pyramidal structures with leaders providing facilitation and guidance	Autonomy exists at the individual level without managers exerting control over
Role of departments	Functions are fiefdoms and difficult to evolve without creating defensiveness moves	Staff functions and overlay organizations have significant control over traditional line functions	Department functions are more fluid and evolve as the business evolves	Departments/ functions serve the nature of the work and come and go by agreement

"We try to keep it small... We try to have as little middle management as possible. The founders intent from the beginning was to create a flexible organization with small teams pursuing hundreds of projects simultaneously as the key to our ability to be innovative" — VP, global technology firm.

The executive from the global technology firm just quoted echoes a theme we heard over and over again in our interviews with firms who focus on organizational structures from the perspective of an interconnected ontology. Employees can be trusted, and do not need the layers of management or elaborate processes many firms put into place to control the activities of their employees. For example Zappos, known for its fully autonomous organizational structure and legendary customer service, doesn't implement any of the typical call center metrics that measure dozens of efficiency and effectiveness key performance indicators like the amount of

time an agent spends on a single call, or the amount of time it takes for an agent to pick a ringing phone (Hsieh, 2010).

Another example: "I encountered huge amounts of jealousy from people at the corporate level because they owned the global sustainability team and they weren't really doing anything except to produce a sustainability GRI report that nobody in the company even knew was being produced. When our business unit started to win the major awards and recognition, it became very difficult as there were a lot of people who did not like it because it wasn't being driven from the central office" — Sustainability VP, European chemical company.

Compare our example of organizations that structure their operations with distributed authority or are fully autonomous this with the voices of a firm that depends on hierarchical structure squarely from a utilitarian ontological perspective. Here, we see what happens when a sustainability officer from a multi-national chemical company spoke leads a complete revamping of his business unit's sustainability strategy and portfolio, resulting in highly defensive but predictable reactions by department leaders at the corporate level. Our sustainability officer, operating under empowerment that comes from distributed authority is met with fierce resistance. It makes perfect sense when we understand that from the ground of being corresponding to a hierarchical structure, such an encroachment on the span of control of the corporate office has challenged the very definition of power, locus of control, and strategic decision-making.

"Anyone can initiate a project to make a positive impact in a community, like our local Korean community, or something to impact the larger world in a positive way just by posting it internally for everyone to see. Anyone from the company can join the project, or sign up to volunteer for a specific activity. The company doesn't drive this from the top down. It's self-organized because if someone forces you to do something, it's not going to be regenerative, because that has to come from within" — HR executive, global technology firm.

For leaders contemplating changing their organizational structure to empower their employees and increase employee engagement, sometimes crossing the ontological threshold is a matter of just letting go, so that employees can connect with each other on what they care the most about.

Another example: "For the business leaders in our company who only care about the numbers, they need to be able to take sustainability one step at a time. However, external pressures sometimes accelerate the whole thing very nicely for us. We have one particular business that was a steel manufacturing plant. Steel is very water-intensive and they were drawing water from the municipality that was meant for the farming community. After direction

came from the government and a pretty big protest was organized in the village about another business running afoul of the community, the head of steel manufacturing asked us to help wean them off of municipality water altogether.A year later, we have a plant that has it own rainwater harvesting and a ground water recharge system that allows them to be water self-sufficient for about half the year." — EVP, Sustainability officer for Indian multinational conglomerate

Businesses do evolve, and we find that large corporations have institutionalized their structures to evolve at different rates for any given point of time. The Indian multinational firm in this case, a $30 billion (in USD) company with 150,000 employees recently launched a reinvention of the company to become a sustainable enterprise, following Gandhian principles of economic and social justice combined with the chairman's desire to unleash the innovation potential of 150,000 employees to solve the biggest problems confronting Indian and global society. To do so, this firm recognized that the institutionalization structures that were largely hierarchical were holding the company back. The reinvention targets leapfrogging over delegated authority to distributed authority. The senior leader reported that empowerment was an easier change to talk about when they focused on innovation as a institutional force compelling to rethink the role of structure. Managers at the ground level talked about how hard it was to let employees have more freedom to make mistakes, to experiment, and to change how they worked. This is a powerful ontological shift, especially for a structure that is deeply imbued with hierarchy as a means of achieving firm objectives.

Additional analysis of the primary and secondary data reveals stories about how businesses are influenced by the diversity of people and their changing expectations, especially millennials seeking purpose and meaning, as well as expecting autonomy. Businesses are changing in no small ways with the influence of the Internet and social media demanding transparency, with the inclusion of women into positions of leadership and entrepreneurship, even in cultures where women as entrepreneurs would have been unheard of ten years ago. A review of how these companies talk about themselves in social media reflects purpose and vision in increasingly holistic and spiritual terms. As we continue this line of inquiry in our broader research themes, we believe that we will see increasing numbers of companies redefining their structural organization in ways that reflect this interconnected worldview.

Stakeholders

"A sustainability strategy should not only guide the activities development and skills, is also a form of business relationship with customers, vendors, suppliers, shareholders, politicians and stakeholders. Environmental sustainability is the single biggest challenge facing our industry and society this century, because the response affects not only products but every aspect of our business and every person in it." — Chief Environmental Officer & Chief Executive Officer of a leading Japanese multinational automaker.

Institutionalization in terms of stakeholders is the process by which a business views relationships with those outside the firm in either a limited morality context (e.g. moral stewardship or *corporate egoist* and *instrumentalist*) or an elevated state of consciousness (e.g. *caring* and *holistic*) (Jones, Felps, & Bigley, 2007). Table 3 illustrates how the paradigmatic worldviews of utilitarian and interconnectedness view relationships that serve their business purposes.

Table 3. Institutionalization: *Stakeholders*.

Paradigm ⊠	Fragmented: "Me"		Interconnected: "We"	
Stages ⊠	Shareholder	Sustainable value	Sustainable enterprise	Flourishing organization
Stakeholders ⊠	*Contractual*	*Interactive*	*Partnership*	*Integrative*
Concern for others	Moral stewardship concern for others is limited to concern on behalf of shareholders	Interests of relevant stakeholders integrated into business strategy	Purpose built around satisfying stakeholder needs and to benefit society by impacting whole organization system	Company built around developing a greater sense of inter-connectedness between company and all living systems, with aim of leading creation of a flourishing world
Stakeholder Engagement	When doing so benefits shareholders in an instrumental way	By engaging with those who directly impact business performance, company creates sustainable/shared value in a systematic fashion.	Close relationships with most stakeholders to act as partners of societal betterment	Broad definition of stakeholders (not just ones directly impacted by business), and embraces deep collaboration
Viewing impact upon stakeholder	Interpreted and treated as an externality	Satisfying stakeholders' needs is considered good business	Understood as central element to enhance positive impact of the company upon society	Stakeholders are highly synergistic and collaborative, which means that they are actively involved in co-creating/improving the business practices of company to create societal welfare

Relationship type	Purely contractual	Reciprocal (win-win) relationships to assure success in implementation of business strategy	Close and based on mutual trust, goes beyond an instrumental strategy to improve performance	Stakeholder relationships are transformative in nature. In other words, they help to increase the meaning/purpose of business actors and enhance their sense of inter-connectedness

"We believe that sustainable logistics, in our production processes must include environment, economics and social costs and resources. This concept includes the supply chain management, production process, and all stakeholders. We have been able to reduce absolute CO_2 emissions across our logistics network for a number of years running, despite having higher distribution volumes" — VP, Logistics for Japanese automaker.

For the automotive maker, stakeholders have been conceptualized as all living things, in this case, planet earth. Reducing emissions is an outcome of viewing impact upon an indirect stakeholder (the environment) and understanding that this is a central element in order to produce a positive impact upon society.

What is different in this example, in comparison to what we may find in a typical CSR report? Let's consider some language about value creation in a 2012-2013 report from agricultural giant Smithfield Foods, Inc., whose CSP score at 1070 makes them one of worst corporate social performers worldwide, according to a 2010 study published by the UCLA Institute of the Environment (Chen & Delmas, 2011).

Under the banner of Corporate Social Responsibility, the language of the company is one of moral stewardship combined with instrumentalism. Stakeholder value is only aimed at generating benefit to the shareholder. We observe this through how each CSR metric is tied to a financial benefit. Furthermore, note that even the language tied to raising awareness about hunger is tied to "*connecting more consumers with our brands,*" ostensibly to generate opportunities to see more product (Smithfield Foods, 2013). Smithfield may talk about being a socially responsible company, but both empirical evidence and the use of language suggests a utilitarian paradigm of separateness, and not one of interconnectedness and motivation to benefit society, or one to lead in the creation of a flourishing world.

Another example: "For the independent recycler (also known as trash pickers), the firm offers a partnership that finances half of their entry costs for the recycling technology, and allows them to have 100% of the income derived from its operations... Because of this partnership, the independent recyclers can emerge from extreme poverty and learn how to

achieve higher levels of income from an occupation that used to be part of the informal economy in Chile" — CEO, South American recycling company.

Many of the firms we studied were focused on partnership in the way they viewed stakeholder relationship as partners in societal betterment. In these cases stakeholders are an opportunity to understand the whole organizational system, going beyond instrumentalism or egoism to the ontological view of wholeness. In some cases, these firms are evolving into integrative stakeholder relationships, as is the case of the South American recycling company because they are transformative in nature. The recyclers, most of whom come out of desperate poverty situations, give the business meaning and purpose, and in turn, the business provides the same back to the recyclers, along with dignity and a sense of hope.

Another example: *"Because of our relationships working with farmers, we were able to fundamentally change our entire business model from farm tech manufacturing to farm tech prosperity. We don't look at just selling tractors and other farming equipment to the farmer anymore, but give them end-to-end support from seeding to new technology in farming for efficient use of water, conservation of soil moisture, interaction with a local university's horticulture program, and access to a 24/7 local/rural television programs. This shift to being in the farm tech prosperity business is huge for us. We create ergonomically tractors that women can use. Farmers taught us to modify the design so that the tractor can be used for applications beyond the limited four to five month growing season, to use it for other applications that could also mean transporting some heavy equipment or timber or something from one place to the other" — SVP, Indian multinational conglomerate.*

Here again are stakeholder relationships that allow the firm to focus on transformative activities that could significantly change the lives of a population in India that is deeply mired in the type of poverty and hardship associated with the fickle monsoon seasons that make farming in India very difficult. We note that this isn't a business case aimed at selling more tractors, nor is it an ontological perspective about utility, although utility is certainly implied by extending the use of a piece of equipment beyond traditional farming activities. What we find the most remarkable is that the firm's relationship and business purpose with the farmer has been completely transformed, to one of seeing the farmer's situation as their own. This suggests that an ontological threshold has been crossed, with an associated paradigmatic shift towards interconnectedness and oneness.

Leadership

"I care deeply about people sustaining their life, about people having life and vitality. Of people being able to enjoy and live a life and feel great while they're living it. Being in this particular role not only allows me to do that personally, but allows me to inspire an entire workforce around the world to help others achieve the same thing" —Chief Executive Officer, U.S. appliance maker.

Institutionalization in terms of leadership is how the businesses structure, design, and view the role of leadership and the top management team to manage the activities of the firm. Table 5 illustrates the paradigmatic worldviews of utilitarian and interconnectedness from a leadership perspective.

Table 4. Institutionalization: *Leadership*.

Paradigm Ⓦ	Fragmented: "Me"		Interconnected: "We"	
Stages Ⓦ	Shareholder	Sustainable value	Sustainable enterprise	Flourishing organization
Leadership Ⓦ	*Competent manager*	*Strategic achiever*	*Social innovator*	*Visionary alchemist*
Role of leader	Establish standards, procedures, and output statistics to regulate activities.	Strong strategic orientation focused on getting results; satisfy stakeholder needs in order to improve business performance.	Challenge assumptions to reach higher performance (social, economic, and environmental).	Generate social transformations that reinvent organizations in historically significant ways
Purpose of leadership	Organize people and resources towards effective and efficient pursuit of predetermined objectives.	Get tangible deliverables by empowering and motivating team members.	Generate effective organizational and personal change	View the world as a web of inter-connectedness full of possibilities for societal flourishing.
Modus operandi	Driven by power and logic; aware of power dynamics, expect people to follow instructions; focused on maintaining power structures over affective relations.	Creates positive work environment and provide challenges that help employees grow and develop; set strategic objectives that take into accounts the stakeholders' needs.	Develops highly collaborative environments, and weaves meaningful visions with pragmatic, timely initiatives.	Consider the whole system and the long-term consequences; integrates all stakeholders, embracing that which supports the positive evolution of humanity.
Typical leadership style	Authoritative, relies on top-down approach; distinguishes between executives as knowledge and workers (source of physical transformation of inputs to outputs).	Promote teamwork to effectively deal with managerial duties; work with reciprocal influences between the company and its stakeholders.	Empower employees to grow and develop personally and professionally by giving them responsible freedom.	Sought out in organization for wisdom and compassion; Builds framework of elevated human values that guide team members in their daily activities.

Primary objectives	Focus on financial returns and shareholders' interest; impacts to society are externalities; stakeholders relevant when specific issue affects financial returns.	Reliably lead a team to implement new strategies over a one to three-year period, balancing immediate and long-term objectives.		Cooperate across institutional boundaries (wide range of stakeholders) for the mutual benefit of the organization and society (& triple bottom-line results).	Transcend the boundaries of their company to become influential leaders of a flourishing world.

"We saw a change in leadership at the overall business level with the total focus on the short-term, and we saw my CEO who was really quite visionary replaced by somebody with a sales focus who really did not have that vision. Sustainability didn't necessarily mesh with his management objectives, so everything we were working related to the sustainability portfolio on became a non-priority" — VP, European chemical company.

Leaders who have a worldview aligned with the shareholder stage are *competent managers* with a clear focus on financial returns and shareholder's interests. The purpose of leadership is to organize people and resources towards effective and efficient pursuit of pre-determined objectives. For our R&D leader above, it was a personal and professional shock to go from reporting to a *social innovator* with an entirely different focus on stakeholder and societal / economic / and environmental impacts to a leader who told him in the first five minutes, "*I don't care about what you do, and I don't care about sustainability*." We observe that executive hiring committees who are not oriented to the stages of institutionalization may end up hiring or promoting leaders into roles that are a mismatch for the organization; often in hidden ways that aren't exposed until talented staff and well-respected leaders like our interview subject leave the company altogether.

Another example: "One of the most the most important thing our leaders do is to get on the stage every week, every single week no matter what, share their own vision, share how our business is going, and then take a lot of questions with straight answers. I think that's really an amazing thing to do as a leader, because it's not an easy thing to do" — VP, HR global technology company.

We heard a lot of descriptions about leaders who are *strategic achievers*, and excel at empowering and motivating their teams. Some of the world's top companies with charismatic leaders like Cisco System's John Chambers, or Li Ka-shing of Hutchison Whampoa-Cheung Kong (Hong Kong) are legendary achievers who are well-liked by the rank and file employees

for their personal generosity. However, the goals are ultimately about business performance, and do not enter into transformational change beyond the bottom-line.

Another example: "I remember when a CEO from a certified B-corporation that had been acquired by a major conglomerate was invited to present in front of the entire 600-person sales team. The person who was coaching him about the presentation warned him not to waste his time talking about being a benefit corporation, but to focus on why his products were great and how the sales team could make a lot of money. The CEO's response was 'You don't get it. Our products are great and our people are great, but the reason why we're growing faster than anyone else in our business is because we're a B-Corporation.' And his sponsor told him that it was his funeral, but it was his choice. So he takes the stage, gives his fifteen minute talk, at the end of which the six hundred sales team stood unified with a standing ovation" — CEO, non-profit.

Social innovator leaders challenge us to think about company performance in terms of social, economic, and environment. We wouldn't expect a typical sales team to respond to a pitch about a company legal structure, but it isn't about a governance model, it's about what this acquired company stood for. The leader who can operate from a commitment to do good for the world, while pragmatically combining meaningful visions with practical initiatives for the purposes of creating mutual benefit for the company and society will stand out, and in some cases, receive standing applause. Why do these leaders instill this type of reaction?

Unlike the leader who is a strategic achiever and may be very charismatic, we believe that people instinctively respond to the authenticity of a leader who speaks from both their head and their heart with actions that are congruent with the words being spoken. Being a benefit corporation is a significant statement because it requires changing the articles of the corporation and declaring to the shareholders that the firm is legally obligated to pursue objectives that are a benefit to society at the same level of priority as financial ones. Instead of being measured by shareholder performance, the firm is declaring that it will be measured externally by stakeholder performance, against criteria that is objective and challenging.

When we find this type of leadership, we also find other factors of institutionalization that map to the corresponding stage of business evolution.

Culture

"Imagine coming to work for a company and in the interviewing process you're being interviewed to find out whether you passionately believe in making the world a better place. Because if you don't passionately believe in that, we don't really want you to work for our company." — Chief Executive Officer, multinational healthcare products.

Institutionalization in terms of culture is how the business functions by implicit and explicit rules that are understood as "this is how we do things around here." Table 6 illustrates the paradigmatic worldviews of utilitarian and interconnectedness from a Culture perspective.

Table 5. Institutionalization: *Culture*.

Paradigm ⓦ	Fragmented: "Me"		Interconnected: "We"	
Stages ⓦ	Shareholder	Sustainable value	Sustainable enterprise	Flourishing organization
Culture ⓦ	***Compliance-seeking***	***Strategizing***	***Caring / transforming***	***Flourishing***
Sustainability definition	Sustainability is a cost without clear business value.	Sustainability is seen as source of strategic advantage.	Sustainability is deeply woven into the firm's raison d'être.	Culture of company supports a societal transformation for creating a thriving & flourishing world.
Mission and objectives	Company mission descriptive and built around business objectives and shareholder value.	Mission includes idea of contributing to society but is centered on "being the best company in the world" and uses sustainability to achieve those goals.	Mission built around positively contributing to society, which permeates organizational practices.	The mission built around enhancing oneness and inter-connectedness among all living systems is lived by every employee; creates a new stage of development for business as an interconnected entity into the whole.
Impact of vision	Vision does not inspire employees passion for work.	Includes contributing to society but employees don't buy-in because integration of sustainability into operations are fragmented.	Employees are attracted to the company by the strong sense of vision and purpose that the company embraces; deep source of inner motivation at work	Employees are attracted to the company because they perceive a strong sense of meaning and calling at work which transforms their lives.
Transmittal of values	Values largely unknown by employees; used for PR image.	Values reflect contributing to society but are not totally shared by employees.	Organizational values deeply reflect the idea of contributing to society and/or being good corporate citizens; shared by employees.	Organizational values deeply reflect elevated principles of relating and acting, which impact the lives of employees even beyond the job.

Dominant relationship mode	Interactions and relationships are transactional with high level of control and power plays.	Interactions and relationships among employees include caring for emotional wellbeing, but behind that is a utilitarian purpose of improving business performance.	Interactions and relationships among employees are strongly based on caring and compassion, and the work environment is highly collaborative.	Interactions and relationships among employees are trans-formative; enables employees to thrive/flourish personally and professionally.

"We were dealing with organizations like Wal-Mart that were asking lots of questions, and we knew that if we were working to reduce the impact of our products, that would give us a major business advantage. At one point, we had over 200 major corporations sitting at the same table having the same discussion. Some were there because they really wanted to make a difference, and some were there because they just wanted to make sure they could continue to do business with Wal-Mart." — SVP, European consumer products firm.

Most of the firms we studied were aspirational in wanting to be *caring/transforming*, but ended up displaying most of the characteristics of a *strategizing* culture. With our European consumer products firm, sustainability viewed as a source of strategic advantage, although this SVP and other employees wanted the impact of the vision to be around positively contributing to society and a good corporate citizen as a caring/transforming culture. This firm suffered from not having sustainability completely integrated into business operations, and with the mission statement clearly articulating wanting to be the best in the world, with sustainability as a means to an end. The challenge with being on the left side as a utilitarian worldview is several-fold: (1) employees don't buy into the vision or values because they are self-serving; (2) A change in leadership that is hostile to sustainable value makes it easier for the company to retreat back to being a shareholder stage company as discussed previously; and (3) when interactions and relationships are really a means to an end (a utilitarian or instrumentalist purpose of improving performance), people know inauthenticity when they see it, which creates distrust and disengagement. In many ways, sustainable value as a phase for the company makes sense intellectually, but falls short at a human connection and relationship level.

Another example: "To me, culture should be that you care deeply about your employee. You care deeply about your planet. You care deeply about the impact that you're having on this world. You have to have an aspirational vision of how to make the world a better place. The more companies that believe that and practice it, the easier it will be on us when we hire new employees because we won't be so different." — CEO, multinational consumer products company.

When CEOs focus on creating a *caring/transforming* culture, the vision, mission, and values of the company are transmitted more authentically and clearly through the organization and the various stakeholders. Mission permeates organizational processes like hiring, sales, and customer service. Bill George, the former Medtronics CEO developed and practiced caring/transforming principles during his twenty-year tenure (George, 2010), and emphasized the leaders' role in facilitating an interconnected culture. He argued that leaders have to pursue with passion, openly express values, engage with heart and mind, and develop connected relationships (George, 2010).

Another example: "Our partners and our employees told us what our five guiding principles are: (1) We passionately believe in making the world a better place; (2) We passionately believe that every person matters and we can make a difference; (3) Our future depends on learning and innovation; (4) We passionately believe in creating our future and embracing our past; and (5) We passionately believe in treating people with dignity and respect." — CEO, American appliances firm.

We got chills when we heard the CEO describe her company's *flourishing* culture in the words above, for there was no denying the forcefulness and passion in her own voice describing the strong sense of meaning and calling of what work meant to her employees. You can't fake a company's purpose to lead societal transformation to create a thriving and flourishing world. She spoke of employees, customers, and stakeholders co-creating a future by paying attention to what they've done together in the past and using that shared experience to write the next chapter. She spoke of how their relationships and interactions were transformative beginning with values of treating people without exception with dignity and respect.

Another CEO we spoke with talked about how much communication played a part in developing a flourishing culture, requiring large amounts of collaboration and humility, especially from the entire management team, along with demonstrated willingness to admit and take ownership for mistakes and embracing uncertainty. All of this to create an ethos of empowered employees who can take ownership for their work and their contribution to the vision and mission.

CROSSING THE ONTOLOGICAL THRESHOLD

According the Merriam Webster dictionary, the word threshold has two important meanings, both of them related to transition or change: 1) "the place or point of entering or beginning (e.g. the threshold of a new age)", and 2) "the point at which a physiological or psychological effect begins to be produced" (e.g. the threshold of consciousness)[1]. The word threshold comes from the age-old process of threshing, which separates the grains or seeds from the straw. Thus, threshold literally means "sitting on the gold" (Scharmer, 2009: 113).

In our model of business evolution we defined the ontological threshold as the transition that companies follow to begin to function as a vehicle for something even more precious that gold or light: "the enlightenment of business to the creation of a flourishing world" (Pavez et al., 2014). This transition occurs at the very deep level of mental models and/or worldviews (Beck & Cowan, 1996; Senge, 1993), where the traditional conception of being (fragmented, mechanistic, and utilitarian) is essentially questioned, challenged and changed. Therefore, companies that cross the threshold realize that their habitual way of seeing and acting is not connected to the true nature of being (holistic, sacred and interconnected), which move them to re-design and re-frame business practices from a higher level of consciousness (Barrett, 1998; Mackey & Sisodia, 2013; Pavez et al., 2014).

Central to the movement of crossing the threshold is the notion that the failure of business to contribute to a healthy world is due primarily to a mechanistic and fractured worldview (Scharmer & Kaufer, 2013; Senge et al., 2008). This worldview "drastically separates mind and body, subject and object, culture and nature, thoughts and things, values and facts, spirit and matter, human and nonhuman; a worldview that is dualistic, mechanistic, atomistic, anthropocentric, and pathologically hierarchical… A broken worldview that alienates men and women from the intricate web of patterns and relationships that constitute the very nature of life and Earth and cosmos" (Wilber, 1995: 14–15). This worldview, heavily grounded with the rise of modern science and philosophy —particularly associated with the names of Copernicus, Kepler, Galileo, Bacon, Newton, Kelvin, and Descartes— (Capra, Steindl-Rast, & Matus, 1993; Gergen, 1999; Wilber, 1995), puts rationality as the dominant element of our existence. Hence, it fosters the development of a utilitarian and anthropocentric ethics, which sees people and nature as resources to be exploited, and the soul/spirit as something separated to the everyday life of a normal citizen (Gladwin, Kennelly, et al., 1995).

Fortunately, the last twenty years has been witnessing a growing awareness of the problems related to this traditional —and taken-for-granted— worldview by leaders and thinkers of different background and sectors. The Western lens on this matter owes much to epistemological criticism of liberalism and its exclusive focus on the individual, from theorists such as Martin Buber, Charles Taylor, and Robert Putnam among others (Cates, 2012). Much

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[1] http://www.merriam-webster.com/dictionary/threshold

also comes from Asian tradition and teachings from both a philosophical and political tradition, and draws upon various forms of communitarianism that balances intimate connections, honor, and purpose as defined between the individual actor and the community (Liu, 1955; Odin, 1992).

Interestingly, this collective process of awareness has allowed the re-birth of ancient wisdom coming from different cultural and spiritual traditions, which constitutes a totally different mindset for understanding —and relating to— ourselves, others and the natural environment. This mindset, which has been called *holistic and/or ecological worldview* (Capra, 1997; Capra et al., 1993), sees the world as an integrated whole, where matter, life and minds "are part of a vast network of mutually interlocking orders subsisting in Spirit, with each node in the continuum of being, each link in the chain, being absolutely necessary and intrinsically valuable" (Wilber, 1995: 20). It is a worldview that acknowledges the inherent value of human and nonhuman life, because it recognizes that all living beings are members of ecological communities bound together in a network of interconnectedness and interdependencies (Capra, 1997).

Besides, it has demonstrated the power of creating a radically different system of ethics, when this perception becomes part of the daily awareness of the beholder (Capra, 1997). This has produced important advances in different scientific disciplines —such as physics, biology, cognition, psychology, sociology, anthropology, and medicine— which have tested the hypothesis of interconnectedness and holistic awareness. Those studies have come to the same conclusion that ancient spiritual traditions has told us for a long time: we are deeply interconnected not only to each other and all life but also to the universe and to the spirit of humanity (Capra, 1997, 2013; Dispenza, 2010; Goswami, 1995; Maturana & Varela, 1987; Radin, Hayssen, Emoto, & Kizu, 2006; Varela, Thompson, & Rosch, 1992; Wilber, 1995; Laszlo E., 2014).

This ontological way of being is causally related to the evolving nature of humanity and the role that businesses play in expressing that humanity as a set of values, expectations, and cultural norms. Hence, this worldview has pervaded the generation of scientific knowledge —and practice— in the field business as well. Under this new paradigm, business are seen as entities that should look for individual and societal wellbeing (Haigh & Hoffman, 2012; Honeyman, 2014; Mackey & Sisodia, 2013; Senge et al., 2008; Waddock, 2008), encouraging the possibility that "human being and other life forms will flourish on the Earth forever" (Ehrenfeld, 2008; Ehrenfeld & Hoffman, 2013; Laszlo & Brown et al., 2014).

This new logic of conducting business is based on the affirmation of human divinity but is not anthropocentric, because it connects that divinity with the divinity of the whole. The only way business can act as a force for create a flourishing planet, and a flourishing human being, is by replacing the taken-for-granted fractured worldview with a "worldview that is more holistic, more relational, more integrative, more Earth-honoring, and less arrogantly human-centered. A worldview, in short, that honors the entire web of life, a web that has intrinsic value in and of itself, but a web that, not incidentally, is the bone and marrow of our own existence as well" (Wilber, 1995: 15).

CONCLUSION

More than anything, we are hopeful with the exemplars we have encountered in this research. We see leaders who made the leap of faith, in all of the countries we researched, including Latin America, Europe, India, the United States, and in Japan. We also encountered examples on the utility side of the ontological threshold in terms of Sustainable Value, or for the most part, in the Shareholder stage, particularly in the West.

The organizing principles our research previously uncovered are demonstrated in our study for the Goi Peace Foundation that show two evolutionary axes through which companies evolve to become positive institutions; one representing the contribution of the company to society (purpose) and the other one the principles behind the social processes that shape organizational practices (organizing). We find that evolution of business toward wholeness does indeed go through this framework called the "The arc of interconnectedness" (Pavez et al., 2014). This evolutionary path represents a practical manifestation of the march toward a consciousness of oneness.

In this study we show how "The Ontological Threshold" transforms the underlying logic of business. This is based on a totally different conception of the nature and relations of being, and in our study, shows how business goes from a mechanistic and fragmented worldview based on seeing humans as separate and selfish to a holistic and interconnected one in which we are part of the Oneness of the world and in which caring for others and for future generations is an essential quality of being human (Pavez et al., 2014).

The key institutionalization processes we illuminated in this study show how the two axes that frame the model of business evolution explain how a business evolves to become a positive institution. What we find with this understanding is that each shift in purpose and organizing results in a different set of frames around the institutionalization processes that companies follow to become positive institutions. We divided the institutionalizing processes into: structure, stakeholder, leadership, and culture.

Our work with the Goi Peace Foundation closes with our thoughts on the Fuji Declaration itself. As business leaders and scholars, we are called to catalyze a shift in the course of human history. It is time for leaders from diverse fields—scientists, artists, politicians, business leaders, and others—to travel "The Ontological Threshold" in our personal and business evolution journey towards a stage of interconnectedness, one that demonstrates humility, wisdom, and intention to benefit of all living things.

"By so doing, we can overcome the hold of obsolete ideas and outdated behaviors in today's unsustainable world and design a more harmonious and flourishing civilization for the coming generations" —The Fuji Declaration.

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